Torrent Capital Ltd.
Management Discussion and Analysis
Period ended September 30, 2019

This Management's Discussion and Analysis ("MD&A") of Torrent Capital Ltd. ("Torrent" or the "Company") is dated November 25, 2019 and provides an analysis of the financial operating results for the quarters ended September 30, 2019 and September 30, 2018. This MD&A should be read in conjunction with the unaudited condensed interim financial statements and accompanying notes for the period ended September 30, 2019 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, 2018, 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 create a diversified portfolio of investments. The composition of its investment portfolio will vary over time depending on its assessment of a number of 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.
- The majority of investments are expected to be short to medium term investments, with an expected life of an investment of 6 – 24 months.
- 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 has initiated and maintains positions in DHX Media Ltd. (TSX: DHX), kneat.com, inc. (TSXV: KSI), Ruckify Inc., Resolute Health Corporation, Pivot Technology Solutions (TSX: PTG), IMV Inc. (TSX:IMV), Martello Technologies Corporation (TSXV: MTLO), 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 jointly owned by the CEO and a Director.

DHX Media Ltd. ("DHX")
DHX is a leading children's content and brands company, recognized globally for high-profile programs including Peanuts, Teletubbies and Strawberry Shortcake. DHX 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-hours of programs. DHX licenses its content to broadcasters and streaming companies worldwide and generates royalties from its global consumer products program. Through its subsidiary, WildBrain, DHX also operates one of the largest networks of children's channels on YouTube.

DHX had been overvalued due to lofty management guidance, poor working capital management and acquisitions made at aggressive valuations that resulted in the corresponding accumulation of debt. As the share price corrected, the debt-to-equity multiple deteriorated and DHX suspended its dividend, creating uncertainty in the market. DHX is looking to find its footing and regain confidence in the market.

Since announcing a strategic review in 2017, DHX has replaced its Chief Executive Officer twice, replaced its Chief Financial Officer, and some of its senior management team. DHX has also proposed rebranding itself as "Wildbrain" with a focus on a new content distribution strategy and an emphasis on cost reduction. It has also provided more transparent guidance on its short-term objectives to boost organic growth, improve cash flow and reduce expenses and debt. DHX has moved its focus to a distribution model focused on streaming online instead of the more traditional television distribution model and has split the business into these two divisions. DHX recently announced a Subscription Video on Demand ("SVOD") deal with Apple, indicating the high quality of its streaming business and its potential to provide significant growth.

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 in order 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 Kneat 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 seven Tier 1 biotech and pharmaceutical companies. In the past 18 months, KSI has signed a total of ten customers and its presence on manufacturing sites has grown from 15 locations to upwards of 300 locations. Kneat 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 a modest enterprise value of $96 million in relation to its experienced management team, a growing customer base, limited debt, strong cash position, rapid stage of growth and industry leading technology.

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 userbase 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 Ottawa and Calgary, with aggressive expansion plans into other major cities in both the U.S. and Canada.

The online marketplace business model has been experiencing unprecedent growth. This expansion has been driven by improved technology and a shift in consumer behavior. Not long ago, renting a place to stay through an application like Airbnb or shopping from your couch on Amazon 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 (WEED.T), an integrated Cannabis company with a market capitalization in excess of $9 billion. Mr. Cody is a serial-entrepreneur who has built and sold rental companies that have generated revenues in excess of $270 million. Ruckify recently added Graham Brown as its Chief Technology Officer ("CTO") to help scale the company. Mr. Brown 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 we are excited about the prospects of the company going public in 2020.

Gold Stock Portfolio (six public companies)
Historically, the principals of Torrent have been actively involved in the commodity sector as both investors and company executives. One thing we have learned through our tenure in the gold sector is that there is a time to take on gold exposure and a time to be avoided. Getting this call right versus wrong can have a significant impact on investment portfolio returns. Clearly, no one can nail the inflection point to the day, but one can begin to identify the foundation of a supportive gold market, which tends to be long term in nature. While we are not full-stop bullish on gold, the macro economic environment and the underlying fundamentals of the global stock market suggest that an allocation to select gold companies could prove profitable at the present time.

The current global economic expansion is becoming long in the tooth and has been tepid at best. Despite aggressive monetary and fiscal policy by global central banks, real economic growth has been negligible. The hope that various countries could grow themselves out of their precarious debt positions has crashed on the rocks, as even in the US under President Trump, debt levels have continued to trend towards all-time highs. Furthermore, global central banks have kept interest rates at historic lows, with many G7 countries like Germany and Japan, offering sovereign debt investors a negative return on their money. It is estimated that greater than $17 Trillion dollars of global government debt are offering negative nominal yields. Investors are essentially paying these countries for the luxury of lending them money - welcome to the upside down. As economic conditions deteriorate, central banks will have to become even more creative to keep their countries afloat. Torrent believes this should lead to renewed interest in gold bullion and related gold investments.

In addition to softening global economic environment and negative yields, the current stock market rally is due for a correction. Global stocks are amidst the longest bull market ever recorded, now rallying for greater than ten years since the depths of the credit crisis in March 2009. Profit growth has begun to moderate and equity valuations are close to all time highs. To put things in perspective, the Shiller P/E ratio is currently 30X, which exceeds levels witnessed before the great depression and the crash of 1987. While it is difficult to time a stock market correction, one can make a solid argument that we are in the later stages of the current equity run, and gold stocks typically do well as late cycle plays.

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 committed to 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 expected to reach over $3 billion by the end of 2019, 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 four acquisitions in the last 18 months and now operates in six provinces in Canada. Through these acquisitions and organic growth, annualized revenues at September 30, 2019 have increased by over 60% as compared to annualized revenues at September 30, 2018. 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; and health focused revenue streams tend to be recurring in nature.

Pivot Technology Solutions ("PTG")

PTG was founded in 2010 and is an Enterprise IT valued added reseller ("VAR"). PTG was formed through the acquisition of four US VARs with a focus on enterprise storage and server hardware. PTG acquired Canadian based TeraMach Technologies Inc. in October 2016 to expand its footprint in North America. PTG aims to support its clients in all aspects of their IT lifecycle management. PTG currently designs, sells and supports IT enterprise solutions which include hardware, maintenance and support. It also offers data center management, infrastructure management, systems architecture, technical services, and procurement and integration services.

Torrent believes that PTG is an undervalued company in relation to the quality of its business and profitability profile. PTG serves over 2,000 customers with more than 70% of its revenue generated from Fortune 100 IT software and service companies, most of which are in a period of accelerated growth. PTG has a modest market capitalization of $43 million, despite annual revenue of $1.5 billion CAD and a healthy dividend yield of 11.2%.

PTG should enjoy improved profitability as management looks to expand its higher margin services related business. Additionally, the company recently announced the sale of its Smart Edge technology ("Smart Edge") to Intel for US$27 million. The proceeds provide PTG with increased strategic flexibility moving forward and will serve to reduce development costs by close to US$5 million, based on 2018 spend. Torrent believes that the proceeds could be used to further reduce debt, increase the dividend or serve to fund further niche acquisitions. At a minimum, the cash infusion will provide a comfortable buffer for PTG's dividend, which is currently yielding in excess of 11%. There is significant value in PTG as an investment given the healthy dividend income in a yield depressed environment, while also providing investors with growth opportunity.

At a one-year forward EV/EBITDA of 5.4X, PTG trades at historical lows on both an absolute basis and relative to its peer group (11.6X). This discount is expected to narrow as PTG revenue growth returns to trend, its services-based business continues to boost margins, management institutes further cost cuts, and the sale of Smart Edge boosts profitability and reduces uncertainty surrounding PTG's healthy dividend.

IMV Inc. ("IMV")

IMV is a clinical stage biopharmaceutical company founded in 2000 in Dartmouth, N.S. 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 the 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, which are aimed at 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, survivin 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 is hoping to achieve breakthrough status from the U.S. Food & Drug Administration ("FDA") with its DPX-Survivac delivery of T-cell activating therapies. Breakthrough status is when the FDA regulators heed advice from an independent review board and award this designation to therapies for life-threatening diseases. In order to receive breakthrough status the drug or therapy must demonstrate, with clinical evidence, that it is superior to other candidates. In the case of IMV, breakthrough status would apply to the use of DPX-Survivac's treatment of ovarian cancer and DLBCL, a type of lymphoma. Breakthrough status is not a guarantee of success but rather a vetting process for therapies that deserve a speedy approval process if those therapies continue their success in human trials.

In March 2019, IMV completed a financing for gross proceeds of $26.7 million that was led by Wells Fargo Securities. This was the largest equity raise in IMV's history and shows how far its has come. However, the raise was done below IMV's prevailing market share price, indicating the market continues to undervalue IMV's prospects.

Comparable cancer fighters, such as Kura Oncology, Zymeworks and Idera Pharmaceuticals, have significantly higher equity valuations than IMV. If ongoing clinical trial data continues to show more than 50% of IMV patients are seeing tumor regression and/or demonstrate continued lengthy durability beyond a year, Torrent believes IMV share price will improve.

Martello Technologies Corporation ("MTLO")
MTLO is a company in the unified communications sector, a segment of the economy driven by strong secular trends that is experiencing an annual growth rate of 25%. MTLO was founded in 2009 and is headquartered in Ottawa, with staff in Canada, France and the U.S.. In January 2018, MTLO merged with Elfiq Networks to offer a solution that pairs performance management software with software-defined wide area network technology to provide exceptional, unified communication performance. MTLO's solution delivers confidence in the performance of real-time services on cloud and enterprise networks and it is a proven provider of performance management software for Mitel customers.

MTLO is an established technology company with a presence on over 7,000 networks, 16,000 devices and reaches more than 150 countries. MTLO's underlying clients are comprised of well-known global enterprises, including Volkswagen, the United Nations, Hilton Worldwide and Major League Baseball. In addition, MTLO currently has approximately 100 employees, an annual revenue run rate of $12.4 million.

MTLO was originally structured and funded by Terry Matthews, a well-known technology investor who founded several companies including Mitel and Newbridge Networks. Mr. Matthews remains the largest shareholder of MTLO and is its co-chairman, with Bruce Linton, the Founder and former co-Chief Executive Officer of Canopy Growth Corp, a publicly traded Cannabis company with a market capitalization that has exceeded $18 billion. MTLO's Chief Executive Officer is John Proctor, a previous VP of global cyber security with CGI Group, a multinational IT consulting firm with $10 billion in annual revenues.

Torrent believes that MTLO is on the verge of a rapid growth phase, driven by both organic growth and acquisitions. MTLO's performance management software is on thousands of networks and presents an opportunity as MTLO can view deficiencies on their enterprise client networks in real time. With this information, MTLO can then decide if it wants to build-out a solution internally or make a strategic acquisition of a technology solution to address the concern. As MTLO expands into different channels, potentially into artificial intelligence or cyber security, it will already have an established network of clients. This reduces the inherent risk of an early stage software company that often spend a significant amount on product development before establishing a customer base.

The stock trades at less than 2.5X Torrent's 2019 EV/Revenue forecasts for the company, which is below the group average of 8-10X. This discount should narrow given the growth prospects of the unified communications sector, the quality of the executive team, ongoing news flow associated with M&A and strong revenue and earnings visibility for a small market cap technology company in Canada.

Sona Nanotech ("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 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. In addition, SONA's gold nanorods have potential to be incorporated into disruptive emerging medical applications including targeted drug delivery, photothermal therapy and cell imaging.

SONA currently has a market capitalization of $7.8 million, which Torrent believes is modest compared to SONA's potential. The lateral flow market is growing exponentially, driven by the growth of an aging population and the corresponding advancement of chronic disease and the need for point of care diagnostic tests. In addition, various segment applications in the market such as infectious diseases, animal diagnostics and self-testing associated with personal health and wellness continue to grow substantially.

Unrealized gain/(loss) on Marketable Securities

Acquisitions of investments in marketable securities are initially recognized at fair value plus transaction costs. Subsequent to 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 current quarter's loss includes an unrealized gain on investments of $1,032,433 or $0.04 per share as compared to an unrealized gain on marketable securities of $2,281,595 or $0.10 per share in the comparable quarter. The year to date loss includes an unrealized gain on investments of $1,644,260 or $0.07 per share as compared to an unrealized gain on marketable securities of $166,497 or $0.01 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 September 30, 2019 and the market value as at December 31, 2018 are summarized as follows:

	Shares #	Cost of Investment $	Market Value Sept. 30, 2019 $	Unrealized Gain / (Loss) Quarter ended Sept. 30, 2019 $	Unrealized Gain / (Loss) Year to date Sept. 30, 2019 $	Market Value Dec. 31, 2018 $
DHX Media	2,000,000	3,098,063	3,820,000	95,186	(757,016)[(a)]	4,480,000
kneat.com, inc.	1,942,500	1,637,113	2,564,100	300,800	546,987	980,000
Ruckify Inc.	604,976	650,000	1,742,331	835,236	1,092,331	-
Gold investment portfolio		1,026,818	892,350	(134,468)	(134,468)	-
Resolute Health Corporation	300,000	570,000	570,000	-	-	-
Pivot Technology Solutions	196,100	293,071	260,813	12,062[(b)]	300,932[(b)]	525,000
IMV Inc.	189,800	957,503	611,156	(111,982)	(346,347)	-
Martello Technologies Corp.	400,000	102,539	116,000	197,506	(31,589)	891,000
Sona Nanotech Inc.	1,600,000	412,136	336,000	(64,000)	(75,633)	330,000
Other marketable securities		1,215,831	1,248,046	(108,625)	(49,535)	424,210
Aguia Resources Limited		-	-	-	517,491[(b)]	170,569
Peyto Exploration/Dev Corp.		-	-	-	247,379[(b)]	495,600
Chesapeake Energy Corp.		-	-	-	179,821[(b)]	171,600
Other investments sold		-	-	(8,282)	153,907	2,152,800
		9,963,074	12,160,796	1,013,433	1,644,260	10,620,779

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

(b) This results from the reclassification of unrealized losses to realized losses during the periods.

DHX Media Ltd. ("DHX") – Unrealized gain on the investment of $95,186 in the current quarter and a year to date unrealized loss of $757,016, a portion of which represents a reversal of the prior year's unrealized gain.

DHX's stock price is down 10.6% year-to-date, however, the stock price was up 10.5% in the third quarter. This third quarter performance was strong in relation to the Canadian small cap market, as measured by the iShares S&P/TSX SmallCap Index Fund, which fell 0.6%. DHX appears to be establishing a floor as it makes the necessary changes to restore confidence in the market.

DHX remains a core holding as it is believed that the company trades below the value of its assets and the high growth trends in the digital media market. Our thesis on DHX remains the same as we believe that the company trades far below the value of its assets that are highly attractive in today's burgeoning digital media market. The company is amidst a prolonged hangover after trading north of $8 per share at its peak, to its September quarter end price of $1.91 per share. The reason for the weakness can be sliced and diced many ways, however, it is ultimately a story about a stock getting ahead of itself. When the stock was at its highs, the company took on too much debt, overpaid for certain acquisitions and provided the market with far too rosy guidance about its prospects. When the share price began to correct, there was an overhang of disgruntled shareholders and analysts who were frustrated that the company failed to deliver on its promises. Their enthusiasm was certainly not bolstered by multiple reporting periods that were far below expectations and riddled with asset write downs and ultimately a suspension of the company's dividend.

DHX had a history of elevated debt levels, inconsistent management guidance, slowing revenue growth and high acquisition costs that resulted in the corresponding accumulated debt. However, DHX has initiated various strategic initiatives to stimulate organic growth, improve its balance sheet and work on strategic partnerships to monetize the value of its content. DHX has achieved many impressive milestones over the past year that are consistent with these strategic objectives.

Some of the milestones include, announcing attractive agreements with both Comcast and Apple; replacing its CEO and CFO; removing legacy board members; selling assets to reduce debt; proposing to rebrand itself as “Wildbrain”; and indicating further asset sales are possible to reduce debt. Torrent views all of these initiatives as positive indications that DHX is moving in the right direction.

DHX has also announced the sale of its property in Toronto with the proceeds of $12 million being used to pay off debt. Due to costs cutting initiatives, DHX has seen its debt/EBITDA ratio fall from 7.0X to approximately 5.6X in the past year. In addition, based on 2019 forecasts DHX is set to generate around $40 million in free cash flow. Torrent believes this improving debt profile will offer investors a degree of comfort as management executes on various strategic initiatives.

DHX reported its annual results in the current quarter that saw DHX recognize $109 million in revenue, exceeding analysts consensus of $100 million. In addition, DHX’s debt/EBITDA ratio fell from 7.0X to 5.6X in the past year. DHX is also forecasted to generate approximately $40 million in free cash flow. Torrent believes the increasing revenue and decreasing debt will offer investors a degree of comfort as they management implements its various strategic initiatives.

Torrent believes that DHX is undervalued, as it trades at a one-year forward EV/EBITDA multiple of 10.1X, a significant discount to the peer group average of 18.9X. This discount is expected to decrease as management continues to streamline the business and regains confidence in the market by delivering on its value enhancing initiatives.

kneat.com, Inc. (“KSI”) – Unrealized gain on the investment of $300,800 in the current quarter and a year to date unrealized gain of $546,987.

KSI has had a strong 2019 as the company appears to be hitting its stride after years of development of the Kneat Gx platform. 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 and Torrent believes that KSI is on the verge of a rapid growth phase.

KSI’s client base is now comprised of seven Tier 1 biotech and pharmaceutical companies. In the past 18 months, KSI has signed a total of 10 customers, and its presence on manufacturing sites has grown from 15 locations to upwards of 300 locations. Additionally, KSI announced in September that it secured a three-year contract with one of the largest pharmaceutical companies in the world, which further indicates the Kneat Gx platform is gaining traction. Kneat 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 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. As these underlying relationships become better known in the marketplace, Torrent believes that it will fuel referrals and serve to significantly de-risk the Kneat Gx platform for companies exploring its adoption.

These recent business wins are contributing to an impressive growth profile for KSI. Analysts from Mackie Research Capital and Echelon Wealth Partners have 2020 annual revenue growth estimates of 213% and 240%, respectfully. This compares to consensus estimates of 20% growth for U.S. software companies and 15% for Canadian names over the same period. Should their customer continue to scale across their total potential install base of 300 locations sites, it is estimated that this represents the potential for annual recurring revenue of $40 million over the next 3-5 years. Torrent views the initial adoption of the Kneat Gx platform as the largest hurdle in the sales process and believes that the scaling of the product across KSI’s customer’s operations could serve as an inflection point for KSI. It is worth underscoring that these revenue growth estimates are predominantly based on existing clients and do not factor in the optionality of new customers, which Torrent also views as likely given that KSI can now leverage off of the quality of KSI’s Tier 1 customers in its sales process. In our opinion, there is room for KSI to beat revenue targets on the upside as its gains traction.

Ruckify Inc. ("Ruckify"- Private) – Unrealized gain on the investment of $835,236 in the current quarter and year to date unrealized gain of $1,092,331.

Torrent initiated its position in Ruckify this 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. The September financing was originally slated for $5 million, however, due to heightened interest Ruckify closed the financing at $7.5 million. Feedback from Ruckify management suggests that the financing was well distributed and some well-known investors have entered the story and/or added to their positions. Torrent is encouraged by the success of the financing as it confirms our view that Ruckify is making headway after years of development. Given that Ruckify is a private company, it is worth noting that all investors hold the same common shares, with the identical terms and voting rights.

Ruckify is currently available in 30 cities in the U.S. 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. We believe the opportunities here are tremendous.

Moving forward, Ruckify will look to market its platform to traditional businesses with dormant inventory and then ultimately aim to turn on the P2P element of their marketplace model. Additional growth should come from acquisitions of companies in different verticals, like RV or electronics-based platforms, where Ruckify benefits from domain knowledge, an established userbase and existing revenues.

Ruckify currently has a private equity value of $30 million, which is modest given the disruptive nature of Ruckify's business model, team involved, its technology, high profile shareholders and first mover advantage. Torrent believes that Ruckify will trade at a significantly higher valuation as it executes on its business plan and moves towards going public on the Nasdaq in 2020.

Gold Stock Portfolio (six public companies) – Unrealized loss on investment of $134,468 in the current quarter and year to date.

During the quarter Torrent initiated a position in a portfolio of gold stocks, with a focus on producing names with decent cost profiles, solid grades and leverage to a rising gold price. The macro economic environment and the underlying fundamentals of the global stock market suggest that an allocation to select gold companies could prove profitable at the present time.

Due to the significant regional, operational and financing risk inherent with individual gold stocks, we are employing a basket approach to express our investment view. We have diversified across six 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, management teams that have created significant shareholder value in the past, solid financials and above average liquidity.

In terms of the producing names, we have initiated positions in Equinox Gold (EQX:TSX.V), Guyana Goldfields (GUY:TSX), Leagold Mining (LMC.TSX), Roxgold (ROXG:TSX) and Continental Gold (CNL:TSX). On the exploration and development side, we bought First Mining Gold (FF.TSX.V), which holds a portfolio of undervalued gold assets that should enjoy a re-rating if the gold price continues to firm.

Pivot Technology Solutions Inc. ("PTG") – Unrealized gain on investment of $12,062 in the current quarter and a year to date unrealized gain $300,932, which represents a reversal of the prior year's unrealized loss.

PTG fell 7.1% during the second quarter, however, the company has had a strong 2019, with the stock rising 23.8% year-to-date. The strong performance in 2019 has been partially driven by an improving gross margin and adjusted EBITDA profile, which is consistent with PTG's strategy to focus on its higher margin services business and to cut costs. Much of the improvement was achieved by shifting focus to higher services based revenue; reduced operating costs resulting from cost cutting initiatives and reduced debt servicing costs.

The share price also got a boost from the sale of Smart Edge to Intel for US$27 million, which was announced in the third quarter. The proceeds provide PTG with increased strategic flexibility moving forward and will serve to reduce development costs by close to US$5 million, based on 2018 spend. Torrent believes the proceeds could be used to further reduce debt, increase the dividend, or serve to fund further niche acquisitions. At a minimum, the cash infusion will provide a comfortable buffer for PTG's aggressive dividend, which is currently in excess of 11%.

Torrent continues to see compelling investment value in PTG given its healthy and well protected dividend, while also providing growth opportunity as its margins and profitability continue to improve.

IMV Inc. ("IMV") – Unrealized loss on investment of $111,982 in the current quarter and a year to date unrealized loss of $346,347.

IMV's share price has been under pressure in 2019 with its share price dropping 8.8% in the third quarter and 50% year-to-date. The weakness over the course of 2019 is arguably due to a financing announced by IMV in February which offered 4.9 million shares at $5.45 per common share generating gross proceeds of $26.7 million. The price of the private placement was at a large discount to IMV's prevailing share price at the time of approximately $7.00 and resulted in the dilution of existing shareholders by approximately 15%. This put pressure on the share price as existing investors may sell stock to raise cash to participate in the financing or reduce their position due to frustration with the reduced share price and further dilution.

There have been few tangible catalysts since that time to create renewed buying pressure. IMV provided an update on its 184-patient Phase II basket trial during the third quarter that showed sufficient hints of tumor response and/or stable disease associated with immunological response in ovarian cancer. Even though the results were relatively well received by analysts, this failed to impact the stock price.

Torrent believes the pressure on IMV's share price should prove temporary as the financing related pressure should reduce as IMV now has the cash position to be able to execute its business plan. Also, results continue to suggest that DLBCL represents a plausible survivin-overexpressing cancer form for which it is reasonable to explore DPX-Survivac's efficacy, either as monotherapy as initial DLBCL testing did or in combination with other immunologically active agents including but not limited to Keytruda.

Analyst consensus estimates an average of $12 per share, which highlights the potential of IMV's shares if DPX-Survivac test results continue to be positive and the market begins to appreciate its potential.

Martello Technologies Corporation ("MTLO") – Torrent realized a gain on investment of $3,843,125 in the prior year and a year to date realized gain of $1,060,519. Torrent recorded an unrealized gain on the investment of $197,509 in the current quarter and a year to date unrealized loss of $31,589.

Martello Technologies has been a very profitable holding for Torrent since its public listing in September 2018. The share price has been quite volatile, defined by massive short-term spikes, followed by pronounced selloffs. Torrent had been able to capitalize on these short-term runs by selling portions of its holding when the stock price was ahead of Torrent's internal valuation estimates.

One of these spikes occurred during the third quarter when Bruce Linton (MTLO Co-Chairman) was interviewed on TV discussing the company and its merits. The stock subsequently traded from $0.20 per share to an intraday high of $1.00 per share. Torrent sold a substantial portion of its remaining position at this time which resulted a sizeable realized gain on its investment in MTLO.

Although Torrent has reduced its position to take advantage of the increase in stock price, Torrent remains optimistic about MTLO and its prospects. MTLO is well-run, has a substantial book of business, a strong balance sheet and appears to be entering a period of accelerated growth. Torrent expects that a few consecutive quarters of strong revenue growth, high profile business additions and 1-3 bolt on acquisitions, will keep investor interest for some time.

Peyto Exploration and Development Corporation ("PEY") A year to date unrealized gain on the investment of $247,379 which results from the reclassification of unrealized losses to a realized loss during the period.

Torrent exited its position in PEY during the second quarter of 2019. PEY's low cost gas production profile and its conservative approach to the allocation of capital indicated that it would be well suited to withstand the pressures on the Western Canadian oil and gas market. However, the pressures in the Deep Basin are lengthier than originally thought as gas in the region continues to trade lower than U.S. prices, which are depressed due to pipeline pressures. This is amplified for PEY as its product mix is heavily weight toward natural gas.

In addition, PEY's capital expenditure and dividend payout have exceeded its profitability which calls into question PEY's ability to maintain its dividend and its current strategy of buying undervalued assets. Therefore, Torrent the risks outweighed the rewards of holding PEY.

Aguia Resources Limited ("AGRL") – A year to date unrealized gain on the investment of $517,491 which results from the reclassification of unrealized losses to a realized loss during the period.

Torrent exited its position in AGRL as it has been a disappointment due to the chronically weak agricultural commodity prices, inflated energy costs, soft global phosphate prices and rising geopolitical risk in Brazil. In addition, management failed to deliver on many key milestones that were envisioned at the time of Torrent's original investment, including: failure to generate interest in Tres Estradas and to gain attention as potential M&A targets from other companies in the sector; strategic investors did not invest; off-take agreements did not happen; the dual share structure on the TSXV and the ASX did not add value; and analyst forecasts were not realized.

Selected Financial Information

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

For the quarter ended	Sept 30, 2019 $	June 30, 2019 $	Mar 31, 2019 $	Dec 31, 2018 $	Sept 30, 2018 $	June 30, 2018 $	Mar 31, 2018 $	Dec 31, 2017 $
Realized gain (loss) on Investments	**1,174,926**	(249,884)	(341,365)	380,723	**3,965,063**	184,255	291,140	193,408
Unrealized gain (loss) on marketable securities	**1,013,433**	(561,430)	1,192,257	(1,252,716)	**2,281,595**	(245,004)	(1,870,094)	1,797,323
Operating expenses	**141,767**	172,212	145,463	(696,330)	**(103,390)**	(121,521)	(111,987)	(176,879)
Write down of note receivable	**-**	-	-	-	**-**	-	-	(292,312)
Net income (loss) before taxes	**2,046,592**	(983,526)	705,429	(1,568,323)	**6,143,268**	(182,270)	(1,690,941)	1,521,540
Income tax expense (recovery)	**-**	-	-	85,000	**(85,000)**	-	-	-
Net income (loss)	**2,046,592**	(983,526)	705,429	(1,483,323)	**6,058,267**	(182,270)	(1,690,941)	1,521,540
Net (loss) income per share	**0.09**	(0.04)	0.03	(0.07)	**0.26**	(0.01)	(0.07)	0.064
Cash	**222,568**	237,341	298,266	447,097	**1,825,328**	111,446	199,334	772,290
Investments at fair value	**12,160,796**	10,070,976	10,931,138	10,620,779	**10,238,345**	5,802,182	5,874,578	7,020,725
Total assets	**12,401,331**	10,336,930	11,308,446	11,107,637	**12,078,754**	5,939,887	6,099,089	7,800,433
Total liabilities	**79,999**	68,577	71,468	595,248	**88,430**	92,830	82,300	111,510
Shareholders' Equity	**12,321,332**	10,268,353	11,236,978	10,512,389	**11,905,324**	5,847,057	6,016,789	7,688,923

Results of Operations for the quarters ended September 30, 2019 and 2018

The Company reported net income for the quarter ended September 30, 2019 of $2,046,592 or $0.09 per share as compared to a net income of $6,058,268 or $0.26 per share in the comparable quarter. The current quarter's results include an unrealized gain on marketable securities of $1,013,433 as compared to an unrealized gain of $2,281,595 in the comparable quarter. See the "*Unrealized gain/(loss) on Marketable Securities*" section above 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 $1,174,926 as compared to realized gains of $3,965,063 on its investment portfolio in the comparable quarter. The realized gains (losses) on the investment portfolio are summarized as follows:

	Three months ended September 30, 2019 $	Three months ended September 30, 2018 $
Martello Technologies Corp.	1,037,219	3,843,125
Acasti Pharma Inc.	97,053	-
Dividends	10,020	9,103
Other - net	30,634	112,835
	1,174,926	3,965,063

During the quarter ended September 30, 2019, consulting fees of $86,588 (2018 - $61,875) including CEO fees of $30,000 (2018 - $13,000), CFO fees of $10,688 (2018 - $11,325), services fees paid to Numus Financial Inc. ("Numus") of $11,400 (2018 - $7,550) and $34,500 (2018 - $30,000) paid to the Chief Investment Officer. In the current quarter, the Company also incurred Directors' fees of $19,425 as compared to $13,317 in the comparable quarter. Professional fees of $7,000 were incurred in the quarter ended September 30, 2019 as compared to $6,545 in the comparable quarter. In 2019, the Company has accrued increased costs associated with the current year's audit and tax compliance.

The stock exchange and maintenance fees were $3,126 in the third quarter of 2019 and similar fees of $4,666 were incurred in the third quarter of 2018. In the current quarter, the Company incurred administration costs of $19,241 (2018 - $16,988). These administration costs include rent paid to Numus of $5,100 (2018 - $4,435), travel costs of $6,187 (2018 - $2,500), insurance of $6,302 (2018 - $6,302) and other miscellaneous costs of $1,652 (2018 - $3,749).

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 will be amortized over the corresponding vesting period. As a result, the Company has recorded stock-based compensation of $6,387 in the current quarter. In the comparable quarter, no stock-based compensation was recorded.

Results of Operations for the nine months ended September 30, 2019 and 2018

The Company reported a net income for the nine months ended September 30, 2019 of $1,768,495 or $0.07 per share as compared to a net income of $4,185,057 or $0.18 per share in the nine months ended September 30, 2018. The current year-to-date results include an unrealized gain on marketable securities of $1,644,260 as compared to an unrealized gain of $166,497 in the comparable period. See the "*Unrealized gain/(loss) on Marketable Securities*" section above for details on the significant unrealized gains and losses in the investment portfolio. In the current year-to-date, the Company realized net gains on its investment portfolio of $583,677 as compared to realized gains of $4,440,458 on its investment portfolio in the comparable period.

The realized gains (losses) on the investment portfolio are summarized as follows:

	Nine months ended Sept 30, 2019	**Nine months ended Sept 30, 2018**
	$	**$**
Martello Technologies Corp.	1,060,519	3,843,125
Aguia Resources Limited	(557,924)	(12,553)
Peyto Exploration & Development Corp.	(255,228)	-
Chesapeake Energy	(104,030)	-
Trican Well Service	137,903	-
Acasti Pharma Inc.	96,334	-
AnalytixInsight Inc.	-	440,728
Dividends	63,642	29,540
Other - net	142,461	139,618
	583,677	4,440,458

During the nine months ended September 30, 2019, consulting fees of $264,938 (2018 - $190,475) include CEO fees of $90,000 (2018 - $39,000), CFO fees of $38,738 (2018 - $38,025), service fees paid to Numus of $34,200 (2018 - $23,450) and $102,000 (2018 - $90,000) paid to the Chief Investment Officer. In the first three quarters of 2019, the Company incurred Directors' fees of $58,274 (2018 - $40,307). Professional fees of $27,400 were incurred in the first nine months of 2019 as compared to $12,389 in the first nine months of 2018. In 2019, the Company has accrued increased costs associated with the current year's audit and tax compliance.

The stock exchange and maintenance fees of $17,005 in the first nine months of 2019 compared to $23,634 in the first nine months of 2018. These amounts include the cost of the Company's AGM which was held in June of each year. In the nine months ended September 30, 2019, the Company incurred increased administration costs of $51,377 (2018 - $39,019). These administration costs include rent paid to Numus of $15,300 (2018 - $10,645), travel costs of $13,848 (2018 - $2,500), insurance costs of $18,425 (2018 – $18,699) and other costs of $3,804 (2018 - $7,175).

Based on the Black-Scholes model and the assumptions outlined above, the estimated fair value of the stock option granted in December 2018 is $51,092, or $0.255 per option, which is being amortized over the one-year vesting period. As a result, stock-based compensation of $40,448 has been recorded in the period ended September 30, 2019 (2018 - $31,344).

Liquidity and Capital Resources

Period ended	**September 30, 2019 $**	**December 31, 2018 $**	**December 31, 2017 $**
Cash	**222,568**	447,097	772,290
Investments at fair value	**12,160,796**	10,620,779	7,020,725
Total assets	**12,401,331**	11,107,637	7,800,433
Total liabilities	**79,999**	595,248	111,510
Shareholders' Equity	**12,321,332**	10,512,389	7,688,923

The Company has working capital as at September 30, 2019 of $12,321,332 (December 31, 2018 – $10,512,389) and a cash balance of $222,568 (December 31, 2018 – $447,097). The Company funds its operations through equity financings and the proceeds on sale of its investments.

Effective in the first quarter of 2017, the Company commenced the implementation of its business plan as an Investment Issuer. During 2017, the Company invested $5.4 million in shares of ten different publicly traded companies with investments ranging from $40,000 to $1.5 million. During the year ended December 31, 2018, the Company acquired investments of $10.9 million including its investment in MTLO of $1.3 million, DHX of $3.4 million and TCW of $1.3 million. The Company received proceeds from the sale of investments of $11 million including $4.3 million on the sale of MTLO, $1.5 million on the sale of IBR, $1.3 million on the sale of DHX, and $1 million on the sale of ALY.

During the period ended September 30, 2019, the Company acquired investments of $6.1 million including an additional investment in kneat.com of $1.1 million, the initial investment in IMV Inc. of $1.0 million and an investment in Ruckify Inc. of $0.65 million and investments in its gold portfolio of $1 million. The Company received net proceeds from the sale of investments of $6.7 million including $1.8 million on the sale of MTLO, $1.5 million on the sale of IBR, $1.4 million of net proceeds on the sale of TCW and $0.6 million on the sale of AGI.

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 in order to execute its strategic plan including the implementation 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 September 30, 2019, the Company has 23,848,333 common shares issued and outstanding. As at September 30, 2019, the Company also has 958,334 stock options outstanding. Subsequent to September 30, 2019, 133,334 stock options were exercised and as at November 25, 2019, the Company has 23,981,667 common shares issued and outstanding and 825,000 stock options outstanding.

In late 2018, the Company announced that the TSX Venture Exchange ("TSXV") has accepted the Company's notice to implement a normal course issuer bid ("NCIB") to purchase, for cancellation, up to 1,760,833 of its common shares, representing 10% of Torrent's Public Float (calculated in accordance with the rules of the TSXV), over a twelve month period commencing on December 18, 2018.

All purchases made pursuant to the NCIB or alternative Canadian trading systems, in open market transactions or by such other means as may be permitted under applicable securities laws. The price that Torrent will pay for common shares in open market transactions will be the market price at the time of purchase.

Any daily purchases under the NCIB will be made through the facilities of the TSXV and will be subject to all limitations as set forth in the TSXV rules. All shares purchased by Torrent under the NCIB will be cancelled. As at September 30, 2019 and November 25, 2019, the Company has not purchased any of its shares under the NCIB.

Transactions with Related Parties

During the period ended September 30, 2019, the Company entered into the following transactions with related parties:

- paid Director fees of $58,274 (2018 - $59,354) to Directors or companies controlled by Directors.
- paid fees to its President and CEO, Wade Dawe in the amount of $90,000 (2018 - $308,167).
- paid fees to its CFO, Rob Randall in the amount of $37,738 (2018 - $69,712).
- paid fees to its Chief Investment Officer, Scott Gardner in the amount of $102,000 (2018 - $295,000).
- paid service- fees, rent and other fees of $49,500 (2018- $62,595) 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 of the Company's significant accounting policies and estimates are included in note 2 to the December 31, 2018 audited financial statements of Torrent Capital Ltd.

Risk Factors

The Company's business as an Investment Issuer is subject to a number of 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 of 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 in accordance with its Investment Policy and strategy in order to meet its investment objectives. If the Corporation is required to invest other than in accordance with 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 of 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 on the basis of 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 relatively 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.

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