Torrent Capital Ltd.
Management Discussion and Analysis
Year ended December 31, 2019

This Management's Discussion and Analysis ("MD&A") of Torrent Capital Ltd. ("Torrent" or the "Company") is dated April 9, 2020 and provides an analysis of the financial operating results for the years ended December 31, 2019 and December 31, 2018. This MD&A should be read in conjunction with the audited annual financial statements and accompanying notes for the years ended December 31, 2019 and December 31, 2018 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") for 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 Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com under the Company's profile. The common shares of Torrent Capital Ltd. 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 kneat.com, inc. (TSXV: KSI), WildBrain Ltd. (TSX: WILD) (formerly DHX Media Ltd. (TSX: DHX)), Ruckify Inc., IMV Inc. (TSX:IMV), Resolute Health Corporation, 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.

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 a short period of time, KSI has signed a total of 11 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 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.

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 confidence in 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. This has been incredibly frustrating given the high-profile content war taking place as large companies like Amazon, Apple and Netflix compete aggressively for streaming material.

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.

We believe that WILD has made steps 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.

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 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, a well-respected pioneer in the Cannabis sector. Mr. Cody is a serial-entrepreneur 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.

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 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, if granted, 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.

Comparable companies in this sector, 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 will enter a new phase of development and enjoy a rerating in the sector.

Analyst price targets remain north of $8 per share, which is further confirmation that IMV's share price has yet to catch up to the company's potential.

Gold Stock Portfolio (four 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 predict 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 too bullish on gold, the highly uncertain economic environment and the underlying fundamentals of the global stock market suggest that an allocation to select gold companies could prove profitable.

The global economy remains saddled with debt and the current expansion has hit a wall. Despite aggressive monetary and fiscal policy by global central banks, real economic growth had 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 had kept interest rates at historic lows, with most G7 countries now offering sovereign debt investors a negative return on their money. 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 solvent. Torrent believes this should lead to renewed interest in gold bullion and related gold investments.

Before the current pandemic, we had been cognizant of the fact that the global equity bull market had shown signs of overheating. Global stocks were in the midst the longest bull market ever recorded, rallying for greater than ten years since the depths of the credit crisis in March 2009. Profit growth had begun to moderate, and equity valuations were close to all time highs. To put things in perspective, the Shiller P/E ratio reached a peak of 30X, which exceeded levels witnessed before the great depression and the crash of 1987. While we by no means anticipated the pandemic, we did recognize that pressures tend to build when cycles become overextended. An allocation to gold stocks made sense given this view as they typically do well as late cycle plays.

Recent events surrounding the pandemic will only bring more attention to the gold space. Uncertainty surrounding the global economy and financial market is at historic levels. Gold and related investments should shine as investors adapt to the new economic normal. It will be one defined by extreme volatility across asset classes as governments and corporations employ unimaginable policies to restart growth and service record high debt levels.

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 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; and health focused revenue streams tend to be recurring in nature.

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 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 recently announced a transformative partnership with GE Healthcare Life Sciences to jointly complete test development of the Sona Covid-19 Coronavirus rapid response lateral flow test.

The test will utilize GE Healthcare Life Sciences' FFHP Membrane, which is specifically designed to allow for multiple optimization techniques (potentially allowing the test to become market ready sooner) and fast flow performance (potentially allowing for faster individual test results). Sona will retain all commercial rights to the resulting test.

Development work on Sona's new test to measure the Covid-19 virus is underway in 3 separate labs in Canada, the UK and Germany. The company has an ongoing, open dialogue with regulators to ensure the Sona's test is being developed within the parameters regulators have outlined. This approach will allow Sona to be eligible for FDA review through their Emergency Use Authorization (EUA) pathway and a fast-track to market.

SONA currently has a market cap of $120 million, which Torrent believes is modest compared to its potential. The company has been transformed by the prospects of its Covid-19 lateral flow test, which has the potential to be the worlds most practical and accurate test. The company is on the front lines as the private sector aims to find promising technologies to assist with the current pandemic. Should the company's tests move through testing, regulatory approvals and mass adoption, the economics are staggering in relation to SONA's current market cap.

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 United States. 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 $13.4 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. 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 2.0X Torrent's 2020 EV/Revenue forecasts for the company, which is below the group average of 5.1X. 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.

Selected Financial Information

The following table sets out selected financial information and highlights for the last three fiscal years:

For the year ended	December 31, 2019 $	December 31, 2018 $	December 31, 2017 $
Revenue			
Realized gain (loss) on investments	**1,020,140**	4,821,181	201,619
Unrealized gain (loss) on investments	**3,656,421**	(1,086,219)	1,639,681
	4,676,561	3,734,962	1,841,300
Expenses			
Consulting and wages	**517,500**	710,230	247,038
Directors fees	**77,699**	59,354	48,955
Professional fees	**41,073**	25,951	30,752
Insurance	**25,000**	25,274	26,216
Stock exchange and maintenance fees	**22,205**	30,347	34,948
Office, administration and other	**99,187**	60,340	47,187
Stock-based compensation	**44,706**	121,732	119,109
	827,370	1,033,228	554,205
Operating income (loss) before the following	**3,849,191**	2,701,734	1,287,095
Write down of note receivable	**-**	-	(292,312)
Net income (loss)	**3,849,191**	2,701,734	994,783
Net income (loss) per share	**$0.16**	$0.11	$0.04
Weighted average # of shares	**23,863,310**	23,663,675	23,648,333
Cash	**229,291**	447,097	772,290
Investment at fair value	**14,449,798**	10,620,779	7,020,725
Total assets	**14,691,304**	11,107,637	7,800,433
Total liabilities	**245,018**	595,248	111,510
Shareholders' Equity	**14,446,286**	10,512,389	7,688,923

Results of Operations for the years ended December 31, 2019 and 2018

In 2019, the Company reported a net income of $3,849,191 or $0.16 per share as compared to a net income of $2,701,734 or $0.11 per share in 2018. In the current year, the Company has recorded unrealized gains on its investment portfolio of $3,656,421 or $0.15 per share as compared to net unrealized losses of $1,086,219 or $0.05 per share on its investment portfolio in the prior year. See the "*Unrealized gain/(loss) on Marketable Securities*" section later for details on the significant unrealized gains and losses in the investment portfolio. During 2019, the Company realized gains on its investment portfolio of $1,020,140 or $0.04 per share (2018 - $4,821,181 or $0.20 per share) including net realized capital gains of $956,106 (2018 - $4,764,698) and dividends of $64,034 (2018 - $56,483).

The realized gains/(losses) on investments for the years ended December 31, 2019 and 2018 are summarized as follows:

	Year ended December 31, 2019 $	Year ended December 31, 2018 $
Martello Technologies Corporation	**1,107,386**	3,843,125
Wildbrain Ltd.	**311,414**	530,480
Aguia Resources Limited	**(557,924)**	(412,629)
Peyto Exploration & Development Corp.	**(255,228)**	-
kneat.com	**208,196**	-
Chesapeake Energy	**(104,030)**	-
Trican Well Service	**137,903**	-
Acasti Pharma	**96,334**	-
Dividends	**64,034**	56,483
AnalytixInsight Inc.	**-**	505,808
Wesdome Gold Mines Ltd.	**-**	265,850
Other - net	**12,055**	32,064
	1,020,140	4,821,181

During 2019, the Company recorded an unrealized gain on its investment in KSI of $3.1 million and the reversal of a 2018 unrealized gain on its investment in WildBrain resulted in unrealized losses of $1.5 million. The Company also recorded an unrealized gain of $1.1 million on its Ruckify investment. Additionally, the Company recorded unrealized gains of $1.4 million on the reclassification of unrealized losses to realized losses during the year. During 2018, the Company recorded an unrealized gain on its investment in DHX of $1.4 million and the reversal of 2017 unrealized gains on its investments in ALY and XBLK resulted in unrealized losses of approximately $1 million on each of these investments.

During the current year, consulting fees of $517,500 (2018 - $710,230) include CEO fees of $180,000 (2018 - $308,167), CFO fees of $51,300 (2018 - $69,712), service fees paid to Numus Financial Inc. ("Numus") of $49,700 (2018 - $34,850) and $236,500 (2018 - $295,000) paid to the Chief Investment Officer. These fees include the 2019 management bonuses $100,000 (2018 - $437,500) based on 10% of realized gains on the Company's investment portfolio and $60,000 of discretionary bonuses. In 2019, the Company also incurred directors' fees of $77,699 (2018 - $59,354) and D&O insurance of $25,000 (2018 – $25,274).

Professional fees of $41,703 were incurred in 2019 as compared to $25,951 in 2018. In 2019, the Company has accrued increased costs associated with the current year's audit and tax compliance. The Company also incurred $9,998 on marketing materials. In 2019, the Company incurred stock exchange and maintenance fees of $22,205 (2018 - $30,347). These amounts include the cost of the Company's AGM which was held in June of each year. In 2019, the Company incurred increased administration costs of $99,187 (2018- $61,695). These administration costs include rent of $20,400 (2018 - $27,745), travel costs of $17,807 (2018 - $18,802), a $50,000 donation to the QEII Health Sciences Centre and other administrative costs of $9,690 (2018 - $13,793).

During June 2017, the Company granted 675,000 stock options, with an exercise price of $0.30 to directors, officers and a consultant of the Company. The fair value of the stock options was estimated at the grant date using the Black-Scholes option pricing model. The assumptions used in the option pricing model include a volatility rate of 100%, an expected life of five years based on the contractual term of the options, a risk-free rate of 1% with no expected dividend yield. The options vested at a rate of 50% on each of the six- and 12-month anniversaries of the grant date. Based on the Black-Scholes model and the assumptions outlined, the estimated fair value of the stock option grants is $150,452 (per option - $0.223), which has been amortized over the corresponding one-year vesting period. As a result, stock-based compensation of $119,109 has been recorded in 2017 with a remainder of $31,343 recorded in 2018.

In December 2018, the Company granted 200,000 restricted share units ("RSUs") to its directors and officers. These RSUs vested immediately and an additional $84,000 of stock-based compensation was recorded based on the market price of $0.42 per share. The Company also granted an additional 200,000 stock options, with an exercise price of $0.42 per share. Based on the Black-Scholes model, the assumptions above and a volatility rate of 75%, the estimated fair value of these stock option grants is $51,092 (per option - $0.255), which will be amortized over the corresponding one-year vesting period including $6,388 in December 2018. As a result, stock-based compensation of $44,706 has been recorded in 2019 (2018 - $121,732).

Selected Financial Information

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

For the quarter ended	Dec 31, 2019 $	Sept 30, 2019 $	June 30, 2019 $	Mar 31, 2019 $	Dec 31, 2018 $	Sept 30, 2018 $	June 30, 2018 $	Mar 31, 2018 $
Realized gain (loss) on Investments	**436,463**	1,174,926	(249,884)	(341,365)	**380,723**	3,965,063	184,255	291,140
Unrealized gain (loss) on marketable securities	**2,012,161**	1,013,433	(561,430)	1,192,257	**(1,252,716)**	2,281,595	(245,004)	(1,870,094)
Operating expenses	**367,928**	141,767	172,212	145,463	**(696,330)**	(103,390)	(121,521)	(111,987)
Net income (loss) before taxes	**2,080,696**	2,046,592	(983,526)	705,429	**(1,568,323)**	6,143,268	(182,270)	(1,690,941)
Income tax expense (recovery)	**-**	-	-	-	**85,000**	(85,000)	-	-
Net income (loss)	**2,080,696**	2,046,592	(983,526)	705,429	**(1,483,323)**	6,058,267	(182,270)	(1,690,941)
Net (loss) income per share	**0.09**	0.09	(0.04)	0.03	**(0.07)**	0.26	(0.01)	(0.07)
Cash	**229,291**	222,568	237,341	298,266	**447,097**	1,825,328	111,446	199,334
Investments at fair value	**14,449,798**	12,160,796	10,070,976	10,931,138	**10,620,779**	10,238,345	5,802,182	5,874,578
Total assets	**14,691,304**	12,401,331	10,336,930	11,308,446	**11,107,637**	12,078,754	5,939,887	6,099,089
Total liabilities	**245,018**	79,999	68,577	71,468	**595,248**	88,430	92,830	82,300
Shareholders' Equity	**14,446,286**	12,321,332	10,268,353	11,236,978	**10,512,389**	11,905,324	5,847,057	6,016,789

Results of Operations for the quarters ended December 31, 2019 and 2018

The Company reported net income for the quarter ended December 31, 2019 of $2,080,696 or $0.09 per share as compared to a net loss of $1,483,323 or $0.07 per share in the comparable quarter. The current quarter's results include an unrealized gain on marketable securities of $2,012,161 as compared to an unrealized loss of $1,252,716 in the comparable quarter. See the "*Unrealized gain/(loss) on Marketable Securities*" section later 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 $436,463 as compared to realized gains of $353,897 on its investment portfolio and dividends of $26,826 in the comparable quarter.

The realized gains (losses) on investments for the quarters ended December 31, 2019 and 2018 are summarized as follows:

	Quarter ended December 31, 2019 $	Quarter ended December 31, 2018 $
kneat.com	172,353	-
DHX Media	213,666	492,423
Martello Technologies Corp.	46,867	-
Aquia Resources Limited	-	(400,075)
Wesdome Gold Mines Ltd.	-	189,510
Other - net	3,577	72,039
	436,463	353,897

During the quarter ended December 31, 2019, consulting fees of $252,562 (2018 - $519,755) including CEO fees of $90,000 (2018 - $269,167), CFO fees of $12,562 (2018 - $31,687), services fees paid to Numus of $15,500 (2018 - $11,400) and $134,500 (2018 - $205,000) paid to the Chief Investment Officer. Management bonuses are accrued in the final quarter of the year. In 2019, the management bonus included $100,000 (2018 - $437,500) based on 10% of realized gains and a discretionary bonus of $60,000. In the current quarter, the Company also incurred Directors' fees of $19,425 (2018 - $19,317) and D&O insurance of $6,575 (2018 – $6,575). In the quarter ended December 31, 2019, the Company incurred professional fees of $13,562 (2018 - $13,673).

In the quarter ended December 31, 2019, the Company incurred stock exchange and maintenance fees of $5,200 (2018 - $6,713). In the final quarter of 2019, the Company incurred administration costs of $66,235 (2018 - $40,020). These administration costs include rent of $5,100 (2018 - $17,100), travel costs of $3,959 (2018 - $16,302), a $50,000 donation to the QEII Health Sciences Centre and other administrative costs of $7,176 (2018 - $6,618).

The Company is amortizing the fair value of its stock options, estimated using the Black-Scholes option pricing model, over the corresponding vesting period. As a result, stock-based compensation of $4,258 has been recorded for fourth quarter of 2019 as compared to $6,387 which was recorded for the final quarter 2018. The Company also granted 200,000 RSU's in December 2018. The RSU's vested immediately and an additional $84,000 of stock-based compensation was recorded in the final quarter of 2018 based on the market price of $0.42 per share.

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 2019 net income includes an unrealized gain on investments of $3,656,421 or $0.15 per share as compared to net unrealized loss of $1,086,219 or $0.05 per share on its investment portfolio in the prior year. The current quarter's income includes an unrealized gain on investments of $2,012,161 or $0.08 per share as compared to an unrealized loss on marketable securities of $1,252,716 or $0.05 per share in the comparable quarter.

The Company's investment activity and fair value of the changes in the unrealized gains and losses as at December 31, 2019 and the market value as at December 31, 2018 are summarized as follows:

	Shares	Cost of Investment	Market Value Dec 31, 2019	Unrealized Gain / (Loss) Quarter ended Dec 31, 2019	Unrealized Gain / (Loss) Year ended Dec 31, 2019	Market Value Dec. 31, 2018
	#	$	$	$	$	$
kneat.com, inc.	1,832,500	1,544,407	5,021,050	2,549,657	3,096,643	980,000
DHX Media	1,970,000	3,068,582	3,092,900	(697,618)[(a)]	(1,454,634)[(a)]	4,480,000
Ruckify Inc.	604,976	650,000	1,742,331	-	1,092,331	-
IMV Inc.	353,000	1,528,170	1,330,810	148.987	(197,360)	-
Gold investment portfolio		1,057,632	963,000	39,836	(94,632)	-
Resolute Health Corporation	300,000	570,000	570,000	-	-	-
Sona Nanotech Inc.	1,600,000	412,136	200,000	(136,000)	(211,633)	330,000
Martello Technologies Corp.	400,000	46,325	47,850	(11,936)	(43,524)	891,000
Other marketable securities		1,362,664	1,481,857	86,977	37,443	424,210
Pivot Technologies Solutions		-	-	32,258	333,191[(b)]	525,000
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		-	-	-	153,905	2,152,800
		10,239,916	14,449,798	2,012,161	3,656,421	10,620,779

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

(b) This results from the reclassification of unrealized amounts to realized during the period.

kneat.com, Inc. ("KSI") – Unrealized gain on the investment of $2,549,657 in the current quarter and a year to date unrealized gain of $3,096,643.

KSI has had an incredibly strong 2019 as the company hit its stride after years of development of the Kneat Gx platform. Since the tested platform was rolled out five years ago, Kneat Gx is now used by some of the World's leading Life Sciences companies and Torrent believes that KSI is emerging as the go-to software provider for validation lifecycle management.

KSI's client base is now comprised of seven Tier 1 biotech and pharmaceutical companies. In the past two years, KSI has signed a total of 11 customers, and its presence on manufacturing sites has grown from 15 locations to 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 its clients by name; however, analysts have speculated that the roster could include 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 it will fuel referrals and serve to significantly de-risk the Kneat Gx platform.

These recent business wins are contributing to an impressive growth profile for KSI. Should its customers continue to scale across the potential install base of 300 locations sites, it is estimated 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 our revenue growth estimates are predominantly based on existing clients and do not factor in new customers, which Torrent also views as likely given that KSI can now leverage off of the quality of its Tier 1 customers in its sales process.

Although KSI has corrected at the time of writing, we believe that the company's value proposition is rock solid given the exclusivity and business critical nature of its technology. Furthermore, KSI is exposed to large multinational companies in relatively non-cyclical sectors with very strong balance sheets. KSI will remain a core holding of the fund into the foreseeable future.

WildBrain. ("WILD"), (formerly – DHX Media Ltd. ("DHX")) – Unrealized loss on the investment of $697,618 in the current quarter and a year to date unrealized loss of $1,454,634, most of which represents a reversal of the prior year's unrealized gain.

WildBrain's stock price was down 31.3% over the course of the year and down 21.4% during the fourth quarter. This was a steep underperformance in relation to the Canadian small cap market, as measured by the iShares S&P/TSX SmallCap Index Fund, which rose 15.0% during the year and 6.3% during the fourth quarter.

WILD remains a core holding in the fund. Torrent believes the quality of its assets are underappreciated in today's burgeoning digital media market. The company has a prolonged hangover after reaching $8 per share at its peak and closing out the year at $1.65 per share. The reason for the weakness can be deciphered 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 assets and provided the market with exaggerated guidance about its prospects.

The past year did little to renew confidence in the story, as there was limited news regarding asset monetization post the Peanuts deal with Sony in Q1, patchy quarterly earnings, further asset-impairments, management changes and the delisting from the Nasdaq had people scratching their heads.

There were some positive developments however, that were overlooked by the market.

The company secured the Sony transaction, launched kids room in conjunction with Comcast and singed a library deal with CBS All Access; all serving to highlight the quality of WILD's catalogue. They also replaced the CEO and CFO, removed legacy board members, sold assets to reduce debt, rebranded itself as "WildBrain", and indicated that further asset sales are possible to reduce debt. We view all of these events as consistent with a company taking the necessary steps to restore confidence in the market and recapture its footing.

WILD reported its 2019 annual results in the third quarter of last year with WILD recording $109 million in revenue, exceeding analysts' consensus of $100 million. In addition, WILDS's debt/EBITDA ratio fell from 7.0X to 5.6X and the company indicated it should generate approximately $40 million in annual free cash flow going forward. Q12020 fiscal quarterly results were reported in the fourth quarter, and revenues grew by 8.0% and EBITDA rose 13.3%, each surprising consensus estimates to the upside.

We continue to believe that WILD is undervalued in relation to its assets. The turnaround has been slow and the market remains in "show me" mode regarding the stock. The content deals last year highlight the inherent value of WILD's catalog. Operating numbers are starting to improve and beat severely depressed estimates, which is a good sign the company is close to a turn. WILD trades at a 2020 EV/EBITDA multiple of 8.0X, a significant discount to the peer group average of 12.0X. This gap should narrow as the market regains confidence in the story and/or it looks divest certain properties.

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

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. 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 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 founds 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 inline 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.

IMV Inc. ("IMV") – Unrealized gain on investment of $148,9897 in the current quarter and a year to date unrealized loss of $197,360.

Despite rising +17.1% during the fourth quarter, IMV's share price was under pressure over the course of the year, falling -44.8% in 2019.

The stock trended lower after a financing announced by IMV in February of last year and received little traction afterwards. The company 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 eliminated a significant amount of buying interest out of the market and legacy holders were reminded about the dilution risk inherent in the name and adjusted their positions accordingly.

There were few tangible catalysts during the remainder of the year to attract a new set of buyers. 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 generate enough excitement to impact the stock price.

The stock trended higher during the fourth quarter in anticipation of a pending update on the firm's 25-patient Phase II SPiReL trial at the American Society of Hematology meeting, testing the firm's flagship lipid-based water-free DepoVax-formulated anti-cancer immune therapy DPXSurvivac in combination with Merck (MRK-NY, NR) already-approved anti-PD1 mAb checkpoint inhibitor pembrolizumab/Keytruda.

In addition to the news associated with the aforementioned update, IMV will be a news rich story going forward. We anticipate the following milestones: (1) updated data from the 42-patient Phase II recurrent ovarian cancer trial (2) data from the 25-patient Phase II diffuse large B-cell lymphoma trial, and (3) updated data from the 184-patient five-indication Phase II solid tumor trial are expected by mid-F2020.

IMV should trend higher as the market digests these news announcements, especially if they 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.

Analysts have an average price target for north of $8 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.

Gold Stock Portfolio (six public companies) – Unrealized gain on investment of $39,836 in the current quarter and a year to unrealized loss of $94,632.

Torrent initiated a position in a basket of gold stocks during the second half of 2019, 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 suggested that an allocation to select gold companies could prove profitable. The equity market had shown signs over of overheating given the unprecedented length of the rally and record valuations. Gold stocks historically perform well during the late stages of an equity rally as pressures mount in the system.

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

In terms of the producers, we have positions in Guyana Goldfields (GUY:TSX), Roxgold (ROXG:TSX) and Premier Gold Mines (PG: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. Lastly, we initiated a position in the mining technology company GoldSpot Discoveries (SPOT:TSX.V), which uses AI to increase efficiencies and success rates in resource exploration and investment.

Our positions have yet to add significant value to the portfolio before year end. Although gold bullion prices trended higher to close out the year, many gold stocks have yet to enjoy renewed investor interest after years of underperformance.

At the time of writing, gold bullion and gold stock have performed strongly in relation to traditional equities given the COVID-19 related sell off. The gold space was not spared however, as it did sell off with other asset classes during the indiscriminate dash for cash, albeit to a lesser extent.

As the financial markets normalize, gold stocks should benefit from a relatively stable and rising gold price. Central banks are employing unprecedent stimulus to save the global economy, even when countries are already saddled with massive debt loads. With nominal global interest rates at unthinkably low levels (in most cases negative), gold investments should benefit from gold's relative attractiveness as a safe heaven play.

We may look to add additional gold names to our portfolio as events unfold.

Sona Nanotech Inc. ("SONA") – Unrealized loss on investment of $136,000 in the current quarter and a year to date unrealized loss $211,633.

SONA was down substantially during 2019, falling 40% over the course of 2019 and 20% in the fourth quarter. This weakness is explained by the fact that the company did not deliver any market moving news over the course of the year. Despite promising partnerships with counterparties in the sector such as Romer Labs, Operon, Expendeon and OLM Diagnostics to test promising applications of its technology, there was limited impact on the future economics of the enhanced prodcuts.

At time of writing, interest in the company and its nanorod technology has changed substantially. Sona has announced a transformative partnership with GE Healthcare Life Sciences to jointly complete test development of the Sona Covid-19 Coronavirus rapid response lateral flow test and will use GE Healthcare Life Sciences' Fast Flow High Performance Membrane (FFHP) in production of the test. Sona will retain all commercial rights to the resulting test.

While it is early days and an incredibly dynamic situation, SONA's Covid-19 lateral flow test could prove to offer a unique advantage over similar tests as it detects the presence of the Covid-19 virus. To date, the only competitive lateral flow tests that have been announced 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.

Development work on Sona's new test to measure the Covid-19 virus is underway in three separate labs in Canada, the UK and Germany. The company has an ongoing, open dialogue with regulators to ensure the Sona's test is being developed within the parameters regulators have outlined. This approach will allow Sona to be eligible for FDA review through their Emergency Use Authorisation (EUA) pathway and a fast-track to market.

The company has risen substantially since these developments; with an enterprise value of $120 million at the time of writing. Even with this jump in value, we believe that the economic potential of SONA's Covid-19 test could prove substantial. With Governments around the globe frantically trying to secure accurate, convenient and timely Covid-19 tests, SONA should continue to attract a heightened degree of interest in the market if management delivers on its objectives.

Pivot Technology Solutions Inc. ("PTG") – Unrealized gain on investment of $32,258 in the current quarter and a year to date unrealized gain $333,191, which represents a reversal of the prior year's unrealized loss.

PTG had a strong 2019, with its share price rising 76% over the course of the year and 42% in the fourth quarter. The stock significantly outperformed the Canadian small cap market, as measured by the iShares S&P/TSX SmallCap Index Fund, which rose 15% during the year and 6.3% during the fourth quarter.

The strong performance in 2019 has been partially driven by an improving gross margin and adjusted EBITDA profile. 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 substantial 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 recent 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 was in excess of 8.4% at year end.

PTG is focused on continued shareholder value creation, with much of its legacy hindrances in the rear-view mirror and a much cleaned up balance sheet as it closes out the year. Cash flow generation and gross profit remain healthy and Torrent believes that the secure dividend is very attractive in todays environment as yields trend lower.

Even though Torrent remains very positive regarding PTG's prospects going forward, we closed our position toward the end of the year. The company reached our internal price target and we needed to raise cash to fund other opportunities. Torrent remains very bullish on the story may re-enter PTG.

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 loss on the investment of $11,936 in the current quarter and a year to date unrealized loss of $43,524.

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 has 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 last year 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 well poised to take advantage of the current economic environment. The company has seen increased interest in its products as governments and corporations look to enhance their cloud-based capabilities as remote access becomes increasingly important. Torrent expects that a few consecutive quarters of consistent revenue, 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 weighted 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, 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.

Liquidity and Capital Resources

Year ended	**December 31, 2019 $**	**December 31, 2018 $**	**December 31, 2017 $**
Cash	**229,291**	447,097	772,290
Investments at fair value	**14,449,798**	10,620,779	7,020,725
Total assets	**14,691,304**	11,107,637	7,800,433
Total liabilities	**245,018**	595,248	111,510
Shareholders' Equity	**14,446,286**	10,512,389	7,688,923

The Company has working capital as at December 31, 2019 of $14,446,286 (December 31, 2018 – $10,512,389) and a cash balance of $229,291 (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 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 DHX 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 MTLO, $1.1 million on the sale of its investment in Pivot Technologies Solutions, and $1.4 million of net proceeds on the sale of Trican Well Services Limited.

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 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 December 31, 2019 and April 9, 2020, the Company has 23,981,667 common shares issued and outstanding and 825,000 stock options outstanding.

Transactions with Related Parties

During the year ended December 31, 2019, the Company entered into the following transactions with related parties:

- paid Director fees of $77,699 (2018 - $59,354) to Directors or companies controlled by Directors.
- paid fees to its President and CEO, Wade Dawe in the amount of $180,000 (2018 - $308,167).
- paid fees to its CFO, Rob Randall in the amount of $51,300 (2018 - $69,712).
- paid fees to its Chief Investment Officer, Scott Gardner in the amount of $236,500 (2018 - $295,000).
- paid service- fees, rent and other fees of $70,100 (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, 2019 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.

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