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

This Management's Discussion and Analysis ("MD&A") of Torrent Capital Ltd. ("Torrent" or the "Company") is dated August 27, 2019 and provides an analysis of the financial operating results for the quarters ended June 30, 2019 and June 30, 2018. This MD&A should be read in conjunction with the unaudited condensed interim financial statements and accompanying notes for the period ended June 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., Pivot Technology Solutions (TSX: PTG), IMV Inc. (TSX:IMV), Martello Technologies Corporation (TSXV: MTLO), Sona Nanotech Inc. (CSE: SONA), Acasti Pharma Inc. (TSXV: ACST) and, as well as investments in a number of other public and private companies.

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 announced a strategic review in 2017 to explore strategic alternatives with a focus on enhancing shareholder value. Since announcing the strategic review, DHX has replaced its Chief Executive Officer, Chief Financial Officer, as well as some of its senior management team. DHX has also provided more transparent guidance on its short-term objectives to boost organic growth, improve cash flow and reduce debt. DHX completed its strategic review which resulted in a new content distribution strategy and an emphasis on reducing costs. DHX has moved its focus to a distribution model focusing on streaming online versus 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 its streaming business is of high quality and has the potential to provide significant growth. DHX has also announced the sale of its property in Toronto with the proceeds of $12 million being used to pay off debt.

DHX stock had been over valued 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.

Torrent believes that DHX is undervalued, trading at a steep discount to the inherent value of its assets and its ability to generate future cash flow. Based on its 2019 forecasts, DHX is expected to generate around $40 million in free cash flow, which is sufficient to cover its debt service obligations. The Company believes that this offers investors a degree of comfort as management is in the process of initiating the strategic alternatives outlined above. DHX currently trades at a one-year forward EV/EBITDA multiple of 12.9X, which is at a significant discount to the peer group average of 23.5X. This discount is expected to decrease as DHX's management continues to streamline the business and aims to enhance shareholder value.

kneat.com, inc. ("KSI")
KSI offers its Kneat Gx software application platform ("Kneat Gx") for modeling regulated data intensive processes for regulated industries, focusing on the life science industry (i.e. biotechnology, pharmaceutical and medical device manufacturing). The Kneat Gx platform 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.

A number of case studies have been released that highlight the effectiveness and disruptive nature of the Kneat Gx platform, including case studies co-written with tier one companies Myriad and Biogen. Myriad implemented a paperless Computer System Validation ("CSV") and Change Management process which have resulted in "substantial impact on the business by enabling more right first time, greater productivity, shorter cycle times and a higher compliance standard." The white paper co-written with Biogen classified KSI's platform as "a genuine breakthrough."

KSI appears to be entering a rapid growth phase, having signed seven new customers and scaled two existing customers in 2018. KSI also signed one new customer and scaled two existing customers in 2019 to date. These new customers add to KSI's potential install base within existing customers which is now in excess of 200 manufacturing sites. Torrent expects continued news flow in 2019 with go live events in the coming months for the newly signed and scaled customers, which will serve to highlight the growth prospects of KSI.

KSI has a modest enterprise value ("EV") of $86 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 a large number of participants and it's 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 United States and Canada.

The online marketplace business model has been experiencing unprecedent growth. This expansion has been driven by improved technology along with a shift in consumer behavior. Not long ago, renting a place to stay through an application like Airbnb or shopping from your couch via 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 of approximately $11.5 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 that company grew to be the largest software company in Canada.

Torrent initiated its position in Ruckify at the equivalent of a $7 million equity valuation. Torrent believes this is discounted given the disruptive nature of Ruckify's business, the advanced stage of its technology, the team involved along with the first mover advantage enjoyed by it. Ruckify's efforts to scale its business underscored by the solid traction experienced in Ottawa and Calgary and the heightened community interest, should provide a new and successful P2P and B2C marketplace. Ruckify will look to complete additional private equity raises and may go public. Torrent believes that the value ascribed to Ruckify on future funding rounds will exceed the cost of Torrent's initial position.

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 IT software and service companies listed on the Fortune 100, most of which are in a period of accelerated growth. PTG has a meager market capitalization of $45 million, despite annual revenue of $1.4 billion and a healthy dividend yield of 11%.

Torrent believes that PTG is due to enjoy improved profitability as its management looks to expand its higher margin services related business. PTG has also been advancing its proprietary Smart Edge technology ("Smart Edge") with a strategic partner. Smart Edge is an advanced developer platform designed to support enterprise Multi-Access Edge Computing ("MEC") solutions and built to operate on Intel technology. It simplifies enterprise-based mobility and delivers an immersive user experience by placing computer applications and content adjacent to the user. Smart Edge could add an additional growth opportunity for PTG as it advances via test trials with potential clients and its revenue window approaches, the market should begin to price Smart Edge into PTG's share price.

At a one year forward EV/EBITDA of 8.8X, PTG trades at historical lows on both an absolute basis and relative to its peer group (14.1X). 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, Smart Edge moves towards commercialisation and the market recognises that its dividend yield of 11% is well supported.

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 the Company's 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. Soon IMV will be releasing new data from ongoing clinical trials. 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 United States investment bank, Wells Fargo Securities. This was the largest equity raise in IMV's history and is indicative of how far the company has come. 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, Idera Pharmaceuticals and a number of others in Canada and the United States have equity valuations that are significantly higher than IMV's. If upcoming 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, the Company believes IMV shares will be substantially rerated.

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 of 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 around the globe. MTLO's underlying clients are comprised of numerous 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 of approximately $11.5 billion. MTLO's Chief Executive Officer is John Proctor, previously the 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 acquired expansion. 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 to acquire 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 2.1X 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")

Halifax-based SONA is a 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 $11 million, which is modest in relation 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.

SONA has made excellent strides thus far, partnering with top tier counterparties in the sector such as Romer Labs, Operon, Expendeon and OLM Diagnostics. These companies are well-established, have diverse product lines and significant distribution channels. If the product development partnerships succeed, it would translate into sizeable royalty revenues and further validate SONA's nanoparticle technology.

Acasti Pharma Inc. ("ACST")

ACST is a biopharmaceutical innovator advancing a cardiovascular drug, CaPre (omega-3 phospholipid), for the treatment of hypertriglyceridemia ("HTG"), a chronic condition affecting an estimated one third of the U.S. population. Since its founding in 2008, ACST has focused on addressing a critical market need for an effective, safe and well-absorbing omega-3 ("OM3") therapeutic that can have a positive impact on the major blood lipids associated with cardiovascular disease risk.

So far, results for CaPre have been encouraging as ACST commences Phase 3 trials that are due in the second half of 2019. Up until this point, CaPre was studied in four clinical trials containing a substantial patient population of 773 patients. Based on data from earlier trials, CaPre showed a significant reduction of triglycerides ("TG") and non-high-density lipoprotein cholesterol ("non-HDL-C") levels in the blood of patients with mild to severe HTG and had no safety concerns. Unlike competitive prescription OM3 products, CaPre also showed the potential to reduce low-density lipoprotein cholesterol ("LDL-C") or bad cholesterol and increase high-density lipoprotein cholesterol ("HDL-C"), or good cholesterol, at the therapeutic dose of 4 grams/day. Patients with diabetes in the Phase 2 trials also showed a significant reduction of glycated hemoglobin ("HbA1c"), indicating that CaPre may improve glucose metabolism. These unique clinical benefits are a result of CaPre's proprietary OM3 phospholipid formulation, which combines eicosatetraenoic acid ("EPA") and docosahexaenoic acid ("DHA"),and delivers both of these OM3s important for heart health either bound to phospholipids or as free fatty acids, both forms are readily absorbed by the body. Consequently, patients taking CaPre can remain on their physician prescribed low fat diet and get full efficacy benefit.

Torrent believes the current $115 million market capitalization of ACST is low given the advanced stage of CaPre and its demonstrated efficacy in lowering LDL-C, increasing HDL-C and lowering triglycerides. The share price is expected to rise as ACST continues to develop CaPre in a Phase 3 clinical program focused on patients with severe HTG, a market that includes 3 to 4 million patients in the United States. The addressable market may expand significantly if OM3s demonstrate long-term cardiovascular benefits in on-going outcome studies.

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, which are not traded on a recognized exchange, no market value is readily available. The private company shares may be valued based on the pricing of a recent arms-length third party financing. Gains and losses arising from changes in the fair value of the investments are presented in the unaudited condensed interim statements of loss and comprehensive loss as a net change in unrealized gains or losses on investments.

The Company fair values its investment portfolio at the end of the quarter based on market prices of the shares. The current quarter's loss includes an unrealized loss on investments of $561,430 or $0.02 per share as compared to an unrealized loss on marketable securities of $245,004 or $0.01 per share in the comparable quarter. The year to date loss includes an unrealized gain on investments of $630,827 or $0.03 per share as compared to an unrealized loss on marketable securities of $2,115,098 or $0.09 per share in the comparable period.

The Company's investment activity and fair value of the changes in the unrealized gains and losses as at June 30, 2019 and the market value as at December 31, 2018 are summarized as follows:

	Shares #	Cost of Investment $	Market Value June 30, 2019 $	Unrealized Gain / (Loss) Quarter ended June 30, 2019 $	Unrealized Gain / (Loss) Year to date June 30, 2019 $	Market Value Dec 31, 2018 $
DHX Media	1,956,500	3,012,339	3,639,090	(453,935)[(a)]	(852,202)[(a)]	4,480,000
kneat.com, inc.	1,845,240	1,514,291	2,140,478	(233,386)[(a)]	246,187	980,000
Ruckify Inc.	604,976	650,000	907,095	257,095	257,095	-
Pivot Technology Solutions	524,500	783,865	739,545	146,487[(b)]	288,871[(b)]	525,000
IMV Inc.	189,800	957,503	723,138	(218,916)	(234,365)	-
Martello Technologies Corp.	3,000,000	769,045	585,000	(270,000)	(229,095)	891,000
Sona Nanotech Inc.	1,600,000	412,136	400,000	(80,000)	(11,633)	330,000
Acasti Pharma Inc.	119,000	166,648	174,930	14,907	13,742	44,460
Other marketable securities		620,860	761,700	(2,446)	59,090	379,750
Aguia Resources Limited		-	-	97,564[(b)]	571,491[(b)]	170,569
Peyto Exploration/Dev Corp.		-	-	181,200[(b)]	247,379[(b)]	495,600
Chesapeake Energy Corp.		-	-	-	179,821[(b)]	171,600
Investments sold		-	-	-	148,446	2,152,800
		8,886,687	10,070,976	(561,430)	630,827	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 loss on the investment of $453,935 in the current quarter and a year to date unrealized loss of $852,202, which represents a reversal of the prior year's unrealized gain.

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. 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 strategic initiatives to stimulate organic growth, improve its balance sheet and work on strategic partnerships to monetize its brands and library content. DHX's share price has not responded due to inconsistent quarterly earnings, ongoing asset impairment charges and management changes.

DHX has recently announced agreements with Comcast and Apple. First, DHX announced that it will launch a new SVOD service, Kids Room, this summer on Comcast's Xfinity X1 service where Comcast currently has 25.5B potential high-speed internet subscribers. Subscribers can add Kids Room service for $4.99 per month. Kids Room highlights the depth and brand strength of DHX's children's content and leaves it positioned to explore alternative distribution models either by itself or in partnership with other providers. Under the terms of the agreement, Comcast is expected to take on distribution and platform costs that are covered by its share of subscriber's revenue, approximately 40%, which should create high margins on the transaction. If DHX is able to attract 5% of Comcast's Xfinity X1 subscribers, Kids Room has the potential to generate significant revenue and EBITDA.

In addition, DHX previously announced a deal with Apple associated with DHX's Peanuts content. Under the partnership, DHX will produce new Peanuts short form content that will be exclusive to Apple and will incorporate Astronaut Snoopy, a character created under a partnership between DHX and NASA.

Although the market has yet to respond to the partnerships with Comcast and Apple, they show the appeal of DHX's content library as streaming companies look to secure content for their streaming platforms and enhance the market's confidence in DHX.

DHX continues to focus on paying down its debt, as shown by the use of funds from the sale of a minority interest in Peanuts to Sony for $237 million in 2018. Recently, DHX has also disposed of its Toronto property for proceeds of $12 million which DHX intends to use to pay off its liabilities. Further initiatives to reduce debt and boost cash flow should help to de-risk DHX and free up capital for various growth initiatives.

An improving balance sheet, along with growing digital content partnerships creates a floor for the company given the prospect of shareholder value realization through partnerships, content sales, divestitures, or a takeover. Furthermore, Torrent believes that overly depressed sentiment, improving interest payment coverage and depressed multiples provide downside protection as DHX returns to normalized revenue growth and profitability.

kneat.com, Inc. ("KSI") – Unrealized loss on the investment of $233,836 in the current quarter, which represents a reversal of the prior quarter's unrealized gain and a year to date unrealized gain of $246,187.

KSI has been a strong performer with the share price rising 15.6% year-to-date and 21.1% over the prior year. This compares favorably with S&P/TSX Canadian Small Cap Index which has risen 5.1% in 2019 and fallen 10.4% over a trailing one-year period.

Kneat recently announced a leading company in the field of messenger RNA ("mRNA") has selected Kneat's SaaS platform for validation lifecycle management work processes. Initially, this customer will configure its computer system validation ("CSV") work process on the platform and expand to other validation processes in the future. Kneat will begin deployment at the customer's US headquarters with an expected CSV go-live date later this year.

This recently announced deal adds to an attractive and growing pipeline of clients. Since the start of 2018, KSI has signed a total of 10 new customers and expansions at 5 customer sites. These new and scaled customers add to Kneat's potential install base from its existing customers. Torrent believes the potential install base is now over 200 manufacturing sites and has the potential to realize increased annual reoccurring

revenue opportunities. Torrent expects continued news flow with additional go-live and scaling events which will serve as further validation of KSI's value proposition. The importance of real-time validation, visibility and integrity of systems and data provided by the Kneat Gx platform cannot be understated.
Torrent believes that KSI is entering a rapid growth phase after years of developing its intellectual property. KSI's enterprise value of $60 million is modest in relation to its growth profile, the quality of its emerging customers, KSI's competitive advantage, significant intellectual property and the increased focus on KSI's software as a service platform ("SaaS") which results in annual recurring revenue. Torrent expects KSI to be a strong performer as trading volumes normalize through to the end of the year.

Ruckify Inc. ("Ruckify"- Private) – Unrealized gain on the investment of $257,095 in the current quarter and year to date.

Torrent initiated a position in Ruckify earlier this year at $0.99 per private share and Ruckify has completed an additional financing in the second quarter at $1.50 per share, representing a share price increase of 51%.

While Ruckify is still an early stage, private company, it has great potential given its business model, the team involved and its aggressive growth strategy. Ruckify currently operates in Ottawa and Calgary with plans to expand to Winnipeg, Edmonton and Vancouver; and is evaluating several markets in the United States. Ruckify has a goal of entering 50 markets in the near future and having a minimum of one million items posted on the Ruckify marketplace. In order to achieve this goal, Ruckify has a well thought out and capital conscious expansion plan that originally focuses on business-to-consumer ("B2C") market in a city to establish a presence and supply to the platform. When a given city has ample interest and supply, Ruckify can add the P2P element of the marketplace with targeted marketing and promotion initiatives, which can be leveraged as Ruckify grows.

The interest in Ruckify has been growing exponentially as Ruckify has been getting a lot of press which has triggered investor interest. This has been driven by Ruckify's first mover advantage in the expanding online sharing economy, in addition to the high-profile nature of its management team and shareholder base. In particular, Ruckify's co-founder Mr. Bruce Linton recently left Canopy Growth Corp after generating a market capitalization in excess of $20 billion and playing a critical role in the expansion of the growing global cannabis market. Mr. Linton has indicated that he will be spending a significant amount time on Ruckify. His deal making and capital raising abilities will be an asset for Ruckify as it executes on its business plan.

Ruckify currently has a private equity value of $15 million, which is modest in relation to the team involved, its technology, business model, high profile shareholders and first mover advantage. Torrent expects Ruckify will complete more equity raises through to the end of the year at higher valuations to its current market capitalization. Ruckify's management has indicated that they plan on listing the company on the Nasdaq in the first half of 2020, which should be well received.

Pivot Technology Solutions Inc. ("PTG") – Unrealized gain on investment of $146,487 in the current quarter and a year to date unrealized gain $288,871, which represents a reversal of the prior year's unrealized loss.

PTG has performed well in 2019 as PTG's share price was up 12.8% during the second quarter and has increase 41.0% year-to-date. The improvement is partially due to Pivot's 2019 first quarter gross revenues and adjusted EBITDA margins exceeding expectations in the market. This was achieved through reduced concentration of major customers, lower operating costs due to cost cutting initiatives and reduced debt servicing costs.

In addition, in the first quarter of 2019 PTG had its best cash flow in years. Those dividend focused investors will be encouraged by the fact that PTG's payout ratio is expected to fall from 73.4% in 2018 towards a heathier 66.0% in 2019.

Also, Smart Edge continues to gain momentum as it has received a number of awards including the recent Frost & Sullivan Technology Innovation Award and the 2019 Intel Partner of the Year Award. Smart Edge was recently presented at the Mobile World Congress 2019 in Barcelona where a relationship between Smart Edge, AT&T, LG, Cloudpick and Intel was revealed in deploying retail applications using MEC. Smart Edge monetization could occur as early as this year. Torrent believes that SmartEdge will continue to be a key driver for PTG as the market begins to realize the value of both the technology's near-term revenue window and the inherent value of PTG's assets as management continues to explore strategic alternatives.

IMV Inc. ("IMV") – Unrealized loss on investment of $218,916 in the current quarter and a year to date unrealized loss of $234,365.

IMV's share price has been under pressure in 2019 with its share price dropping 28.8% in the second quarter and 44.5% year-to-date.

The sell-off is primarily 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 short-term 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.

A contributing factor may also be the lack of response by the market to the IMV's update on its 25-patient Phase I/II diffuse large B-cell lymphoma ("DLBCL") SPiReL study testing its lead DepoVax-based survivin-targeted cancer immune therapy. Eleven patients have been enrolled and tumor response data was available from six of these subjects. While the market did not react to the update, there is reason to suggest that the interim DLBCL tumor response data was positive as five of the six evaluable subjects showed improvement: two subjects experienced a radiologic response that was tightly correlated with magnitude of survivin-specific T-cell response; a patient with a partial response (78% tumor regression); a patient that was almost a partial response but which by definition exhibited stable disease (48% tumor regression, with 50% as cut-off for diagnosis); and another patient exhibiting stable disease. Duration of stable disease was reasonably long by disease standard at six and eight months, respectively. While it is not known what the relative contribution to tumor response was for DPX-Survivac vs Keytruda, the complete responders did produce a survivin-targeted T-cell response suggesting that DPX-Survivac was positively contributing to tumor regression in those patients.

Torrent believes the pressure on IMV's share price should prove temporary as the financing related pressure should reduce and IMV is a cash position to be able to continue 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.

Martello Technologies Corporation ("MTLO") – Torrent realized a gain on investment of $3,843,125. In the prior year. Torrent recorded an unrealized loss on the investment of $270,000 in the current quarter and a year to date unrealized loss of $229,095.

After significant share price increases upon going public in September 2018, MTLO has experienced lower prices in 2019, closing the quarter at $0.20 per share representing a 25.9% decline since the beginning of the year.

The sell-off is inconsistent MTLO's performance during the past year as MTLO has executed on many key milestones including: raising $7.5 million via a non-brokered equity private placement; closing a debt financing with RBC; completing an RTO and commencing to trade on the TSXV; creating an investor relations team; making key management and board changes; acquiring Savision B.V.; and expanding its sales team by 50%.

Subsequent to quarter end, MTLO reported its annual audited financial results. This MTLO's first annual report incorporating the Savision acquisition and after going public. MTLO's results were positive, with annual revenues of $10.4 million, representing an increase of 103%; 78% of those revenues represent annual recurring revenue. In addition, MTLO's gross margin was 93% for the year. MTLO's EBITDA was negative due primarily to the non-recurring costs associated with going public and the Savision acquisition. Torrent believes that these results indicate profitability in the near term as the non-recurring costs are reduced or eliminated.

Subsequent June 30, 2019 MTLO's share price has seen significant improvement. The stock has seen increased interest given the announcement that Mr. Bruce Linton, MTLO's Co-Chairman, has left Canopy Growth after creating a market capitalization in excess of $20 billion. Mr. Linton indicated that he was going to be spending a considerable amount of time on MTLO, with a keen focus on MTLO's acquisition strategy. Torrent is encouraged to have Mr. Linton more actively involved in MTLO's operations and is interested to see the type of transactions he brings to the company moving forward.

Torrent believes MTLO's share price will improve going forward as it the market gains interest in MTLO as future quarterly results highlight MTLO's earnings potential, emerging profitability and business acquisitions.

Peyto Exploration and Development Corporation ("PEY") Unrealized gain on the investment of $181,200 in the current quarter and a year to date unrealized gain of $247,379 which results from the reclassification of unrealized losses to a realized loss during the period of $247,379.

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 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 US prices, which are already 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 current strategy of buying undervalued assets. Therefore, the risks outweighed the rewards of holding PEY.

Aguia Resources Limited ("AGRL") – Unrealized gain on the investment of $97,564 in the current quarter and a year to date unrealized gain of $571,491 all of which results from the reclassification of unrealized losses to a realized loss during the period of $571,491.

Torrent has 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: analyst forecasts were not realized; the dual share structure on the TSXV and the ASX did not add value; strategic investors did not invest; off-take agreements did not happen; the economics of Tres Estradas failed to generate interest; and Aguia's projects failed to get attention as potential M&A targets from other companies in the sector.

Selected Financial Information

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

For the quarter ended	June 30, 2019 $	Mar 31, 2019 $	Dec 31, 2018 $	Sept 30, 2018 $	June 30, 2018 $	Mar 31, 2018 $	Dec 31, 2017 $	Sept 30, 2017 $
Realized gain (loss) on Investments	**(249,884)**	(341,365)	380,723	3,965,063	**184,255**	291,140	193,408	(7,506)
Unrealized gain (loss) on marketable securities	**(561,430)**	1,192,257	(1,252,716)	2,281,595	**(245,004)**	(1,870,094)	1,797,323	248,935
Operating expenses	**172,212**	145,463	(696,330)	(103,390)	**(121,521)**	(111,987)	(176,879)	(159,581)
Write down of note receivable	**-**	-	-	-	**-**	-	(292,312)	-
Net income (loss) before taxes	**(983,526)**	705,429	(1,568,323)	6,143,268	**(182,270)**	(1,690,941)	1,521,540	81,847
Income tax expense (recovery)	**-**	-	85,000	(85,000)	**-**	-	-	-
Net income (loss)	**(983,526)**	705,429	(1,483,323)	6,058,267	**(182,270)**	(1,690,941)	1,521,540	81,847
Net (loss) income per share	**(0.04)**	0.03	(0.07)	0.26	**(0.01)**	(0.07)	0.064	0.004
Cash	**237,341**	298,266	447,097	1,825,328	**111,446**	199,334	772,290	1,420,459
Investments at fair value	**10,070,976**	10,931,138	10,620,779	10,238,345	**5,802,182**	5,874,578	7,020,725	4,470,186
Total assets	**10,336,930**	11,308,446	11,107,637	12,078,754	**5,939,887**	6,099,089	7,800,433	6,200,751
Total liabilities	**68,577**	71,468	595,248	88,430	**92,830**	82,300	111,510	77,251
Shareholders' Equity	**10,268,353**	11,236,978	10,512,389	11,905,324	**5,847,057**	6,016,789	7,688,923	6,123,500

Results of Operations for the three months ended June 30, 2019

The Company reported net loss for the quarter ended June 30, 2019 of $983,526 or $0.04 per share as compared to a net loss of $182,270 or $0.01 per share in the comparable quarter. The current quarter's results include an unrealized loss on marketable securities of $561,430 as compared to an unrealized loss of $245,004 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 losses on its investment portfolio of $249,884 as compared to realized gains of $184,255 on its investment portfolio in the comparable quarter. The realized gains (losses) on the investment portfolio are summarized as follows:

	Three months ended June 30, 2019 $	Three months ended June 30, 2018 $
Aguia Resources Limited	(94,159)	-
Peyto Exploration & Development Corp.	(188,043)	-
Dividends	23,800	10,820
AnalytixInsight Inc.	-	169,785
Other - net	8,518	3,650
	(249,884)	184,255

During the quarter ended June 30, 2019, consulting fees of $90,337 (June 30, 2018 - $68,752) include CEO fees of $30,000 (June 30, 2018 - $13,000), CFO fees of $14,437 (June 30, 2018 - $17,813), services fees paid to Numus Financial Inc. ("Numus") of $11,400 (June 30, 2018 - $7,950) and $34,500 (June 30, 2018 - $30,000) paid to the Chief Investment Officer. In the current quarter, the Company also incurred Directors' fees of $19,424 as compared to $13,317 in the comparable quarter. Professional fees of $15,900 were incurred in the quarter ended June 30, 2019 as compared to $1,569 in the first six months of 2018. In 2019, the Company has accrued costs associated with the current year's audit and tax compliance.

The stock exchange and maintenance fees of $10,745 in the second quarter of 2019, includes certain fees associated with the Company's annual general meeting ("AGM") in June 2019. The Company incurred similar fees of $14,231 in the second quarter of 2018. In the current quarter, the Company incurred increased administration costs of $12,843 (June 30, 2018 - $4,888). These administration costs include rent of $5,100 (June 30, 2018 - $3,105), travel costs of $6,382 (June 30, 2018 - $nil) and other miscellaneous costs of $1,361 (June 30, 2018 - $1,783).

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 $14,901in the current quarter. In the comparable quarter, the Company recorded stock-based compensation of $12,537.

Results of Operations for the six months ended June 30, 2018

The Company reported a net loss for the six months ended June 30, 2019 of $278,097 or $0.01 per share as compared to a net loss of $1,873,210 or $0.08 per share in the six months ended June 30, 2018. The 2018 loss includes an unrealized gain on marketable securities of $630,827 or $0.026 per share (June 30, 2018 – an unrealized loss of $2,115,098 or $0.09 per share). 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 period, the Company realized net capital losses on its investment portfolio of $591,249 as compared to a net realized gain of $475,395 on its investment portfolio in the comparable period. The net realized gains (losses) on the investment portfolio are summarized as follows:

	Six months ended June 30, 2019 $	**Six months ended June 30, 2018 $**
Aguia Resources Limited	(557,924)	(12,553)
Peyto Exploration & Development Corp.	(255,228)	-
Chesapeake Energy	(104,030)	-
Tican Well Service	137,903	-
AnalytixInsight Inc.	-	431,283
Dividends	53,622	20,440
Other - net	134,408	36,225
	(591,249)	475,395

During the six months ended June 30, 2019, consulting fees of $178,350 (June 30, 2018 - $128,600) include CEO fees of $60,000 (June 30, 2018 - $26,000), CFO fees of $28,050 (June 30, 2018 - $26,700), administration fees paid to Numus of $22,800 (June 30, 2018 - $15,900) and $67,500 (June 30, 2018 - $60,000) paid to the Chief Investment Officer.

In the first two quarters of 2019, the Company incurred Directors' fees of $38,849 (June 30, 2018 - $26,720). Professional fees of $15,400 were incurred in the first six months of 2019 as compared to $5,844 in the first six months of 2018. In 2019, the Company has accrued costs associated with the current year's audit and tax compliance.

The stock exchange and maintenance fees of $13,879 in the first half of 2019 compared to $18,968 in the first half of 2018. These amounts include the cost of the Company's AGM which was held in June of each year. In the six months ended June 30, 2019, the Company incurred increased administration costs of $20,987 (June 30, 2018 - $9,986). These administration costs include rent of $10,200 (June 30, 2018 - $6,210), travel costs of $7,661 (June 30, 2018 - $nil) and other costs of $3,126 (June 30, 2018 - $3,776).

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 $34,061 has been recorded in the period ended June 30, 2019. In the six months ended June 30, 2018, the Company recorded stock-based compensation of $31,344.

Liquidity and Capital Resources

Period ended	June 30, 2019 $	Dec 31, 2018 $	Dec 31, 2017 $
Cash	**237,341**	447,097	772,290
Investments at fair value	**10,070,976**	10,620,779	7,020,725
Total assets	**10,336,930**	11,107,637	7,800,433
Total liabilities	**68,577**	595,248	111,510
Shareholders' Equity	**10,268,353**	10,512,389	7,688,923

The Company has working capital as at June 30, 2019 of $10,268,353 (December 31, 2018 – $10,512,389) and a cash balance of $237,341 (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 June 30, 2019, the Company acquired investments of $4.6 million including an additional investment in kneat.com of $0.9 million, the initial investment in IMV Inc. of $1.0 million and an investment in Ruckify Inc. of $0.65 million. The Company received net proceeds from the sale of investments of $5.1 million.

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 June 30, 2019 and August 27, 2019, the Company has 23,848,333 common shares issued and outstanding. As at June 30, 2019 and August 27, 2019, the Company also has 958,333 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 June 30, 2019 and August 27, 2019, the Company has not purchased any of its shares under the NCIB.

Transactions with Related Parties

The Company entered into the following transactions with related parties:

- During the period ended June 30, 2019, the Company paid Director fees of $38,849 (2018 - $59,354) to Directors or companies controlled by Directors.
- During the period ended June 30, 2019, the Company paid fees to its President and CEO, Wade Dawe in the amount of $60,000 (2018 - $308,167).
- During the period ended June 30, 2019, the Company paid fees to its CFO, Rob Randall in the amount of $28,050 (2018 - $69,712).
- During the period ended June 30, 2019, the Company paid fees to its Chief Investment Officer, Scott Gardner in the amount of $67,500 (2018 - $295,000).
- During the period ended June 30, 2019, the Company paid service- fees, rent and other fees of $33,284 (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.