Torrent Capital Ltd.
Management Discussion and Analysis
Three and six months ended June 30, 2026

This Management's Discussion and Analysis ("MD&A") of Torrent Capital Ltd. ("Torrent" or the "Company") is dated August 11, 2026 and provides an analysis of the financial operating results for the period ended June 30, 2026 and 2025. This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements and accompanying notes for the three and six month periods ended June 30, 2026, which have been prepared in accordance with IFRS® Accounting Standards ("IFRS®") for interim condensed financial statements. This MD&A should be read in conjunction with the audited annual consolidated financial statements and accompanying notes for the years ended December 31, 2025 and 2024, which have been prepared in accordance with IFRS® for annual financial statements. All amounts are in Canadian dollars unless otherwise specified. The MD&A, consolidated financial statements and other information, including news releases and other disclosure items are available on the company's website at www.torrentcapital.ca *and on SEDAR+ at* www.sedarplus.ca *under the Company's profile. The common shares of the Company are traded on the TSX Venture Exchange under the symbol "TORR".*

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

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

Company Overview

Torrent Capital Ltd. ("Torrent", or the "Company") is a publicly traded Investment Issuer listed under the symbol TORR on the TSX Venture Exchange ("TSXV"). Torrent invests primarily in the securities of public and private companies, digital assets and emerging opportunities in infrastructure developments with the objective of increasing shareholder value. Through its private investment activities, Torrent seeks to provide shareholders with indirect exposure to selected private and pre-public companies that may not otherwise be readily accessible through the public markets. The Company may proactively identify and support such companies as they pursue a pathway to the public markets through an initial public offering, reverse takeover or similar transaction.

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

Investment Objective and Strategy

Torrent's Investment Objective and Strategy ("Investment Policy") is to grow the Company's capital by generating gains from capital appreciation and income from interest earned, dividend income, income from staking rewards, royalty payments and fees. The Company makes investments on a public and private basis with the objective of maximizing returns while managing risks. The Company relies on the business expertise of the Company's Management Team (the "Management") and Board of Directors (the "Board") when making investment decisions.

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

As part of its private investment strategy, the Company may proactively identify and invest in selected private companies with the potential to pursue a future public listing, providing Torrent shareholders with indirect exposure to private and pre-public opportunities not typically available through investments focused exclusively on publicly traded securities. Where appropriate, the Company may support an investee's advancement toward an initial public offering, reverse takeover or similar transaction through strategic assistance and participation in related financings, with the objective of generating returns through the appreciation and eventual realization of its investment.

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

- The Company will invest in the securities of both public and private companies and may take part in private or public offerings, including financings undertaken in connection with proposed public-listing transactions, for predetermined royalties, equity positions, debt, convertible or preferred securities.
- Investments may include a combination of securities including, but not limited to, equity, debt, warrants, preferred shares, bridge financing, collateral, royalty arrangements, digital assets or other securities as deemed appropriate by Management and in compliance with the Investment Policy. In certain cases, the Company may enter into oversight arrangements as a condition of an investment. Oversight may range from a Board of Director appointment to an advisory or management consulting engagement with the target company.
- The Company may reserve the right to acquire all or part of the businesses or assets of a target company that Management believes will enhance value for shareholders.

- The Company will be industry agnostic in terms of investment sectors. The Company's investments will not be required to follow a percentage of industry diversification. The Company's Management and Board will make use of expertise residing within the Company and invest in industry sectors that Management believes can provide superior returns for shareholders.
- It is the Company's policy to reduce its position in an investment over time to ensure that no single investment represents a disproportionate share of the current value of Torrent's Investment Portfolio.
- The Company may make investments in extraordinary activities, or activities not in the normal course of business, which may include but not be limited to mergers, acquisitions, corporate restructurings, spin-offs, take-overs, bankruptcies, or liquidations, leveraged buyouts or start-ups. The Company may elect to invest in such event-driven opportunities, provide financing or purchase securities in exchange for fees, interest, or equity positions.
- Torrent's investment time horizon may vary from investment to investment and contain a mix of short, medium, and long-term investments. The Company reserves the right to increase or decrease its position in any investment at any time. The Company does not report on its investment activity or position changes between quarterly results.
- With the recent shift in the US regulatory environment towards digital assets, the Company may invest in certain digital assets and explore potential new opportunities in this emerging sector.
- Depending upon market conditions, the Company may fully invest its available capital, apart from working capital requirements. Any funds not invested may be expected to be invested in the near term.
- All investments will be made in compliance with applicable laws in relevant jurisdictions and in compliance with any associated exchange policy.

The Company's Management and the Board may authorize investments outside the guidelines described above if they consider the investment to potentially be of sufficiently material benefit to the Company and its shareholders.

Where a Director or Officer identifies themselves to be in a conflict of interest, they recuse themselves from any and all of the Company's discussions and decisions relating to a potential targeted investment. The Company also participates from time to time in investments associated with Numus Financial Inc.- a Venture Capital firm - and its wholly owned subsidiary Numus Capital Corp. - an Exempt Market Dealer (together the "Numus Group"). If the Company invests in these associated ventures, there may be financing fees payable to Numus Capital Corp. The Numus Group is owned by the CEO, a Torrent Director and a third independent party.

Overall Performance

During the second quarter of 2026, Torrent Capital's NAV increased to $33.10 million ($0.87 per share) from $28.35 million ($0.74 per share) in the first quarter of 2026, representing an increase of approximately 16.7% on a per share basis during the quarter, whereas the S&P 500 increased 14.9% and the S&P/TSX Small Cap Index increased by 5.47%.

During Q2 2026, equity markets staged a powerful recovery from the geopolitical shock that defined the prior quarter, as a fragile ceasefire between the U.S. and Iran in early April and partial reopening of the Strait of Hormuz temporarily eased supply disruption fears and triggered a broad risk-on rotation.

The S&P 500 gained 14.9% on a total-return basis, its strongest quarterly performance since Q2 2020, led by a 37% surge in the information technology sector as investor sentiment around AI infrastructure spending and earnings momentum reasserted itself. Canadian equities also advanced, with the S&P/TSX Composite returning approximately 6.4%, driven by strength in financials and industrials, the energy sector gave back a portion of its Q1 gains on retreating oil prices. The US Federal Reserve held rates steady at 3.50%–3.75% throughout the quarter under incoming Chair Kevin Warsh, who removed forward guidance language from the policy statement and signaled no near-term bias toward cuts amid persistent inflation from elevated energy costs. The Bank of Canada similarly maintained its policy rate at 2.25%, balancing the competing risks of energy-driven inflation and trade-related economic softness.

Torrent's portfolio recovered from the prior quarter's decline, benefiting from the sharp rebound in technology and software valuations that drove much of the broader market's advance. Gold and mining-related holdings saw mixed results as gold prices traded in a wide range between approximately US $3,960 and US $4,850 per ounce amid shifting risk sentiment and ongoing geopolitical uncertainty.

Quarter Ended	Shares Outstanding #	Net Asset Value $	Net Asset Value ("NAV")[1] per Share $	Adjusted Quarterly Expenses[2] $	Expenses[2] as a percentage of NAV
Jun 30, 2026	38,180,224	33,093,758	0.87	208,249	0.63%
Mar 31, 2026	38,180,224	28,347,488	0.74	359,853	1.27%
Dec 31, 2025	38,090,224	32,593,615	0.85	542,852	1.66%
Sep 30, 2025	38,090,224	33,538,058	0.88	220,241	0.66%
Jun 30, 2025	38,090,224	28,732,893	0.75	285,900	1.00%
Mar 31, 2025	37,715,224	26,122,581	0.69	232,864	0.89%
Dec 31, 2024	25,204,167	20,277,511	0.80	240,643	1.19%
Sep 30, 2024	25,204,167	17,712,902	0.70	177,389	1.00%

1 Refer to "Use of Non-IFRS Financial Measures"
2 Refers to quarterly expenses less Stock based compensation expense

Portfolio Assets
The Company's investment activity and fair value of the changes in the unrealized gains and losses as at June 30, 2026, and December 31, 2025, are summarized as follows:

	As at June 30, 2026			As at December 31, 2025		
Investments by Industry	**Cost of Investment(s) $**	**Market Value $**	**Unrealized Gain (Loss) $**	**Cost of Investment(s) $**	**Market Value $**	**Unrealized Gain (Loss) $**
Medical Research	77,196	132,900	55,704	232,199	599,625	367,426
Financial Technology	5,845,876	7,530,823	1,684,947	5,850,901	8,221,446	2,370,545
Media & Publishing	1,125,329	404,938	(720,391)	1,333,139	696,392	(636,747)
Metals & Mining	1,925,559	1,917,505	(8,054)	4,573,229	5,749,442	1,176,213
Software & IT Services	8,914,883	11,670,287	2,755,404	7,276,433	12,682,608	5,406,175
Technology Hardware & Equipment	175,249	168,524	(6,725)	-	-	-
Energy & Power Systems	894,902	888,821	(6,081)	-	-	-
Robotics, Sensors & Autonomous Systems	2,162,531	3,748,211	1,585,680	-	-	-
Other	606,914	714,695	107,781	2,104,857	2,147,754	42,897
	21,728,439	**27,176,704**	**5,448,265**	**21,370,758**	**30,097,267**	**8,726,509**

As at June 30, 2026, the Company's portfolio consists of the following;

Asset Investment Type	**Number of Holdings**	**Total Cost of Holdings $**	**Total Fair Value of Holdings $**	**Percentage of Portfolio**
Public Company	21	16,422,631	21,748,863	56%
Private Company[1]	5	6,134,476	5,638,658	21%
Equity Investments	26	22,557,107	27,387,521	77%
Cash and equivalents		6,872,778	6,872,778	23%
Total Portfolio Assets		29,429,885	34,260,299	100%

1 Includes investment in Argentia Capital Inc.

As at December 31, 2025, the Company's portfolio consists of the following;

Asset Investment Type	**Number of holdings**	**Total Cost of Holdings $**	**Total Fair Value of Holdings $**	**Percentage of Portfolio**
Public Company	15	18,666,708	27,148,921	73%
Private Company[1]	4	3,467,017	3,201,163	13%
Equity Investments	19	22,133,725	30,350,084	86%
Other asset – investment in progress[2]	1	2,000,000	2,000,000	8%
Cash and equivalents		1,659,313	1,659,313	6%
Total Portfolio Assets		25,793,038	34,009,397	100%

1 Includes investment in Argentia Capital Inc.
2 Relates to a funded equity subscription in a private investee. As at December 31, 2025, the investment had not legally settled. The transaction closed subsequent to year-end and the Company received the shares of the investee in full satisfaction of the subscription

Gain/(Loss) on Investment in Securities

Acquisitions of investments in marketable securities are initially recognized at acquisition cost plus transaction costs. After initial recognition, all investments are measured at fair market value. The determination of fair market value for publicly traded securities is based on the trading price at the end of the reporting period as quoted on a recognized securities exchange. For private companies that are not traded on a recognized exchange, no market value is readily available. In these cases, private company shares may be valued based on the pricing of a recent arm's-length third party financing. Gains and losses arising from changes in the fair market value of the investments are presented in the consolidated statements of income and comprehensive income as a net change in unrealized gains or losses on investments.

The Company fair values its investments in securities based on the market prices of the shares at the end of each reporting period. The current quarter's income includes an unrealized gain on investments of $1,917,617 or $0.05 per share as compared to an unrealized gain on investments of $1,515,648 or $0.04 per share in the comparable quarter. The year-to-date income includes an unrealized loss on investments of $3,278,244 or $0.09 per share as compared to an unrealized gain on investments of $1,725,167 or $0.05 per share in the comparable year.

	Three months ended June 30, 2026			Six months ended June 30, 2026		
Investments by Industry	**Net Realized Gain (Loss) $**	**Net Unrealized Gain (Loss) $**	**Total Gain (Loss) $**	**Net Realized Gain (Loss) $**	**Net Unrealized Gain (Loss) $**	**Total Gain (Loss) $**
Medical Research	107,931	(112,752)	(4,821)	133,944	(311,723)	(177,779)
Financial Technology	121,009	357,277	478,286	348,263	(622,214)	(273,951)
Media & Publishing	(8,925)	9,910	985	(16,918)	(87,406)	(104,324)
Metals & Mining	(48,581)	(823,895)	(872,476)	(13,501)	(1,184,268)	(1,197,769)
Software & IT Services	3,571,685	835,986	4,407,671	3,734,078	(2,714,155)	1,019,923
Technology Hardware & Equipment	20,332	(6,725)	13,607	20,332	(6,725)	13,607
Energy & Power Systems	76,395	(6,081)	70,314	76,395	(6,081)	70,314
Robotics, Sensors & Autonomous Systems	239,854	1,585,679	1,825,533	239,854	1,585,679	1,825,533
Other	(28,038)	78,218	50,180	(13,077)	68,649	55,572
	4,051,662	1,917,617	5,969,279	4,509,370	(3,278,244)	1,231,126

Software & IT Services (~41% of portfolio)

Kneat.com, Inc. - Kneat's share price increased 85% during Q2 2026, outperforming the S&P/TSX Small Cap Index and recovering from the decline in prior quarters. On June 8, 2026, Kneat announced that it entered into a definitive agreement to be acquired by Thoma Bravo, the world's largest software-focused investment firm, valuing Kneat at approximately $650 million, which equates to $6.50 per share. Kneat has been a core holding in Torrent's portfolio since mid-2017 and was one of Torrent's first holdings as an investment issuer. The acquisition price of $6.50 per share represents an approximately 513% gain over Torrent's cost base on its investment in Kneat. After quarter-end, Kneat shareholders approved the proposed transaction with 87% of the votes cast in favour. The anticipated closing of the transaction will improve liquidity of Torrent's portfolio, enabling Torrent to pursue new opportunities consistent with its investment strategy.

SentinelOne Inc. – Torrent fully exited its position in SentinelOne during Q2 2026. Torrent liquidated its position in SentinelOne to reallocate capital towards new technology sector holdings that Torrent believes present higher upside potential.

Financial Technology (~27% of Portfolio)

Lemonade, Inc – Lemonade's share price increased 4% during Torrent's Q2 2026 amid a volatile period in the software and financial technology sector. During the quarter, Lemonade reported strong results that beat analyst estimates and raised guidance. Lemonade reported its eleventh consecutive quarter of accelerating growth in in-force premiums, alongside strong gross loss ratios. The share price declined after earnings, likely due to an increase in operating expenses, mostly tied to share based compensation. During the quarter, Lemonade expanded its renters and car insurance products into several new states across the US. Lemonade's unique approach focussed on automation of underwriting and claims using AI enables it to underwrite insurance products with a lower loss adjustment expense ratio compared to incumbents. Lemonade remains on track to achieve positive adjusted EBITDA in Q4 2026, and net profitability in 2027.

Robotics, Sensors and Autonomous Systems (~10% of Portfolio)

During the quarter, Torrent initiated new positions in the robotics, sensors, and autonomous systems sector as part of a broader thematic allocation toward companies enabling the physical AI infrastructure buildout. The most significant new position was Ouster, Inc. (NASDAQ: OUST), a leader in digital LiDAR sensors and perception software serving the robotics, autonomous vehicle, smart infrastructure, and defence industries. Ouster's stock appreciated significantly during Q2 as the company continued to execute on its growth trajectory, reporting 49% year-over-year revenue growth in Q1 2026, expanding gross margins toward profitability, and launching its next-generation Rev8 digital LiDAR platform with native colour sensing capability. The company also closed its acquisition of Stereolabs, a 3D vision and AI perception company, broadening its product offering across the sensing stack. Torrent's investment thesis is centred on Ouster's positioning as a key enabling technology supplier across multiple high-growth end-markets, including humanoid robotics, autonomous vehicles, and industrial automation, where demand for advanced perception hardware is accelerating alongside broader AI infrastructure investment.

Metals and Mining (~9% of Portfolio)

Fortune Bay Corp. – Fortune Bay's share price increased 5% during Q2 2026. During the quarter, Fortune Bay reported new high-grade drill intersections from a step-out hole into the Box Deposit, located within its 100% owned Goldfields Gold Project in Saskatchewan. The reported drill results included 3.70 gram per tonne gold ("g/t Au") over 21.0 m from 342.0 m to 363.0 m, including 9.89 g/t Au over 7.0 m. In May, Fortune Bay reported assay results from the seven-hole, 771 m drilling program completed at the Golden Pond target. Published results included 1.20 g/t gold over 23.2 m and extending the shallow mineralized system at Golden Pond. After quarter end, Fortune Bay announced a fully funded 5,000 m drill program to test up to 25 priority targets at the Murmac and Strike Uranium Projects in Saskatchewan with Manhattan Uranium Discovery Corp. Torrent believes Fortune Bay's Goldfields Gold Project in Saskatchewan remains undervalued in its assessment, however, the investment remains subject to exploration, commodity-price and market risks.

ReeXploration Inc. – ReeXploration's share price declined 69% during the quarter. ReeXploration announced results from a drill program designed to test high-priority uranium anomalies defined during its 2025 work program. The 11-hole, 1,729 m reconnaissance program successfully intersected widespread radiometric anomalies within favorable geological settings associated with Rössing-style uranium mineralization. ReeXploration is a core holding in Torrent's Resource Portfolio providing exposure to critical minerals.

B2Gold Corp. – Torrent fully exited its position in B2Gold during Q2 2026. B2 has underperformed relative to gold bullion prices due to guidance cuts and production delays. Torrent sold its B2 holdings to improve portfolio liquidity and re-allocate capital to opportunities with higher upside potential.

Media & Publishing (~5% of Portfolio)

WildBrain Ltd. – WildBrain's share price declined approximately 5% during Q2 2026. Since selling its 41% stake in the Peanuts franchise to Sony for approximately $630 million, Wildbrain is now a leaner business, with ample cash flow to return to shareholders through stock repurchases and investments into growth opportunities. Torrent continued to reduce its exposure to WildBrain as part of its active portfolio management strategy and may continue to reduce its exposure over time.

Energy & Power Systems (~4% of Portfolio)

During the quarter, Torrent initiated new positions in the energy and power systems sector. The proliferation of hyperscaler data centres and their rapidly growing demand for electricity is creating a secular investment cycle across power generation, renewable energy, and grid infrastructure that Torrent expects to persist over multiple years. The portfolio's allocation remains modest at this stage as Torrent builds exposure to what it views as a durable theme with significant long-term upside.

Other (~2% of Portfolio)

Torrent's "other" category consists of positions and exposures that are non-core to its primary investment strategy and are generally held over shorter time horizons. These investments may include marketable securities and other exchange-traded instruments that are utilized to express tactical views on market conditions, manage market exposure, or enhance overall portfolio flexibility. As a result, positions within this category may be more actively managed and may exhibit greater variability over time.

Technology Hardware & Equipment (~1% of Portfolio)

In the second quarter, Torrent initiated a small allocation to the technology hardware and equipment sector. These positions reflect Torrent's view that the ongoing expansion of AI workloads, cloud computing, and connected devices is driving sustained demand for the underlying physical infrastructure and componentry that supports data transmission, processing, and enterprise connectivity. The allocation remains early-stage as Torrent evaluates opportunities across the hardware value chain.

Medical Research (~1% of Portfolio)

Sona Nanotech Inc. – Sona's share price declined approximately 3% during Q2 2026. Sona continued to advance its Targeted Hyperthermia Therapy ("THT") during the quarter, with the release of histology tissue analysis data from its first-in-human early feasibility study, which showed promising results. Release of the histology data was supported by Sona publishing a peer reviewed preclinical study using its THT in combination with immunotherapy to treat cancer, which demonstrated strong efficacy and durability, further reaffirming the effectiveness of Sona's treatments. In addition, Sona appointed two renowned oncologists to its scientific advisory board: Dr. Michael Smylie and Dr. Jonathan Trites, and appointed Bio-Tech executive Michael A. Fleming to the board of directors. Torrent continues to monitor developments related to Sona and may continue to adjust its exposure over time.

Gain/(Loss) on Investments in Digital Assets

Acquisitions of investments in digital assets are initially recognized at acquisition cost plus transaction costs. After initial recognition, all investments in digital assets are measured at fair value through other comprehensive income. The determination of fair market value for digital assets is based on the trading price at the end of the reporting period as quoted on a recognized exchange. Gains and losses arising from changes in the fair market value of the investments in digital assets are presented in the Consolidated Statements of Income and Comprehensive Income as a net change in unrealized gains or losses on investments in digital assets.

The Company fair values its digital assets based on the market prices of the assets at the end of each reporting period. The Company did not hold any digital assets as at June 30, 2026 (December 31, 2025 – $nil). During the year ended December 31, 2025, the Company fully disposed of its digital asset intangibles. As a result, the current quarter's income does not include any realized or unrealized loss on investments in digital assets. The Company's digital asset activity and fair value of the changes in the unrealized gains and losses as at June 30, 2025 are summarized as follows:

	Three months ended June 30, 2025			**Six Months ended June 30, 2025**		
	Net Realized Gain (Loss) $	**Net Unrealized Gain (Loss) $**	**Total Gain (Loss) $**	**Net Realized Gain (Loss) $**	**Net Unrealized Gain (Loss) $**	**Total Gain (Loss) $**
Solana	-	1,145,996	1,145,996	-	(1,552,902)	(1,552,902)
Bitcoin	11,848	144,227	156,075	2,043	-	2,043
	11,848	1,290,223	1,302,071	2,043	(1,552,902)	(1,550,859)

Torrent fully exited its Solana position in Q4 2025. For the full year ended December 31, 2025, the Company realized a gain of $1,543,484 from its digital asset investments. Additionally, Torrent recorded staking rewards income of $418,454 from its Solana holdings. Torrent's exit proved timely, as digital asset prices declined substantially through Q4 2025 and continued declining in Q1 2026. Including staking income, Torrent generated a total return of 19% on its Solana investment over an approximately 11-month holding period.

Investment in Joint Venture – Argentia Capital Inc.

In partnership with the Port of Argentia Inc., Torrent launched Argentia Capital Inc. (ACI) in September 2022 to drive strategic investment at the Port. ACI targets long-term growth across renewable energy, oil and gas, and industrial services, with governance led by experienced regional and corporate leaders. ACI's revenue model spans equity, royalties, interest income, and streaming income from port related activities.

ACI is a signatory to the Pattern Energy green fuels agreement, which includes a royalty structure tied to ammonia sales and an option to acquire up to 12.5% equity in the wind-hydrogen-ammonia complex. In parallel, ACI is advancing efforts to participate in several developments in critical mineral processing, renewable energy and industrial development. ACI is in the early stages of implementing a Preferred Vendor Program to further support Port tenants through streamlined procurement and agile supply chain alignment.

Selected Quarterly Financial Information

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

For the quarter ended	Jun. 30, 2026 $	Mar. 31, 2026 $	Dec. 31, 2025 $	Sep. 30, 2025 $	Jun. 30, 2025 $	Mar. 31, 2025 $	Dec. 31, 2024 $	Sep. 30, 2024 $
Realized gain (loss) on investment in securities	**4,051,662**	457,708	1,081,701	164,030	**(3,473)**	405,699	735,601	(310,233)
Unrealized gain (loss) on investment in securities	**1,917,617**	(5,195,861)	(1,321,311)	2,347,986	**1,515,648**	209,519	2,119,002	2,086,916
Realized gain (loss) on Investment in digital assets	**-**	-	303,561	1,237,880	**-**	-	-	-
Staking rewards income	**-**	-	22,033	181,696	**149,869**	64,856	-	-
Share of loss from joint venture	**(56,250)**	(56,250)	(59,740)	(63,010)	**(185,050)**	(16,500)	(19,000)	(50,000)
Interest income	**18,000**	17,537	17,144	16,357	**16,148**	15,549	14,650	12,668
Operating expenses	**(208,249)**	(378,895)	(580,934)	(281,330)	**(369,996)**	(274,913)	(240,643)	(177,389)
Net income (loss) before income taxes	**5,723,270**	(5,145,169)	(504,960)	3,603,609	**1,134,994**	394,405	2,609,609	1,561,962
Unrealized gain (loss) on investment in digital assets	**-**	-	(697,565)	2,250,467	**1,290,223**	(2,843,125)	-	-
Provision for income tax recovery (expense)	**(977,000)**	880,000	220,000	(1,100,000)	**-**	45,000	(45,000)	-
Net comprehensive income (loss)	**4,746,270**	(4,265,169)	(982,525)	4,754,076	**2,425,217**	(2,403,720)	2,564,609	1,561,962
Net comprehensive income (loss) per share	**0.12**	(0.11)	(0.03)	0.13	**0.06**	(0.07)	0.10	0.06
Cash	**6,872,778**	735,233	1,659,313	4,354,519	**1,868,505**	1,594,963	1,669,034	119,390
Investment in securities at fair market value	**27,176,704**	27,530,423	30,097,267	22,971,743	**17,714,606**	17,394,436	18,377,885	17,598,439
Investment in digital assets at fair market value	**-**	-	-	7,311,918	**9,122,032**	6,999,689	149,965	-
Investment in joint venture	**210,817**	239,067	252,817	280,457	**302,167**	471,117	422,117	366,867
Total assets	**34,407,925**	28,618,115	34,073,653	34,953,253	**29,044,075**	26,520,921	20,657,554	18,164,720
Current liabilities	**671,167**	270,627	600,038	315,177	**311,182**	398,340	335,043	451,818
Deferred income taxes	**643,000**	-	880,000	1,100,000	**-**	-	45,000	-
Shareholders' equity	**33,093,758**	28,347,488	32,593,615	33,538,058	**28,732,893**	26,122,581	20,277,511	17,712,902

Results of Operations for the Six Months Ended June 30, 2026, and 2025

For the period ended June 30, 2026, the Company reported a net comprehensive income of $481,101 or $0.01 per share as compared to a net comprehensive income of $21,497 or $0.00 per share in the comparable period. The current period's results include an unrealized loss on marketable securities of $3,278,244 or $0.09 per share as compared to an unrealized gain of $1,725,167 or $0.05 per share in the comparable period.

During the period ended June 30, 2026, the Company recorded an unrealized gain of $1.7 million on its investment in Ouster Inc. The Company also recorded unrealized losses of $1.9 million on its investment in Kneat.com, $1.1 million on its investment in ReeXploration Inc., $0.9 million on its investment in UiPath Inc., $0.6 million on its investment in Lemonade, Inc., $0.2 million on its investment in Fortune Bay Corp., and $0.1 million in Other Securities. See the "Gain/(Loss) on Investments in Securities" section for additional details on the unrealized gains and losses in the Investment Portfolio.

In the current period, the Company realized net gains on its Investment Portfolio of $4,509,370 as compared to realized net gains of $402,226 in the comparable period. The realized net gains and losses on the Investment Portfolio are summarized as follows:

	June 30, 2026 $	June 30, 2025 $
kneat.com, Inc.	**3,932,151**	66,565
Options	**306,078**	-
Lemonade, Inc.	**188,272**	-
Ouster Inc.	**138,262**	-
SentinelOne, Inc.	**(250,807)**	-
AnorTech Inc.	**(60,183)**	-
WildBrain Ltd.	**(16,918)**	103,804
MDA Space Ltd.	**-**	291,660
Pinterest Inc.	**-**	41,943
Transcode Therapeutics, Inc	**-**	(106,114)
Other - net	**272,515**	4,368
	4,509,370	402,226

In the period ended June 30, 2026, the Company recognized its 50% equity loss of $112,500 (2025 - $201,550) from the ACI joint venture. In the current period, the Company advanced an additional $35,000 on the ACI loan in addition to the $575,000 previously advanced to the end of 2025. For the period ended June 30, 2026, the Company recorded interest revenue of $35,500 (2025 - $31,600), based on an interest rate of 12% on these advances.

During the period ended June 30, 2026, the Company incurred consulting fees of $290,823 (2025 - $262,477) including CEO fees of $90,000 (2025 - $90,000), President & COO fees of $60,000 (2025 - $60,000) and CFO salary of $50,000 for the current CFO (2025 - CFO fees of $70,350 for the previous CFO). The Company also incurred fees for controller services of $18,000 (2025 - $18,000) paid to Numus and $50,866 (2025 - $20,566) in fees paid to Brigus Capital for investment consulting services. The Company also incurred rent and digital media fees paid to Numus of $15,300 (2025 - $15,300) and $12,900 (2025 - $15,000) respectively.

In 2026 and 2025, the Company incurred Directors' fees of $59,250 and incurred D&O insurance fees of $7,102 (2025 - $8,850). In the current period, the Company incurred professional fees of $66,807 (2025 - $58,763) and stock exchange and maintenance fees of $24,873 (2025 - $18,010). In the current period, the Company incurred office and administration costs of $32,841 (2025 - $61,205).

During the period ended June 30, 2026, the Company recorded a foreign exchange loss of $65,992 (2025 – $28,268) on its USD payables and transactions. The increased exchange loss was the result of unfavourable changes in the USD/CAD exchange rate during the period.

The fair value of stock options is estimated at the grant date using the Black-Scholes option pricing model. The assumptions used in the option pricing model include a volatility rate of 75%, an expected life of five years based on the contractual term of the options, and a risk-free rate of 2.81% with no expected dividend yield. In the current period, the Company recognized $11,504 (2025 - $103,532) of stock-based compensation for options and $7,538 (2025 - $22,613) for restricted share units.

During the current period, the Company recorded an estimated current tax expense of $334,000 (2025 - $nil) and a deferred income tax recovery of $237,000 (2025 - $45,000). The current income tax expense is a result of expected taxes payable on the Company's net realized gains during the period, after application of applicable loss carry forwards. The deferred income tax recovery resulted from a decrease in the Company's net deferred tax liability due to the reversal of previously recognized net unrealized gains associated with the Company's various equity investments.

Results of Operations for the Quarters Ended June 30, 2026, and 2025

For the quarter ended June 30, 2026, the Company reported a net comprehensive income of $4,746,270 or $0.12 per share as compared to a net comprehensive income of $2,425,217 or $0.06 per share in the comparable quarter. The current quarter's results include an unrealized gain on marketable securities of $1,917,617 or $0.05 per share as compared to an unrealized gain of $1,515,648 or $0.04 per share in the comparable quarter.

During the quarter ended June 30, 2026, the Company recorded unrealized gains of $1.7 million on its investment in Ouster Inc., $0.4 million on its investment in Lemonade Inc., $0.3 million on its investment in SentinelOne Inc. and $0.2 million on its investment in Kneat.com, The Company also recorded unrealized losses of $0.1 million on its investment in ReeXploration Inc., $0.1 million on its investment in Antler Gold, and $0.5 million in Other Securities. See the "Gain/(Loss) on Investments in Securities" section for additional details on the unrealized gains and losses in the Investment Portfolio.

In the current quarter, the Company realized net gains on its Investment Portfolio of $4,051,662 as compared to realized net loss of $3,473 in the comparable quarter. The realized net gains and losses on the Investment Portfolio are summarized as follows:

	June 30, 2026 $	June 30, 2025 $
kneat.com, Inc.	**3,769,759**	-
Options	**263,355**	-
Ouster Inc.	**138,262**	-
Lemonade, Inc.	**4,011**	-
SentinelOne, Inc.	**(250,807)**	-
AnorTech Inc.	**(60,183)**	-
WildBrain Ltd.	**(8,925)**	67,179
Transcode Therapeutics, Inc	**-**	(106,114)
Other - net	**196,190**	35,462
	4,051,662	(3,473)

In the quarter ended June 30, 2026, the Company recognized its 50% equity loss of $56,250 (2025 - $185,050) from the ACI joint venture. In the current quarter, the Company advanced an additional $10,000 on the ACI loan in addition to the $600,000 previously advanced to the end of the first quarter of 2026. For the quarter ended June 30, 2026, the Company recorded interest revenue of $18,000 (2025 - $16,148), based on an interest rate of 12% on these advances.

During the quarter ended June 30, 2026, the Company incurred consulting fees of $137,630 (2025 - $135,350) including CEO fees of $45,000 (2025 - $51,000), President & COO fees of $30,000 (2025 - $30,000) and CFO salary of $25,000 for the current CFO (2025 - CFO fees of $31,875 for the previous CFO). The Company also incurred fees for controller services of $9,000 (2025 - $9,000) paid to Numus and $25,433 (2025 - $10,283) in fees paid to Brigus Capital for investment consulting services. The Company also incurred rent and digital media fees paid to Numus of $7,650 (2025 - $7,650) and $9,000 (2025 - $12,000) respectively.

In 2026 and 2025, the Company incurred Directors' fees of $29,625 and incurred D&O insurance fees of $4,224 (2025 - $4,410). In the current quarter, the Company incurred professional fees of $44,307 (2025 - $30,424) and stock exchange and maintenance fees of $14,694 (2025 - $11,728). In the current quarter, the Company incurred office and administration costs of $12,244 (2025 - $24,596).

During the quarter ended June 30, 2026, the Company recorded a foreign exchange gain of $47,239 (2025 – loss of $35,476) on its USD payables and transactions. The exchange gain was the result of favourable changes in the USD/CAD exchange rate during the quarter.

The fair value of stock options is estimated at the grant date using the Black-Scholes option pricing model. The assumptions used in the option pricing model include a volatility rate of 75%, an expected life of five years based on the contractual term of the options, and a risk-free rate of 2.81% with no expected dividend yield. In the current quarter, the Company recognized $nil (2025 - $69,021) of stock-based compensation for options and $nil (2025 - $15,075) for restricted share units.

During the current quarter, the Company recorded an estimated current tax expense of $334,000 (2025 - $nil) and a deferred income tax expense of $643,000 (2025 - $nil). The current income tax expense is a result of expected taxes payable on the Company's net realized gains during the period, after application of applicable loss carry forwards. The deferred income tax expense resulted from an increase in the Company's net deferred tax liability due to net unrealized gains associated with the Company's various equity investments.

Liquidity and Capital Resources

As at:	**June 30, 2026 $**	**December 31, 2025 $**	**December 31, 2024 $**
Cash	**6,872,778**	**1,659,313**	1,669,034
Investments at fair market value	**27,176,704**	**30,097,267**	18,377,885
Digital assets at fair market value	**-**	**-**	149,965
Investment in joint venture	**210,817**	**252,817**	422,117
Total assets	**34,407,925**	**34,073,653**	20,657,554
Total current liabilities	**671,167**	**600,038**	335,043
Deferred income taxes	**643,000**	**880,000**	45,000
Shareholders' Equity	**33,093,758**	**32,593,615**	20,277,511

The Company has working capital, as of June 30, 2026, of $33,525,941 (December 31, 2025 – $33,220,798) and a cash balance of $6,872,778 (December 31, 2025 – $1,659,313). The Company funds its operations through the proceeds on sale of its investments and equity financings, if necessary.

During the period ended June 30, 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.

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

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

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

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

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

During the period ended June 30, 2026, the Company received proceeds on the sale of investments of $14.8 million including $4.7 million on the sale of kneat.com shares, $2.7 million on the sale of B2Gold Corp. shares, $1.4 million on the sale of shares of ProShares UltraShort S&P 500 ETF, $1.0 million on the sale of Lemonade Inc. shares, $1.0 million on the sale of Zeta Global Holdings Corp. shares, $0.6 million on the sale of Ouster Inc. shares, $0.4 million on the sale of Andina Copper Corp. shares, $0.4 million on the sale of SentinelOne Inc. shares, $0.4 million on the sale of Modine Manufacturing Company shares, $0.3 million on the sale of Barrick Mining Corp. shares, $0.2 million on the sale of Arista Networks, Inc. shares, $0.2 million on the sale of WildBrain Ltd. shares, $0.9 million on the sale of shares within Other Securities and $0.6 million on the sale of call and put options.

The Company also incurred costs of $8.6 million on the acquisition of investments including $2.4 million on its acquisition of shares of Ouster Inc., $1.2 million on its acquisition of shares of Zeta Global Holdings Corp., $1.1 million on its acquisition of Lemonade Inc. shares, $0.6 million on its acquisition of Capstone Energy+, Inc. shares, $0.5 million on its acquisition of Aitenders shares, $0.4 million on its acquisition of Modine Manufacturing Company shares, $0.4 million on its acquisition of shares of Andina Copper Corp. shares, $0.4 million on its acquisition of Barrick Mining Corp. shares, $0.3 million on its acquisition of Kraken Robotics Inc. shares, $0.3 million on its acquisition of Ballard Power Systems Inc. shares, $0.7 million on investments within Other Securities and $0.3 million on the acquisition of call and put options.

During the year ended December 31, 2025, the Company received proceeds on the sale of investments of $10.9 million including $1.5 million on the sale of shares of Wildbrain Ltd., $1.4 million on the sale of AMD shares, $1.1 million on the sale of Bitcoin EFTs shares, $0.7 million on the sale of MDA Space Ltd. shares, $0.7 million on the sale of Pinterest Inc. shares, $0.5 million on the sale of Lemonade, Inc. shares, $0.4 million on the sale of Mara Holdings, Inc. shares, $0.4 million on the sale of Ouster Inc. shares, $0.3 million on the sale of WonderFi Technologies Inc. shares, $0.3 million on the sale of Telesat Corporation shares, $2.6 million on the sale of shares within Other Securities and $0.9 million on the sale of call and put options.

The Company also incurred costs of $20.1 million on the acquisition of investments including $5.8 million on its acquisition of Lemonade Inc. shares, $3.4 million on its acquisition of UiPath. shares, $3.1 million on its acquisition of B2Gold Corp. shares, $1.0 million on its acquisition of AMD Inc. shares, $0.4 million on its acquisition of Bitcoin EFTs, $0.5 million on its acquisition of ReeXploration Inc. shares, $0.4 million on its acquisition of Fortune Bay shares, $0.3 million on its acquisition of shares of WonderFi Technologies, $4.4 million on investments within Other Securities and $0.9 million on the acquisition of call and put options.

During the year ended December 31, 2025, the Company received proceeds on the sale of digital assets of $14.0 million including $12.4 million on the sale of Solana and $1.6 million on the sale of Bitcoin. The Company also incurred costs of $11.9 million on the acquisition of digital assets including $10.3 million on its acquisition of Solana and $1.6 million on its acquisition of Bitcoin.

The Company has sufficient capital resources to meet its working capital obligations. The Company may raise additional funds, should its Board deem it advisable, to execute its strategic plan including the implementation and expansion of its investment strategy including its ongoing funding obligations to ACI. While Management and the Board have been successful in obtaining funding in the past, there can be no assurance that they will be able to do so in the future. The timing and ability of the Company to raise additional funds will also depend on the liquidity of the financial markets.

Outstanding Share Data

The Company is authorized to issue an unlimited number of common shares without par value. As at June 30, 2026 and August 11, 2026 the Company had 38,180,224 common shares outstanding.

As at June 30, 2026 and August 11, 2026, the Company had nil RSUs outstanding.

As at June 30, 2026 and August 11, 2026 the Company had 780,000 stock options outstanding with a weighted average exercise price of $0.81 and varying expiry dates.

As at June 30, 2026 and August 11, 2026, there were 9,919,048 warrants outstanding with a weighted average exercise price of $1.08 per common share and an expiry date of February 10, 2027.

Transactions with Related Parties

During the periods ended June 30, 2026 and 2025, the Company incurred the following amounts with related parties:

- Director fees of $59,250 (2025 - $59,250) to Directors or companies controlled by Directors;
- Fees to CEO, Wade Dawe, in the amount of $90,000 (2025 - $90,000);
- Fees to President and COO, Carl Sheppard, in the amount of $60,000 (2025 - $60,000);
- Salary to CFO, Eric Thompson, in the amount of $50,000 (2025 - $nil), Mr. Thompson replaced Mr. Randall as CFO effective August 1, 2025;
- Fees to CFO, Rob Randall, in the amount of $nil (2025 - $70,350), Mr. Randall left the company effective July 31, 2025;
- Investment consulting fees to Brigus Capital, a company controlled by CEO, Wade Dawe, of $50,866 (2025 - $20,566); and
- Controller service fees, rent and other fees of $46,200 (2025 - $48,300) to Numus, a company controlled by two Directors (one being the CEO of Torrent).

Numus Capital Corp. acted as exclusive Finder for Torrent's concurrent private placement. 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.

During the period ended June 30, 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.

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

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

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Accounting Estimates

The preparation of the consolidated financial statements in conformity with IFRS requires Management to make estimates and judgements 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. The consolidated financial statements include estimates which, by their nature, are uncertain. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. The impacts of such estimates are pervasive throughout the 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 the revision affects both current and future periods.

Accounting estimates and judgements used in the preparation of the consolidated financial statements that have the most significant effect on the amounts recognized in the consolidated financial statements include the estimates outlined below.

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 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 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. 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 statements of income (loss) and comprehensive income (loss).

Warrants
The Company uses the Black-Scholes pricing model to calculate the value of warrants obtained or issued 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 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 statements of income and comprehensive income based on estimates of volatility, forfeitures and expected lives of the underlying stock options.

All the Company's accounting policies and estimates are included in note 2 to the Company's audited consolidated financial statements for the year ended December 31, 2025.

Risk Factors
The Company's business as an Investment Issuer is subject to several significant risk factors, and an investment in the Company will involve a high degree of risk. Investors should carefully consider each of such risks and all the information in this MD&A before investing in the Company. The risks and uncertainties described below are not exhaustive and have been grouped by general subject matter for ease of reference. Additional risks and uncertainties not presently known to the Company, or that the Company currently considers immaterial, may also adversely affect the Company's business, financial condition, results of operations, Net Asset Value or the value of its Common Shares. The order in which the risks are presented is not intended to reflect their relative significance.

<u>Investment Portfolio Risks</u>

Risks of Fluctuations in the Value of the Company and the Common Shares **-** The Net Asset Value of the Company and the market value of the Common Shares may fluctuate with changes in the value of the Company's investments. Such changes in value may result from general economic and market conditions, the performance and financial condition of companies whose securities are part of the Company's Investment Portfolio, changes affecting the industries in which those companies operate, fluctuations in foreign exchange rates and commodity prices, and changes in interest rates that may affect the value of interest-bearing securities owned by the Company. The Common Shares may experience periods of limited trading volume, which could contribute to price volatility and result in Shareholders being unable to purchase or sell a significant number of Common Shares at the prevailing market price or within a desired period. The purchase or sale of a relatively small number of Common Shares may also have a disproportionate effect on the market price. The market value of the Common Shares may also be affected by factors unrelated to the value of the Company's investments and may trade at a discount to the Company's Net Asset Value.

Loss of Investment Risk **-** An investment in the Company is speculative and is subject to the risks associated with the Company's Investment Portfolio and investment activities. There can be no assurance that Shareholders will realize any gain from an investment in the Company over either the short or long term, and Shareholders may lose some or all of their investment.

Due Diligence **-** The due diligence process undertaken by the Company in connection with investments made or considered by the Company may not reveal all relevant facts. Before making investments, the Company conducts the due diligence it considers reasonable and appropriate based on the facts and circumstances applicable to each investment. This process may include the evaluation of important and complex business, financial, tax, accounting, environmental and legal issues. The Company may engage outside consultants, legal advisors, accountants, and investment banks where considered appropriate. Nevertheless, the scope and effectiveness of the due diligence process may be limited by the time and resources available, and the Company may rely on information provided by the target of the investment and, in some circumstances, third party sources. Such information may be incomplete, inaccurate or misleading, and the due diligence process may not identify all material risks or liabilities associated with an investment. There can be no assurance that any due diligence undertaken will result in a successful investment or prevent a loss.

Private and Pre-Public Investment Risks **-** Investments in private companies may be subject to resale restrictions and may have no active market. These restrictions and the absence of an established market may impair the Company's ability to react quickly to market conditions or negotiate favourable terms when disposing of an investment. Investments in private and pre-public companies may offer the potential for significant returns but are subject to a high degree of risk. Such companies may have limited operating histories, financial resources, internal controls and publicly available information and may require additional financing to continue operations or execute their business plans. The Company may also invest in anticipation of an initial public offering, reverse takeover or other liquidity event, any of which may be delayed, completed on different terms than anticipated or not completed. Even if a liquidity event is completed, it may not provide the anticipated liquidity or increase in value. The process of valuing investments in private or pre-public companies will inevitably be based on inherent uncertainties, involve the exercise of judgment and rely on information that may be limited or unavailable, and the resulting values may differ from the values that would have been used had a ready market existed for the investments.

Illiquid Investment Risk **-** Certain securities held in the Company's Investment Portfolio may be illiquid due to resale restrictions, limited trading volumes, trading halts, the absence of an established market or other factors. The Company may be unable to dispose of an illiquid investment when considered desirable or may be required to accept a price below the investment's carrying value. This could delay or prevent the realization of a return, result in a loss or limit the Company's ability to redeploy capital into other investment opportunities.

Competition for Investment Opportunities **-** The Company faces competition from other capital providers, including institutional investors, private equity and venture capital firms, strategic investors and other investment issuers, for investment opportunities. Certain competitors may have greater financial, technical or other resources, access to information or established relationships than the Company. Competition may increase investment valuations, reduce the size of allocations available to the Company or prevent the Company from securing attractive private, pre-public or other investment opportunities. As a result, the Company may be unable to deploy capital on favourable terms or achieve its investment objectives and desired rates of return.

Market and Economic Risks

Equity Market Risk **-** The value of the equity securities in which the Company may invest may fluctuate significantly due to factors affecting individual issuers, particular industries or equity markets generally, including financial performance and outlook, investor sentiment, trading activity, interest rates and regional, national and international economic conditions. Securities of smaller companies and companies operating in emerging sectors may experience greater price volatility and may be more sensitive to adverse developments than securities of larger, more established issuers. Warrants, convertible securities and other equity-related instruments may also be affected by changes in the value of the underlying securities. A decline in equity markets or in the value of individual portfolio investments could adversely affect the Company's financial results and Net Asset Value.

Commodity Risk **-** The Company may invest in companies whose financial performance and market value are directly or indirectly affected by commodity prices. Commodity prices may fluctuate significantly due to changes in supply and demand, economic conditions, geopolitical events, government policies, production levels and other factors beyond the Company's control. Adverse commodity-price movements could negatively affect the operations, profitability and value of portfolio companies.

Portfolio Concentration Risk – The Company may maintain a relatively concentrated Investment Portfolio, with one or more investments, issuers or industry sectors representing a significant portion of its total value. As a result, adverse developments affecting a significant investment, issuer or sector could have a disproportionate effect on the value of the Investment Portfolio. A concentrated portfolio may also experience greater volatility and risk of loss than a more broadly diversified portfolio.

Options Strategies Risk – The Company may use options, including the writing of call and put options, as part of its investment activities. The value and potential obligations associated with an option may be affected by changes in the value and volatility of the underlying security, the time remaining to expiration and other market factors. When the Company writes an option, it may be required to purchase or deliver the underlying security upon exercise or assignment, potentially at an unfavourable price. Options strategies may also require the Company to maintain cash or securities as collateral and may restrict its ability to use or dispose of those assets. Premiums received may be insufficient to offset losses, written call options may limit the Company's participation in increases in the value of an underlying security, and written put options may require the Company to acquire a security at a price above its market value.

Currency Risk **-** The Company holds investments and cash balances denominated in currencies other than the Canadian dollar, primarily the United States dollar. Changes in foreign exchange rates may increase or decrease the Canadian dollar value of these assets and any income, gains or proceeds derived from them. The Company may also realize foreign exchange gains or losses when foreign currency is converted or foreign-denominated investments are acquired or disposed of. The Company does not generally hedge its foreign currency exposure and therefore remains exposed to adverse movements in foreign exchange rates.

Foreign Investment Risks **-** Foreign investments made by the Company may be subject to legal, regulatory, political and economic conditions that differ from those applicable to investments in Canada. Foreign markets may provide different levels of investor protection, disclosure, regulatory oversight and legal recourse and may be subject to capital controls, ownership restrictions, withholding taxes or other measures affecting foreign investors. Political or economic instability, changes in government policy or difficulties enforcing legal rights could adversely affect the value or liquidity of a foreign investment or the Company's ability to receive or repatriate proceeds of its foreign investments.

Market Disruption Risk **-** Financial markets may be disrupted by geopolitical conflict, terrorism, trade disputes, tariffs, sanctions, public health emergencies, failures within the financial system or other significant events. Such disruptions may result in increased market volatility, reduced liquidity, inflationary pressures, supply-chain interruptions or broader economic instability. These conditions may affect particular industries, issuers or markets disproportionately and could reduce the value or liquidity of securities held in the Company's Investment Portfolio or limit the Company's ability to acquire or dispose of investments on favourable terms.

Digital Asset Risks

Price Risk Related to Digital Assets – Intangible Assets - Digital asset prices are highly volatile and affected by various factors, including global supply and demand, interest rates, exchange rates, inflation or deflation, and political and economic conditions. Supply and demand for such assets may rapidly change as a result of changes in regulations and general economic trends. A decline in the market prices of digital assets could impact the value of the Company's investments. Digital assets may be traded on public exchanges or through over-the-counter markets.

Digital Asset Regulatory Risk - Changes in, or more aggressive enforcement of, laws and regulations could adversely affect the Company's digital assets and investments.

Regulatory agencies could prohibit or restrict the use of platforms or exchanges that facilitate transactions in digital assets or use blockchain-based technologies. This could adversely affect the value or liquidity of such investments or expose the Company to regulatory action by the OSC or other securities regulators.

The legal status of digital assets such as cryptocurrencies varies substantially among jurisdictions and continues to evolve. While some countries have explicitly allowed their use and trade, others have banned or restricted them. Likewise, various government agencies, departments, and courts have classified digital assets and cryptocurrencies differently.

Digital Asset Access Risk - The Company's digital asset holdings may be stored in a "digital wallet". Digital assets are controllable only by a party that possesses the unique public and applicable private key or keys relating to the digital wallet. The loss of access to the private keys associated with the Company's digital asset holdings may be irreversible and could adversely affect the Company's ability to access, transfer or dispose of its digital asset holdings. To the extent that a private key is lost, destroyed or otherwise compromised, and no backup is accessible, the Company may be unable to access the digital assets.

Management and Operational Risks

Dependence on Key Management and Personnel **-** The Company depends on the experience, relationships, judgment and expertise of its Management and key personnel to identify, evaluate and monitor investments and conduct its operations. The loss or prolonged unavailability of any such individual could disrupt the Company's operations, delay investment decisions or impair its ability to source and manage investment opportunities. The Company may require additional qualified personnel as its activities expand, and there can be no assurance that it will be able to attract and retain such personnel. The Company does not currently maintain key person life insurance on any member of its Management or Board of Directors.

Cybersecurity, Information Technology and Third-Party Service Provider Risk - The Company's operations depend on information technology systems and third-party platforms used for banking, investment trading, financial reporting, recordkeeping and communications. These systems and platforms may be subject to cyberattacks, unauthorized access, fraud, data breaches, service disruptions or other security incidents caused by employees, service providers or other third parties. Although the Company maintains policies and safeguards designed to prevent, detect and mitigate such incidents, there can be no assurance that these measures will be effective. A cybersecurity or information technology incident could disrupt the Company's operations, compromise confidential information, result in financial loss or expose the Company to legal, regulatory or reputational consequences. The Company relies on banks, brokers, custodians and other service providers, and any failure or disruption affecting them could delay transactions, restrict access to assets or otherwise adversely affect the Company's operations.

Financial, Tax and Corporate Structure Risks

Financing Risk **-** Additional capital may be required to pursue future investment opportunities, fund existing portfolio companies or support the Company's operations and growth. There can be no assurance that debt or equity financing will be available when required or on acceptable terms. The availability and cost of financing may be affected by market conditions, the Company's financial performance, the market price and liquidity of the Common Shares and other factors beyond the Company's control. An inability to obtain financing could limit the Company's ability to pursue investment opportunities or support its existing investments.

Income and Indirect Tax Risk - The Company is subject to Canadian federal and provincial income taxes and indirect taxes, including GST/HST. The application of tax legislation to the Company's investment activities may involve complex interpretations and judgments regarding the characterization of investment gains and losses as being on income or capital account, the deductibility of expenses, the availability and use of losses and other tax attributes and the Company's entitlement to GST/HST input tax credits. The Company's tax filings and positions may be reviewed or challenged by applicable tax authorities. Tax authorities may interpret applicable legislation differently than the Company, which could result in additional taxes, the denial of deductions or input tax credits, interest, penalties or other costs.

As the Company realizes gains from its Investment Portfolio, it may incur income-tax liabilities that are not fully offset by available losses, deductions or other tax attributes. Such liabilities, or changes in tax legislation, administrative practices or their interpretation, could reduce the Company's liquidity and the capital available for investment.

Foreign Subsidiary Risk - The Company has a wholly owned subsidiary incorporated in the British Virgin Islands, which may be used from time to time in connection with certain investment activities. Maintaining the subsidiary may expose the Company to additional tax, legal, regulatory, reporting and administrative requirements in Canada and the British Virgin Islands, including requirements relating to tax residency, foreign reporting and intercompany transactions.

Although the subsidiary is consolidated with the Company for financial reporting purposes, income, losses and other tax attributes are generally determined separately by legal entity. Accordingly, losses or other tax attributes arising in the subsidiary may not be available to offset taxable income earned by the Company and could expire unused. Failure to comply with applicable requirements, or changes in the activities or tax treatment of the subsidiary, could result in additional taxes, penalties, compliance costs or other adverse consequences.

Risks Relating to the Common Shares

Concentration of Share Ownership – A significant proportion of the outstanding Common Shares is held by certain directors, officers and other significant Shareholders. This concentration may affect the outcome of matters submitted to a vote of Shareholders.

Dilution Risk **-** The Company may issue additional securities from time to time to raise capital, complete investments or other transactions, or compensate Directors, officers, employees or consultants. The issuance of Common Shares, or the exercise, conversion or settlement of options, warrants, restricted share units or other securities, may dilute the ownership and voting interests of existing Shareholders and may adversely affect the market price of the Common Shares.

Dividends and Returns of Capital **-** The Company has not established a regular dividend policy and is under no obligation to declare or pay any dividend or other distribution on its Common Shares. The Board of Directors may determine from time to time that a special dividend, return of capital or other distribution is appropriate, subject to applicable law and any required approvals. Any such decision, including the timing, amount and form of a distribution, will be entirely discretionary and will depend on the Company's financial position, liquidity, capital requirements, investment opportunities and other factors considered relevant at the time. There can be no assurance that any dividend, return of capital or other distribution will be declared or paid, and any distribution that is made should not be regarded as an indication that future distributions will be made.

Use of Non-IFRS Financial Measures

This MD&A contains references to “Net Asset Value” (“NAV”), “Net Asset value per share” and expenses as a % of NAV as measures of the performance of the Company as a whole. These measures do not have any standardized meaning according to IFRS and do not have directly comparable IFRS measures therefore, these measures may not be comparable to similar measures presented by other companies. These amounts are not performance measures as defined under IFRS and should not be considered either in isolation of, or as a substitute for, net earnings prepared in accordance with IFRS. Net Asset value is equal to the shareholders’ equity at the date of the statement of financial position, otherwise calculated as the total assets minus the total liabilities. Net Asset Value is divided by the total number of common shares outstanding as at a specific date to give NAV per share. Expenses as a % of NAV is calculated by dividing the operating expenses, less the value of stock-based compensation, by NAV. Reconciliations of these non-IFRS measures can be found below:

	For the period ended	
NAV per share	**June 30, 2026**	**June 30, 2025**
Total Assets	$34,407,925	$29,044,075
Less: Total Liabilities	1,314,167	311,182
Net Assets	$33,093,758	$28,732,893
Divided by number of shares	38,180,224	38,090,224
	$0.87	$0.75

	Quarter Ended	
Expenses as a % of NAV	**June 30, 2026**	**June 30, 2025**
Operating Expenses	$208,249	$369,996
Less: Stock based compensation	-	84,096
	208,249	285,900
Divided by NAV	33,093,758	28,732,893
	0.63%	1.00%

Disclosure and Internal Financial Control

Management has established processes, which are in place to provide them sufficient knowledge to support Management representations that they have exercised reasonable diligence that:

(i) the 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 considering 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, results of operations and cash flows of the Company, as of the date of and for the periods presented by the consolidated financial statements.

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (“NI 52-109”), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (“DC&P”) and internal controls over financial reporting (“ICFR”), as defined in NI 52-109.

In particular, the certifying Officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with the issuer's GAAP.

The Company's certifying Officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying Officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Management's Responsibility for Financial Information

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

Additional Information

Additional information is available on the Company's website at www.torrentcapital.ca and under the Company's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR+") website, www.sedarplus.ca.