Torrent Capital Ltd.
Management Discussion and Analysis
Three and nine months ended September 30, 2026

This Management's Discussion and Analysis ("MD&A") of Torrent Capital Ltd. ("Torrent" or the "Company") is dated November 3, 2026 and provides an analysis of the financial operating results for the period ended September 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 nine month periods ended September 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 third quarter of 2026, Torrent Capital's NAV decreased to $28.58 million ($0.75 per share) from $33.10 million ($0.87 per share) in the second quarter of 2026, representing a decrease of approximately 13.6% on a per share basis during the quarter, whereas the S&P 500 and the S&P/TSX Small Cap Index each increased by 2.00%.

During Q3 2026, equity markets posted modest gains, although headline index returns masked considerable volatility and uneven performance across companies and sectors. Rising bond yields, persistent inflation and renewed disruptions in the Middle East weighed on investor sentiment. The S&P 500 Equal Weight Index declined approximately 1.9% and the Russell 2000 Index fell approximately 7.2%, despite gains in the capitalization weighted S&P 500. Consequently, the index's positive performance reflected gains concentrated in a small number of heavily weighted companies rather than a broad based market advance.

The technology sector experienced significant swings as investors reassessed valuations, the potential returns on artificial intelligence investment, and continued to digest the structural opportunities and threats to businesses from AI. Early in the quarter, there was a sharp decline in semiconductor, technology, and other AI related momentum stocks. A recovery followed in select large-cap technology companies, but small cap equities remained depressed.

Torrent's portfolio declined during the quarter with weakness in its technology-related holdings, particularly in the financial technology and robotics sectors. Torrent views the decline as short term in nature and is confident in the growth potential of its positions. Following the close of the acquisition of one of Torrent's largest holdings, Kneat.com Inc. in August, Torrent has an elevated cash balance that positions the Company to capitalize on future investment opportunities. Given ongoing market volatility, Torrent is taking a selective approach to capital deployment, seeking opportunities where the potential return appropriately compensates for the heightened risk present in the market.

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
	#	$	$	$	
Sep 30, 2026	38,180,224	28,581,857	0.75	292,741	1.02%
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%

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 September 30, 2026, and December 31, 2025, are summarized as follows:

	As at September 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) $**
Aerospace & Defense	965,352	844,985	(120,367)	-	-	-
Medical Research	39,382	67,800	28,418	232,199	599,625	367,426
Financial Technology	7,219,540	6,068,636	(1,150,904)	5,850,901	8,221,446	2,370,545
Media & Publishing	953,550	271,238	(682,312)	1,333,139	696,392	(636,747)
Metals & Mining	3,268,966	3,528,828	259,862	4,573,229	5,749,442	1,176,213
Semiconductors & Electronics	1,206,225	1,106,132	(100,093)	-	-	-
Software & IT Services	7,273,722	7,544,173	270,451	7,276,433	12,682,608	5,406,175
Technology Hardware & Equipment	933,572	749,874	(183,698)	-	-	-
Energy & Power Systems	2,432,079	2,209,986	(222,093)	-	-	-
Robotics, Sensors & Autonomous Systems	3,042,150	2,285,023	(757,127)	-	-	-
Other	250,000	4,625	(245,375)	2,104,857	2,147,754	42,897
	27,584,538	**24,681,300**	**(2,903,238)**	**21,370,758**	**30,097,267**	**8,726,509**

As at September 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[2]**
Public Company	22	24,730,488	22,128,621	75%
Private Company[1]	4	3,701,017	2,729,946	11%
Equity Investments	26	28,431,505	24,858,567	86%
Cash and equivalents		4,722,734	4,722,734	14%
Total Portfolio Assets		33,154,239	29,581,301	100%

1 Includes investment in Argentia Capital Inc.
2 Portfolio percentages are based on historical investment cost, including cash and cash equivalents.

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[2]**
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[3]	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 Portfolio percentages are based on historical investment cost, including cash and cash equivalents.
3 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 loss on investments of $8,351,503 or $0.22 per share as compared to an unrealized gain on investments of $2,347,986 or $0.06 per share in the comparable quarter. The year-to-date income includes an unrealized loss on investments of $11,629,747 or $0.30 per share as compared to an unrealized gain on investments of $4,073,153 or $0.11 per share in the comparable year.

	Three months ended September 30, 2026			Nine months ended September 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) $**
Aerospace & Defense	9,135	(120,367)	(111,232)	9,135	(120,367)	(111,232)
Medical Research	37,270	(27,286)	9,984	171,214	(339,009)	(167,795)
Financial Technology	316,168	(2,835,851)	(2,519,683)	664,431	(3,458,066)	(2,793,635)
Media & Publishing	(18,064)	38,078	20,014	(34,982)	(49,328)	(84,310)
Metals & Mining	(74,103)	267,916	193,813	(87,604)	(916,351)	(1,003,955)
Semiconductors & Electronics	(4,640)	(100,093)	(104,733)	(4,640)	(100,093)	(104,733)
Software & IT Services	3,352,098	(2,484,953)	867,145	7,086,175	(5,199,108)	1,887,067
Technology Hardware & Equipment	110,539	(169,663)	(59,124)	130,872	(183,698)	(52,826)
Energy & Power Systems	42,822	(221,583)	(178,761)	119,217	(222,093)	(102,876)
Robotics, Sensors & Autonomous Systems	301,036	(2,343,626)	(2,042,590)	540,890	(757,126)	(216,236)
Other	(13,240)	(354,075)	(367,315)	(26,317)	(284,508)	(310,825)
	4,059,021	(8,351,503)	(4,292,482)	8,568,391	(11,629,747)	(3,061,356)

Software & IT Services (~26% of portfolio)

Kneat.com, Inc. – In Q2 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 the Kneat at approximately $650 million, or $6.50 per share. The transaction closed in Q3 2026, providing a final year to date realized gain of $7,467,064 to Torrent. Kneat was 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.

Financial Technology (~26% of Portfolio)

Lemonade, Inc – Lemonade's share price declined 31% during Torrent's Q3 2026. A significant portion of the decline occurred following its July 29 earnings release, when shares fell approximately 23.7% despite continued strong growth and exceeded guidance, as the market was disappointed with an increase in operating expenses and share based compensation.

During the quarter, Lemonade reported Q2 in-force premiums of US$1.43 billion, up 32.4% year over year, marking its eleventh consecutive quarter of accelerating growth. Revenue increased 79% to US$294.4 million, supported by premium growth and increased premium retention under its reinsurance arrangements. The gross loss ratio improved to 60% from 67% a year earlier, while the adjusted EBITDA loss narrowed to US$18.7 million from US$40.9 million. Lemonade continued expanding its addressable market, launching car and renters' insurance in several additional states during the quarter.

Torrent remains confident in its Lemonade position and the company's long-term growth potential, supported by improving underwriting performance and its AI-driven operating model.

Metals and Mining (~12% of Portfolio)

Fortune Bay Corp. – Fortune Bay's share price increased approximately 25% during Q3 2026. A Gold rally in August presented a tailwind for Fortune Bay stock and other Canadian mineral exploration stocks during a quarter with limited company specific news flow. After quarter end, Fortune Bay announced the completion of a processing trade-off study. The processing trade-off study compared the on-site gold doré production case outlined in the Company's 2025 Updated Preliminary Economic Assessment with an alternative producing a gold-bearing concentrate for sale and treatment off site. 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 13% during the quarter. The board of directors of the company has appointed Brenan Isabelle as Chief Executive Officer and a Director of the company. Brenan will be responsible for evaluating the Eureka project and developing new opportunities for the company. ReeXploration is a core holding in Torrent's Resource Portfolio providing exposure to critical minerals.

Robotics, Sensors and Autonomous Systems (~11% of Portfolio)

Ouster, Inc. - Ouster's stock declined approximately 35% during Q3, offsetting Torrent's prior unrealized gain on the position from Q2. The decline was driven by its August earnings release as a larger than expected loss overshadowed strong revenue growth during a volatile period for technology growth stocks. During the quarter, Ouster secured a multimillion-dollar expansion of its BlueCity traffic management deployment across 160 intersections in Utah and announced that GUSS Automation, a John Deere subsidiary, planned to deploy its next-generation REV8 lidar in autonomous agricultural equipment. The company also advanced its drone-mapping applications through GeoCue's integration of REV8 sensors, demonstrating broader adoption across infrastructure, agriculture and aerial surveying. Torrent reduced its position into strength during the quarter, realizing a gain of $203,797 (Year to date $342,058). Torrent believes Ouster's market leading lidar systems present strong growth potential as physical AI infrastructure develops and evolves in the coming years. Torrent retains a position in Ouster and is confident in the company's long-term growth potential.

Energy & Power Systems (~9% of Portfolio)

During the quarter, Torrent grew its 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.

Semiconductors & Electronics (~4% of Portfolio)

Torrent holds small positions in semiconductor and electronics companies, providing exposure to growing demand for computing power, data infrastructure and advanced technologies. These positions are sized cautiously given the sector's cyclicality and volatility.

Media & Publishing (~3% of Portfolio)

WildBrain Ltd. – WildBrain's share price increased approximately 4% during Q3 2026. During the quarter, Torrent fully exited its Wildbrain position to increase its cash balances and reinvest in other opportunities

Technology Hardware & Equipment (~3% of Portfolio)

In the third quarter, Torrent maintained a modest 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.

Aerospace &Defense (~3% of Portfolio)

Torrent initiated a position in the aerospace and defence sector during the quarter, providing exposure to space infrastructure and satellite technologies based in Canada. The investment reflects the increased importance of next-generation communications and connectivity as defence spend increases globally.

Other (~1% 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.

Medical Research (<1% of Portfolio)

Sona Nanotech Inc. – Sona's share price was flat at $0.30 per share in Q3 2026. Sona continued to advance its Targeted Hyperthermia Therapy ("THT") during the quarter. Additionally, Sona closed an oversubscribed private placement of $2.5M in August. Sona intends to use the net proceeds of the financing for advancing studies to support the clinical advancement and continuing research and development work on its targeted hyperthermia therapy oncology treatment, as well as for general working capital purposes. 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 September 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 September 30, 2025 are summarized as follows:

	Three months ended September 30, 2025			Nine months ended September 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	1,237,880	2,250,467	3,488,347	1,237,880	697,565	1,935,445
Bitcoin	-	-	-	2,043	-	2,043
	1,237,880	2,250,467	3,488,347	1,239,923	697,565	1,937,488

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, and streaming income from port related activities.

ACI is a signatory to the Pattern Energy ("Pattern") 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. Against a backdrop of slower than anticipated development of markets for green hydrogen and ammonia, Pattern Energy has shifted its initial development focus at Argentia toward a wind only project with capacity of up to 150 MW. ACI retains an option to acquire an equity interest of up to 15% in the wind project and associated development. The proposed wind capacity could support other industrial development opportunities being evaluated by ACI and the Port.

In parallel, ACI is advancing efforts to participate in several developments in critical mineral processing, offshore marine support services and industrial development. ACI has implemented a Preferred Vendor Program (the "Program") to further support Port tenants through streamlined procurement and agile supply chain alignment. The Program has secured initial commercial agreements and begun generating modest revenue, with additional vendors being added as ACI works to expand participation alongside activity at the Port.

In October 2026, ACI, Port of Argentia Inc. and Mammoet Canada Eastern Ltd. announced a memorandum of understanding to develop a partnership to explore the development of a floating dry dock and marine repair facility at the Port using modular submersible platform technology. The initiative remains at an early stage and if advanced the proposed facility could expand marine services at the Port, create opportunities for ACI to participate in related infrastructure and business development, and generate additional activity through the Preferred Vendor Program.

Selected Quarterly Financial Information

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

For the quarter ended	Sep. 30, 2026 $	Jun. 30, 2026 $	Mar. 31, 2026 $	Dec. 31, 2025 $	Sep. 30, 2025 $	Jun. 30, 2025 $	Mar. 31, 2025 $	Dec. 31, 2024 $
Realized gain (loss) on investment in securities	**4,059,021**	4,051,662	457,708	1,081,701	**164,030**	(3,473)	405,699	735,601
Unrealized gain (loss) on investment in securities	**(8,351,503)**	1,917,617	(5,195,861)	(1,321,311)	**2,347,986**	1,515,648	209,519	2,119,002
Realized gain (loss) on Investment in digital assets	**-**	-	-	303,561	**1,237,880**	11,848	(9,805)	-
Staking rewards income	**-**	-	-	22,033	**181,696**	149,869	64,856	-
Share of loss from joint venture	**(51,850)**	(56,250)	(56,250)	(59,740)	**(63,010)**	(185,050)	(16,500)	(19,000)
Interest income	**20,484**	18,000	17,537	17,144	**16,357**	16,148	15,549	14,650
Operating expenses	**(292,741)**	(208,249)	(378,895)	(580,934)	**(281,330)**	(369,996)	(274,913)	(240,643)
Net income (loss) before income taxes	**(4,608,901)**	5,723,270	(5,145,169)	(504,960)	**3,603,609**	1,134,994	394,405	2,609,609
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)	**97,000**	(977,000)	880,000	220,000	**(1,100,000)**	-	45,000	(45,000)
Net comprehensive income (loss) after taxes	**(4,511,901)**	4,746,270	(4,265,169)	(982,525)	**4,754,076**	2,425,217	(2,403,720)	2,564,609
Net comprehensive income (loss) per share	**(0.12)**	0.12	(0.11)	(0.03)	**0.13**	0.06	(0.07)	0.10
Cash	**4,722,734**	6,872,778	735,233	1,659,313	**4,354,519**	1,868,505	1,594,963	1,669,034
Investment in securities at fair market value	**24,681,300**	27,176,704	27,530,423	30,097,267	**22,971,743**	17,714,606	17,394,436	18,377,885
Investment in digital assets at fair market value	**-**	-	-	-	**7,311,918**	9,122,032	6,999,689	149,965
Investment in joint venture	**177,267**	210,817	239,067	252,817	**280,457**	302,167	471,117	422,117
Total assets	**29,748,777**	34,407,925	28,618,115	34,073,653	**34,953,235**	29,044,075	26,520,921	20,657,554
Current liabilities	**1,166,920**	671,167	270,627	600,038	**315,177**	311,182	398,340	335,043
Deferred income taxes	**-**	643,000	-	880,000	**1,100,000**	-	-	45,000
Shareholders' equity	**28,581,857**	33,093,758	28,347,488	32,593,615	**33,538,058**	28,732,893	26,122,581	20,277,511

Results of Operations for the Nine Months Ended September 30, 2026, and 2025

For the period ended September 30, 2026, the Company reported a net comprehensive loss after tax of $4,030,800 or $0.11 per share as compared to a net comprehensive income after tax of $4,775,573 or $0.13 per share in the comparable period. The current period's results include an unrealized loss on marketable securities of $11,629,747 or $0.30 per share as compared to an unrealized gain on marketable securities of $4,073,153 or $0.11 per share in the comparable period.

During the period ended September 30, 2026, the Company recorded an unrealized gains of $0.8 million on its investment in Aitenders Technologies, $0.4 million on its investment in B2Gold Corp., and $0.1 million on its investment in Fortune Bay Corp. The Company also recorded unrealized losses of $5.4 million on its investment in Kneat.com, $3.5 million on its investment in Lemonade, Inc., $1.1 million on its investment in ReeXploration Inc., $0.4 million on its investment in Ouster Inc., $0.3 million on its investment in Sona Nanotech Inc., $0.3 million on its investment in UiPath Inc., and $1.9 million in various 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 $8,568,391 as compared to realized net gains of $566,256 in the comparable period. The realized net gains and losses on the Investment Portfolio are summarized as follows:

	September 30, 2026 $	September 30, 2025 $
kneat.com, Inc.	**7,467,064**	66,565
Options	**671,032**	-
Lemonade, Inc.	**347,659**	-
Ouster Inc.	**342,058**	-
SentinelOne, Inc.	**(250,807)**	-
Ui Path Inc.	**(203,295)**	-
AnorTech Inc.	**(103,893)**	-
WildBrain Ltd.	**(34,982)**	203,619
MDA Space Ltd.	**-**	291,660
Pinterest Inc.	**-**	41,943
Transcode Therapeutics, Inc	**-**	(106,114)
Other - net	**333,555**	68,583
	8,568,391	566,256

In the period ended September 30, 2026, the Company recognized its 50% equity loss of $164,350 (2025 - $264,560) 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 September 30, 2026, the Company recorded interest revenue of $53,800 (2025 - $47,900), based on an interest rate of 12% on these advances.

During the period ended September 30, 2026, the Company incurred consulting fees of $449,324 (2025 - $384,936) including CEO fees of $135,000 (2025 - $135,000), President & COO fees of $90,000 (2025 - $90,000) and CFO salary of $75,000 for the current CFO (2025 - CFO fees of $80,100 for the previous CFO, salary of $16,667 for the current CFO). The Company also incurred fees for controller services of $26,500 (2025 - $27,000) and consulting services of $1,500 (2025 - $nil) paid to Numus Financial and $67,861 (2025 - $30,758) in net fees paid to Brigus Capital for investment consulting services. The Company also incurred rent and digital media fees paid to Numus of $23,900 (2025 - $22,950) and $18,900 (2025 - $19,000) respectively.

In 2026 and 2025, the Company incurred Directors' fees of $88,875 and incurred D&O insurance fees of $11,326 (2025 - $13,260). In the current period, the Company incurred professional fees of $104,099 (2025 - $78,936) and stock exchange and maintenance fees of $36,418 (2025 - $29,363). In the current period, the Company incurred office and administration costs of $50,647 (2025 - $94,464).

During the period ended September 30, 2026, the Company recorded a foreign exchange loss of $90,870 (2025 – $14,961) 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 - $149,546) of stock-based compensation for options and $7,538 (2025 - $37,688) for restricted share units.

During the current period, the Company recorded an estimated current tax expense of $880,000 (2025 - $nil) and a deferred income tax recovery of $880,000 (2025 – deferred income tax expense $1,055,000). 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 September 30, 2026, and 2025

For the quarter ended September 30, 2026, the Company reported a net comprehensive loss after tax of $4,511,901 or $0.12 per share as compared to a net comprehensive income after tax of $4,754,076 or $0.13 per share in the comparable quarter. The current quarter's results include an unrealized loss on marketable securities of $8,351,503 or $0.22 per share as compared to an unrealized gain of $2,347,986 or $0.06 per share in the comparable quarter.

During the quarter ended September 30, 2026, the Company recorded unrealized gains of $0.8 million on its investment in Aitenders Technologies, $0.6 million on its investment in Ui Path Inc., and $0.3 million on its investment in Fortune Bay Corp. The Company also recorded unrealized losses of $3.5 million on its investment in Kneat.com, Inc, $2.9 million on its investment in Lemonade, Inc., $2.1 million on its investment in Ouster Inc., and $1.6 million in various 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 $4,059,021 as compared to a realized net gain of $164,030 in the comparable quarter. The realized net gains and losses on the Investment Portfolio are summarized as follows:

	September 30, 2026 $	September 30, 2025 $
kneat.com, Inc.	**3,534,913**	-
Options	**364,954**	141,761
Lemonade, Inc.	**159,387**	-
Ouster Inc.	**203,797**	-
Ui Path Inc.	**(203,295)**	-
AnorTech Inc.	**(43,711)**	-
WildBrain Ltd.	**(18,064)**	99,816
Telesat Corporation	**-**	35,037
STLLR Gold Inc.	**-**	(259,576)
Other - net	**61,040**	146,992
	4,059,021	164,030

In the quarter ended September 30, 2026, the Company recognized its 50% equity loss of $51,850 (2025 - $63,010) from the ACI joint venture. For the quarter ended September 30, 2026, the Company recorded interest revenue of $18,300 (2025 - $16,050), based on an interest rate of 12% on these advances.

During the quarter ended September 30, 2026, the Company incurred consulting fees of $158,501 (2025 - $122,459) including CEO fees of $45,000 (2025 - $45,000), President & COO fees of $30,000 (2025 - $30,000) and CFO salary of $25,000 for the current CFO (2025 - CFO fees of $9,750 for the previous CFO and salary of $16,667 for the current CFO). The Company also incurred fees for controller services of $8,500 (2025 - $9,000) and consulting services of $1,500 (2025 - $nil) paid to Numus Financial and $16,995 (2025 - $10,192) in net fees paid to Brigus Capital for investment consulting services. The Company also incurred rent and digital media fees paid to Numus Financial of $8,600 (2025 - $7,650) and $6,000 (2025 - $4,000) 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 $37,292 (2025 - $20,173) and stock exchange and maintenance fees of $11,545 (2025 - $11,353). In the current quarter, the Company incurred office and administration costs of $17,806 (2025 - $33,259).

During the quarter ended September 30, 2026, the Company recorded a foreign exchange loss of $24,878 (2025 – gain of $13,307) on its USD payables and transactions. The exchange loss was the result of unfavourable 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 - $46,014) 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 $546,000 (2025 - $nil) and a deferred income tax recovery of $643,000 (2025 - deferred tax expense $1,100,000). 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 net unrealized losses associated with the Company's various equity investments.

Liquidity and Capital Resources

As at:	September 30, 2026 $	December 31, 2025 $	December 31, 2024 $
Cash	**4,722,734**	**1,659,313**	1,669,034
Investments at fair market value	**24,681,300**	**30,097,267**	18,377,885
Digital assets at fair market value	**-**	**-**	149,965
Investment in joint venture	**177,267**	**252,817**	422,117
Total assets	**29,748,777**	**34,073,653**	20,657,554
Total current liabilities	**1,166,920**	**600,038**	335,043
Deferred income taxes	**-**	**880,000**	45,000
Shareholders' Equity	**28,581,857**	**32,593,615**	20,277,511

The Company has working capital, as of September 30, 2026, of $28,404,590 (December 31, 2025 – $33,220,798) and a cash balance of $4,722,734 (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 September 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 September 30, 2026, the Company received proceeds of $26.5 million on the sale of investments including, $9.0 million on the sale of kneat.com, Inc. shares, $3.7 million on the sale of ProShares UltraShort S&P 500 ETF shares, $2.7 million on the sale of B2Gold Corp. shares, $2.1 million on the sale of Ouster, Inc. shares, $1.7 million on the sale of Lemonade, Inc. shares, $1.3 million on the sale of Zeta Global Holdings Corp. shares, $0.7 million on the sale of UiPath Inc. shares, $0.6 million on the sale of Capstone Green Energy+, Inc. shares, $0.6 million on the sale of MaxLinear, 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, $0.3 million on the sale of WildBrain Ltd. shares, $1.2 million on the sale of shares within Other Securities and $1.0 million on the sale of call and put options.

The Company also incurred costs of $22.2 million on the acquisition of investments including, $3.1 million on its acquisition of Ouster Inc. shares, $3.0 million on its acquisition of Lemonade, Inc. shares, $2.3 million on its acquisition of ProShares UltraShort S&P 500 ETF shares, $1.5 million on its acquisition of Evolution PowerX Corp. shares, $1.4 million on its acquisition of Cognex Corp. shares, $1.2 million on its acquisition of Zeta Global Holdings Corp. shares, $1.1 million on its acquisition of Barrick Mining Corp. shares, $1.1 million on its acquisition of Himax Technologies, Inc. shares, $1.0 million on its acquisition of MDA Space Ltd. shares, $0.9 million on its acquisition of Vishay Precision Group shares, $0.8 million on its acquisition of B2Gold Corp shares, $0.7 million on its acquisition of First Solar shares, $0.6 million on its acquisition of Capstone Energy+, Inc. shares, $0.5 million on its acquisition of Aitenders Technologies shares, $0.4 million on its acquisition of Modine Manufacturing Company shares, $0.4 million on its acquisition of Andina Copper Corp. shares, $0.4 million on its acquisition of Kraken Robotics shares, $0.3 million on its acquisition of Ballard Power Systems shares, $1.3 million on investments within Other Securities and $0.4 million on the acquisition of call and put options.

During the year ended December 31, 2025, the Company received proceeds of $10.9 million on the sale of investments, including $1.5 million on the sale of Wildbrain Ltd. shares, $1.4 million on the sale of AMD shares, $1.1 million on the sale of Bitcoin ETFs 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 $20.2 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 Inc. 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 ETFs, $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 WonderFi Technologies Inc. shares, $4.4 million on acquisition of shares 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 September 30, 2026 and November 3, 2026 the Company had 38,180,224 common shares outstanding.

As at September 30, 2026 and November 3, 2026, the Company had nil RSUs outstanding.

As at September 30, 2026 and November 3, 2026 the Company had 780,000 stock options outstanding with a weighted average exercise price of $0.81 and varying expiry dates.

As at September 30, 2026 and November 3, 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 September 30, 2026 and 2025, the Company incurred the following amounts with related parties:

- Director fees of $88,875 (2025 - $88,875) to Directors or companies controlled by Directors;
- Fees to CEO, Wade Dawe, in the amount of $135,000 (2025 - $135,000);
- Fees to President and COO, Carl Sheppard, in the amount of $90,000 (2025 - $90,000);
- Salary to CFO, Eric Thompson, in the amount of $75,000 (2025 - $16,667), Mr. Thompson replaced Mr. Randall as CFO effective August 1, 2025;
- Fees to CFO, Rob Randall, in the amount of $nil (2025 - $80,100), Mr. Randall left the company effective July 31, 2025;
- Net investment consulting fees to Brigus Capital, a company controlled by CEO, Wade Dawe, of $67,861 (2025 - $30,758); and
- Controller service fees, rent and other fees of $70,800 (2025 - $68,950) to Numus Financial Inc, 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 September 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.

Investment Portfolio Risks

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	**September 30, 2026**	**September 30, 2025**
Total Assets	$29,748,777	$ 34,953,235
Less: Total Liabilities	1,166,920	1,415,177
Net Assets	$28,581,857	$ 33,538,058
Divided by number of shares	38,180,224	38,090,224
	$0.75	$0.88

	Quarter Ended	
Expenses as a % of NAV	**September 30, 2026**	**September 30, 2025**
Operating Expenses	$292,741	$ 281,330
Less: Stock based compensation	-	61,089
	292,741	220,241
Divided by NAV	28,581,857	33,538,058
	1.02%	0.66%

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.