Torrent Capital Ltd.
Management Discussion and Analysis
Period ended March 31, 2019

This Management's Discussion and Analysis ("MD&A") of Torrent Capital Ltd. ("Torrent" or the "Company") is dated May 27, 2019 and provides an analysis of the financial operating results for the quarters ended March 31, 2019 and March 31, 2018. This MD&A should be read in conjunction with the unaudited condensed interim financial statements and accompanying notes for the period ended March 31, 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 and December 31, 2017, 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 having completed the change of business. 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), Martello Technologies Corporation (TSXV: MTLO), Pivot Technology Solutions (TSX: PTG), Peyto Exploration and Development Corp. (TSX: PEY), Ruckify Inc., IMV Inc. (TSX:IMV), 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 down 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 $87 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.

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

Torrent believes that PTG is an undervalued company in relation to the quality of its business and profitability profile. PTG serves over 2,000 customers with more than 70% of its revenue generated from Fortune 100 IT software and service companies, most of which are in a period of accelerated growth. PTG has a meager market capitalization of $54 million, despite annual revenue of $1.4 billion and a healthy dividend yield of 15%.

Torrent believes that PTG is due to enjoy improved profitability as PTG's 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 an EV/EBITDA of 6.0X, PTG trades at historical lows on both an absolute basis (3-year average of 8.1X) and relative to its peer group (14.3X). 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 15% is well supported.

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 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 Chief Executive Officer of Canopy Growth Corp, a publicly traded Cannabis company with a market capitalization of approximately $21.3 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.

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

Peyto Exploration & Development Corp ("PEY")

PEY is an energy company engaged in acquisition, exploration, development and production of oil and natural gas in Western Canada. Its portfolio of assets includes exploration, exploitation and development opportunities located primarily in the Deep Basin of Alberta.

PEY is the fifth largest Canadian natural gas producer and is a pure play on the Alberta Deep Basin. Proven reserves, as of 2017 year-end filings, totaled 1.6 trillion cubic feet equivalents ("TCFe") while proven and probable reserves were reported at 4.3 TCFe. This gives a multi-year runway of low-cost production and low cash breakeven rates, most recently estimated at $0.83/mcfe. This makes PEY competitive even with depressed natural gas prices.

PEY's low-cost production profile and efficient allocation of capital has enabled it to remain profitable in a weak market. In addition to its aggressive cost cutting strategy, PEY has a strategic objective to diversify its gas sales away from the Alberta Energy Company and sell directly to industrial and power generation customers in Alberta, which should improve realized prices. Torrent believes PEY is well-positioned should gas prices harden as NTGL/LNG projects advance, connecting gas production in Western Canada to domestic and export markets.

Ruckify Inc. ("Ruckify" - Private)

Ruckify was founded by Bruce Linton and Steve Cody in early 2017. Mr. Linton is the Founder and co-CEO of Canopy Growth Corp (WEED.T), an integrated Cannabis company with a market capitalization of approximately $22.3 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 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.

Ruckify is presently operating in Ottawa and Calgary, with aggressive expansion plans into other major cities, in both the US and Canada. Ruckify is a peer-to-peer ("P2P") and business-to-people ("B2P") 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.

The online marketplace business model has been experiencing unprecedent growth. This expansion has been driven by improved technology along with a shift in consumer behaviour. 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 peer-to-peer 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.

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 Ruckify. Ruckify's efforts to scale underscored by the solid traction experienced in Ottawa and Calgary and the heightened community interest should provide a new and successful P2P and B2P marketplace. Ruckify will look to complete additional private equity raises and may go public, to improve its balance sheet. The Company believes that the value ascribed to Ruckify on future funding rounds will exceed the cost of Torrent's initial position.

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 tumour 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. In the near future

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 tumour 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 score 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 tumour regression and/or demonstrate continued lengthy durability beyond a year, the Company believes IMV shares will be substantially rerated.

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 $13 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 haemoglobin ("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 $72 million market capitalization of ACST is low given the advanced stage of CaPre and its demonstrated efficacy in lowering LDL, increasing HDL 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.

Selected Financial Information

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

For the quarter ended	**Mar 31, 2019 $**	**Dec 31, 2018 $**	**Sept 30, 2018 $**	**June 30, 2018 $**	**Mar 31, 2018 $**	**Dec 31, 2017 $**	**Sept 30, 2017 $**	**June 30, 2017 $**
Realized gain (loss) on investments	**(341,365)**	380,723	3,965,063	184,255	**291,140**	193,408	(7,506)	5,993
Unrealized gain (loss) on marketable securities	**1,192,257**	(1,252,716)	2,281,595	(245,004)	**(1,870,094)**	1,797,323	248,935	(461,810)
Operating expenses	**145,463**	(696,330)	(103,390)	(121,521)	**(111,987)**	(176,879)	(159,581)	(132,413)
Write down of note receivable	**-**	-	-	-	**-**	(292,312)	-	-
Net income (loss) before taxes	**705,429**	(1,568,323)	6,143,268	(182,270)	**(1,690,941)**	1,521,540	81,847	(588,230)
Income tax expense (recovery)	**-**	85,000	(85,000)	-	**-**	-	-	-
Net income (loss)	**705,429**	(1,483,323)	6,058,267	(182,270)	**(1,690,941)**	1,521,540	81,847	(588,230)
Net (loss) income per share	**$0.03**	($0.07)	$0.26	($0.01)	**($0.07)**	$0.064	$0.004	($0.025)
Cash	**298,266**	447,097	1,825,328	111,446	**199,334**	772,290	1,420,459	2,523,805
Investments at fair value	**10,931,138**	10,620,779	10,238,345	5,802,182	**5,874,578**	7,020,725	4,470,186	3,218,784
Total assets	**11,308,446**	11,107,637	12,078,754	5,939,887	**6,099,089**	7,800,433	6,200,751	6,067,844
Total liabilities	**71,468**	595,248	88,430	92,830	**82,300**	111,510	77,251	82,611
Shareholders' Equity	**11,236,978**	10,512,389	11,905,324	5,847,057	**6,016,789**	7,688,923	6,123,500	5,985,233

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

The Company reported net income in the quarter ended March 31, 2019 of $705,429 or $0.03 per share as compared to a net loss of $1,690,941 or $0.07 per share in the quarter ended March 31, 2018. In the current quarter, the Company realized losses on its investment portfolio of $341,365 (2018 – gains of $291,140) including net capital losses of $371,187 (2018 – gains of $281,451) and dividends of $29,822 (2018 - $9,689). The realized gains (losses) on investments are summarized as follows:

	Quarter ended Mar 31, 2019 $	Quarter ended Mar 31, 2018 $
AnalytixInsight Inc.	-	261,498
Aguia Resources Limited	(463,926)	-
Trican Well Service	137,903	-
Chesapeake Energy	(104,030)	-
Other - net	58,866	19,953
	(371,187)	281,451

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 gain on investments of $1.2 million or $0.05 per share (see summary in the *Unrealized gain on Marketable Securities* section below) as compared to an unrealized loss on marketable securities of $1.9 million or $0.08 per share in the comparable quarter. The unrealized gain of $1.2 million in the current quarter includes an unrealized gain of $0.5 million on the Company's investment in KSI and a $0.4 million unrealized loss (or reversal of a previous unrealized gain) on the Company's investment in DHX. It also includes $0.6 million reclassifying unrealized losses to realized losses. The large unrealized gains during the last quarter of 2017 resulted primarily from the Company's investments in ALY and XBLK, both of which took back most of this gain in the subsequent quarter ended March 31, 2018.

During the current quarter, the Company incurred consulting fees of $88,013 (2018 - $59,838) consisting primarily of CEO fees of $30,000 (2018 - $13,000), CFO fees of $13,613 (2017 - $8,888), $33,000 (2018 - $30,000) paid to the Chief Investment Officer and management services fees of $11,400 (2017 - $4,950) with Numus Financial. In the current quarter, the Company incurred directors' fees of $19,425 (2018 – $13,403) and D&O insurance of $5,890 (2018 – $6,164). The Company also incurred professional fees of $4,500 in the first quarter of 2019 (2018 - $4,275).

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 in the 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 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 and $19,160 in the current quarter.

In the first quarter of 2019, the Company incurred stock exchange and maintenance fees of $3,134 (2018 - $4,737), travel costs of $1,279 and administration costs of $1,765 (2018 - $1,994). In addition, the Company also incurred a foreign exchange gain of $2,803 (2018 – $336) on AUD$ and US$ denominated items measured against the Canadian dollar.

Unrealized gain 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 securities exchange, no market value is readily available. The private company shares may be valued based on the pricing of a recent financing. Gains and losses arising from changes in the fair value of the investments are presented in the unaudited statements of comprehensive loss as a net change in unrealized gains or losses on investments.

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

	Shares #	Cost of Investment $	Market Value Mar. 31, 2019 $	Unrealized Gain / (Loss) Quarter ended Mar. 31, 2019 $	Market Value Dec 31, 2018 $
DHX Media	2,000,000	3,079,315	4,160,000	(398,267)[(a)]	4,480,000
kneat.com, inc.	1,877,040	1,524,268	2,383,841	479,573	980,000
Pivot Technology Solutions	780,400	1,166,307	975,500	142,383	525,000
Martello Technologies Corp.	3,000,000	769,045	855,000	40,905	891,000
Peyto Exploration/Dev Corp.	50,000	530,699	349,500	66,180[(b)]	495,600
Ruckify Inc.	504,936	500,000	500,000	-	-
IMV Inc.	80,000	443,450	428,000	(15,450)	-
Sona Nanotech Inc.	1,600,000	412,136	480,000	68,367	330,000
Acasti Pharma Inc.	119,000	167,275	160,650	(1,165)	44,460
Aguia Resources Limited	189,843	113,925	16,361	419,926[(b)]	170,569
Other marketable securities	-	479,000	622,286	61,536	466,750
Chesapeake Energy Corp.	-	-	-	179,821[(b)]	171,600
Investments sold	-	-	-	148,448	2,065,800
		9,185,420	10,931,138	1,192,257	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.

During the quarter ended March 31, 2019, the Company's investment portfolio had an unrealized gain of $1,192,257 in the current quarter, which includes a transfer of $0.6 million to a realized loss on the sale of shares in AGRL, CHK and PEY. Torrent's current fair value of its investment portfolio is $10,931,138 against a cost of these investments of $9,185,420. The value of certain investments had significant impacts on Torrent's investment portfolio. The most significant being discussed below:

DHX Media Ltd. ("DHX") – Unrealized loss the investment of $398,267 in the current quarter which represents a reversal of the prior year's unrealized gain.

DHX remains a core holding as it is believed that the company trades at a discount to the inherent value of its assets and highly supportive growth trends in digital media. DHX had fallen out of favor with the market due to elevated debt levels, overly optimistic guidance, slowing revenue growth and high acquisition costs that resulted in the corresponding accumulated debt. Torrent views these factors to be short term in nature and 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. However, DHX's share price remains depressed due to inconsistent quarterly earnings and ongoing asset impairment charges.

While we share the markets frustration with a volatile share price, Torrent believes it is only a matter of time before a definitive bottom is in. DHX remains smack dab in the middle of a content war with Disney, HBO, Walmart and Amazon all aggressively getting behind their streaming platforms.

The recently announced streaming deal with Apple underscores the attractiveness of DHX's child-focused content as companies look to secure supply. Under the partnership, DHX will produce new Peanuts short form content that will be exclusive to Apple and will incorporate Astronaut Snoopy which was a character created under a partnership between DHX and NASA. The stock did not respond significantly to the news, largely due to the fact that the financial terms of the deal were not disclosed. As the relationship with Apple advances and the economics of the relationship become known, Torrent believes it will serve to highlight the inherent value of DHX's content catalogue and provide the market with additional data points to discount future cash flow.

DHX continues to focus on paying off its debt, as was evident with the sale of a minority interest in Peanuts to Sony for $236 million earlier in 2018. Recently, DHX has also disposed of its Toronto property for proceeds of $12 million which DHX intends to use to pay down debt. Further initiatives to reduce debt and boost cash flow should help to de-risk DHX and free up capital for various growth opportunities.

The strong macro market and demand for DHX content creates a floor given the prospect of shareholder value realization through partnerships, content sales, divestitures, or takeover. Furthermore, we believe that overly depressed sentiment, good interest payment coverage and depressed multiples provide downside protection as DHX steadies its stride.

kneat.com, Inc. ("KSI") – Unrealized gain on the investment of $479,573 in the current quarter

KSI continues to perform strongly year-to-date on rising trading volume despite a relatively soft small capitalization technology market in Canada.

2018 was a transformative year for KSI as it signed seven new customers and scaled two existing clients. To date in 2019, KSI signed 1 new customer and scaled two existing customers. These new customers add to KSI's potential install base from its existing customers making the existing potential install base of over 200 manufacturing sites. This translates to an at-scale Annual Recurring Revenue opportunity of over $20 million. Torrent expects continued news flow in 2019 with two or three go-live events relating to the new and scaled customers.

Given the complexity and business-critical nature of KSI's validation lifecycle platform, the sales cycle tends to be long. The fact that numerous multinational clients have engaged KSI, some of which are well-known global enterprises, adds credibility to KSI's software platform. Both Myriad and Biogen have co-written case studies on KSI's platform and indicated that it provided substantial productivity gains and a higher compliance standard, among other benefits. The white paper co-written by Biogen referred to KSI's platform as a "genuine breakthrough." Given the increase in the number of tier one clients engaged by KSI during the last year, Torrent believe that KSI is entering a phase of rapid growth after years of product development.

Torrent views KSI's enterprise value of $87 million as 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 result in annual recurring revenue. In addition, Torrent is encouraged by increasing trading volumes and insider buying of KSI shares.

Pivot Technology Solutions Inc. ("PTG") – Unrealized gain of $142,383 which represents a reversal of the prior year's unrealized loss.

The stocks underperformed in 2018 was partially driven by weakness in the technology sector, and PTG's failure to meet targets on both revenue and profitability. This reduced market confidence in PTG as it was taken as a signal that management's strategic efforts to increase its service-based revenues and profitability were diminishing after sequential quarters of improved performance. This weak performance was driven by the irregularities inherent in PTG's order flow. PTG's numbers have started to stabilize in 2019.

Recent quarterly results were in line with market expectations in terms of revenue growth and gross margins. The company also exceeded EBITDA guidance as their cost cutting initiatives are starting to show tangible results. For example, PTG is on target to eliminate up to $8 million in costs as opposed to the original target of $5 million.

Bolstering Torrent's bullish view is that PTG continues to make progress with its Smart Edge technology. PTG signed a funded agreement to collaborate with a strategic partner to accelerate commercial deployments and the use of its Smart Edge technology in multiple industries. This collaboration is also intended to provide a production ramp for trial deployments. This enhances the growth profile of PTG as it has yet to be fully appreciated by the market.

Martello Technologies Corporation ("MTLO") – Torrent realized a gain on investment of $3,843,125 in the prior year and an unrealized gain of $40,905 in the current quarter.

MTLO commenced trading on the TSX Venture Exchange in September 2018 opening at a price of $0.55 per share and traded as high at $1.67 per share during the first week of trading. This share price performance was incredibly strong as the financing concurrent with listing had a share price of the equivalent of $0.15 share. Torrent trimmed its position as the stock holding became a disproportionate percentage of Torrent's overall investment portfolio. As a result, Torrent earned a sizeable realized gain in the fourth quarter of 2018 by selling close to half of its original position at an average price of $1.25 per share.

After the original exuberance associated with going public, the stock has traded down substantially closing 2018 at $0.27 per share. Torrent believes that the selloff can be attributed to discouraged speculative investors who bought the stock at higher prices in the first month of trading, along with selling associated with private equity investors who used the listing to achieve liquidity after owning the stock privately for some time. The stock is stabilizing as much of the pressure on the stock has been due to non-fundamental reasons, being speculative flows and the market attempting to find a base after overshooting in the first month of trading. Torrent believes that the paper market will soon stabilize and begin to trade in line with MTLO's fundamentals as it executes its aggressive business plan.

Over the past year, the company has executed on many key milestones, including raising $7.5 million via a non-brokered private placement of equity; closing a debt financing with RBC; completing an RTO; commencing trading on the TSXV; creating an IR team; making key management and board changes; acquiring Savision B.V.; expanding its sales team by 50%; and making some key business additions.

MTLO's most recent quarterly results included the Savision B.V. acquisition for the first time. The financial results supported Torrent's position and highlight MTLO management's ability to meet expectations. Revenues increased 136% year over year and organic revenue growth grew at 44%. Gross margins were steady at 94% and adjusted EBITDA was down slightly at ($270K) for the quarter, pointing to what Torrent believes is potential profitability in the near term.

Despite these many accomplishments and above industry growth rates, MTLO currently trades at an EV/Revenue of 2.5X based on Torrent's 2019 MTLO revenue forecasts of $15 million. This is modest in relation to MTLO's peer group which trades at 7-10X EV/Revenue despite having inferior growth prospects and weaker balance sheets. Torrent anticipates this discount to narrow as the current stock overhang dissipates, MTLO nears profitability and management looks to make further acquisitions based on its pipeline of exciting targets.

Peyto Exploration and Development Corporation ("PEY") Unrealized gain on the investment of $66,180 which results from the reclassification of unrealized losses to a realized loss during the quarter.

PEY has been under pressure in 2019, as United States natural gas prices rose to a four-year high of $4.99/MMBtu in the fourth quarter of 2018 driven by extremely low temperatures in the United States. Traders drove the price up in order to lock in prices anticipating elevated heating demand that coincided with inventory levels at 15-year lows. The increase proved short lived as prices have subsequently returned to their 5-year trailing average of $2.50/MMBtu.

While Torrent was caught off guard by what proved to be a temporary increase in gas prices, Torrent believes that the long-term fundamentals driving the sector remain positive and natural gas focused companies are cheap after years of underperformance. Even if prices remain depressed due to oversupply issues in the short term, companies are creating shareholder value in the space by building out attractive assets in anticipation of rising demand as the use of environmentally friendly and cheap natural gas becomes widely adopted.

For example, PEY has low cash breakeven rates, most recently estimated at $0.83/mcfe, making PEY competitive even with depressed natural gas prices. PEY's low-cost production profile and efficient allocation of capital has enabled it to remain profitable and expand its asset base despite weak gas prices. In addition to its aggressive cost cutting strategy, PEY has a strategic objective to diversify its gas sales away from the Alberta Energy Company and sell directly to industrial and power generation customers in Alberta, which should improve realized prices.

Furthermore, PEY is positioned in Western Canada which provides growth opportunity should gas prices harden as NTGL/LNG projects advance. Should news flow turn marginally positive the prospect of connecting gas production in Western Canada to domestic and export markets would drive Canadian focused oil and gas companies significantly higher.

Aguia Resources Limited ("AGRL") – Unrealized gain on the investment of $419,926 which results from the reclassification of unrealized losses to a realized loss during the quarter of $463,9236. The remaining unrealized loss amounts to $97,564 at the end of the quarter.

AGRL has been a disappointing investment for Torrent. Torrent invested in AGRL two years ago, with high hopes given AGRL's relatively advanced stage and strategic phosphate asset in Brazil. This original thesis did not play out as expected and the holding has weighed on the fund's performance.

Commodity prices have worked against AGRL as grain prices have been sluggish in light of ample supply, a strong United States dollar and geopolitical trade issues. Weak grain prices dampen global fertilizer demand, and in turn phosphate prices. Although global phosrock prices have stabilized, they are 30% below the prevailing prices when Torrent made its original investment in AGRL. The falling prices had an adverse impact on the economic prospects of AGRL's Tres Estradas phosphate project in Brazil.

Outside of broad market weakness, AGRL management has not been able to achieve traction with AGRL's share price. Although AGRL has achieved some sizeable milestones, including completion of an attractive economic study on Tres Estradas, de-risking the project by bringing it closer to the ultimate construction decision. AGRL also acquired the 34,000-hectare Rio Grande do Sul copper property in Brazil and completed early stage exploration and drilling that did register some positive results. Even with these milestones, the stock has gotten no interest and has underperformed the small capitalization mining sector by a large margin.

As a result, Torrent has sold most of its position in AGRL as it has been a disappointment for our investors and our original thesis has not materialized. Analyst coverage did not come to fruition, the dual share structure on the TSXV and the ASX added no value, strategic investors did not materialize, off-take agreements with majors in the area did not happen and the economics of Tres Estradas failed to generate interest. Torrent is therefore exiting its position at a loss when liquidity is there and is looking for more catalyst rich investments.

Liquidity and Capital Resources

Year ended	**March 31, 2019 $**	**Dec 31, 2018 $**	**Dec 31, 2017 $**
Cash	**298,266**	447,097	772,290
Investments at fair value	**10,931,138**	10,620,779	7,020,725
Total assets	**11,308,446**	11,107,637	7,800,433
Total liabilities	**71,468**	595,248	111,510
Shareholders' Equity	**11,236,978**	10,512,389	7,688,923

The Company has working capital as at March 31, 2019 of $11,236,977 (December 31, 2018 – $10,512,389) and a cash balance of $298,266 (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 March 31, 2019, the Company acquired investments of $2.8 million including an additional investment in kneat.com of $0.9 million, the initial investment in IMV Inc. of $0.4 million and an investment in Ruckify Inc. of $0.5 million. The Company received net proceeds from the sale of investments of $3.3 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 March 31, 2019, and May 27, 2019, the Company has 23,848,333 common shares issued and outstanding. As at March 31, 2019, and May 27, 2019, the Company also has 958,333 stock options outstanding.

Transactions with Related Parties

The Company entered into the following transactions with related parties:

- During the period ended March 31, 2019, the Company paid Director fees of $19,425 (2018 - $59,354) to Directors or companies controlled by Directors.
- During the period ended March 31, 2019, the Company paid fees to its President and CEO, Wade Dawe in the amount of $30,000 (2018 - $308,167).

- During the period ended March 31, 2019, the Company paid fees to its CFO, Rob Randall in the amount of $13,613 (2018 - $69,712).
- During the period ended March 31, 2019, the Company paid fees to its Chief Investment Officer, Scott Gardner in the amount of $33,000 (2018 - $295,000).
- During the period ended March 31, 2019, the Company paid administration fees, rent and other fees of $16,500 (2018- $62,595) to Numus Financial, a company owned by two Directors.

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

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Critical Accounting Estimates

The preparation of 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 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 financial statements that have the most significant effect on the amounts recognized in the financial statements include the Company's estimate of the value of the Company's share-based compensation and the valuation of investments in privately held companies.

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.

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, 2017 audited financial statements of Torrent Capital Ltd. With the Company's TSXV approved change of business from a Mining Issuer to an Investment Issuer, the Company has also adopted the following new accounting policies associated with its new business.

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 interim condensed financial statements of Torrent Capital Ltd. are the responsibility of Management and have been approved by the Board of Directors. The unaudited interim condensed financial statements have been prepared by Management in accordance with IFRS. The unaudited interim condensed 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 interim condensed 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 interim condensed 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 interim condensed financial statements; and
(ii) the unaudited interim condensed 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 interim condensed 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 interim condensed 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.