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**TORRENT CAPITAL LTD.**

**FINANCIAL STATEMENTS**

**FOR THE QUARTERS ENDED  
SEPTEMBER 30, 2024 AND 2023**

*(expressed in Canadian dollars)*

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November 14, 2024

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

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

The condensed interim financial statements have been prepared by Management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the condensed interim financial statements. Where necessary, Management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of Management, the condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards ("IFRS").

Management has established processes which are in place to provide them sufficient knowledge to support Management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the condensed interim financial statements and (ii) the condensed interim financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented by the condensed interim financial statements.

The Board of Directors is responsible for reviewing and approving the condensed interim financial statements together with other financial information of the Company and for ensuring that Management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with Management to review the financial reporting process and the condensed interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the condensed interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

These unaudited condensed interim financial statements have not been reviewed by the external auditors of the Company.

Halifax, Canada

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

(signed) "*Robert Randall*"  
Chief Financial Officer  
Halifax, Nova Scotia

**Torrent Capital Ltd.**  
**Unaudited Condensed Interim Statements of Financial Position**  
**As at September 30, 2024 and December 31, 2023**  
*(Expressed in Canadian dollars unless otherwise indicated)*

	September 30, 2024 \$	December 31, 2023 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	119,390	499,727
Accounts receivable	59,168	95,395
Sales tax receivable	13,065	41,353
Prepaid expenses	7,791	2,873
Investments at fair value (note 3)	17,598,439	14,936,703
Income tax recoverable (note 6)	-	115,000
	<b>17,797,853</b>	<b>15,691,051</b>
<b>Joint Venture (note 4)</b>	<b>366,867</b>	<b>360,521</b>
<b>Total Assets</b>	<b>18,164,720</b>	<b>16,051,572</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 5)	451,818	380,442
<b>Non-current liabilities</b>		
Deferred income tax (note 6)	-	-
	<b>451,818</b>	<b>380,442</b>
<b>EQUITY</b>		
Share capital (note 7)	10,556,600	10,556,600
Contributed surplus (note 8)	344,579	420,448
Retained earnings	6,811,723	4,694,082
	<b>17,712,902</b>	<b>15,671,130</b>
<b>Total Liabilities and Equity</b>	<b>18,164,720</b>	<b>16,051,572</b>

**Nature of Operations** (note 1)

**Approved on Behalf of the Board on November 14, 2024:**

(signed) "Wade Dawe"  
**Director**

(signed) "Jim Megann"  
**Director**

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

## Torrent Capital Ltd.

### Unaudited Condensed Interim Statements of Income (Loss) and Comprehensive Income (Loss)

For the quarters ended September 30, 2024 and 2023

(Expressed in Canadian dollars unless otherwise indicated)

	Three months ended September 30, 2024 \$	Three months ended September 30, 2023 \$	Nine months ended September 30, 2024 \$	Nine months ended September 30, 2023 \$
<b>REVENUE AND OTHER INCOME (LOSS)</b>				
Realized gain (loss) on investments	(310,233)	(143,361)	(607,451)	(483,829)
Unrealized gain (loss) on investments (note 3)	2,086,916	(860,582)	3,280,830	(4,249,216)
Equity loss from joint venture (note 4)	(50,000)	(44,900)	(146,000)	(110,500)
Interest income (note 4)	12,668	8,155	34,610	19,470
	<b>1,739,351</b>	<b>(1,040,688)</b>	<b>2,561,989</b>	<b>(4,824,075)</b>
<b>EXPENSES</b>				
Consulting fees (note 5)	74,000	117,934	228,658	357,391
Director's fees (note 5)	29,625	29,625	88,875	88,875
Professional fees	15,425	17,773	53,234	66,915
Insurance	4,500	8,250	16,649	24,750
Stock exchange and maintenance fees	8,426	7,821	19,922	19,605
Office and administration	15,053	22,562	62,704	78,026
Rent and related costs (note 5)	7,650	5,100	21,250	15,300
Travel	15,784	6,642	15,784	6,873
Stock-based compensation (note 8)	-	17,361	-	97,175
Foreign exchange loss (gain)	6,926	(452)	13,141	445
	<b>(177,389)</b>	<b>(232,616)</b>	<b>(520,217)</b>	<b>(755,355)</b>
<b>INCOME (LOSS) BEFORE INCOME TAXES</b>				
	<b>1,561,962</b>	<b>(1,273,304)</b>	<b>2,041,772</b>	<b>(5,579,430)</b>
<b>INCOME TAXES</b>				
Current income tax recovery (note 6)	-	(20,000)	-	(140,000)
Deferred income taxes recovery (note 6)	-	130,000	-	(620,000)
	-	110,000	-	760,000
<b>NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)</b>				
	<b>1,561,962</b>	<b>(1,163,304)</b>	<b>2,041,772</b>	<b>(4,819,430)</b>
<b>Basic and diluted income (loss) per share</b>				
	<b>0.06</b>	<b>(0.05)</b>	<b>0.08</b>	<b>(0.19)</b>
<b>Weighted average # of shares outstanding</b>				
	<b>25,004,167</b>	<b>25,004,167</b>	<b>25,004,167</b>	<b>25,004,167</b>

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

**Torrent Capital Ltd.****Unaudited Condensed Interim Statements of Changes in Shareholders' Equity****For the quarters ended September 30, 2024 and 2023***(Expressed in Canadian dollars unless otherwise indicated)*

	<b>Common Shares #</b>	<b>Share Capital \$</b>	<b>Contributed Surplus \$</b>	<b>Retained Earnings \$</b>	<b>Total \$</b>
<b>Balance – December 31, 2022</b>	<b>25,004,167</b>	<b>10,420,894</b>	<b>379,692</b>	<b>10,568,132</b>	<b>21,368,718</b>
Net loss and comprehensive loss for the period	-	-	-	(4,819,430)	(4,819,430)
Stock-based compensation (note 8)	-	-	97,175	-	97,175
<b>Balance – September 30, 2023</b>	<b>25,004,167</b>	<b>10,420,894</b>	<b>476,867</b>	<b>5,748,702</b>	<b>16,646,463</b>
Net loss and comprehensive loss for the period	-	-	-	(1,054,620)	(1,054,620)
Shares issued on vesting of restricted share units (note 8)	25,000	17,500	(17,500)	-	-
Shares issued on the exercise of stock options (note 8)	175,000	118,206	(44,706)	-	73,500
Stock-based compensation (note 8)	-	-	5,787	-	5,787
<b>Balance – December 31, 2023</b>	<b>25,204,167</b>	<b>10,556,600</b>	<b>420,448</b>	<b>4,694,082</b>	<b>15,671,130</b>
Net income and comprehensive income for the period	-	-	-	2,041,772	2,041,772
Stock option expiry (note 8)	-	-	(75,869)	75,869	-
<b>Balance – September 30, 2024</b>	<b>25,204,167</b>	<b>10,556,600</b>	<b>344,579</b>	<b>6,811,723</b>	<b>17,712,902</b>

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

# Torrent Capital Ltd.

## Unaudited Condensed Interim Statements of Cash Flow

For the quarters ended September 30, 2024 and 2023

*(Expressed in Canadian dollars unless otherwise indicated)*

	Nine months ended September 30, 2024 \$	Nine months ended September 30, 2023 \$
<b>CASH PROVIDED BY:</b>		
<b>OPERATING ACTIVITIES</b>		
Net income (loss) for the period	2,041,772	(4,819,430)
Items not affecting cash:		
Realized loss on investments	607,451	483,829
Unrealized (gain) loss on investments	(3,280,830)	4,249,216
Provision for income tax recovery	-	(760,000)
Interest on loan to joint venture	(34,100)	(19,000)
Equity loss from joint venture	146,000	110,500
Stock-based compensation	-	97,175
	(519,707)	(657,710)
<b>Adjustments for:</b>		
Proceeds on sale of investments	2,622,419	2,951,340
Acquisition of investments	(2,610,777)	(2,191,282)
Investment in joint venture	(53,246)	(85,206)
Accounts receivable	33,532	(2,113)
Sales tax receivables	28,288	(3,643)
Prepaid expenses	(4,918)	(10,171)
Accounts payable and accrued liabilities	71,377	20,182
Income taxes recovered	117,695	322,559
	315,337	343,956
<b>Financing Activities</b>		
Loan to joint venture	(65,000)	(150,000)
	(65,000)	(150,000)
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	(380,337)	193,956
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	499,727	263,923
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	119,390	457,879

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

# Torrent Capital Ltd.

## Notes to Unaudited Condensed Interim Financial Statements

### For the quarters ended September 30, 2024 and 2023

(expressed in Canadian dollars unless otherwise noted)

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#### 1. NATURE OF OPERATIONS

Torrent Capital Ltd. (“Torrent”, or the “Company”) is an investment issuer with its shares traded on the TSX Venture Exchange under the symbol “TORR”. The Company’s focus is on strategic investments in public and private companies. The Company’s corporate office is located at Suite 2001 – 1969 Upper Water Street, Purdy’s Wharf II, Halifax, Nova Scotia, Canada, B3J 3R7.

As at September 30, 2024, the Company had cash and cash equivalents of \$119,390 (December 31, 2023 - \$499,727) and working capital of \$17,346,035 (December 31, 2023 - \$15,310,609). Management believes that it has sufficient resources to fund its ongoing working capital requirements for the ensuing twelve months as they normally fall due.

#### 2. ACCOUNTING POLICIES

The Company prepares its unaudited condensed interim financial statements in accordance with Canadian generally accepted accounting principles as set out in the Handbook of Chartered Professional Accountants of Canada – Part 1 (“CPA Canada Handbook”), which incorporates International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* (“IAS 34”), as issued by the IASB. Accordingly, certain information normally included in annual financial statements prepared in accordance with IFRS, as issued by the IASB, has been omitted or condensed. The unaudited condensed interim financial statements should be read in conjunction with the Company’s annual audited financial statements for the year-ended December 31, 2023.

The policies applied in these unaudited condensed interim financial statements are based on IFRS as of November 14, 2024, the date the Board of Directors approved the condensed interim financial statements. Any subsequent changes to IFRS, that are given effect in the Company’s annual financial statements for the year-ended December 31, 2024, could result in the restatement of these unaudited condensed interim financial statements.

##### **Accounting Policies**

These unaudited condensed interim financial statements have been prepared using the same policies and methods of computation as the annual financial statements of the Company for the year-ended December 31, 2023. Refer to note 2, *Accounting Policies*, of the Company’s annual financial statements for information regarding the accounting policies as well as new accounting standards not yet effective. Also, refer to note 3, *Capital Management* and note 4, *Financial Risk Factors*, of the Company’s annual financial statements for the Company’s capital management objectives and its financial risk factors.

## Torrent Capital Ltd.

### Notes to Unaudited Condensed Interim Financial Statements

For the quarters ended September 30, 2024 and 2023

(expressed in Canadian dollars unless otherwise noted)

### 3. INVESTMENTS

	Shares #	Cost of Investment \$	Market Value September 30, 2024 \$	Unrealized Gain (Loss) Quarter ended September 30, 2024 \$	Unrealized Gain (Loss) Year to date September 30, 2024 \$	Market Value Dec. 31, 2023 \$
kneat.com, inc.	1,518,000	1,611,618	7,089,060	570,385	2,097,358	5,193,976
WildBrain Ltd	1,988,941	3,152,275	2,525,955	339,233	401,540	2,263,821
Electrovaya Inc.	229,200	1,289,447	724,272	59,633	(18,541)	1,401,300
MDA Space Ltd.	31,500	487,330	547,470	60,140	60,140	-
Sentinel One Inc.	13,500	482,864	436,452	45,716	(46,411)	-
Other Securities		4,698,919	4,947,415	568,654	121,298	5,053,728
Resource Investment Portfolio		2,020,320	1,327,815	443,155	665,446 <sup>(a)</sup>	1,023,878
		<b>13,742,773</b>	<b>17,598,439</b>	<b>2,086,916</b>	<b>3,280,830</b>	<b>14,936,703</b>

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

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

#### *Financial Instruments Recorded at Fair Value*

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

## Torrent Capital Ltd.

### Notes to Unaudited Condensed Interim Financial Statements

For the quarters ended September 30, 2024 and 2023

(expressed in Canadian dollars unless otherwise noted)

### 3. INVESTMENTS (Continued)

Investments consisted of the following at September 30, 2024:

<b>Investments</b>	<b>Cost</b>	<b>Level 1 Quoted Market Price</b>	<b>Level 2 Observable Market Inputs</b>	<b>Level 3 Non-Observable Market Inputs</b>	<b>Fair Market Value</b>
	\$	\$	\$	\$	\$
Equities	13,742,773	14,696,030	-	2,902,408	17,598,439
Warrants	-	-	-	-	-
<b>Total investments</b>	<b>13,742,773</b>	<b>14,696,030</b>	<b>-</b>	<b>2,902,408</b>	<b>17,598,439</b>

Investments consisted of the following at December 31, 2023:

<b>Investments</b>	<b>Cost</b>	<b>Level 1 Quoted Market Price</b>	<b>Level 2 Observable Market Inputs</b>	<b>Level 3 Non-Observable Market Inputs</b>	<b>Fair Market Value</b>
	\$	\$	\$	\$	\$
Equities	14,361,869	10,852,693	-	4,048,010	14,936,703
Warrants	-	-	-	-	-
<b>Total investments</b>	<b>14,361,869</b>	<b>10,852,693</b>	<b>-</b>	<b>4,048,010</b>	<b>14,936,703</b>

During the period ended September 30, 2024 and year ended December 31, 2023, the reconciliation of investments measured at fair market value using unobservable inputs (Level 3) is presented as follows:

	\$
<b>Balance – December 31, 2022</b>	<b>4,264,259</b>
Proceeds on sale	(6,315)
Realized gains	6,315
Change in unrealized loss	(180,249)
<b>Balance – December 31, 2023</b>	<b>4,084,010</b>
Transfers to Level 1	(215,952)
Purchases	100,000
Change in unrealized loss	(1,065,650)
<b>Balance – September 30, 2024</b>	<b>2,902,408</b>

The table below presents the valuation techniques and the nature of significant inputs used to determine the fair values of the Level 3 investments as at September 30, 2024:

<b>Investment</b>	<b>Method</b>	<b>Inputs</b>	<b>Fair value change + / - 10%</b>
Equity instruments	Private placement financing technique	Price per share of last capital raise	\$290,241

## Torrent Capital Ltd.

### Notes to Unaudited Condensed Interim Financial Statements

#### For the quarters ended September 30, 2024 and 2023

(expressed in Canadian dollars unless otherwise noted)

#### 4. INVESTMENT IN JOINT VENTURE

In September 2022, the Company and the Port of Argentinia Inc. (the “Port”) established a 50/50 joint venture company, Argentinia Capital Inc. (“ACI”). ACI is focused on the development of emerging opportunities at the Port through the provision of services and equity ownership in businesses that support renewable energy, the oil and gas sectors, as well as other Port developments. The Company’s ownership interest in ACI is accounted for using the equity method.

On October 31, 2022, the Company and ACI entered into a loan agreement. The agreement allows for Torrent to provide up to \$500,000 in aggregate principal as unsecured loans. The loans have an annual interest rate of 12% and are repayable in full, including all interest, on demand. As of September 30, 2024, the Company has provided \$425,000 of the amount to ACI and has recognized a loan receivable of \$490,950, including accrued interest.

##### *Loan receivable continuity*

	September 30, 2024 \$	December 31, 2023 \$
Balance – beginning of period	391,850	153,000
Advances to ACI	65,000	210,000
Accrued interest	34,100	28,850
Balance – end of period	490,950	391,850
Interest in joint venture ( <i>see below</i> )	(124,083)	(31,329)
Balance, net – end of period	366,867	360,521

For the period ended September 30, 2024, Torrent recognized an equity loss from the joint venture of \$146,000 (year ended December 31, 2023 - \$101,390). Equity losses in excess of Torrent’s incremental investment have been applied to other components of the Company’s net interest in the ACI joint venture.

The following table presents the change in carrying values of the Company’s investment in the joint venture during the period:

	Amount \$
<b>Balance – December 31, 2022</b>	7,685
Additions	151,456
Government assistance	(89,080)
Equity pick-up	(101,390)
<b>Balance – December 31, 2023</b>	(31,329)
Additions	162,500
Government assistance	(109,254)
Equity pick-up	(146,000)
<b>Balance – September 30, 2024</b>	(124,083)

For the period ended September 30, 2024, the Company recognized additions to the joint venture of \$162,500 (year ended December 31, 2023 - \$151,456). The Company received \$109,254 in non-repayable government assistance (year ended December 31, 2023 - \$89,080) relating to expenses incurred relating to the joint venture which have been offset against costs incurred.

## Torrent Capital Ltd.

### Notes to Unaudited Condensed Interim Financial Statements

#### For the quarters ended September 30, 2024 and 2023

(expressed in Canadian dollars unless otherwise noted)

#### 5. RELATED PARTY TRANSACTIONS AND BALANCES

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

	Nine-months Ended September 30, 2024 \$	Nine-months Ended September 30, 2023 \$
CEO remuneration – W. Dawe	117,000	117,000
CFO remuneration – R. Randall	50,175	55,275
Consulting fees – Brigus Capital	26,763	-
Director remuneration	88,875	88,875
Service fees and rent	58,250	112,800
Chief Investment Officer – S. Gardner	-	103,500
	<b>341,036</b>	<b>339,038</b>

During the period ended September 30, 2024, the Company incurred costs for consulting services from Numus Financial Inc. (“Numus”), a company controlled by two Directors (one being the CEO), in the amount of \$7,000 (2023 – \$45,500), Financial Controller services of \$27,000 (2023 – \$27,000), digital media services of \$3,000 (2023 – \$25,000) and rent and office services from Numus in the amount of \$21,250 (2023 – \$15,300). The Company also incurred costs for consulting services of \$26,736 from Brigus Capital Inc., a company controlled by the CEO.

If the Financial Controller services are cancelled without cause by the Company, a break fee of six months of remuneration, being \$18,000, will be payable to Numus, in addition to the Controller service fees applicable for the 90 day notice period. If the rental option is cancelled by the Company without six months’ notice to Numus, a break fee of six months of remuneration, being \$15,300, will be payable to Numus.

Effective August 2022 to May 2023, the Company also had an agreement with Numus for the provision of digital media services in the amount of \$5,000 per month.

In the fourth quarter of 2022, the Board approved the issuance of an additional 25,000 RSU’s to a Director, with a one-year vesting period. These RSU’s have an estimated fair value of \$17,500.

As at September 30, 2024, related parties were owed \$253,120 (December 31, 2023 - \$69,999). These amounts are included in accounts payable and accrued liabilities.

In the year ended December 31, 2022, the Company issued 250,000 stock options to Directors. 100,000 of the options issues have an exercise price of \$0.95 and 150,000 have an exercise price of \$0.85. The estimated fair value of these stock options was \$112,550 of which stock-based compensation of \$60,346 was recognized during the year ended December 31, 2022. During the year ended December 31, 2023, stock-based compensation of \$55,120 was recognized relating to the 2022 options.

The above noted transactions are in the normal course of business, as agreed to by the parties and approved by the Board of Directors in strict adherence to conflict of interest regulations.

## Torrent Capital Ltd.

### Notes to Unaudited Condensed Interim Financial Statements

For the quarters ended September 30, 2024 and 2023

(expressed in Canadian dollars unless otherwise noted)

#### 6. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 29% (2023 – 29%) to the effective tax rate is as follows:

	September 30, 2024	December 31, 2023
	\$	\$
Income (loss) before income taxes	2,041,772	(6,749,050)
Expected income tax expense	592,110	(1,957,220)
Permanent difference regarding accounting gain on investments	(387,640)	834,880
Stock-based compensation and other non-deductible items	-	25,750
Equity loss from joint venture	42,340	29,400
Change in tax benefits not recognized	(246,810)	192,190
Income tax (recovery) expense	-	(875,000)
Current income (recovery) tax	-	(115,000)
Deferred income (recovery) tax	-	(760,000)
Income tax (recovery) expense	-	(875,000)

#### Deferred Tax

The following table summarizes the components of deferred tax:

	September 30, 2024	December 31, 2023
	\$	\$
<b>Deferred Tax Assets</b>		
Exploration and evaluation assets	46,000	49,690
Intangible assets	29,000	40,110
Losses carried forward	425,000	150,200
<b>Deferred Tax Liability</b>		
Unrealized gains on investments	(500,000)	(240,000)
Net deferred tax liability	-	-

As at September 30, 2024, the Company has unused losses of \$2,308,000 available to reduce future taxable income for Canadian income tax purposes. The non-capital losses will expire in 2043. Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the right and intent to offset.

## Torrent Capital Ltd.

### Notes to Unaudited Condensed Interim Financial Statements

For the quarters ended September 30, 2024 and 2023

(expressed in Canadian dollars unless otherwise noted)

#### 6. INCOME TAXES (Continued)

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

	September 30, 2024	December 31, 2023
	\$	\$
<b>Unrecognized Deferred Tax Assets</b>		
Intangible assets	20,000	20,000
Losses carried forward	2,238,000	1,656,000
Charitable donations carried forward	50,000	25,000
<b>Unrecognized deferred tax asset</b>	<b>2,308,000</b>	<b>1,701,000</b>

#### 7. SHARE CAPITAL

##### (a) AUTHORIZED

Authorized share capital of the Company consists of an unlimited number of common shares without par value.

##### (b) SHARES ISSUED

	Number of Shares	Amount \$
<b>Balance – December 31, 2022</b>	25,004,167	10,420,894
Restricted share units issued	25,000	17,500
Shares issued on the exercise of options	175,000	118,206
<b>Balance – December 31, 2023 and September 30, 2024</b>	<b>25,204,167</b>	<b>10,556,600</b>

On October 27, 2022, the Company issued 25,000 restricted share units which vest over a one-year period. The estimated fair value of these restricted share units was \$17,500. The fair value of units granted has been amortized over the vesting period of the respective units with \$14,582 recorded as stock-based compensation for the year end December 31, 2023 (2022 - \$ 2,916).

On December 2, 2023, the Company issued 175,000 shares on the exercise of expiring options, to Directors and Officers, for a fair value of \$118,206, including cash proceeds of \$73,500. On the date of exercise, the share price was \$0.75 per common share.

#### 8. STOCK OPTIONS AND RESTRICTED SHARE UNITS

Torrent has a stock option plan for Directors, Officers, employees and consultants of the Company. The Company also has a restricted shares unit (“RSU”) plan, under which the Company can issue up to 800,000 RSU’s. The total rights granted under the RSU plan together with the stock option plan shall not exceed 10% of the issued and outstanding common shares of the Company. The options can have up to a ten-year life and the vesting period is set by the Board of Directors. Options are granted at a price not lower than the market price of the common shares. The performance criteria and performance period of the RSU’s are determined by the Board of Directors.

## Torrent Capital Ltd.

### Notes to Unaudited Condensed Interim Financial Statements

#### For the quarters ended September 30, 2024 and 2023

(expressed in Canadian dollars unless otherwise noted)

#### 8. STOCK OPTIONS AND RESTRICTED SHARE UNITS (Continued)

The estimated fair value of options recognized has been estimated at the grant date using the Black-Scholes option pricing model. Option pricing models require the input of highly subjective assumptions, including the expected volatility. Changes in the assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable estimate of the fair value of the Company's stock options.

There were no options issued during the period ended September 30, 2024 or the year ended December 31, 2023.

The following are the weighted-average assumptions used in the pricing model for the options issued during the year ended December 31, 2022:

	<u>2022</u>
Risk free interest rate	3.2%
Expected volatility	74%
Expected dividend yield	-
Expected life	5 years
Weighted average fair value per option	\$0.444

Based on the Black-Scholes option pricing model and the assumptions outlined above, the estimated fair value of the options granted during the year ended December 31, 2022 is \$166,660. The fair value of options granted is amortized over the vesting period of the respective options with \$73,379 expensed during the year ended December 31, 2022 and \$88,380 expensed in the year ended December 31, 2023. The following table reflects the stock options continuity for the period ended September 30, 2024 and the years ended December 31, 2023 and 2022:

	<b>Number of Stock Options Outstanding</b>	<b>Weighted Average Exercise Price \$</b>
<b>Balance – December 31, 2022</b>	975,000	0.60
Exercised	(175,000)	0.42
<b>Balance – December 31, 2023</b>	800,000	0.64
Expired	(50,000)	0.85
<b>Balance – September 30, 2024</b>	<b>750,000</b>	0.63

During the period ended September 30, 2024, 50,000 options expired unexercised. As a result of the expiry, the Company reclassified stock-based compensation expense of \$75,869 for the expired and other previously cancelled options, which was previously recorded as contributed surplus, to deficit.

The following table reflects the stock options outstanding as at September 30, 2024:

<b>Expiry Date</b>	<b>Exercise Price \$</b>	<b>Weighted Average Life Remaining</b>	<b>Vested Options Outstanding</b>	<b>Black-Scholes Value \$</b>
May 19, 2025	0.40	0.6 years	400,000	82,136
September 30, 2025	0.80	1.0 years	25,000	10,267
May 13, 2027	0.95	2.6 years	125,000	62,769
October 27, 2027	0.85	3.1 years	200,000	83,113
			<u>750,000</u>	