
TORRENT CAPITAL LTD.

CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE QUARTERS ENDED
MARCH 31, 2026 AND 2025**

(expressed in Canadian dollars)

May 19, 2026

Management's Responsibility for Financial Reporting

The accompanying unaudited 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 unaudited 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 unaudited 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 unaudited condensed interim 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 unaudited 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 unaudited condensed interim consolidated financial statements; and (ii) the unaudited 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 unaudited condensed interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited 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 unaudited 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 unaudited 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 March 31, 2026 and December 31, 2025

(Expressed in Canadian dollars unless otherwise indicated)

	March 31, 2026 \$	December 31, 2025 \$
ASSETS		
Current assets		
Cash and cash equivalents	735,233	1,659,313
Amounts receivable	91,890	62,786
Prepaid expenses	21,502	1,470
Other asset – investment in progress (note 3)	-	2,000,000
Investments in securities at fair value (note 4)	27,530,423	30,097,267
	28,379,048	33,820,836
Investment in Joint Venture (note 6)	239,067	252,817
Total Assets	28,618,115	34,073,653
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	270,627	600,038
Non-current liabilities		
Deferred income tax (note 8)	-	880,000
	270,627	1,480,038
EQUITY		
Share capital (note 9)	17,435,776	17,375,476
Warrants (note 11)	1,555,866	1,555,866
Contributed surplus (note 10)	342,069	383,327
Retained earnings	9,013,777	13,278,946
	28,347,488	32,593,615
Total Liabilities and Equity	28,618,115	34,073,653

Nature of Operations (note 1)

Approved on Behalf of the Board on May 19, 2026:

"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 and Comprehensive Income

For the quarters ended March 31, 2026 and 2025

(Expressed in Canadian dollars unless otherwise indicated)

	Three months Ended	
	2026	March 31,
	\$	2025
	\$	\$
NET INVESTMENT GAIN (LOSS) AND OTHER INCOME (EXPENSES)		
Realized gain on investments in securities (note 4)	457,708	405,699
Realized gain (loss) on investments in digital assets (note 5)	-	(9,805)
Unrealized gain (loss) on investments in securities (note 4)	(5,195,861)	209,519
Staking rewards income (note 5)	-	64,856
Share of loss from joint venture (note 6)	(56,250)	(16,500)
Interest income (note 6)	17,537	15,549
Dividend income	10,592	-
	(4,766,274)	669,318
EXPENSES		
Consulting (note 7)	153,193	127,127
Stock-based compensation (notes 7 and 10)	19,042	42,049
Directors' fees (note 7)	29,625	29,625
Office and administration	20,597	36,609
Professional fees	22,500	28,339
Insurance	2,878	4,440
Stock exchange and maintenance fees	10,179	6,282
Rent and related costs (note 7)	7,650	7,650
Foreign exchange loss (gain)	113,231	(7,208)
	(378,895)	(274,913)
NET INCOME (LOSS) BEFORE INCOME TAXES	(5,145,169)	394,405
OTHER COMPREHENSIVE INCOME (LOSS)		
Unrealized gain (loss) on investments in digital assets	-	(2,843,125)
INCOME TAXES		
Provision for deferred tax recovery (note 8)	880,000	45,000
	880,000	(2,798,125)
NET COMPREHENSIVE INCOME (LOSS)	(4,265,169)	(2,403,720)
Net Comprehensive income (loss) per share		
Basic	(0.11)	(0.07)
Diluted	-	-
Weighted average number of shares outstanding	38,109,224	32,154,754

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 March 31, 2026 and 2025

(Expressed in Canadian dollars unless otherwise indicated)

	Common Shares #	Share Capital \$	Warrants #	Warrants \$	Contributed Surplus \$	Accumulated Other Comprehensive Income (Loss) \$	Retained Earnings \$	Total \$
Balance – December 31, 2024	25,204,167	10,556,600	-	-	339,445	-	9,381,466	20,277,511
Net income for the period	-	-	-	-	-	-	394,405	394,405
Unrealized loss on digital assets (note 5)	-	-	-	-	-	(2,798,125)	-	(2,798,125)
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)	-	(462,054)	-	(88,946)	-	-	-	(551,000)
Finder compensation units (notes 9 and 11)	-	(240,603)	535,761	240,603	-	-	-	-
Stock-based compensation (note 10)	-	-	-	-	42,049	-	-	42,049
Balance – March 31, 2025	37,715,224	17,197,950	9,919,048	1,565,391	381,494	(2,798,125)	9,775,871	26,122,581
Net income for the period	-	-	-	-	-	-	3,398,643	3,398,643
Unrealized gain on digital assets (note 5)	-	-	-	-	-	2,798,125	-	2,798,125
Unit issuance costs (notes 9 and 11)	-	(49,475)	-	(9,525)	-	-	-	(59,000)
Shares issued on the exercise of stock options (note 9)	375,000	227,002	-	-	(77,002)	-	-	150,000
Stock-based compensation (note 10)	-	-	-	-	183,267	-	-	183,267
Stock option expiry (note 9)	-	-	-	-	(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
Net loss and comprehensive loss for the period	-	-	-	-	-	-	(4,265,169)	(4,265,169)
Shares issued upon RSU vesting (note 10)	90,000	60,300	-	-	(60,300)	-	-	-
Stock-based compensation (note 10)	-	-	-	-	19,042	-	-	19,042
Balance – March 31, 2026	38,180,224	17,435,776	9,919,048	1,555,866	342,069	-	9,013,777	28,347,488

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 March 31, 2026 and 2025

(Expressed in Canadian dollars unless otherwise indicated)

	Three months ended March 31, 2026 \$	Three months ended March 31, 2025 \$
CASH PROVIDED BY:		
OPERATING ACTIVITIES		
Net Comprehensive income (loss) for the period	(4,265,169)	(2,403,720)
Items not affecting cash:		
Realized (gain) loss on investments in securities	(457,708)	(405,699)
Realized gain on investments in digital assets	-	9,805
Unrealized (gain) loss on investments in securities	5,195,861	(209,519)
Unrealized loss on investments in digital assets	-	2,843,125
Provision for deferred income tax recovery	(880,000)	(45,000)
Interest on loan to joint venture	(17,500)	(15,500)
Equity pick-up	56,250	16,500
Staking rewards income	-	(64,856)
Stock-based compensation	19,042	42,049
	(349,224)	(232,815)
Adjustments for:		
Acquisition of investments in securities	(3,147,401)	(943,252)
Proceeds on sale of investments in securities	2,976,092	2,541,920
Acquisitions of investments in digital assets	-	(10,043,269)
Proceeds on sale of investments in digital assets	-	405,471
Increase in amounts receivable	(29,104)	(4,136)
Increase prepaid expenses	(20,032)	(18,026)
Increase (decrease) in accounts payable and accrued liabilities	(329,411)	63,296
	(549,856)	(7,997,996)
Financing Activities		
Proceeds from financings, net	-	8,206,740
	-	8,206,740
Investing activities		
Loan to joint venture	(25,000)	(50,000)
	(25,000)	(50,000)
CHANGE IN CASH AND CASH EQUIVALENTS	(924,080)	(74,071)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,659,313	1,669,034
CASH AND CASH EQUIVALENTS, END OF PERIOD	735,233	1,594,963
Supplemental information:		
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 March 31, 2026 and 2025

(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 March 31, 2026, the Company had cash and cash equivalents of \$735,233 (December 31, 2025 - \$1,659,313) and working capital of \$28,108,421 (December 31, 2025 - \$33,220,798). 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[®] Accounting Standards issued by the International Accounting Standards Board (“IASB”) and IFRIC[®] Interpretations of the IFRS Interpretations Committee. These unaudited condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on May 19, 2026.

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, 2025.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS as of May 19, 2026, the date the Board of Directors approved the unaudited 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, 2026, could result in the restatement of these unaudited condensed interim consolidated financial statements.

Basis of Consolidation

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

<u>Subsidiary</u>	<u>Principal Activity</u>	<u>Country of incorporation</u>
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 March 31, 2026 and 2025

(expressed in Canadian dollars unless otherwise noted)

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, 2025. 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.

Adoption of New Accounting Standards

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

Effective January 1, 2026, the Company adopted amendments to IFRS 9 and IFRS 7. The adoption of these amendments did not have a material impact on the Company's consolidated financial statements or related disclosures.

New accounting standards and interpretations not yet adopted

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.

IFRS 18 introduces new requirements for the presentation of the statement of profit or loss, including defined categories and subtotals, including the introduction of new defined subtotals within the statement of profit or loss, enhanced guidance on aggregation and disaggregation of information, and new disclosure requirements for management-defined performance measures. The Company expects that the 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 categories, but it 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. OTHER ASSET – INVESTMENT IN PROGRESS

As at December 31, 2025, other assets included \$2,000,000 relating to a funded equity subscription in a private investee that 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. During the period ended March 31, 2026, the transaction closed and the Company received the shares of the investee in full satisfaction of the subscription agreement. Upon closing of the transaction, the balance has been reclassified to investments in securities, measured and classified as a Level 3 financial instrument within the fair value hierarchy.

Torrent Capital Ltd.

Notes to Unaudited Condensed Interim Consolidated Financial Statements

For the quarters ended March 31, 2026 and 2025

(expressed in Canadian dollars unless otherwise noted)

4. INVESTMENTS IN SECURITIES

Investments by Industry	As at March 31, 2026			As at December 31, 2025		
	Cost of Investment(s) \$	Market Value \$	Unrealized Gain (Loss) \$	Cost of Investment(s) \$	Market Value \$	Unrealized Gain (Loss) \$
Medical Research	216,254	384,710	168,456	232,199	599,625	367,426
Financial Technology	8,298,881	9,705,685	1,406,804	5,850,901	8,221,446	2,370,545
Media & Publishing	1,224,098	493,798	(730,300)	1,333,139	696,392	(636,747)
Metals & Mining	5,076,856	5,892,697	815,841	4,573,229	5,749,442	1,176,213
Software & IT Services	8,459,144	10,299,427	1,840,283	7,276,433	12,682,608	5,406,175
Other	724,542	754,106	29,564	2,104,857	2,147,754	42,897
	23,999,775	27,530,423	3,530,648	21,370,758	30,097,267	8,726,509

The following table presents the Company's Net investment gains (losses) for the period ended March 31, 2026:

Investments by Industry	Three months ended March 31, 2026		
	Net Realized Gain (Loss) \$	Net Unrealized Gain (Loss) \$	Total Gain (Loss) \$
Medical Research	26,012	(198,970)	(172,958)
Financial Technology	225,537	(963,741)	(738,204)
Media & Publishing	(7,993)	(97,316)	(105,309)
Metals & Mining	35,080	(360,372)	(325,292)
Software & IT Services	162,392	(3,565,892)	(3,403,500)
Other	16,680	(9,570)	7,110
	457,708	(5,195,861)	(4,738,153)

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).

Torrent Capital Ltd.

Notes to Unaudited Condensed Interim Consolidated Financial Statements

For the quarters ended March 31, 2026 and 2025

(expressed in Canadian dollars unless otherwise noted)

4. INVESTMENTS IN SECURITIES (Continued)

Investments consisted of the following at March 31, 2026:

Investments	Cost \$	Level 1 Quoted Market Price \$	Level 2 Observable Market Inputs \$	Level 3 Non-Observable Market Inputs \$	Fair Market Value \$
Equities	23,999,775	22,151,216	-	4,960,332	27,111,548
Warrants	-	-	418,875	-	418,875
Total investments	23,999,775	22,151,216	418,875	4,960,332	27,530,423

Investments 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

During the period ended March 31, 2026 and the year ended December 31, 2025, the reconciliation of investments measured at fair market value using unobservable inputs (Level 3) is presented as follows:

	\$
Balance – December 31, 2024	2,879,539
Purchases	150,000
Change in net unrealized loss	(81,195)
Balance – December 31, 2025	2,948,344
Purchases	2,000,000
Change in net unrealized gain	11,988
Balance – March 31, 2026	4,960,332

The table below presents the valuation technique(s) and the nature of significant inputs used to determine the fair values of the Level 3 investments as at March 31, 2026:

Investment	Method	Inputs	Fair value change + / - 10%
Equity instruments	Private placement financing technique	Price per share of last capital raise	\$496,033

Torrent Capital Ltd.

Notes to Unaudited Condensed Interim Consolidated Financial Statements

For the quarters ended March 31, 2026 and 2025

(expressed in Canadian dollars unless otherwise noted)

5. INVESTMENTS IN DIGITAL ASSETS

The Company did not hold any digital assets as at March 31, 2026 (December 31, 2025 – \$nil). During the year ended December 31, 2025, the Company fully disposed of its digital asset intangibles. As a result during the three months ended March 31, 2026, there were no acquisitions, disposals, or fair value changes recognized in respect of digital assets.

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

	As at March 31, 2025		
	Cost	Market Value	Unrealized Gain (Loss)
	\$	\$	\$
Solana	8,873,838	6,174,941	(2,698,897)
Bitcoin	968,976	824,748	(144,228)
	9,842,814	6,999,689	(2,843,125)

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

The following table presents the Company's net gains (losses) from digital asset for the period ended March 31, 2025:

	Three months ended March 31, 2025		
	Net Realized Gain (Loss)	Net Unrealized Gain (Loss)	Total Gain (Loss)
	\$	\$	\$
Solana	-	(2,698,898)	(2,698,898)
Bitcoin	(9,805)	(144,227)	(154,032)
	(9,805)	(2,843,125)	(2,852,930)

6. 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 March 31, 2026, the Company has provided \$600,000 to ACI and has recognized a loan receivable of \$762,700, including accrued interest, relating to the loans.

Torrent Capital Ltd.

Notes to Unaudited Condensed Interim Consolidated Financial Statements

For the quarters ended March 31, 2026 and 2025

(expressed in Canadian dollars unless otherwise noted)

6. INVESTMENT IN JOINT VENTURE (Continued)

Loan receivable continuity

	March 31, 2026 \$	December 31, 2025 \$
Balance – beginning of period	720,200	565,200
Advances to ACI	25,000	90,000
Accrued interest	17,500	65,000
Balance – end of period	762,700	720,200
Interest in joint venture (<i>see below</i>)	(523,633)	(467,383)
Balance, net – end of period	239,067	252,817

For the period ended March 31, 2026, Torrent recognized an equity loss from joint venture of \$56,250 (year ended December 31, 2025 - \$324,300). 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 period ended March 31, 2026 and the year ended December 31, 2025:

	Amount \$
Balance – December 31, 2024	(143,083)
Share of loss from joint venture	(324,300)
Balance – December 31, 2025	(467,383)
Share of loss from joint venture	(56,250)
Balance – March 31, 2026	(523,633)

For the period ended March 31, 2026, and year ended December 31, 2025, the Company recognized additions to the joint venture of \$nil and received \$nil in non-repayable government assistance relating to joint venture expenses.

Torrent Capital Ltd.

Notes to Unaudited Condensed Interim Consolidated Financial Statements

For the quarters ended March 31, 2026 and 2025

(expressed in Canadian dollars unless otherwise noted)

7. RELATED PARTY TRANSACTIONS AND BALANCES

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

	Three months ended March 31, 2026 \$	Three months ended March 31, 2025 \$
CEO remuneration – W. Dawe	45,000	39,000
President & COO remuneration – C. Sheppard	30,000	30,000
CFO remuneration – R. Randall ⁽¹⁾	-	38,475
CFO remuneration – E. Thompson ⁽¹⁾	25,000	-
Consulting fees – Brigus Capital	25,433	10,283
Director remuneration	29,625	29,625
Service fees and rent	25,650	28,650
	180,708	176,033

(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 period ended March 31, 2026, the Company incurred costs for Financial Controller services provided by Numus Financial Inc. (“Numus”), a company controlled by two Directors (one being the CEO), of \$9,000 (2025 - \$9,000), digital media services of \$9,000 (2025 - \$12,000) and rent and office services from Numus in the amount of \$7,650 (2025 - \$7,650). The Company also incurred costs for consulting services of \$25,433 (2025 - \$10,283) from Brigus Capital Inc., a company controlled by the CEO.

As at March 31, 2026, related parties were owed \$134,184 (December 31, 2025 - \$163,726). 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 \$6,826 was recognized during the period ended March 31, 2026.

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.

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 \$4,188 was recognized during the period ended March 31, 2026 (year ended December 31, 2025 - \$35,454).

During the period ended March 31, 2026, 50,000 restricted share units (“RSUs”) held by an Officer of the Company vested, resulting in the issuance of 50,000 common shares. The RSUs had estimated fair value of \$33,500.

Torrent Capital Ltd.

Notes to Unaudited Condensed Interim Consolidated Financial Statements

For the quarters ended March 31, 2026 and 2025

(expressed in Canadian dollars unless otherwise noted)

7. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

Numus Capital Corp. (the “Finder”) acted as exclusive Finder for the concurrent private placement (note 9). 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.

8. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 29% (2025 – 29%) to the effective tax rate is as follows:

	Period ended March 31, 2026 \$	Year ended December 31, 2025 \$
Income (loss) before income taxes	(5,145,169)	4,628,048
Expected income tax expense (recovery)	(1,492,000)	1,342,000
Stock based compensation and other non-deductible items	(10,400)	(752,390)
Foreign subsidiary loss	-	77,750
Share of loss from joint venture	16,310	94,050
Share issuance costs	(12,160)	(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	618,250	419,000
Income tax expense (recovery)	(880,000)	835,000
Current income tax	-	-
Deferred income tax (recovery)	(880,000)	835,000
Income tax expense (recovery)	(880,000)	835,000

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8. INCOME TAXES (Continued)

Deferred Tax

The following table summarizes the components of deferred tax:

	March 31, 2026	December 31, 2025
	\$	\$
Deferred Tax Assets		
Exploration and evaluation assets	39,000	39,000
Investment in joint venture	47,000	72,000
Intangible assets	39,000	39,000
Charitable donations	-	15,000
Losses carried forward	-	170,000
Share Issuance costs	185,000	195,000
Deferred Tax Liability		
Unrealized gains on investments	(310,000)	(1,410,000)
Net deferred tax liability	-	880,000

As at March 31, 2026, the Company has unused non-capital losses and deductible temporary differences of \$257,000 available to reduce future taxable income for Canadian income tax purposes. The non-capital losses will expire in 2046. Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the right and intent to offset.

The Company has unrecognized deferred tax assets, in respect of loss carry forwards and deductible temporary differences. The following table summarized the components of the unrecognized deferred tax asset:

	March 31, 2026	December 31, 2025
	\$	\$
Unrecognized Deferred Tax Assets		
Investment in joint venture	33,000	-
Losses carried forward	209,000	-
Charitable donations	15,000	-
Unrecognized deferred tax asset	257,000	-

As at March 31, 2026, the Company had approximately \$268,000 (December 31, 2025 - \$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.

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9. 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, 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
Shares issued pursuant to RSU vesting	90,000	60,300
Balance – March 31, 2026	38,180,224	17,435,776

During the period ended March 31, 2026, 90,000 restricted share units vested, including 50,000 held by an Officer, resulting in the issuance of the equivalent number of common shares. The estimated fair value of the RSUs was \$60,300.

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 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.

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10. 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 stock options and restricted shares units are determined by the Board of Directors.

During the year ended December 31, 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 \$7,538 recorded as stock-based compensation for the period end March 31, 2026 (year ended December 31, 2025 - \$52,763).

During the period ended March 31, 2026, 90,000 restricted share units vested, including 50,000 held by an Officer, resulting in the issuance of the equivalent number of common shares. The estimated fair value of the RSUs was \$60,300.

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.

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
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 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 \$11,504 expensed during the period ended March 31, 2026.

The following table reflects the stock options continuity for the period ended March 31, 2026 and year ended December 31, 2025:

	Number of Stock Options Outstanding	Weighted Average Exercise Price \$
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 and March 31, 2026	780,000	0.81

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10. STOCK OPTIONS AND RESTRICTED SHARE UNITS (continued)

During the year ended December 31, 2025, 25,000 options expired unexercised. As a result of the expiry, the Company reclassified \$104,432 of fair value for the expired and other previously cancelled options, which was previously recorded as contributed surplus, to retained earnings.

The following table reflects the stock options outstanding as at March 31, 2026:

Expiry Date	Exercise Price \$	Weighted Average Life Remaining	Options Outstanding	Options Vested	Black-Scholes Value \$
May 13, 2027	0.95	1.1 years	125,000	125,000	62,769
October 27, 2027	0.85	1.6 years	200,000	200,000	83,113
February 19, 2030	0.75	3.9 years	455,000	455,000	184,057
			<u>780,000</u>	<u>780,000</u>	

The weighted average exercise price of vested options as at March 31, 2026 is \$0.81.

11. WARRANTS

The following table reconciles the warrant activity during the period ended March 31, 2026 and year ended December 31, 2025:

	Number of warrants #	Weighted Average Exercise price \$
Balance, December 31, 2024	-	-
Financing unit warrants issued	9,383,287	1.10
Finder compensation warrants issued	535,761	0.70
Balance, December 31, 2025 and March 31, 2026	<u>9,919,048</u>	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.

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11. WARRANTS (continued)

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:

	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