Torrent Capital Ltd.
Management Discussion and Analysis
Period ended June 30, 2020

This Management's Discussion and Analysis ("MD&A") of Torrent Capital Ltd. ("Torrent" or the "Company") is dated August 13, 2020 and provides an analysis of the financial operating results for the quarters ended June 30, 2020 and June 30, 2019. This MD&A should be read in conjunction with the unaudited condensed interim financial statements and accompanying notes for the period ended June 30, 2020 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") for interim condensed financial statements. This MD&A should also be read in conjunction with the audited annual financial statements and accompanying notes of Torrent Capital Ltd. for the year ended December 31, 2019, which have been prepared in accordance with IFRS for annual financial statements. All amounts are in Canadian dollars unless otherwise specified. The MD&A, 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 the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com 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; investee company outlook 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 our interests and equity 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 and Officers of Torrent believe 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. 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. 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.

The Company's Change of Business

Torrent Capital Ltd. ("Torrent", or the "Company") previously carried on business involving the acquisition, exploration, and development of properties for the mining of precious and base metals. In early 2017, the Company received final approval from the TSX Venture Exchange ("TSXV") for its Change of Business ("COB") from a Mining Issuer to an Investment Issuer. The Company's focus is upon strategic investments in public and private company securities.

At the February 2, 2017 Annual General and Special Meeting, the Company received overwhelming support for its COB and other matters. In excess of 99% of voting shareholders approved the COB, the name change to Torrent Capital Ltd. and the consolidation of its common shares on a basis of one new common share for every three common shares. The Company filed articles of amendment to effect the name change and the share consolidation and both were in effect when the shares of the Company recommenced trading on February 6, 2017 under the symbol "TORR". All references to the number of common shares have been adjusted retrospectively to reflect the Company's one-for-three share consolidation for the prior periods disclosed in this MD&A.

Investment Issuer Objective

Torrent invests primarily in the securities of public and private companies, with the objective of increasing shareholder return. The Company seeks to identify investments by utilizing the experience and expertise of its management team and Board of Directors (the "Board").

Investment Strategy

The nature and timing of the Company's investments will depend, in part, on available capital at any particular time and the 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.

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 for predetermined royalties, equity positions, debt, convertible or preferred securities.
- Investment arrangements may include a combination of securities including, but not limited to, equity, debt, warrants, preferred shares, bridge financing, collateral, royalty arrangements or other securities as deemed appropriate by the Company's Management and in compliance with the Investment Policy. In certain cases, the Company expects to enter into oversight arrangements as a condition of the investment. Oversight may range from Board of Director appointments, advisory positions, or management consulting positions with the target companies.
- The Company may purchase or sell securities on public exchanges.
- The Company reserves the right to acquire all or part of other businesses or assets of a target company that Management believes will enhance the value for shareholders.
- The Company will be industry agnostic in terms of investment sectors. The Company's investments shall not be required to follow a percentage of industry diversification. The Company's Management and Board will make use of expertise within the Company and invest in industries that Management believes the involvement of the Company's funds and expertise can provide superior returns for shareholders.
- The Company may make investments in extra-ordinary 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, public listings, leveraged buyouts or start-ups. The Company may elect to invest in such events, provide financing or purchase securities in exchange for fees, interest, or equity positions.
- Torrent's investment time horizon varies from investment to investment and contains a mix of short, medium and longer-term investments. The Company reserves the right to increase or decrease its investment position at any time. As a matter of practice, the Company does not report on its investment activity or position changes between quarterly results.
- Upon achieving large gains or stock appreciation in any single investment, it is the Company's policy to reduce our investment position over time to ensure that no investment represents a disproportionate share of Torrent's investment portfolio.

- Depending on market conditions, the Company intends to fully invest its available capital, apart from working capital requirements. Any funds not invested at a point in time will 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 feel the investment is for the benefit of the Company and its shareholders.

Investment Portfolio

Since the Company commenced investment activities late in the first quarter of 2017, the Company initiated and maintains positions in kneat.com, inc. (TSXV: KSI), WildBrain Ltd. (TSX: WILD) (formerly DHX Media Ltd. (TSX: DHX)), Ruckify Inc., IMV Inc. (TSX:IMV), Resolute Health Corporation, Sona Nanotech Inc. (CSE: SONA) as well as investments in a number of other public and private companies and a Gold Stock Portfolio.

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 the venture capital firm Numus Financial Ltd. 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.

kneat.com, inc. ("KSI")
KSI offers its Kneat Gx software platform ("Kneat Gx") for modeling regulated data intensive processes for regulated industries with a focus on the Life Sciences industry (i.e. biotechnology, pharmaceutical and medical device manufacturing). Kneat Gx provides a compliant, digital solution that enables companies in the Life Sciences industry to become efficient and compliant with an automated process that has traditionally been manual, in-efficient and paper-based. KSI possesses a quality management system and is certified to ISO 9001:2015. In addition, it adheres to all applicable Life Sciences regulations such as all current cGMPs, GAMP5, International Conference on Harmonization ICH Q8, Q9 and Q10, EU Annex 11, FDA CFR Title 21 Part 11 governing Electronic Records and Electronic Signatures. Adhering to these regulations and guidelines is a mandatory requirement to supply to this highly regulated market.

There are few competing products for the Kneat Gx software platform and there are sizeable barriers to entry for those looking to compete with the company. Kneat Gx has been in development for close to ten years and built by a team with deep domain knowledge as founders of KSI had worked for well-known Life Science companies in project engineering, software development and research and development. This was the genesis for the Kneat Gx platform, as they recognized the inefficiencies inherent in paper-based validation lifecycle management. In addition, Kneat's target market is dominated by multinational, well-known pharmaceutical, biotech and medical device manufacturers. The sales cycle with these organizations is long and involved given the complexity, social responsibility, and business critical nature of their reporting and manufacturing processes.

Since the initial complete and tested platform rolled out in 2014, Kneat Gx is now used by some of the world's leading Life Sciences companies. KSI appears to be entering a rapid growth phase. KSI's client base is now comprised of the majority of Tier 1 biotech and pharmaceutical companies. In a short period of time, KSI now has 19 customers and its presence on manufacturing sites has grown from 15 locations to upwards of 300 locations. KSI is unable to mention their clients by name; however, analysts have speculated that the roster could include the likes of Pfizer, GSK and Johnson and Johnson, among others. For a small market cap software company to be supporting names of this caliber, especially given the business-critical element of the Kneat Gx platform, is a huge vote of confidence for KSI and its software platform. As these underlying relationships become better known in the marketplace, Torrent believes that it will fuel referrals and serve to significantly de-risk Kneat Gx for those companies exploring its adoption.

KSI has an enterprise value of $110 million which is modest in relation to its experienced management team, a growing customer base, limited debt, strong cash position, rapid stage of growth and industry leading technology. We also believe that the company's value proposition is rigid during various economic cycles given the critical nature of its IP and the fact that it is exposed to stable multi-national companies in the Healthcare Sector.

Sona Nanotech Inc. ("SONA")
SONA is a Halifax-based, nanotechnology Life Sciences company that has developed two proprietary methods of manufacturing rod-shaped gold nanoparticles. Its principal business is the research and development of its proprietary technology for use in multiplex diagnostic testing platforms that will improve performance of existing tests in the market. Sona is currently working with GE Life Sciences to complete a rapid respond test to the COVID-19 Coronavirus test.

SONA is the manufacturer of the Gemini and Omni Gold Nanorod ("GNR") product lines. SONA is the world's first company to develop the ability to synthesize high volumes of gold nanorods without the use of the cytotoxin, cetyltrimethylammonium bromide ("CTAB"). GNR products are ideally suited for in-vitro diagnostics test products including lateral flow assays, enzyme-linked immunosorbent assays, flow through assays and lab analyzers.

SONA's COVID-19 lateral flow test could potentially offer unique advantages over competing solutions available in the market or those known to be currently under development. SONA's lateral flow test could conceivably be administered at point-of-care, provide a rapid test result, and would be completed without the requirement of expensive equipment or a lab. Additionally, the only competing lateral flow tests announced to date are serological assay tests, which are designed to identify IgM and IgG antibodies present post infection. Serological tests are susceptible to producing false positive and false negative results if a patient is suffering from any one of a variety of unrelated infections. Sona's developmental lateral flow test is aimed at identifying antigens as opposed antibodies, is being developed to indicate a positive result only when the COVID-19 virus is present, allowing for direct and clear interpretation.

Sona recently entered into independent clinical, in-field evaluation studies to generate the data to support its analytical and clinical data as part of the submission it will make to Health Canada and the FDA for emergency use authorization ("EUA") approval. The Company has engaged a contract research organization ("CRO") based in the U.S. to conduct one such study and a university-affiliated laboratory outside of the U.S. to conduct a second. SONA has indicated that results of these field studies should be provided later in August, at which point the company will forward them to the FDA to obtain EUA approval. With EUA approval, SONA would be permitted to sell to various organizations authorized to distribute products classified as EUA by the FDA. This would be a pivotal point for the company as it would mark the commencement of commercial sales.

WildBrain Ltd., (formerly DHX Media Ltd.), ("WILD")
WILD is a leading children's content and brands company, recognized globally for high-profile programs including Peanuts, Teletubbies and Strawberry Shortcake. WildBrain is one of the world's largest producers of children's shows and owns the world's largest independent library of children's content, with 13,000 half hour of programs. The company's shows are seen in more than 150 countries on over 500 telecasters and streaming platforms. Through its subsidiary, WildBrain Spark, WILD operates one of the largest networks of children's channels on YouTube, with over 145 million subscribers. WILD also licences consumer products and location-based entertainment in every major territory on its properties as well for clients and third-party content partners. Its television group owns and operates four family entertainment channels that are among the most viewed in the family entertainment segment.

WILD has been in restructuring mode for the past two years. The company has lost the confidence of the market after consistently overpromising with guidance, making untimely and expensive acquisitions and accumulating a sizeable debt overhang. The company has been stuck in a “show me” vacuum, as the market wants to see substantial traction in earnings, a moderating debt profile and attractive deals to monetize its assets. This has resulted in a depressed share price and the company has had to finance into this share price weakness. The high-profile content war taking place as large companies like Amazon, Apple and Netflix compete aggressively for streaming material should be rewarding for Wild’s independent library.

The company has been taking steps to restore confidence in the market, improve cashflow and moderate its debt profile. Over the past two years the company has replaced its Chief Executive Officer twice, replaced the Chief Financial Officer and restructured its board. The company has rebranded itself from DHX Media to WildBrain to capitalize on its rapidly growing Subscription Video on Demand (“SVOD”) WildBrain Spark division. WILD has moved its focus to a distribution model centered on streaming online instead of the more traditional television distribution model and has split the business into two divisions. WILD has recently announced a SVOD deal with Apple, a distribution deal with Comcast and CBS All Access. These transactions highlight the quality of WILD’s catalog and the growth potential of its streaming business.

Torrent believes WILD has made positive adjustments towards a higher margin, higher free cash flow working model with an aggressive debt reduction program. The company continues to trade at a discount to the inherent value of its assets. Upside will potentially come from the monetization of production property or realized value of WildBrain Spark. Furthermore, any indication that earnings have stabilized after a prolonged slump would move the stock higher given severely depressed sentiment.

IMV Inc. (“IMV”)

IMV is a clinical stage biopharmaceutical company founded in 2000 in Dartmouth, Nova Scotia. IMV’s mission is to make immunotherapy more effective, more broadly applicable and more widely available to people facing cancer and other serious illnesses.

IMV is pioneering a new class of immunotherapies based on its proprietary drug delivery platform. This patented technology leverages a mechanism of action that does not release the active ingredients at the site of injection but forces an active uptake and delivery of active ingredients into immune cells and lymph nodes. This enables the programming of immune cells in vivo, with the aim of generating powerful new synthetic therapeutic capabilities.

IMV’s lead candidate, DPX-Survivac, is a T-cell activating immunotherapy that combines the utility of the platform with a target, surviving a well characterized and tumor associated antigen overexpressed in more than 20 different cancers. IMV is currently assessing DPX-Survivac as a monotherapy in advanced ovarian cancer as well as a combination therapy in multiple clinical studies with Merck KGaA. IMV will be releasing new data from ongoing clinical trials soon. IMV hopes the results will further validate the efficacy of DPX-Survivac by showing that IMV patients see tumor regression and/or demonstrate continued lengthy durability beyond a year.

IMV recently announced that it intends to develop a DPX-based vaccine for COVID-19 in collaboration with well-respected experts. The company looks to leverage its unique proprietary delivery platform against COVID-19. Subsequently, the company provided an update on its clinical-stage SARS-CoV-2 vaccine program and announced that it now has permission from Health Canada to advance to an 84-patient four-arm (two patient cohorts, two distinct doses) Phase I testing for its DepoVax (DPX)-formulated, water-free, lipid-based peptide antigen-based SARS-CoV-2 targeted immune therapy program.

Analysts suggest that DPX could be supportive of an immune response based on prior DPX Phase I studies that IMV has published for other disease indications. Screening could conclude in the next few months based on IMV’s recent update and data for the SARS-CoV-2-targeted formulation may potentially be available before year end.

IMV should be a news-rich story going forward. We anticipate the following milestones: (1) data from the 25-patient Phase II diffuse large B-cell lymphoma trial (2) updated data from the 184-patient five-indication Phase II solid tumor trial are expected soon (3) commencement of patient enrollment in the 84-patient Phase I DPX-COVID-19 trial in the next 2 months (4) should testing demonstrate increases in SARS-CoV-2-targeted antibody titres in DPX-COVID-19-treated patients, IMV could advance into Phase II testing.

Gold Stock Portfolio (five public and two private companies)
Gold continues its march to new highs and there is no reason to suggest that it will not reach new all-time highs. Even before the Pandemic, the global economy was losing steam, the equity market was over extended and many sovereign balance sheets were in poor shape. Recent events have only increased gold's luster as real interest rates in the US have gone negative, the global economy is on very shaky ground, central banks have ramped up their accommodative policies and the global financial system remains saddled with unprecedented levels of debt. Even if some of the Pandemic related pressures abate, we believe that inflationary pressures are mounting in the system after years of reckless central bank activity. We cannot help but think that the current rally in all asset classes, despite the bleak global economic outlook represents the early stages of inflation.

Gold stocks provide the best leverage to a strong gold market and we have been adding to our exposure. Gold stocks tend to run in multi-year cycles and we believe that a new gold stock bull market is imminent after the last one topped out in August 2011. The bear market of the past ten years has forced gold companies to focus keenly on profitability, strengthen their balance sheets, and focus on high quality projects in secure regions. It has also led to a dearth of quality exploration companies due to a lack of risk capital in the space. The sector remains under owned and there are fewer publicly listed companies to accommodate the influx of investment capital. This should all translate into solid returns for gold stocks.

We have exposure across seven individual companies that are diversified by stage of development, production profile, regional exposure, and type of underlying deposit. Torrent believes that each investee has quality assets and experienced management teams that have created significant shareholder value in the past.

Ruckify Inc. ("Ruckify" - Private)
Ruckify is a peer-to-peer ("P2P") and business-to-consumer ("B2C") online marketplace company based in Ottawa that leverages the diverse set of users and products offered on its platform. By offering a wide range of rental items, spaces and services, the platform can attract many participants and it is anticipated that there will be a high level of customer retention. As the user base grows, Ruckify's profits will also grow as they take a percentage-based fee on all rental transactions, along with offering other fee-based services. Ruckify currently operates in numerous cities across Canada and the United States.

The online marketplace business model has been experiencing unprecedented growth. This expansion has been driven by improved technology and a shift in consumer behaviour. Not long ago, renting a place to stay through an application like Airbnb or shopping on Amazon from your couch was unimaginable. Today, using an e-commerce marketplace is commonplace and this trend is likely to continue as both consumers and vendors enjoy an increased level of convenience, trust, reach and price discovery.

Torrent believes that with this disruptive trend, Ruckify's business model is poised for significant growth. Ruckify's P2P online rental marketplace enables individuals to lend out their excess "stuff" for a profit, while consumers are able to access items that are not in their budget, they do not have room to store and/or are not used often enough to justify a purchase. Ruckify stores also allow individuals and businesses to have a turnkey online rental business where they have their own branding and the functionality of an online business in a one-step process.

Ruckify was founded by Bruce Linton and Steve Cody in early 2017. Mr. Linton is the Founder and former co-CEO of Canopy Growth Corp, a well-respected pioneer in the Cannabis sector. Mr. Cody is a serialentrepreneur who has built and sold rental companies that have generated revenues in excess of $270 million. Graham Brown is the Chief Technology Officer ("CTO") who has significant experience developing and leading technology rollouts. This includes a CTO position at Corel while it grew to be the largest software company in Canada.

Torrent initiated its position in Ruckify when it had a $7 million equity valuation. Ruckify completed an oversubscribed private equity placement at a $30 million equity valuation during the third quarter of 2019. Torrent believes this valuation is still modest given the disruptive nature of Ruckify's business, the advanced stage of its technology and the team involved and the company's first mover advantage. Ruckify's efforts to scale its business has been bearing fruit and the company is well-positioned to thrive in various economic cycles.

Resolute Health Corporation Limited ("Resolute" – Private)
Resolute Health Corporation Limited ("Resolute") is a private health care provider established by experienced healthcare professionals for patients suffering with snoring and Sleep Disordered Breathing, including Obstructive Sleep Apnea. Headquartered in Halifax, N.S., Resolute currently has over 40 clinics in six Canadian provinces. Resolute is committed to quality patient care and strong relationships with the medical community, responding to the ever-changing needs of the healthcare industry through leading edge technology and dedicated healthcare professionals.

Working together with physicians, Resolute is helping patients improve their health and quality of life with a treatment solution that meets their individual needs, offering life-long support to ensure continued success with management of their sleep apnea. By all indications, the demand for sleep aid solutions is significant and is expected to continue to grow. Morder Intelligence estimates that the Canadian market for respiratory devices was worth over $2 billion in 2014 and is currently close to $3 billion, representing a compound annual growth rate ("CAGR") of more than 11%.

Resolute focuses on proprietary patient practices that maximize the patient experience, promote patient-clinic interaction, and increased recurring revenue streams. Resolute is agile and can act quickly compared to multi-national competitors that do not focus solely on this industry and can be slow to recognize and capitalize on market opportunities.

Resolute's strategy for maximizing efficiencies through organic and acquisitive growth is to implement uniform systems, controls and processes while centralizing the back-office functions to reduce operating costs. In addition, Resolute expects to lower its cost of goods sold by leveraging volume discounts resulting from its increased purchasing power. Resolute is also increasing recurring revenues per patient by building and managing lifetime patient relationships.

Resolute has completed six acquisitions in the past year and a half and now operates in six provinces in Canada. Through these acquisitions and organic growth, annualized revenues have increased by over 60% on an annualized basis as at last quarterly reporting period. Systems, processes, and functions continue to be centralized with reduced costs of goods sold from purchasing power already being realized with major suppliers. Torrent believes that Resolute is an attractive investment given its unique offering in the growing Sleep Apnea segment as its health focused revenue streams tend to be recurring in nature.

Unrealized gain/(loss) on Marketable Securities

Acquisitions of investments in marketable securities are initially recognized at fair value plus transaction costs. After initial recognition, all investments are measured at fair value. The determination of fair 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. The private company shares may be valued based on the pricing of a recent arms-length third party financing. Gains and losses arising from changes in the fair value of the investments are presented in the unaudited condensed interim statements of loss and comprehensive loss as a net change in unrealized gains or losses on investments.

The Company fair values its investment portfolio at the end of the quarter based on market prices of the shares. The current quarter's income includes an unrealized gain on investments of $4,978,238 or $0.21 per share as compared to an unrealized loss on marketable securities of $561,430 or $0.02 per share in the comparable quarter. The year to date income includes an unrealized gain on investments of $1,827,253 or $0.076 per share as compared to an unrealized gain on marketable securities of $630,827 or $0.03 per share in the comparable period.

The Company's investment activity and fair value of the changes in the unrealized gains and losses as at June 30, 2020 and the market value as at December 31, 2019 are summarized as follows:

	Shares #	Cost of Investment $	Market Value June 30, 2020 $	Unrealized Gain / (Loss) Quarter ended June 30, 2020 $	Unrealized Gain / (Loss) Year to date June 30, 2020 $	Market Value Dec. 31, 2019 $
kneat.com, inc.	1,605,343	1,549,871	2,793,297	(279,552)[(a)]	(2,233,217)[(a)]	5,021,050
Sona Nanotech Inc.	864,000	224,582	2,704,320	1,386,185	2,691,874	200,000
WildBrain Ltd. (formerly DHX Media Ltd.)	2,000,000	3,118,993	2,600,000	800,000	(543,312)	3,092,900
IMV Inc.	361,200	1,572,279	1,509,816	664,641	134,897	1,330,810
Gold investment portfolio		1,613,998	3,561,448	2,267,735	2,042,082	963,000
Ruckify Inc.	604,976	650,000	1,742,331	-	-	1,742,331
Resolute Health Corporation	300,000	570,000	570,000	-	-	570,000
Other marketable securities		1,241,212	1,096,859	139,229	(265,071)	1,529,707
		10,540,935	16,578,071	4,978,238	1,827,253	14,449,798

(a) This results from the reversal of unrealized gains in prior periods.

Torrent Capital's Net Asset Value ("NAV") increased from $11.9 million ($0.50 per share) to $17.8 million ($0.74 per share) during the second quarter of 2020, representing an increase of 48%.

Torrents NAV increased by 48% during the second quarter of the year, compared to the S&P 500 which rose 22%, the S&P TSX Composite was up 16.0% and the S&P TSX SmallCap Index increased by 37.8%. The value of the Torrent's investment is up 21.6% year to date, with the aforementioned indices all remaining in negative territory.

The first half of 2020 was volatile to say the least. The Pandemic has created unprecedented uncertainty surrounding the global economy and financial markets, not to mention having an immeasurable societal and political impact. The markets sold off significantly as the Pandemic spread globally and governments scrambled to contain its impact.

Subsequently, all asset classes have rebounded sharply on optimism that governments are cautiously opening up their economies and the discussion has pivoted from closing down to cautiously opening up. This optimism was buoyed by over US$11 trillion in global government stimulus to help battered consumers and mitigate concerns that the Pandemic could trigger a systemic event in the highly levered global banking system. As was witnessed during the 2008 credit crisis, governments are employing an all-in attitude when it comes to protecting key industries, shoring up household wealth and ensuring that an over-indebted system does not reach a tipping point. Recognizing that this same approach led to a meteoric rise in share prices and asset values post the 2008 recession, investors have piled in hoping that history repeats itself.

The second quarter rally in equities was led by technology stocks, which are well positioned to benefit from the "new normal". IT infrastructure, cloud-based offerings and various software companies will continue to benefit as companies employ work from home policies. eCommerce stocks have also been well bid as consumers and businesses will increasingly source essential items, supplies and services online. Material stocks also rose substantially after being relatively sleepy for some time. This was especially true for gold stocks, which benefited from rising bullion prices on the heels of negative real interest rates, rampant currency debasement and mounting pressures in the global economy. Lastly, healthcare stocks have also outperformed the market given increased demand for healthcare services, medical equipment, pharmaceuticals, and the race to develop appropriate testing and vaccine for COVID-19.

Moving forward, Torrent does not believe that the strong market witnessed in the second quarter is indicative of smooth sailing ahead. Investors who expect the current rally to play out like the market expansion experienced after the 2008 selloff are setting themselves up for disappointment. The bulk of near-term upside has already been discounted by the market as various indices and company valuations are at or approaching all-time highs. This rosy outlook is difficult to reconcile given that earnings forecasts remain a guessing game, economic growth is forecast to fall between 6-8%, the Pandemic is far from over, unemployment numbers are frighteningly bad and the banking sector has yet to experience any significant write-downs on their heavy exposure to consumer debt.

All things considered; the Torrent investment portfolio is well positioned to prosper in the current environment. We are biased towards a bottom up approach, focusing on those companies that are very well managed, have a rigid value proposition and have the ability to source capital under various market conditions. Furthermore, Torrent is nimble with the ability to take advantage of opportunities across a wide range of sectors in short order, as evident by our recently increased exposure to precious metal stocks ahead of renewed interest towards this segment of the market. Lastly, we have been using the outperformance of select holdings to raise cash so that we have the ability to take advantage of dislocations in asset prices should we see further volatility in the market.

kneat.com, inc. ("KSI") – Unrealized loss on the investment of $279,552 in the current quarter and $2,233,217 year to date, reversing previously recorded unrealized gains.
KSI's share price fell by 6.5% during the second quarter, compared to the S&P/TSX Small Cap Index, which rose by 37.8%.

The company's value proposition remains solid given the exclusivity and business critical nature of its technology. KSI is exposed to companies in non-cyclical businesses with very strong balance sheets. Furthermore, the company remains well funded given the completion of an oversubscribed private placement for $12.7 million in the first quarter at $2.10 per share. The fact that KSI's share price fell far below the private placement price is further indication that the first quarter sell-off was overdone.

Torrent believes that KSI is a prime example of how steep selloffs lead to indiscriminate selling in the small cap space. Logic would suggest that quality companies like KSI would hold up relatively well given its superior prospects, exposure to non-cyclical sectors, roster of top-tier clients and a solid balance sheet. The COVID induced correction proved once again that no small cap stocks are spared when there is a dash for cash in the market. Paradoxically, it is the best companies that are often hit the hardest as investors are in the green with these names and they offer better liquidity for raising cash than other inferior positions.

KSI was one of top performing stocks in Canada before the COVID outbreak. The company was hitting its stride after years of developing the Kneat Gx platform. The platform has been adopted by some of the world's leading Life Sciences companies and KSI was emerging as the go-to software provider for validation lifecycle management.

Kneat continues to demonstrate solid sales momentum, with the company now securing over half of the Tier 1 clients. The recent wins have significantly increased the opportunity with existing clients, which analysts believe may now exceed US$50 million in Annual Recurring Revenue ("ARR"). With over half the Tier 1 clients now secured, a significant revenue opportunity within existing clients and a well-funded balance sheet, the business has been significantly de-risked. KSI is unable to mention its clients by names; however, analysts have speculated that the roster could include Pfizer, GSK and Johnson & Johnson, among others. For a small cap software company to be supporting names of this quality, especially given the business-critical element of the Kneat Gx platform, is a huge vote of confidence for KSI and its technology.

Torrent predicts KSI should continue its longer-term upward trajectory as the company announces key client adds and the market regains confidence in KSI's superior growth profile. The company has secured a network of top-tier pharmaceutical and biotechnology companies with large worldwide operations. These relationships serve to significantly de-risk the Kneat Gx offering when selling to prospects and they foster a strong growth component given that these clients will likely scale the offering across their organizations.

Sona Nanotech Inc. ("SONA") – Unrealized gain on investment of $1,386,185 in the current quarter and $2,691,874 year to date.
SONA's share price increased considerably during the second quarter, rising from $1.08 per share to $3.13, representing a gain of 190%. 2020 has been a transformative year for Sona Nanotech.

At the onset of the Pandemic earlier this year, Sona announced a partnership with GE Healthcare Life Sciences to jointly develop a Sona COVID-19 Coronavirus rapid response lateral flow test, wherein Sona retains all commercial rights to the resulting test. SONA's lateral flow test has the potential to be one of the world's first, point-of-care antigen test on the market which could make a significant contribution to reducing the spread of COVID-19.

The company recently announced that its rapid detection, COVID-19 antigen test's laboratory validation studies resulted in a test sensitivity of 96%, test specificity of 96% and a Limit of Detection ("LOD") of 2.1 x 10^2 $TCID^{50}$. Sales of the tests is now be permitted under a 'research use only' label until full regulatory authority is granted, in relevant territories, at which time the 'research use only' label requirement would be lifted. It was also indicated that a technology transfer to its manufacturer is currently underway to produce tests to meet current and expected demand.

The severity and length of the Pandemic, have driven SONA's share price considerably higher. Since the end of the quarter SONA's share price has traded as high as $16 and at the time of writing, SONA's share price is $10 per share, equating to a market cap $610 million. The Company has reduced its position as it represented a disproportionate share of Torrent's investment portfolio.

The size of the addressable market is difficult to measure with pinpoint accuracy, but there have been various attempts at it. A recent report done by the Rockefeller Foundation entitled, "National COVID-19 Testing Action Plan", suggests that the US Government should increase testing capacity to 30 million tests per week to assist in safely reopening the economy. They also indicate that countries with imprecise contact tracing, like Taiwan, would require 30 million tests per day to avoid recurrent outbreaks. The absolute value of these numbers can be debated, but they do serve to illustrate how massive the global COVID-19 test market is.

Given the size of the addressable market, and the fact that the company would trade at a healthy multiple to revenue and earnings given the exclusivity of its technology, one can quickly justify the company's current valuation and more. The risks are most definitely substantial, but so is the potential reward.

WildBrain Ltd. ("WILD"), (formerly – DHX Media Ltd.) – Unrealized gain on investment of $800,000 in the current quarter and an unrealize loss on the investment of $543,312 year to date.
WildBrain's stock price was up 44.4% during the second quarter and but remains down 17.2% year to date. This compares to the S&P/TSX SmallCap Index, which fell by 37.8% last quarter and is down 15.5% year to date.

Wildbrain has been in turnaround mode, focusing on realigning the business, determining the most profitable go forward strategy, getting the right people involved and looking to monetize their attractive catalogue of content. WILD has also been focused on paying down debt and bolstering free cash flow by focusing on higher margin business.

The key going forward is to rejuvenate growth in the company. Both revenue and EBITDA growth have been down to flattish year over year and analyst consensus estimates for 2020 indicate another year of sideways progress. That said, there are reasons to be optimistic. Although WILD is not at the end of the turnaround phase, there are signs that it is close to it.

WILD has come along way in an effort to monetize its assets via a strategy that it refers to as a 360 view towards its catalogue. They have advanced the Apple TV relationship which is a package deal that first involved a documentary and shorts with the potential for further content. This relationship represents a large audience for the company's material and enables WILD to tap into a new generation of viewers for the Peanuts brand. Additionally, Netflix has licenced existing Johnny Test content and has now a signed a new deal wherein WILD will be offering new original Johnny Test content going forward. Netflix will also look to advertise on WildBrain spark, which has substantial viewership, to steer traffic to Netflix.

The company had reduced its long-term debt by an additional $300 million, bringing its net debt ratio down to 5.3X from 6.1X one year ago. The company recently raised $25 million in capital via a convertible debenture offering that is earmarked solely for growth initiatives. The company now has $62 million in cash and $196 million in working capital to fund the business into the foreseeable future. Various cost cutting initiatives have led to a much-improved cash flow profile, as free cash flow has risen to $17.8 million year to date 2020, compared to $6.4 million during the same period last year.

WILD currently trades at 9X 2020 consensus analyst forecasts, compared to the peer group which trades north of 12X. We see upside in the valuation as various strategic initiatives continue to bear fruit and the market begins to appreciate the potential for a leaner, better run and more profitable WILD. Furthermore, upside could come in the form of lucrative streaming deals with premier streaming companies, further monetization of the companies IP given its 360 approach to its content, and solid brand rejuvenation to kickstart distribution and consumer product sales for quality content like Teletubbies and/or Strawberry Shortcake.

***IMV Inc. ("IMV") – Unrealized gain on investment of $664,641 in the current quarter and $134,897 year* to date.**
IMV's share price rose 69.9% during the second quarter and is now up 15.2% year to date.

At the start of the year, IMV announced that the company intends to develop a DPX-based vaccine for COVID-19 in collaboration with well-respected experts. The company looks to leverage its unique proprietary delivery platform against COVID-19. IMV did not provide any details on how advanced the firm is on DPX-Coronavirus formulation development other than to announce that the program exists. The stock did not react significantly to the news given that few details were provided. That said, it is worth noting that IMV does have solid and positive experience with formulating viral antigens, and generating antigen-specific immune responses with DepoVax formulations.

The most recent example of this was the work published back in 2016 on the respiratory syncytial virus. Back in 2014, the firm reported solid outcome data in a non-human primate study reported back in 2014 testing a DepoVax formulation of Ebola antigens which had some favorable results. The market may give the COVID related initiative more attention once formulation details are available and additional background on past work becomes better understood.

IMV provided an update from the firm's Phase II DeCidE1 trial during the second quarter. The ongoing trial is testing the firm's lead DPX-formulated DPX- Survivac in treating ovarian cancer. The results were in line with prior updates and positive to the limits of patient numbers and the statistical power that this entails. The market remains positive towards DPX-Survivac's prospects in advanced ovarian cancer and in diffuse large B-cell lymphoma for which distinct Phase II programs are ongoing.

Post quarter end, IMV shares have risen considerably, as the company provided an update on its clinical-stage SARS-CoV-2 vaccine program. IMV announced that it now has permission from Health Canada to advance into an 84-patient four-arm (two patient cohorts, two distinct doses) Phase I testing for its DepoVax (DPX)-formulated, water-free, lipid-based peptide antigen-based SARS-CoV-2 targeted immune therapy program.

Analysts suggest that DPX could be supportive of an immune response based on prior DPX Phase I studies that IMV has published for other disease indications. Screening could conclude in the next few months based on IMV's recent update and data for the SARS-CoV-2-targeted formulation may potentially be available before year end.

IMV should be a news rich story going forward. We anticipate the following milestones: (1) data from the 25-patient Phase II diffuse large B-cell lymphoma trial (2) updated data from the 184-patient five-indication Phase II solid tumor trial are expected soon (3) commencement of patient enrollment in the 84-patient Phase I DPX-COVID-19 trial in the next 2 months (4) should testing demonstrate increases in SARS-CoV-2-targeted antibody titres in DPX-COVID-19-treated patients, IMV could advance into Phase II testing.

Gold Stock Portfolio (five public and two private companies) – Unrealized gain on investment of $2,367,735 in the current quarter $2,042,082 year to date.

The gold sector enjoyed considerable interest in the second quarter, driven by US dollar weakness, global interest rates falling to record lows, ongoing concerns about the global economy and the sustainability of the rally in the broad market. Gold bullion rose 9.3% during the period and the NYSE Arca Gold Miners Index jumped 55.7%.

Gold continues its march to new highs breaking over $2,000 per ounce since the end of the quarter. Even before the Pandemic, the global economy was losing steam, the equity market was over extended and sovereign balance sheets were in horrible shape. Recent events have only increased gold's luster as real interest rates in the US have gone negative, the global economy is on very shaky ground, central banks have ramped up their accommodative policies and the global financial system remains saddled with unprecedented levels of debt. Even if some of the Pandemic related pressures abate, we believe that inflationary pressures are mounting in the system after years of reckless central bank activity. We cannot help but think that the current rally in all asset classes, despite the bleak global economic outlook, represents the early stages of inflation.

Gold stocks provide the best leverage to a strong gold market and we have been adding to our exposure. Gold stocks tend to run in multi-year cycles and we believe that a new gold stock bull market is imminent after the last one topped out in August 2011. The bear market of the past ten years has forced gold companies to focus keenly on profitability, strengthen their balance sheets, and focus on high quality projects in secure regions. It has also led to a dearth of quality exploration companies due to a lack of risk capital in the space. The sector remains under owned and there are fewer publicly listed companies to accommodate the influx of investment capital. This should all translate into solid returns for those holding gold stocks.

We have exposure across seven individual companies that are diversified by stage of development, production profile, regional exposure, and type of underlying deposit. Torrent believes that each investee company has quality assets and experienced management teams that have created significant shareholder value in the past.

In terms of the producers, we have positions in Roxgold (ROXG:TSX) and Premier Gold Mines (PG:TSX). On the exploration and development side, we own Antler Gold Inc. (ANTL:TSXV), Azimut Exploration Inc. (AZM:TSXV), Fortune Bay (FOR:TSXV) and privately held Kuya Silver Corp and Advent Gold.

Ruckify Inc. ("Ruckify"- Private) – Unrealized gain on the investment of $1,092,331 in the prior year.

Torrent initiated its position in Ruckify last year at an average cost of $1.07 per share. Ruckify closed an additional round of financing in September at $2.88 per share, which generates a substantial unrealized gain on Torrent's investment in 2019.

Ruckify is currently available in 30 cities in the United States and Canada; and has been fine tuning the user experience on the marketplace by working with customers and updating the technology as required. The first phase of Ruckify's rollout involves marketing Ruckify ProStores to existing small-to-mid sized rental companies that do not have an online presence. The value proposition for these companies is compelling, as they can have a turnkey online rental business in one transaction. Just as Shopify provides traditional buy and sell businesses with a full online business platform, Ruckify can provide this for companies with a rental focused business model. When a rental company chooses to use Ruckify ProStores, it immediately has their own branded webpage, product insurance, order flow management, billing, payment processing, client KYC, marketing services and delivery via RuckTrucks. Torrent believes the opportunities here are tremendous.

Moving forward, Ruckify has had to revamp its corporate strategy to adjust to emerging economic uncertainty. The company has reduced its cost profile considerably and shifted its growth strategy to capitalize on changing consumer behavior. Ruckify has often been referred to as the "Airbnb of stuff", and just as Airbnb found its legs during the 2008 recession, we envision heightened demand for Ruckify's platform as individuals look to source additional income during economic uncertainty. Providing individuals the ability to make and save money through online rentals will be a substantial driver of Ruckify's growth and profitability going forward.

Ruckify currently has a private equity value of $30 million, which is modest given the disruptive nature of Ruckify's business model, the team involved, its technology, high profile shareholders and its first mover advantage. Unlike other private companies, Ruckify has never been inflated by outlandish private equity fund valuations, but rather, has raised money at prices in line with its achievements. Furthermore, Ruckify is run by serial entrepreneurs who have always had a keen eye on cost control and have managed businesses through various economic cycles. We believe that Ruckify's value proposition has never been stronger, and the company will find a way to thrive in uncertain times.

Selected Financial Information

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

For the quarter ended	June 30, 2020 $	Mar 31, 2020 $	Dec 31, 2019 $	Sept 30, 2019 $	June 30, 2019 $	Mar 31, 2019 $	Dec 31, 2018 $	Sept 30, 2018 $
Realized gain (loss) on Investments	**867,548**	757,792	436,463	1,174,926	**(249,884)**	(341,365)	380,723	3,965,063
Unrealized gain (loss) on marketable securities	**4,978,238**	(3,150,985)	2,012,161	1,013,433	**(561,430)**	1,192,257	(1,252,716)	2,281,595
Operating expenses	**193,464**	153,244	367,928	141,767	**172,212**	145,463	(696,330)	(103,390)
Net income (loss) before taxes	**5,652,322**	(2,546,437)	2,080,696	2,046,592	**(983,526)**	705,429	(1,568,323)	6,143,268
Income tax expense (recovery)	**-**	-	-	-	**-**	-	85,000	(85,000)
Net income (loss)	**5,652,322**	(2,546,437)	2,080,696	2,046,592	**(983,526)**	705,429	(1,483,323)	6,058,267
Net (loss) income per share	**0.235**	(0.11)	0.09	0.09	**(0.04)**	0.03	(0.07)	0.26
Cash	**1,210,356**	355,635	229,291	222,568	**237,341**	298,266	447,097	1,825,328
Investments at fair value	**16,578,071**	11,811,590	14,449,798	12,160,796	**10,070,976**	10,931,138	10,620,779	10,238,345
Total assets	**17,822,926**	12,200,306	14,691,304	12,401,331	**10,336,930**	11,308,446	11,107,637	12,078,754
Total liabilities	**258,949**	300,457	245,018	79,999	**68,577**	71,468	595,248	88,430
Shareholders' Equity	**17,563,977**	11,899,849	14,446,286	12,321,332	**10,268,353**	11,236,978	10,512,389	11,905,324

Results of Operations for the quarter ended June 30, 2020 and 2019

The Company reported net income for the quarter ended June 30, 2020 of $5,562,322 or $0.235 per share as compared to a net loss of $983,526 or $0.04 per share in the comparable quarter. The current quarter's results include an unrealized loss on marketable securities of $4,978,2238 as compared to an unrealized loss of $561,430 in the comparable quarter. See the previous "*Unrealized gain/(loss) on Marketable Securities*" section for details on the significant unrealized gains and losses in the investment portfolio. In the current quarter, the Company realized net gains on its investment portfolio of $867,548 as compared to realized net losses of $249,884 on its investment portfolio in the comparable quarter. The realized gains (losses) on the investment portfolio are summarized as follows:

	Quarter ended June 30, 2020	**Quarter ended June 30, 2019**
	$	**$**
kneat.com	**114,725**	-
Sona Nanotech Inc.	**787,383**	-
Media Valet Inc.	**24,015**	-
Aguia Resources Limited	**-**	(94,159)
Peyto Exploration & Development Corp.	**-**	(188,043)
Other - net	**(58,575)**	32,318
	867,548	(249,884)

During the quarter ended June 30, 2020, consulting fees of $119,063 (2019 - $90,377) include CEO fees of $37,500 (2019 - $30,000), CFO fees of $22,012 (2019 - $14,337), services fees paid to Numus Financial Inc. ("Numus") of $17,550 (2019 - $11,400) and $34,500 (2019 - $34,500) paid to the Chief Investment Officer. In the current quarter, the Company also incurred Directors' fees of $27,924 as compared to $19,424 in the comparable quarter. The Company also incurred D&O insurance fees of $6,215 (2019- $6,233). Professional fees of $6,250 were incurred in the quarter ended June 30, 2020 as compared to $15,900 in the quarter ended June 20, 2019.

The stock exchange and maintenance fees of $9,833 in the second quarter of 2020 includes certain fees associated with the Company's AGM in June of each year. The Company incurred similar fees of $10,745 in the second quarter of 2019. In the current quarter, the Company incurred administration costs of $12,372 (2019 - $12,843). These administration costs include rent of $5,100 (2019 - $5,100), travel costs of $5,104 (2019 - $6,382) and other miscellaneous costs of $2,168 (2019 - $1,361).

The Company is amortizing the fair value of its stock options, estimated using the Black-Scholes option pricing model, over the corresponding vesting period. In December 2018, the Company granted 200,000 stock options, with an exercise price of $0.42 per share. Based on the Black-Scholes model, the assumptions used include a volatility rate of 75%, an expected life of five years based on the contractual term of the options, a risk-free rate of return of 1% with no expected dividend yield, the estimated fair value of the stock options granted is $51,092 (per option - $0.255), which has been amortized over the corresponding vesting period.

In May 2020, the Company granted 460,000 stock options, with an exercise price of $0.40 per share. Based on the Black-Scholes model, using a volatility rate of 61% and the other assumptions outlined above, the estimated fair value of these stock option grants is $94,456 (per option - $0.205), which will be amortized over the corresponding one-year vesting period. As a result, the Company has recorded stock-based compensation of $11,807 in the current quarter (2019 - $14,901).

Results of Operations for the six months ended June 30, 2020 and 2019

The Company reported a net income for the six months ended June 30, 2020 of $3,105,885 or $0.13 per share as compared to a net loss of $278,097 or $0.01 per share in the comparable period. The 2020 income includes an unrealized gain on marketable securities of $1,827,253 or $0.08 per share as compared to a gain of $630,827 or $0.03 per share in the comparable period. See the previous "*Unrealized gain/(loss) on Marketable Securities*" section for details on the significant unrealized gains and losses in the investment portfolio. In the current period, the Company realized net gains on its investment portfolio of $1,625,353 or $0.076 per share as compared to a net realized loss of $591,249 or $0.02 per share on its investment portfolio in the comparable period. The net realized gains (losses) on the investment portfolio are summarized as follows:

	Six months ended June 30, 2020 $	**Six months ended June 30, 2019 $**
kneat.com	**733,939**	-
Sona Nanotech Inc.	**941,426**	-
Media Valet Inc.	**253,042**	-
Aguia Resources Limited	-	(557,924)
Peyto Exploration & Development Corp.	-	(255,228)
Chesapeake Energy	-	(104,030)
Trican Well Service	-	137,903
Other - net	**(303,054)**	188,030
	1,625,353	(591,249)

During the six months ended June 30, 2020, consulting fees of $233,138 (2019 - $178,350) include CEO fees of $75,000 (2019 - $60,000), CFO fees of $54,038 (2019 - $28,050), administration fees paid to Numus of $35,100 (June 30, 2019 - $22,800) and $69,000 (2019 - $67,500) paid to the Chief Investment Officer. In the first two quarters of 2020, the Company incurred Directors' fees of $47,349 (2019 - $38,849). The Company also incurred D&O Insurance fees of $12,158 (2019 - $12,123). Professional fees of $15,000 were incurred in the first six months of 2019 as compared to $20,400 in the first six months of 2019.

The stock exchange and maintenance fees of $12,163 in the first half of 2020 compared to $13,879 in the first half of 2019. These amounts include the cost of the Company's AGM which is held in June of each year. In the six months ended June 30, 2019, the Company incurred increased administration costs of $18,538 (2019 - $20,987). These administration costs include rent of $10,200 (2019 - $10,200), travel costs of $5,392 (2019 - $7,661) and other costs of $2,947 (2019 - $3,126). The Company also recorded a foreign exchange gain of $3,432 (2019 – $974) on its US currency balances.

Based on the Black-Scholes model and the assumptions previously outlined, stock-based compensation of $11,807 has been recorded in the six months ended June 30, 2020 as compared to $34,061 in the comparable period.

Liquidity and Capital Resources

Year ended	**June 30, 2020 $**	**December 31, 2019 $**	**December 31, 2018 $**
Cash	**1,210,356**	229,291	447,097
Investments at fair value	**16,578,071**	14,449,798	10,620,779
Total assets	**17,822,926**	14,691,304	11,107,637
Total liabilities	**258,949**	245,018	595,248
Shareholders' Equity	**17,563,977**	14,446,286	10,512,389

The Company has working capital as at June 30, 2020 of $17,563,977 (December 31, 2019 – $14,446,286) and a cash balance of $1,210,356 (December 31, 2019 – $229,291). The Company funds its operations through equity financings and the proceeds on sale of its investments.

During the period ended June 30, 2020, the Company received proceeds on the sale of investments of $4.0 million including $1.1 million on sale of KSI shares and $1.15 million on the sale of SONA shares. The

Company incurred investment acquisition costs of $2.7 million including $1.7 million on its gold investment portfolio.

During the year ended December 31, 2019, the Company acquired investments of $8.7 million including a net investment in kneat.com of $1.1 million, a net investment in WILD of $0.1 million, the initial investment in IMV Inc. of $1.5 million, an initial investment in Ruckify Inc. of $0.65 million, an initial investment in Resolute Health of $0.6 million and net investments in its gold portfolio of $1.1 million. The Company received net proceeds from the sale of investments of $9.4 million including $2.0 million on the sale of Martello Technologies, $1.1 million on the sale of its investment in Pivot Technologies, and $1.4 million of net proceeds on the sale of Trican Well Services.

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

Outstanding Share Data

The Company is authorized to issue an unlimited number of common shares without par value. As at June 30, 2020 the Company has issued and outstanding 23,981,667 common shares and 825,000 stock options. Since the end of the quarter, 50,000 stock options have been exercised. As at August 13, 2020, the Company has issued and outstanding 24,031,667 common shares and 775,000 stock options.

Transactions with Related Parties

During the periods ended June 30, 2020 and 2019, the Company entered the following transactions with related parties:

- paid Director fees of $47,349 (2019 - $38,849) to Directors or companies controlled by Directors.
- paid fees to its President and CEO, Wade Dawe in the amount of $75,000 (2019 - $60,000).
- paid fees to its CFO, Rob Randall in the amount of $54,038 (2019 - $28,050).
- paid fees to its Chief Investment Officer, Scott Gardner in the amount of $69,000 (2019 - $60,000).
- paid service- fees, rent and other fees of $45,300 (2019 - $33,284) to Numus Financial, a company owned by two Directors.

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.

Critical Accounting Estimates

The preparation of the unaudited condensed interim financial statements in conformity with IFRS requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The 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 unaudited condensed interim 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.

Critical accounting estimates used in the preparation of the unaudited condensed interim financial statements that have the most significant effect on the amounts recognized in the unaudited condensed interim financial statements include the estimates outlined below.

Share-based compensation
The Company uses a Black-Scholes model to determine the fair value of options and warrants. The main factor affecting the estimates of stock-based compensation is the stock price volatility used. The Company uses historical price data and comparable entities in the estimate of future volatilities. Additional factors affecting share-based compensation include estimates of when stock options might be exercised and the stock price volatility. The timing of the exercise of options is out of the Company's control and will depend upon a variety of factors, including the market value of the Company's shares and the financial objectives of the share-based instrument holders.

Determination of fair value of investments in private companies
The method used by the Company to estimate the value of its equity investments in private companies is complex as there is no active trading market and any transfer is often subject to approval of the Company Directors. The valuation considers factors such as limited available market information, recent financings, future disclosed and/or planned listing activities, Management's assumptions of expected cash flows related to the investments.

All the Company's significant accounting policies and estimates are included in note 2 to the December 31, 2019 audited financial statements of Torrent Capital Ltd.

Risk Factors

The Company's business as an Investment Issuer is subject to several significant risk factors, and an investment in the Corporation 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 Corporation. The risks consist of:

Limited Operating History as an Investment Issuer **-** The Corporation has only a short-term record of operating as an Investment Issuer. As such, with the completed Change of Business, the Corporation will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that the Corporation will not achieve its financial objectives as estimated by Management. Furthermore, past successes of Management or the Board in other ventures do not guarantee future success.

Risks of Competition **-** The Corporation will face competition from other capital providers, all of which compete with it for investment opportunities. These competitors may limit the Corporation's opportunities to acquire interests in investments that are attractive to the Corporation. The Corporation may invest otherwise than following its Investment Policy and strategy to meet its investment objectives. If the Corporation is required to invest other than following its Investment Policy and strategy, its ability to achieve its desired rates of return on its investments may be adversely affected.

Risks of Fluctuations in the Value of the Corporation and the Common Shares **-** The net asset value of the Corporation and market value of the common shares will fluctuate with changes in the market value of the Corporation's investments. Such changes in value may occur as the result of various factors, including general economic and market conditions, the performance of corporations whose securities are part of the Corporation's investment portfolio and changes in interest rates which may affect the value of interest-bearing securities owned by the Corporation. There can be no assurance that shareholders will realize any gains from their investment in the Corporation and they may lose their entire investment.

Due Diligence **-** The due diligence process undertaken by the Corporation in connection with investments that it makes or wishes to make may not reveal all relevant facts in connection with an investment. Before making investments, the Corporation will conduct due diligence investigations that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence investigations, the Corporation may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence investigations and making an assessment regarding an investment, the Corporation will rely on resources available, including information provided by the target of the investment and, in some circumstances, third party investigations. The due diligence investigations that are carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Risks of Investment in Illiquid Securities **-** There is a possibility that the Corporation will be unable to dispose of illiquid securities held in its portfolio. If the Corporation is unable to dispose of some or all its investments at the appropriate time, a return on such investment may not be realized.

Loss of Investment Risk **-** An investment in the Corporation is speculative and may result in the loss of a substantial portion of an investor's investment. Only potential investors who are experienced in high risk investments and who can afford to lose a substantial portion of their investment should consider an investment in the Corporation.

No Guaranteed Return Risk **-** There is no guarantee that an investment in the Corporation will earn any positive return in the short term or long term.

Dividends **-** To date, the Corporation has not paid dividends on any of its common shares and the Corporation is not required to pay any dividends on its Common Shares in the foreseeable future. Any decision to pay dividends will be made based on the Corporation’s earnings, financial requirements and other conditions.

Currency Risk **-** Some of the Corporation’s assets may be invested in foreign securities. Consequently, the Canadian dollar equivalent of the Corporation’s net denominated assets and dividends would be adversely affected by reductions in the value of the applicable foreign currencies relative to the Canadian dollar and would be positively affected by increases in the value of the applicable foreign currencies relative to the Canadian dollar.

Commodity Risk **-** The Corporation may invest in sectors that are very sensitive to the fluctuations of commodity prices.

Foreign Investment Risks **-** Foreign investments made by the Corporation may be subject to political risks, risks associated with changes in foreign exchange rates, foreign exchange control risks and other similar risks.

Equity Market Risk **-** The price of the equity securities in which the Corporation may invest are influenced by the issuing corporation’s outlook, market activity and regional, national and international economic conditions. When the economy is expanding, the outlook for many corporations is equally promising, and the value of their equity securities should rise in agreement. The opposite is also true. Typically, the greater the potential reward, the greater the potential risk. For small corporations and corporations in the emerging sectors the risk and reward ratio is usually greater. Equity-related securities, which give indirect exposure to the equity value of a corporation, such as warrants and convertible securities, can also be affected by this equity risk.

Market Disruption Risks **-** War and occupation, terrorism and related geopolitical risks may in the future lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. Those events could also have an acute effect on individual corporations or related groups of corporations. These risks could also adversely affect securities markets, inflation and other factors relating to the securities that would be held from time to time. Such events could, directly or indirectly, have a material effect on the prospects of the Corporation and the value of the securities in its investment portfolio.

Private Corporation Risks **-** Investments in private corporations cannot be resold without a prospectus, an available prospectus exemption or an appropriate ruling under relevant securities legislation. Even if they can be sold, there may not be a market for such securities. This may impair the Corporation's ability to react quickly to market conditions or negotiate the most favourable terms for exiting such investments. Investments in private corporations may offer high potential returns but will also be subject to a relatively high degree of risk. The process of valuing investments in private corporations will inevitably be based on inherent uncertainties and the resulting values may differ from values that would have been used had a ready market existed for the investments.

Risk of Dilution from Possible Future Offerings **-** The Corporation may issue additional securities from time-to-time to raise funding for its business and such issuances may be dilutive to Shareholders.

Financing Risks **-** Additional funding may be required to complete future investment and growth opportunities. There is no assurance that any such funds will be available to the Company, on acceptable terms or an acceptable level. Any limitations on the Company's ability to access the capital markets for additional funds could have a material adverse effect on the Company's ability to grow its investment portfolio.

Dependence upon key Management **-** The Corporation will depend on the business and technical expertise of its Management and key personnel. There is little possibility that this dependence will decrease in the near term. As the Corporation's operations expand, additional general management resources will be required. The Corporation may not be able to attract and retain additional qualified personnel and this would have a negative effect on the Corporation's operations. The Corporation currently maintains no "key man" life insurance polices on any members of its Management or Directors.

Covid 19 Pandemic - The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and conditions of the Company in future periods.

Management's Responsibility for Financial Information

This MD&A and the accompanying unaudited condensed interim financial statements of Torrent Capital Ltd. are the responsibility of Management and have been approved by the Board of Directors. The unaudited condensed interim financial statements have been prepared by Management in accordance with IFRS. The unaudited condensed interim 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, in order to ensure that the unaudited condensed interim financial statements are presented fairly in all material respects.

Disclosure and Internal Financial Controls

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

(i) the unaudited condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim financial statements; and
(ii) the unaudited condensed interim 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 unaudited condensed interim 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 unaudited condensed interim 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.

Additional Information

Additional information is available on the Company's website at www.torrentcapital.ca and the SEDAR website www.sedar.com.