
TORRENT CAPITAL LTD.

CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
DECEMBER 31, 2025 AND 2024**
(expressed in Canadian dollars)

April 23, 2026

Management's Responsibility for Financial Reporting

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

The 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 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 consolidated 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 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 consolidated financial statements; and (ii) the 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 consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the 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 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 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.

Halifax, Canada

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

(signed) "*Eric Thompson*"
Chief Financial Officer
Halifax, Nova Scotia

To the Shareholders of Torrent Capital Ltd.:

Opinion

We have audited the consolidated financial statements of Torrent Capital Ltd. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and December 31, 2024, and the consolidated statements of income and comprehensive income, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2025 and December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Unlisted Investments

Key Audit Matter Description

The valuation of unlisted investments requires significant judgement and estimates by management and is therefore considered a key audit matter due to the subjective nature of certain assumptions inherent in each valuation.

The investment portfolio at year-end was comprised of unlisted investments valued at \$2,948,344, which accounted for 9.79% of the total portfolio.

Any input inaccuracies or unreasonable basis used in the valuation judgements could result in a material misstatement of the consolidated financial statements.

Please refer to Note 6 of the consolidated financial statements for details.

Audit Response

We responded to this matter by performing procedures in relation to the valuation of unlisted investments. Our audit work in relation to this included, but was not restricted to, the following:

- Sent third party confirmation to management of unlisted investments to corroborate valuation assumptions made by the Company's management, including third party financing raised during the year.
- For existing investments, analyzed changes in significant assumptions compared with assumptions audited in previous periods and compared these to independent evidence, where available, including industry data.
- Performed recalculations of the unrealized and realized gains/losses for selected investments and compared it to source documents.
- Assessed the appropriateness of the disclosures relating to the assumptions used in the valuation of unlisted investments in the notes to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Zahra Alnoor Bhanji.

Mississauga, Ontario

April 23, 2026

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

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

	December 31, 2025 \$	December 31, 2024 \$
ASSETS		
Current assets		
Cash and cash equivalents	1,659,313	1,669,034
Amounts receivable	62,786	36,465
Prepaid expenses	1,470	2,088
Other asset – investment in progress (note 5)	2,000,000	-
Investments in securities at fair value (note 6)	30,097,267	18,377,885
Investments in digital assets at fair value (note 7)	-	149,965
	33,820,836	20,235,437
Investment in Joint Venture (note 8)	252,817	422,117
Total Assets	34,073,653	20,657,554
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 9)	600,038	335,043
Non-current liabilities		
Deferred income tax (note 10)	880,000	45,000
Total Liabilities	1,480,038	380,043
EQUITY		
Share capital (note 11)	17,375,476	10,556,600
Warrants (note 13)	1,555,866	-
Contributed surplus (note 12)	383,327	339,445
Retained earnings	13,278,946	9,381,466
	32,593,615	20,277,511
Total Liabilities and Equity	34,073,653	20,657,554

Nature of Operations (note 1)

Approved on Behalf of the Board on April 23, 2026:

"Wade Dawe"
Director

"Jim Megann"
Director

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

Torrent Capital Ltd.

Consolidated Statements of Income and Comprehensive Income

For the years ended December 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise indicated)

	Year ended December 31, 2025 \$	Year ended December 31, 2024 \$
NET INVESTMENT GAIN AND OTHER INCOME (EXPENSES)		
Realized gain (loss) on investment in securities (note 6)	1,647,957	128,150
Realized gain on investments in digital assets (note 7)	1,543,484	-
Unrealized gain (loss) on investments in securities (note 6)	2,751,842	5,399,831
Staking rewards income (note 7)	418,454	-
Share of loss from joint venture (note 8)	(324,300)	(165,000)
Interest income (note 8)	65,198	49,260
Dividend income	32,586	-
	6,135,221	5,412,241
EXPENSES		
Consulting (note 9)	838,471	345,913
Stock-based compensation (notes 9, 11 & 12)	225,316	-
Directors' fees (note 9)	118,500	118,500
Office and administration (note 9)	89,582	66,043
Professional fees	117,327	127,552
Insurance	17,670	21,149
Stock exchange and maintenance fees	34,307	24,660
Rent and related costs (note 9)	30,600	28,900
Travel	13,102	16,286
Foreign exchange loss	22,298	11,857
	(1,507,173)	(760,860)
INCOME BEFORE INCOME TAXES	4,628,048	4,651,381
INCOME TAXES		
Provision for tax expense (note 10)	835,000	45,000
NET INCOME AND COMPREHENSIVE INCOME	3,793,048	4,606,381
Income per share		
Basic	0.10	0.18
Diluted	0.10	0.18
Weighted average number of shares outstanding	36,577,368	25,204,167

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

Torrent Capital Ltd.

Consolidated Statements of Changes in Shareholders' Equity

For the years ended December 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise indicated)

	Common Shares #	Share Capital \$	Warrants #	Warrants \$	Contributed Surplus \$	Retained Earnings \$	Total \$
Balance – December 31, 2023	25,204,167	10,556,600	-	-	420,448	4,694,082	15,671,130
Net income and comprehensive income for the year	-	-	-	-	-	4,606,381	4,606,381
Stock option expiry (note 12)	-	-	-	-	(81,003)	81,003	-
Balance – December 31, 2024	25,204,167	10,556,600	-	-	339,445	9,381,466	20,277,511
Net income and comprehensive income for the year	-	-	-	-	-	3,793,048	3,793,048
Units issued upon financing (notes 9 and 11)	12,511,057	7,344,006	9,383,287	1,413,734	-	-	8,757,740
Unit issuance costs (notes 9 and 11)	-	(511,529)	-	(98,471)	-	-	(610,000)
Finder compensation units (notes 9 and 11)	-	(240,603)	535,761	240,603	-	-	-
Shares issued on the exercise of stock options (note 9)	375,000	227,002	-	-	(77,002)	-	150,000
Stock-based compensation (note 9)	-	-	-	-	225,316	-	225,316
Stock option expiry (note 12)	-	-	-	-	(104,432)	104,432	-
Balance – December 31, 2025	38,090,224	17,375,476	9,919,048	1,555,866	383,327	13,278,946	32,593,615

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

Torrent Capital Ltd.

Consolidated Statements of Cash Flow

For the years ended December 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise indicated)

	Year ended December 31, 2025 \$	Year ended December 31, 2024 \$
CASH PROVIDED BY:		
OPERATING ACTIVITIES		
Net income for the year	3,793,048	4,606,381
Items not affecting cash:		
Realized (gain) loss on investments in securities	(1,647,957)	(128,150)
Realized (gain) loss on investments in digital assets	(1,543,484)	-
Unrealized (gain) loss on investments in securities	(2,751,842)	(5,399,831)
Provision for income tax expense	835,000	45,000
Interest on loan to joint venture	(65,000)	(48,350)
Share of loss from joint venture	324,300	165,000
Staking rewards income	(418,454)	-
Stock-based compensation	225,316	-
	(1,249,074)	(759,950)
Adjustments for:		
Acquisition of investments	(20,179,951)	(7,562,496)
Proceeds on sale of investments	10,860,368	9,649,295
Acquisition of digital assets	(11,872,519)	(149,965)
Proceeds on sale of digital assets	13,984,423	-
Accounts receivable	(26,321)	97,588
Prepaid expenses	618	785
Accounts payable and accrued liabilities	264,995	(45,399)
Income taxes recoverable, net of refund	-	117,695
	(6,968,387)	2,107,503
Financing Activities		
Proceeds from financings, net	8,147,740	-
Proceeds on the exercise of stock options	150,000	-
	8,297,740	-
Investing activities		
Investment in joint venture	-	(53,246)
Loan to joint venture	(90,000)	(125,000)
	(90,000)	(178,246)
CHANGE IN CASH AND CASH EQUIVALENTS	(9,721)	1,169,307
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,669,034	499,727
CASH AND CASH EQUIVALENTS, END OF YEAR	1,659,313	1,669,034
Supplemental information:		
Income taxes paid	-	-

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

Torrent Capital Ltd.

Notes to Consolidated Financial Statements

For the years ended December 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 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 December 31, 2025, the Company had cash and cash equivalents of \$1,659,313 (2024 - \$1,669,034) and working capital of \$33,220,798 (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 Consolidated 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 consolidated financial statements were authorized for issuance by the Board of Directors of the Company on April 23, 2026.

Basis of Consolidation

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

Subsidiary	Principal Activity	Country of Incorporation
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.

Basis of Presentation

These consolidated financial statements have been prepared on a historical cost basis, except for investments recorded at fair value through profit or loss. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Foreign Currencies

The consolidated financial statements are presented in Canadian dollars, which is the Company’s functional currency. The functional currency of the Company is the Canadian dollar. The functional currency of Torrent Capital (BVI) Ltd. is the U.S dollar. Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognized in the consolidated statements of income and comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Torrent Capital Ltd.

Notes to Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

2. ACCOUNTING POLICIES (Continued)

IFRS 9, Financial Instruments (“IFRS 9”)

Financial assets within the scope of IFRS 9 are classified in the following measurement categories: amortized cost, fair value through profit or loss (“FVTPL”), or fair value through other comprehensive income (“FVOCI”). Financial liabilities are classified in the following measurement categories: fair value through profit or loss, or amortized cost.

The following table summarizes the classification of the Company’s financial instruments under IFRS 9.

<u>Financial Assets</u>	<u>Classification</u>
Cash and cash equivalents	Amortized cost
Accounts receivable	Amortized cost
Loan receivable	Amortized cost
Investments in Securities	Fair value through profit and loss
Investments in Digital Assets	Fair value through other comprehensive income
<u>Financial Liabilities</u>	<u>Classification</u>
Accounts payable and accrued liabilities	Amortized cost

Financial Assets

Within the scope of IFRS 9, financial assets are classified as financial assets at amortized costs, FVTPL or FVOCI, as appropriate. The Company classifies its financial assets as amortized cost or FVTPL.

Amortized Cost

Financial assets classified as amortized cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Fair Value Through Profit or Loss

Financial assets classified as FVTPL are measured at fair value with changes in fair value recognized in net profit or loss.

Classification

The Company determines the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus or minus, in the case of financial assets not classified as FVTPL, directly attributable transaction costs. The Company’s financial assets include cash and cash equivalents, accounts receivable, loan receivable and investments.

Recognition and Measurement

Purchases and sales of investments are recognized on the transaction date. Investments are initially recognized at fair value plus transaction costs.

Subsequent to initial recognition, all investments are measured at FVTPL. Gains and losses arising from changes in the fair value of the investments are presented in the consolidated statements of income and comprehensive income as the net unrealized gains or losses on investments in the period they arise.

Torrent Capital Ltd.

Notes to Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

2. ACCOUNTING POLICIES (Continued)

IFRS 9, Financial Instruments (“IFRS 9”) (continued)

Determination of Fair Values

The determination of fair value requires judgment and is based on market information, where available and appropriate. At the end of each financial reporting period, the Company’s Management estimates the fair value of investments based on the criteria below and reflects such valuations in the consolidated financial statements.

Publicly-traded investments (i.e., securities of issuers that are public companies):

- a. Securities including shares, options and warrants which are traded in an active market, such as on a recognized securities exchange and for which no sales restrictions apply, are presented at fair value based on quoted trading prices at the end of the reporting period or the closing trade price on the last day the security traded if there were no trades at the end of the reporting period. These are included in Level 1.
- b. For warrants and options which are not traded on a recognized securities exchange, no market value is readily available. When there are sufficient and reliable observable market inputs, a Black Scholes pricing model is used; if no such market inputs are available, the warrants and options are valued using alternative methods representing fair value. These are included in Level 2.

Private company investments (i.e., securities of issuers that are not public companies):

All privately-held investments (other than options and warrants) are initially recorded at the transaction price, being the fair value at the date of acquisition. Thereafter, at each reporting period, the fair value of an investment may (depending upon the circumstances) be adjusted using one or more of the valuation indicators. These are included in Level 3. Options and warrants of private companies are valued using a pricing model when there are sufficient and reliable observable market inputs; if no such market inputs are available, the warrants and options are valued using alternative methods representing fair value.

The determinations of fair value of the Company’s privately-held investments at other than initial cost is subject to certain limitations. Financial information for private companies in which the Company has investments may not be available and, even if available, that information may be limited and/or unreliable. Use of the valuation approach described below may involve uncertainties and determinations based on the Company’s judgment and any value estimated from these techniques may not be realized or realizable. Company-specific information is considered when determining whether the fair value of a privately-held investment should be adjusted upward or downward at the end of each reporting period. In addition to company specific information, the Company will take into account trends in general market conditions and the share performance of comparable publicly-traded companies when valuing privately-held investments.

The absence of the occurrence of any of these events, any significant change in trends in general market conditions, or any significant change in share performance of comparable publicly-traded companies indicates generally that the fair value of the investment has not materially changed. The private company shares may be valued based on the pricing of a recent significant financing.

Adjustments to the fair value of a privately-held investment will be based upon Management’s judgment and any value estimated may not be realized or realizable. The resulting values for non-publicly traded investments may differ from values that would be realized if a ready market existed. The amounts at which the Company’s privately-held investments could be disposed of currently may differ from the carrying value assigned.

Torrent Capital Ltd.

Notes to Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

2. ACCOUNTING POLICIES (Continued)

Disposition of Investments

Realized gains and losses on the disposal of investments and unrealized gains and losses on securities classified as FVTPL are reflected in profit or loss on the transaction date and are calculated on a weighted average cost basis.

Impairment of Financial Assets

Financial assets not measured at FVTPL are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been negatively impacted. Evidence of impairment could include: significant financial difficulty of the issuer or counterparty; default or delinquency in interest or principal payments; or the likelihood that the borrower will enter bankruptcy or financial reorganization.

The carrying amount of the financial assets is reduced directly by any impairment loss for all financial assets with the exception of accounts or loans receivable, where the carrying amount is reduced through the use of an allowance account. When an account or loan receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

The carrying amounts of the Company's financial assets are reviewed at each reporting date to determine if there is any indication of impairment. As of December 31, 2025, and December 31, 2024, the fair values of financial assets approximate their amortized costs due to their short-term nature.

Financial Instruments Recorded at Fair Value

Financial instruments recorded at fair value on the consolidated 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).

Torrent Capital Ltd.

Notes to Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

2. ACCOUNTING POLICIES (Continued)

IFRS 9, Financial Instruments (“IFRS 9”) (continued)

Financial Liabilities

Financial liabilities are classified and measured at amortized cost, unless they are required to be measured at fair value through profit and loss.

Amortized Cost

Financial liabilities measured at amortized cost, including accounts payable and accrued liabilities, are initially recognized at fair value, net of directly attributable transaction costs. Financial liabilities measured at amortized cost are subsequently measured at amortized cost using the effective interest method, with interest expense recognized in the consolidated statements of income and comprehensive income over the term of the liability using the effective interest rate.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or to the net carrying amount on initial recognition.

As of December 31, 2025, and December 31, 2024, the fair value of accounts payable and accrued liabilities approximates their amortized cost due to the short-term nature of the financial liabilities.

Derecognition of Financial Liabilities

The Company de-recognizes financial liabilities when the obligations are discharged, cancelled or expire.

Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statements of financial position comprise cash at banks and on hand, and short-term deposits with an original maturity of three months or less, and which are readily convertible into a known amount of cash. The Company’s cash and cash equivalents are invested with major financial institutions in business accounts and higher yield investment and savings accounts that are available on demand by the Company.

Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share warrants are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash, are valued based on the fair value of goods or services rendered.

Depending on the terms and conditions of each financing agreement, the share warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Share warrants that are part of units are accounted for using the relative fair value method, whereby the value of the share warrants is allocated in proportion to their relative fair values when considering the fair value of the common shares that were concurrently issued. Share warrants that are issued as payment for an agency fee or other transactions costs are accounted for as share-based payments.

Torrent Capital Ltd.

Notes to Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

2. ACCOUNTING POLICIES (Continued)

Investments in Joint Arrangements

A joint venture is a type of joint arrangement whereby two or more parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Company's interests in joint ventures are accounted for using the equity method of accounting. Under the equity method of accounting, interests in joint ventures are initially recognized at cost, with the carrying value subsequently increased or decreased to reflect the Company's proportionate share of the profit or loss of the investee after the date of acquisition. When necessary, adjustments are made to investee consolidated financial statements to align accounting policies of investees with those applied by the Company in its consolidated financial statements.

The carrying values of equity accounted investments are reviewed at each reporting date to determine whether any indicators of impairment exist. If an indicator of impairment is identified, the recoverable amount of the investment is estimated. If the carrying value of the investment exceeds the estimated recoverable amount, an impairment charge is recognized.

Unrealized gains resulting from transactions with joint ventures are eliminated, to the extent of the Company's interest in the joint venture. For sales of products or services from the Company to its joint ventures, unrealized gains are eliminated against the carrying value of the investment.

Digital Asset(s)

Digital asset(s) consist of the following; electronic currency, coins, tokens, or alternative cryptocurrency coins (altcoins) - a type of currency only available in digital form. The Company has determined that its holdings of digital asset(s) should be accounted for as intangible assets under *IAS 38, Intangible Assets* ("IAS 38") as the Company is expected to access future economic benefits of its digital assets through future sale. The Company's digital asset holdings are traded in active markets and are purchased to hold as a store of value and for the long term. The Company has elected to use the revaluation model for its digital assets, which is to measure the assets at fair value with reference to the principal market on the date of revaluation less any subsequent impairment losses. Intangible assets classified as Fair Value Through Other Comprehensive Income ("FVOCI") are measured at fair value with changes in fair value recognized in other comprehensive income.

Any net increase in fair value over the initial cost of the digital assets is recorded in other comprehensive income (loss). Decreases in the digital assets carrying amount as a result of a revaluation, shall be recognized in the consolidated statements of income and comprehensive income. However, decreases may be recognized in other comprehensive income (loss) to the extent of any credit balance in accumulated other comprehensive income in respect to that asset. Such decreases recognized in other comprehensive income (loss) reduce the amount accumulated in equity under the heading of accumulated other comprehensive income. The accumulated other comprehensive income associated with digital asset(s) is transferred directly to deficit upon de-recognition of the digital asset(s). IAS 38 does not allow the amounts in accumulated other comprehensive income to be transferred to profit or loss.

Torrent Capital Ltd.

Notes to Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

2. ACCOUNTING POLICIES (Continued)

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.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The Company had no material provisions at December 31, 2025 or December 31, 2024.

Share-Based Payment Transactions

The fair value of share options and equity settled restricted share units (“RSUs”) granted to employees is recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value of share options is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Income Taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted during the period.

Torrent Capital Ltd.

Notes to Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

2. ACCOUNTING POLICIES (Continued)

Income Taxes (continued)

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

(Loss) Income Per Share

The Company presents basic and diluted income per share data for its common shares outstanding, calculated by dividing the (loss) income attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted (loss) income per share is determined by adjusting the (loss) income attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares.

Net Investment Gain (Loss)

Purchases and sales of investments are recognized on the transaction date. Realized gains and losses on disposal of investments and unrealized gains and losses in the value of investments are reflected in the consolidated statements of income and comprehensive income.

Upon disposal of an investment, previously recognized unrealized gains or losses are reversed to recognize the full realized gain or loss in the period of disposition. All transaction costs associated with the acquisition and disposition of investments are expensed to the consolidated statements of income and comprehensive income as incurred.

Dividend income is recorded on the ex-dividend date and when the right to receive the dividend has been established. Interest income, other income and income from securities lending are recorded on an accrual basis.

Critical Accounting Judgments

The preparation of these consolidated financial statements requires Management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated 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 future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Torrent Capital Ltd.

Notes to Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

2. ACCOUNTING POLICIES (Continued)

Critical Accounting Estimates

Significant assumptions about the future, made by Management, could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Income Taxes and Recovery of Deferred Tax Assets and Liabilities

The measurement of income taxes payable and deferred tax assets and liabilities requires Management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements.

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 consolidated 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.

Fair Value of Financial Derivatives

Investments in options and warrants that are not traded on a recognized securities exchange do not have a readily available market value. When there are sufficient and reliable observable market inputs, an option pricing model is used; if no such market inputs are available, the warrants and options are valued using alternative methods representing fair value.

Fair Value of Digital Assets

Where the fair value of digital assets recorded on the consolidated statements of financial position 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, but where observable market data is not available, judgment is required to establish fair values. Changes in estimates and assumptions about these inputs could affect the reported fair value.

There is currently no specific guidance for digital assets under IFRS Accounting Standards. However, judgement is still required due to the particular characteristics of digital assets. The Company applies judgement to account for the subsequent remeasurement of digital assets held under IAS 38. In the event that new guidance is issued by the International Accounting Standards Board, the Company may be required to change its accounting policies, which could have a material effect on the Company's consolidated financial statements.

Useful life of Digital Intangible Assets

Management estimates the expected term over which the Company will receive benefits from these digital assets to be indefinite from the date of acquisition. A change in this estimate would have a significant impact on the carrying value of the digital intangible asset and could result in amortization expense recognized in the consolidated statements of income and comprehensive income.

Torrent Capital Ltd.

Notes to Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

2. ACCOUNTING POLICIES (Continued)

Critical Accounting Estimates (Continued)

Warrants

The Company uses the Black-Scholes option pricing model to calculate the value of warrants obtained as part of the Company's participation in the private placements of investment issuers. The Black-Scholes model requires six key inputs to determine a value for a warrant: risk free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life and expected volatility. Certain of the inputs are estimates which involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. For example, a longer expected life of the warrant or a higher volatility number used would result in an increase in the warrant value.

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 consolidated statements of income and comprehensive income based on estimates of volatility, forfeitures and expected lives of the underlying stock options.

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.

New accounting standards and interpretations not yet adopted

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures relating to the classification and measurement of financial instruments and related disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early adoption permitted.

The amendments clarify the assessment of contractual cash flow characteristics of financial assets, the timing of derecognition of financial assets settled through electronic payment systems, and introduce additional disclosure requirements. As the Company's investment portfolio is primarily measured at fair value through profit or loss, the amendments are not expected to have a material impact on the measurement of the Company's financial assets; however, additional disclosures may be required relating to the classification and characteristics of certain financial instruments upon adoption.

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which replaces certain requirements of IAS 1 Presentation of Financial Statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted.

Torrent Capital Ltd.

Notes to Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

2. ACCOUNTING POLICIES (Continued)

Critical Accounting Estimates (Continued)

IFRS 18 introduces new requirements for the presentation of the statement of profit or loss, including defined categories and subtotals, enhanced guidance on aggregation and disaggregation of information, and new disclosure requirements for management-defined performance measures. The Company expects that adoption of IFRS 18 will result in changes to the presentation of the statement of profit or loss and related note disclosures, particularly with respect to the classification of income and expenses between operating, investing and financing activities, but is not expected to affect the Company's financial position. The Company is continuing to evaluate the full impact of IFRS 18 on its consolidated financial statements, including the extent of any additional presentation and disclosure changes which may be required.

3. CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives, including funding of future growth opportunities and pursuing accretive acquisitions; and
- to maximize shareholders' return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and markets in general. The Company may manage its capital structure by issuing new shares or debt, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company considers its capital to be its shareholders' equity which at December 31, 2025, totaled \$32,593,615 (2024 - \$20,277,511). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities, and provides this information to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2025 and 2024. The Company is not subject to any capital requirements or restrictions.

4. FINANCIAL RISK FACTORS

Financial Risk

The Company's activities may expose it to a variety of financial risks: credit risk; liquidity risk; and market risk (including interest rate and foreign exchange rate).

Risk management is carried out by the Company's Management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash consists of cash held at banks. As at December 31, 2025 and December 31, 2024, the Company held no short-term deposits. Cash is held with reputable banks in Canada which have a long-term credit rating of A or higher, as determined by Standard and Poor's.

Torrent Capital Ltd.

Notes to Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

4. FINANCIAL RISK FACTORS (continued)

Liquidity Risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they become due or can only do so at excessive cost. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. As at December 31, 2025, the Company had current assets of \$33,820,836 (2024 - \$20,235,437) to settle current liabilities of \$600,038 (2024 - \$335,043). The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(i) *Interest Rate Risk*

The Company has cash balances and no interest-bearing debt. The Company regularly monitors its cash management policy.

(ii) *Foreign Exchange Risk*

The Company's functional currency is the Canadian dollar and it transacts major purchases in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions is moderate and does not hedge its foreign exchange risk.

Price risk related to digital currencies – intangible assets

Digital asset prices are volatile and affected by various factors including global supply and demand, interest rates, exchange rates, inflation or deflation and the political and economic conditions. Supply and demand for such assets rapidly change as a result of regulations and general economic trends. A decline in the market prices of digital assets could impact the value of the Company's investments. The Company has invested in various digital assets which can be traded in a number of public exchanges.

Sensitivity Analysis

Based on Management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve-month period:

(i) Cash and cash equivalents are subject to floating interest rates. Sensitivity to plus or minus a 5% change in interest rates would not have a material impact on the reported net income for the year ended December 31, 2025.

(ii) The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash and cash equivalents denominated in the United States dollar. An increase or decrease of 5% in foreign exchange rates applied to the financial instruments held at the end of the reporting period would affect net income by \$39,961 (2024 – \$8,746).

Torrent Capital Ltd.

Notes to Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

5. OTHER ASSET – INVESTMENT IN PROGRESS

Other financial assets include \$2,000,000 relating to a funded equity subscription in a private investee. As at December 31, 2025, the investment had not legally settled, as the funds had not yet been received by the investee and the shares had not been issued to the Company. The amount represents the Company's contractual rights under the subscription arrangement. The transaction closed subsequent to year-end and the Company received the shares of the investee in full satisfaction of the subscription.

6. INVESTMENTS IN SECURITIES

The following table presents the Company's investments at cost and fair value as at December 31, 2025 and 2024. Unrealized gain (loss) represents the difference between cost and the carrying value of the investments, which are measured at fair value in accordance with IFRS 9. Unrealized gains and losses are recognized in the consolidated statements of income and comprehensive income in the period in which they arise.

Investments by Industry	As at December 31, 2025			As at December 31, 2024		
	Cost of Investment(s) \$	Market Value \$	Unrealized Gain (Loss) \$	Cost of Investment(s) \$	Market Value \$	Unrealized Gain (Loss) \$
Aerospace	-	-	-	464,923	890,475	425,552
Medical Research	232,199	599,625	367,426	244,496	400,400	155,904
Financial Technology	5,850,901	8,221,446	2,370,545	278,520	256,952	(21,568)
Media & Publishing	1,333,139	696,392	(636,747)	2,601,674	2,095,009	(506,665)
Metals & Mining	4,573,229	5,749,442	1,176,213	1,628,505	733,472	(895,033)
Semiconductors & Electronics	-	-	-	319,728	386,382	66,654
Software & IT Services	7,276,433	12,682,608	5,406,175	4,521,791	12,050,169	7,528,378
Telecommunications	-	-	-	217,240	198,485	(18,755)
Other	2,104,857	2,147,754	42,897	2,126,344	1,366,541	(759,803)
	21,370,758	30,097,267	8,726,509	12,403,221	18,377,885	5,974,664

The following table presents the Company's Net investment gains (losses) on investments in securities for the year ended December 31, 2025 and 2024:

Investments by Industry	Year ended December 31, 2025			Year ended December 31, 2024		
	Net Realized Gain (Loss) \$	Net Unrealized Gain (Loss) \$	Total Gain (Loss) \$	Net Realized Gain (Loss) \$	Net Unrealized Gain (Loss) \$	Total Gain (Loss) \$
Aerospace	301,574	(425,552)	(123,978)	27,146	425,552	452,698
Medical Research	45,665	211,522	257,187	(36,451)	24,659	(11,792)
Financial Technology	542,260	2,392,113	2,934,373	(110,967)	319,831	208,864
Media & Publishing	208,854	(126,320)	82,534	(14,419)	(827,456)	(841,875)
Metals & Mining	(105,494)	2,071,246	1,965,752	(399,671)	462,919	63,248
Semiconductors & Electronics	491,770	(66,655)	425,115	(760,679)	613,288	(147,391)
Software & IT Services	415,912	(2,122,203)	(1,706,291)	1,019,141	4,113,988	5,133,129
Telecommunications	38,859	18,755	57,614	409,834	331,645	741,479
Other	(291,443)	798,936	507,493	(5,784)	(64,595)	(70,379)
	1,647,957	2,751,842	4,399,799	128,150	5,399,831	5,527,981

Torrent Capital Ltd.

Notes to Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

6. INVESTMENTS IN SECURITIES (continued)

Investments in securities consisted of the following at December 31, 2025:

Investments	Cost	Level 1 Quoted Market Price	Level 2 Observable Market Inputs	Level 3 Non-Observable Market Inputs	Fair Market Value
	\$	\$	\$	\$	\$
Equities	21,370,758	26,619,996	-	2,948,344	29,568,340
Warrants	-	-	528,927	-	528,927
Total investments	21,370,758	26,619,996	528,927	2,948,344	30,097,267

Investments in securities 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 years ended December 31, 2025 and 2024, the reconciliation of investments in securities 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	2,879,539
Purchases	150,000
Change in unrealized loss	(81,195)
Balance – December 31, 2025	2,948,344

The table below presents the valuation techniques and the nature of significant inputs used to determine the fair values of the Level 3 investments in securities as at December 31, 2025:

Investment	Method	Inputs	Fair value change + / - 10%
Equity instruments	Private placement financing technique	Price per share of last capital raise	\$294,834

Torrent Capital Ltd.

Notes to Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

7. INVESTMENTS IN DIGITAL ASSETS

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

	As at December 31, 2025			As at December 31, 2024		
	Cost \$	Market Value \$	Unrealized Gain (Loss) \$	Cost \$	Market Value \$	Unrealized Gain (Loss) \$
Solana	-	-	-	149,965	149,965	-
	-	-	-	149,965	149,965	-

During the year ended December 31, 2025, the Company earned income from staking rewards from its Solana digital assets which it had staked. The Company earned 1,799 Solana tokens as staking rewards valued at \$418,454 (2024 - \$nil) which have been recorded as staking rewards income.

The following table presents the Company's net gains (losses) from investments in digital asset for the year ended December 31, 2025 and 2024:

	Year ended December 31, 2025			Year ended December 31, 2024		
	Net Realized Gain (Loss) \$	Net Unrealized Gain (Loss) \$	Total Gain (Loss) \$	Net Realized Gain (Loss) \$	Net Unrealized Gain (Loss) \$	Total Gain (Loss) \$
Solana	1,541,441	-	1,541,441	-	-	-
Bitcoin	2,043	-	2,043	-	-	-
	1,543,484	-	1,543,484	-	-	-

8. INVESTMENT IN JOINT VENTURE

In September 2022, the Company and the Port of Argentinia Inc. (the "Port") established a 50/50 joint venture company, Argentinia 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 December 31, 2025, the Company has provided \$575,000 to ACI and has recognized a loan receivable of \$720,200, including accrued interest, relating to the loans.

Torrent Capital Ltd.

Notes to Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

8. INVESTMENT IN JOINT VENTURE (continued)

Loan receivable continuity

	December 31, 2025 \$	December 31, 2024 \$
Balance – beginning of year	565,200	391,850
Advances to ACI	90,000	125,000
Accrued interest	65,000	48,350
Balance – end of year	720,200	565,200
Interest in joint venture (<i>see below</i>)	(467,383)	(143,083)
Balance, net – end of year	252,817	422,117

For the year ended December 31, 2025, Torrent recognized an equity loss from joint venture of \$324,300 (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:

	Amount \$
Balance – December 31, 2023	(31,329)
Additions	162,500
Government assistance	(109,254)
Share of loss from joint venture	(165,000)
Balance – December 31, 2024	(143,083)
Share of loss from joint venture	(324,300)
Balance – December 31, 2025	(467,383)

For the year ended December 31, 2025, the Company recognized additions to the joint venture of \$nil (2024 - \$162,500). The Company received \$nil in non-repayable government assistance (2024 - \$109,254) relating to incurred joint venture expenses which have been offset against costs incurred.

Torrent Capital Ltd.

Notes to Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

9. RELATED PARTY TRANSACTIONS AND BALANCES

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

	Year ended December 31, 2025 \$	Year ended December 31, 2024 \$
CEO remuneration – W. Dawe	180,000	156,000
President & COO remuneration – C. Sheppard	120,000	20,000
CFO remuneration – R. Randall ⁽¹⁾	82,225	67,088
CFO remuneration – E. Thompson ⁽¹⁾	41,667	-
Consulting fees – Brigus Capital	42,808	36,210
Director remuneration	118,500	118,500
Service fees and rent	94,600	76,400
	679,800	474,198

(1) Mr. Randall served as CFO until July 31, 2025 at which time Mr. Thompson assumed the role of CFO effective August 1, 2025

During the year ended December 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 \$36,000 (2024 - \$36,000), digital media services of \$28,000 (2024 - \$4,500) and rent and office services from Numus in the amount of \$30,600 (2024 – \$28,900). The Company also incurred costs for consulting services of \$42,808 (2024 - \$36,210) from Brigus Capital Inc., a company controlled by the CEO.

As at December 31, 2025, related parties were owed \$163,726 (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 year ended December 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 \$95,273 was recognized during the year ended December 31, 2025.

In the year ended December 31, 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 \$35,454 was recognized during the year ended December 31, 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.

Torrent Capital Ltd.

Notes to Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

9. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

Numus Capital Corp. (the “Finder”) acted as exclusive Finder for the concurrent private placement (note 11). 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.

10. 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:

	December 31, 2025 \$	December 31, 2024 \$
Income before income taxes	4,628,048	4,651,381
Expected income tax expense	1,342,000	1,348,900
Stock based compensation and other non-deductible items	(752,390)	(1,117,141)
Foreign subsidiary loss	77,750	-
Share of loss from joint venture	94,050	82,500
Share issuance costs	(49,330)	-
Utilization of capital loss carry forwards	(221,110)	-
Utilization of non-capital loss carry forwards	(74,970)	-
Change in tax benefits not recognized	419,000	(269,259)
Income tax expense	835,000	45,000
Current income tax	-	-
Deferred income tax	835,000	45,000
Income tax expense	835,000	45,000

Torrent Capital Ltd.

Notes to Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

10. INCOME TAXES (Continued)

Deferred Tax

The following table summarizes the components of deferred tax:

	December 31, 2025 \$	December 31, 2024 \$
Deferred Tax Assets		
Exploration and evaluation assets	39,000	46,000
Investment in joint venture	72,000	48,000
Intangible assets	39,000	44,000
Charitable donations	15,000	15,000
Losses carried forward	170,000	567,000
Share Issuance costs	195,000	-
Deferred Tax Liability		
Unrealized gains on investments	(1,410,000)	(765,000)
Net deferred tax liability	880,000	45,000

As at December 31, 2025, the Company had approximately \$268,000 in foreign subsidiary losses available to reduce future taxable income for Canadian income tax purposes. The benefit of these losses has not been recorded in the deferred tax assets as realization is not considered probable.

11. 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	25,204,167	10,556,600
Shares issued pursuant to financings, net of issuance costs	12,511,057	6,591,874
Shares issued pursuant to options exercise	375,000	227,002
Balance – December 31, 2025	38,090,224	17,375,476

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 Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

11. 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 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 and issued 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. In connection with the Financings, Torrent paid cash commissions of \$459,415 and issued 535,761 Compensation Units.

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.

12. STOCK OPTIONS AND RESTRICTED SHARE UNITS

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 restricted shares units are determined by the Board of Directors.

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 \$52,763 recorded as stock-based compensation for the year end December 31, 2025.

Subsequent to December 31, 2025, 90,000 restricted share units vested, resulting in the issuance of the equivalent number of common shares.

During the year ended December 31, 2025, the Company 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.

Torrent Capital Ltd.

Notes to Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

12. STOCK OPTIONS AND RESTRICTED SHARE UNITS (continued)

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

	Year ended December 31, 2025
Risk free interest rate	2.81%
Expected volatility	75%
Expected dividend yield	-
Expected life	5 years
Weighted average fair value per option	\$0.75

Based on the Black-Scholes pricing model and the assumptions outlined above, the estimated fair value of the options granted during the year ended December 31, 2025 is \$184,057. The fair value of options granted is amortized over the vesting period of the respective options with \$172,533 (2024 - \$nil) expensed during the year ended December 31, 2025.

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

	Number of Stock Options Outstanding	Weighted Average Exercise Price \$
Balance – December 31, 2023	800,000	0.64
Options expired	(75,000)	0.70
Balance – December 31, 2024	725,000	0.63
Options exercised	(375,000)	0.40
Issued	455,000	0.75
Options expired	(25,000)	0.80
Balance – December 31, 2025	780,000	0.81

During the year ended December 31, 2025, 25,000 (2024 – 75,000) options expired unexercised. As a result of the expiry, the Company reclassified \$104,432 (2024 – \$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 December 31, 2025:

Expiry Date	Exercise Price \$	Weighted Average Life Remaining	Options Outstanding	Options Vested	Black- Scholes Value \$
May 13, 2027	0.95	1.4 years	125,000	125,000	62,769
October 27, 2027	0.85	1.8 years	200,000	200,000	83,113
February 19, 2030	0.75	4.1 years	455,000	227,500	184,057
			<u>780,000</u>	<u>552,500</u>	

The weighted average exercise price of vested options as at December 31, 2025 is \$0.83.

Torrent Capital Ltd.

Notes to Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(expressed in Canadian dollars unless otherwise noted)

13. WARRANTS

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

	Number of warrants	Weighted Average Exercise price
	#	\$
Balance, December 31, 2023 and 2024	-	-
Financing unit warrants issued	9,383,287	1.10
Finder compensation unit warrants issued	535,761	0.70
Balance, December 31, 2025	9,919,048	1.08

During the year ended December 31, 2025, the Company issued 9,383,287 share warrants and 535,761 finder compensation unit warrants pursuant to the financings completed. The unit warrants are exercisable at \$1.10 and expire on February 10, 2027. The finder compensation unit warrants have an exercise price of \$0.70 and expire on February 10, 2027. Each finder's compensation unit warrant consists of one common share and three quarters of one share purchase warrant. Each whole warrant issuable upon exercise of the compensation units entitles the holder to acquire one common share at an exercise price of \$1.10 for a period of 24 months from the date of issuance of the compensation units. As at December 31, 2025, a total of 401,819 warrants may be issued upon exercise of the finder's compensation unit warrants. If the volume weighted average trading price of the Company's common shares equals or exceeds \$2.20 for ten consecutive trading days, the Company may accelerate the expiry date of the unit warrants to a date that is not less than 30 days following the issuance of a press release announcing such acceleration.

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 and finder's compensation unit warrants issued has been estimated at the grant date using the Black-Scholes pricing model. The acceleration feature described above was considered in determining the fair value of the unit warrants at the date of grant. The weighted-average assumptions used in the pricing are as follows:

	Year ended December 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