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**TORRENT CAPITAL LTD.**

**UNAUDITED CONDENSED INTERIM  
FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED  
SEPTEMBER 30, 2020**

*(expressed in Canadian dollars)*

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## Management's Responsibility for Financial Reporting

The accompanying condensed interim financial statements of Torrent Capital Ltd. (the "Company") are the responsibility of the Management and Board of Directors of the Company.

The condensed interim financial statements have been prepared by Management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the condensed interim financial statements. Where necessary, Management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of Management, the condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards ("IFRS").

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 financials 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 condensed interim financial statements and (ii) the condensed interim financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented by the condensed interim financial statements.

The Board of Directors is responsible for reviewing and approving the condensed interim financial statements together with other financial information of the Company and for ensuring that Management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with Management to review the financial reporting process and the condensed interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the condensed interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

These unaudited condensed interim condensed interim financial statements have not been reviewed by the external auditors of the Company.

Halifax, Canada

(signed) "*Wade Dawe*"  
President and Chief Executive Officer  
Halifax, Nova Scotia

(signed) "*Rob Randall*"  
Chief Financial Officer  
Halifax, Nova Scotia

**Torrent Capital Ltd.**  
**Unaudited Condensed Interim Statements of Financial Position**  
**As at September 30, 2020 and December 31, 2019**  
*(Expressed in Canadian dollars unless otherwise indicated)*

	September 30, 2020 \$	December 31, 2019 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,769,432	229,291
Sales tax receivable	27,579	12,215
Prepaid expenses	8,045	-
<b>Investments at fair value</b> (note 3)	<b>22,426,285</b>	14,449,798
<b>Total Assets</b>	<b>24,231,341</b>	14,691,304
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 6)	97,278	245,018
Income taxes payable (note 7)	380,000	-
	477,278	245,018
Deferred income tax (note 7)	1,270,000	-
	1,747,278	245,018
<b>EQUITY</b>		
Share capital (note 4)	8,303,269	8,277,124
Contributed surplus (note 5)	2,512,956	2,471,739
Retained earnings	11,667,838	3,697,423
	22,484,063	14,446,286
<b>Total Liabilities and Equity</b>	<b>24,231,341</b>	14,691,304

Nature of Operations (note 1)

Approved on Behalf of the Board on November 13, 2020:

"Wade Dawe"  
**Director**

"Jim Megann"  
**Director**

*The accompanying notes are an integral part of these condensed interim financial statements.*

# Torrent Capital Ltd.

## Unaudited Condensed Interim Statements of Income and Comprehensive Income

For the period ended September 30, 2020 and 2019

(Expressed in Canadian dollars unless otherwise indicated)

	Three months ended Sept. 30, 2020 \$	Three months ended Sept. 30, 2019 \$	Nine months ended Sept. 30, 2020 \$	Nine months ended Sept. 30, 2019 \$
<b>REVENUE AND OTHER INCOME (LOSS)</b>				
Realized gain (loss) on investments	3,685,507	1,174,926	5,310,860	583,677
Unrealized gain (loss) on investments (note 3)	3,033,004	1,013,433	4,860,257	1,644,260
	<b>6,718,511</b>	2,188,359	<b>10,171,117</b>	2,227,937
<b>EXPENSES</b>				
Consulting (note 6)	111,196	86,588	344,334	264,938
Directors fees (note 6)	25,485	19,425	72,834	58,274
Professional fees	6,516	7,000	21,516	27,400
Insurance	6,285	6,302	18,443	18,425
Stock exchange and maintenance fees	5,842	3,126	18,005	17,005
Office and administration	1,796	583	4,742	3,709
Travel	-	6,187	5,392	13,848
Rent and related costs (note 6)	5,100	5,100	15,300	15,300
Stock-based compensation (note 5)	40,555	6,387	52,362	40,448
Foreign exchange loss (gain)	1,206	1,069	(2,226)	95
	<b>(203,981)</b>	(141,767)	<b>(550,702)</b>	(459,442)
<b>INCOME BEFORE INCOME TAXES</b>	<b>6,514,530</b>	2,046,592	<b>9,620,415</b>	1,768,495
Current income tax (note 7)	380,000	-	380,000	-
Deferred income tax (note 7)	1,270,000	-	1,270,000	-
	<b>1,650,000</b>	-	<b>1,650,000</b>	-
<b>NET INCOME AND COMPREHENSIVE INCOME</b>	<b>4,864,530</b>	2,046,592	<b>7,970,415</b>	1,768,495
<b>Basic and diluted income per share</b>	<b>0.20</b>	0.09	<b>0.33</b>	0.07
<b>Weighted average number of shares outstanding</b>	<b>23,884,047</b>	23,848,333	<b>23,860,238</b>	23,848,333

The accompanying notes are an integral part of these condensed interim financial statements.

**Torrent Capital Ltd.****Unaudited Condensed Interim Statements of Changes in Shareholders' Equity****For the periods ended September 30, 2020 and 2019***(Expressed in Canadian dollars unless otherwise indicated)*

	<b>Common Shares #</b>	<b>Share Capital \$</b>	<b>Contributed Surplus \$</b>	<b>Retained Earnings (Deficit) \$</b>	<b>Total \$</b>
<b>Balance – December 31, 2018</b>	<b>23,848,333</b>	<b>8,203,404</b>	<b>2,460,753</b>	<b>(151,768)</b>	<b>10,512,389</b>
Net loss and comprehensive loss for the period	-	-	-	1,768,495	1,768,495
Stock-based compensation (Note 5)	-	-	40,448	-	40,448
<b>Balance – September 30, 2019</b>	<b>23,848,333</b>	<b>8,203,404</b>	<b>2,501,201</b>	<b>1,616,727</b>	<b>12,321,332</b>
Net income and comprehensive income for the period	-	-	-	2,080,696	2,080,696
Shares issued on the exercise of stock options (Note 4)	133,334	73,720	(33,720)	-	40,000
Stock-based compensation (Note 5)	-	-	4,258	-	4,258
<b>Balance – December 31, 2019</b>	<b>23,981,667</b>	<b>8,277,124</b>	<b>2,471,739</b>	<b>3,697,423</b>	<b>14,446,286</b>
Net income and comprehensive income for the period	-	-	-	7,970,415	7,970,415
Shares issued on the exercise of stock options (Note 4)	50,000	26,145	(11,145)	-	15,000
Stock-based compensation (Note 5)	-	-	52,362	-	52,362
<b>Balance – September 30, 2020</b>	<b>24,031,667</b>	<b>8,303,269</b>	<b>2,512,956</b>	<b>11,667,838</b>	<b>22,484,063</b>

*The accompanying notes are an integral part of these condensed interim financial statements.*

**Torrent Capital Ltd.****Unaudited Condensed Interim Statements of Cash Flow  
For the periods ended September 30, 2020 and 2019***(Expressed in Canadian dollars unless otherwise indicated)*

	Nine months ended September 30, 2020 \$	Nine months ended September 30, 2019 \$
<b>CASH (USED IN) PROVIDED BY:</b>		
<b>OPERATING ACTIVITIES</b>		
Net income for the period	7,970,415	1,768,495
Items not affecting cash:		
Realized gain on investments	(5,310,860)	(519,611)
Unrealized gain on investments	(4,860,257)	(1,644,260)
Deferred income tax	1,270,000	-
Stock-based compensation	52,362	40,448
	(878,341)	(354,928)
<b>Adjustments for:</b>		
Proceeds on sale of investments	8,992,238	6,689,039
Acquisition of publicly-traded securities	(6,797,607)	(6,065,185)
Sales tax receivables	(15,364)	29,835
Prepaid expenses	(8,045)	(8,041)
Accounts payable and accrued liabilities	232,260	(515,249)
	1,525,141	(224,529)
<b>FINANCING ACTIVITIES</b>		
Proceeds on the exercise of options	15,000	-
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>1,540,141</b>	<b>(224,529)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>229,291</b>	<b>447,097</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>1,769,432</b>	<b>222,568</b>

*The accompanying notes are an integral part of these condensed interim financial statements.*

# **Torrent Capital Ltd.**

## **Notes to Unaudited Condensed Interim Financial Statements**

### **For the period ended September 30, 2020**

*(expressed in Canadian dollars unless otherwise noted)*

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#### **1. NATURE OF OPERATIONS**

Torrent Capital Ltd. (the "Company" or "Torrent") received final approval from the TSX Venture Exchange (the "Exchange") for its change of business from a Mining Issuer to an Investment Issuer on February 2, 2017. The Company is focused on profiting from strategic investments in public and private company securities. Trading in the Company's shares resumed on February 6, 2017 under the symbol "TORR".

The Company's corporate office is located at Suite 2001 – 1969 Upper Water Street, Purdy's Wharf II, Halifax, Nova Scotia, Canada, B3J 3R7.

As at September 30, 2020, the Company had cash and cash equivalents of \$1,769,432 (December 31, 2019 - \$229,291) and working capital of \$23,754,063 (December 31, 2019 - \$14,446,286). Management believes that it has sufficient resources to fund its ongoing working capital requirements for the ensuing twelve months as they normally fall due.

#### **2. SIGNIFICANT ACCOUNTING POLICIES**

##### **Statement of Compliance**

The Company prepares its unaudited condensed interim financial statements in accordance with Canadian generally accepted accounting principles as set out in the Handbook of Chartered Professional Accountants of Canada – Part 1 ("CPA Canada Handbook"), which incorporates International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"), as issued by the IASB. Accordingly, certain information normally included in annual financial statements prepared in accordance with IFRS, as issued by the IASB, have been omitted or condensed. The unaudited condensed interim financial statements should be read in conjunction with the Company's annual audited financial statements for the year-ended December 31, 2019.

The policies applied in these unaudited condensed interim financial statements are based on IFRS as of November 12, 2020, the date the Board of Directors approved the condensed interim financial statements. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year-ended December 31, 2020 could result in the restatement of these unaudited condensed interim financial statements.

##### **Significant Accounting Policies**

These unaudited condensed interim financial statements have been prepared using the same policies and methods of computation as the annual financial statements of the Company for the year-ended December 31, 2019, except as noted below. Refer to note 2, *Significant Accounting Policies*, of the Company's annual financial statements for the year-ended December 31, 2019 for information regarding the accounting policies as well as new accounting standards not yet effective. Also, refer to note 3, *Capital Management* and note 4, *Financial Risk Factors*, of the Company's annual financial statements for the year-ended December 31, 2019 for the Company's capital management objectives and its financial risk factors.

## Torrent Capital Ltd.

### Notes to Unaudited Condensed Interim Financial Statements

For the period ended September 30, 2020

(expressed in Canadian dollars unless otherwise noted)

### 3. INVESTMENTS

	Shares #	Cost of Investment \$	Market Value Sept. 30, 2020 \$	Unrealized Gain (Loss) quarter ended Sept. 30, 2020 \$	Unrealized Gain (Loss) Year to date Sept. 30, 2020 \$	Market Value Dec. 31, 2019 \$
kneat.com, inc.	1,770,443	1,879,630	<b>4,550,039</b>	1,426,983	<b>(806,234)<sup>(a)</sup></b>	<b>5,021,050</b>
Gold investments portfolio		2,743,873	<b>4,471,063</b>	(220,259) <sup>(a)</sup>	<b>1,821,823</b>	<b>963,000</b>
Sona Nanotech Inc.	478,000	124,248	<b>3,604,120</b>	1,000,134	<b>3,692,008</b>	<b>200,000</b>
WildBrain Ltd (formerly, DHX Media Ltd.)	2,200,000	3,368,609	<b>3,036,000</b>	186,384	<b>(356,928)</b>	<b>3,092,900</b>
Electrovaya Inc.	1,465,000	981,438	<b>1,333,150</b>	351,712	<b>351,712</b>	-
IMV Inc.	151,400	655,728	<b>905,372</b>	312,107	<b>447,004</b>	<b>1,330,810</b>
Ruckify Inc.	604,976	650,000	<b>1,742,331</b>	-	-	<b>1,742,331</b>
Resolute Health Corporation	300,000	570,000	<b>570,000</b>	-	-	<b>570,000</b>
Other securities		2,382,620	<b>2,214,210</b>	(24,057)	<b>(289,128)</b>	<b>1,529,707</b>
		13,356,146	<b>22,426,285</b>	3,033,004	<b>4,860,257</b>	<b>14,449,798</b>

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

#### IFRS 9, Financial Instruments (“IFRS 9”)

##### *Financial Instruments Recorded at Fair Value*

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

##### *Financial Instruments Recorded at Fair Value*

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

## Torrent Capital Ltd.

### Notes to Unaudited Condensed Interim Financial Statements

For the period ended September 30, 2020

(expressed in Canadian dollars unless otherwise noted)

### 3. INVESTMENTS (continued)

Investments consisted of the following as at September 30, 2020:

<b>Investments</b>	<b>Cost</b> \$	<b>Level 1 Quoted Market Price</b> \$	<b>Level 2 Observable Market Inputs</b> \$	<b>Level 3 Non-Observable Market Inputs</b> \$	<b>Total Fair Value</b> \$
Equities	13,356,156	17,529,579	-	4,396,706	<b>21,926,285</b>
Warrants	-	-	500,000	-	<b>500,000</b>
<b>Total investments</b>	<b>13,356,156</b>	<b>17,529,579</b>	<b>500,000</b>	<b>4,396,706</b>	<b>22,426,285</b>

Investments consisted of the following as at December 31, 2019:

<b>Investments</b>	<b>Cost</b> \$	<b>Level 1 Quoted Market Price</b> \$	<b>Level 2 Observable Market Inputs</b> \$	<b>Level 3 Non-Observable Market Inputs</b> \$	<b>Total Fair Value</b> \$
Equities	10,239,915	11,307,843	-	3,059,098	<b>14,366,941</b>
Warrants	-	-	82,857	-	<b>82,857</b>
<b>Total investments</b>	<b>10,239,915</b>	<b>11,307,843</b>	<b>82,857</b>	<b>3,059,098</b>	<b>14,449,798</b>

During the period ended September 30, 2020, the reconciliation of investments measured at fair value using unobservable inputs (Level 3) is presented as follows:

Balance – December 31, 2019	\$
Purchases	3,059,098
Change in unrealized gains	1,380,208
<b>Balance – September 30, 2020</b>	<b>(42,600)</b>
	<b>4,396,706</b>

The table below presents the valuation techniques and the nature of significant inputs used to determine the fair values of the Level 3 investments as at September 30, 2020:

<b>Investment</b>	<b>Method</b>	<b>Inputs</b>	<b>Fair value change + / - 10%</b>
Equity instruments	Private placement financing technique	Price per share of last capital raise	\$449,146

# Torrent Capital Ltd.

## Notes to Unaudited Condensed Interim Financial Statements

For the period ended September 30, 2020

(expressed in Canadian dollars unless otherwise noted)

### 4. SHARE CAPITAL

#### (a) AUTHORIZED

Authorized share capital of the Company consists of an unlimited number of common shares without par value.

#### (b) ISSUED

	Number of Shares	Amount \$
Balance – December 31, 2018	23,848,333	8,203,404
Shares issued on the exercise of options	133,334	73,720
Balance – December 31, 2019	23,981,667	8,277,124
Shares issued on the exercise of options	50,000	26,145
Balance – September 30, 2020	<b>24,031,667</b>	<b>8,303,269</b>

#### (c) SHARES ISSUED

The Company issued 133,334 shares, on the exercise of expiring options, to two Directors on November 21, 2019 for cash proceeds of \$40,000 and a fair value of \$73,720. On July 27, 2020, the Company issued 50,000 shares on the exercise of options, by a consultant, for cash proceeds of \$15,000 and a fair value of \$26,145.

### 5. STOCK OPTIONS AND RESTRICTED SHARE UNITS

The Company has a stock option plan (the "Plan") for directors, officers, employees and consultants of the Company. The Company also has a restricted share unit plan, under which the Company can issue up to 800,000 shares. The restricted share plan together with the option plan shall not exceed 10% of the issued and outstanding common shares of the Company. The options can have up to a ten-year life and the vesting period is set by the Board of Directors. Options are granted at a price not lower than the market price of the common shares. The performance criteria and performance period of the restricted shares units are determined by the Board of Directors.

On December 3, 2018, the Company granted 200,000 stock options to Directors and Officers. The options are exercisable at a price of \$0.42 per share and expire on December 3, 2023.

On December 3, 2018, the Company also issued 200,000 restricted share units with immediate vesting to Directors and Officers. The estimated fair value of these restricted share units was \$84,000 which was recognized as stock-based compensation during the year ended December 31, 2018.

On May 19, 2020, the Company granted 460,000 stock options to Directors, Officers and a consultant. The options are exercisable at a price of \$0.40 per share and expire on May 19, 2025.

In the quarter ended September 30, 2020, the Company granted 75,000 stock options to an employee and consultant. The options are exercisable at a price of \$0.80 per share and expire in the quarter ended September 30, 2025.

The options vest at a rate of 50% of the total granted on each of the six and twelve-month anniversaries of the grant date.

## Torrent Capital Ltd.

### Notes to Unaudited Condensed Interim Financial Statements

For the period ended September 30, 2020

(expressed in Canadian dollars unless otherwise noted)

#### 5. STOCK OPTIONS AND RESTRICTED SHARE UNITS (Continued)

The estimated fair value of options recognized has been estimated at the grant date using the Black-Scholes option pricing model. Option pricing models require the input of highly subjective assumptions, including the expected volatility. Changes in the assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable estimate of the fair value of the Company's stock options.

There were no options or restricted share units issued during the year ended December 31, 2019. The assumptions used in the pricing model for the options issued during the period ended September 30, 2020 and the year ended December 31, 2018 were as follows:

	Sept. 30, 2020	Dec. 31, 2018
Risk free interest rate	0.4%	1%
Expected volatility	61%	75%
Expected dividend yield	-	-
Expected life	5 years	5 years
Weighted average fair value per option	\$0.226	\$0.255

Based on the Black-Scholes option pricing model and the assumptions outlined above, the estimated fair value of the options granted during the period ended September 30, 2020 is \$114,990. These amounts are amortized over the vesting period with \$52,362 expensed during the period ended September 30, 2020. The estimated fair value of the options granted during the year ended December 31, 2018 is \$51,092. These amounts were amortized over the vesting period with \$44,706 expensed during the year ended December 31, 2019 (2018 - \$6,386). The following table reflects the stock options continuity for the year ended December 31, 2019 and the period ended September 30, 2020:

	Number of Stock Options Outstanding	Weighted Average Exercise Price \$
<b>Balance – December 31, 2018</b>	958,334	0.33
Options exercised	(133,334)	0.30
<b>Balance – December 31, 2019</b>	825,000	0.31
Options issued	535,000	0.44
Option exercised	(50,000)	0.30
<b>Balance – September 30, 2020</b>	1,310,000	

## Torrent Capital Ltd.

### Notes to Unaudited Condensed Interim Financial Statements

For the period ended September 30, 2020

(expressed in Canadian dollars unless otherwise noted)

#### 5. STOCK OPTIONS AND RESTRICTED SHARE UNITS (Continued)

The following table reflects the stock options outstanding as at September 30, 2020:

Expiry Date	Exercise Price \$	Weighted Average Life Remaining	Options Outstanding	Options Vested	Black-Scholes Value \$
June 15, 2022	0.30	1.6 years	575,000	575,000	150,452
December 3, 2023	0.42	3.1 years	200,000	200,000	51,092
May 19, 2025	0.40	4.5 years	460,000	-	94,456
July 20, 2025	0.80	4.8 years	50,000	-	20,534
September 30, 2025	0.80	5.0 years	25,000	-	10,267
			<u>1,310,000</u>	<u>775,000</u>	

#### 6. RELATED PARTY TRANSACTIONS AND BALANCES

Remuneration of Directors and key management personnel of the Company was as follows:

	Nine months ended September 30, 2020 \$	Nine months ended September 30, 2019 \$
CEO remuneration – W. Dawe	112,500	90,000
Chief Investment Officer – S. Gardner	103,500	102,000
CFO remuneration – R. Randall	56,138	37,738
Director remuneration	72,834	58,274
Service fees and rent (note i)	67,950	49,500
	<u>412,922</u>	<u>337,512</u>

- i) During the period ended September 30, 2020, the Company incurred service fees of \$52,650 (year ended December 31, 2019 - \$49,700), rent and related costs of \$15,300 (year ended December 31, 2018 - \$27,745) with Numus Financial Inc., a company owned by two Directors.

As at September 30, 2020, related parties were owed \$56,487 (December 31, 2019 - \$206,278). These amounts are included in accounts payable and accrued liabilities.

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

## Torrent Capital Ltd.

### Notes to Unaudited Condensed Interim Financial Statements

For the period ended September 30, 2020

(expressed in Canadian dollars unless otherwise noted)

#### 7. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 31% (2019 – 31%) to the effective tax rate is as follows:

	September 30, 2020 \$	December 31, 2019 \$
Income before income taxes	9,620,415	3,849,191
Expected income tax expense	2,982,330	1,193,250
Permanent difference regarding accounting gain on investments	(1,576,450)	(714,940)
Stock based compensation and other non-deductible items	16,270	14,700
Change in tax benefits not recognized	227,850	(493,010)
Income tax (recovery) expense	1,650,000	-
Current income tax	380,000	-
Deferred income tax	1,270,000	-
Income tax (recovery) expense	1,650,000	-

#### Deferred Tax

The following table summarizes the components of deferred tax:

	September 30, 2020 \$	December 31, 2019 \$
<b>Deferred Tax Assets</b>		
Non-capital losses carried forward	-	254,200
Capital losses carried forward	-	236,330
Exploration and evaluation assets	74,890	80,960
Intangible assets	62,100	65,540
Charitable donations carried forward	-	15,500
<b>Deferred Tax Liability</b>		
Unrealized gains on investments	(1,406,990)	(652,530)
Net deferred tax liability	(1,270,000)	-

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the right and intent to offset.

## **Torrent Capital Ltd.**

### **Notes to Unaudited Condensed Interim Financial Statements**

#### **For the period ended September 30, 2020**

*(expressed in Canadian dollars unless otherwise noted)*

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#### **8. SUBSEQUENT EVENT**

Since December 31, 2019 and continuing through 2020, the outbreak of the novel strain of coronavirus, specifically identified as “SARS-CoV-2” and referred to as “COVID-19” has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and conditions of the Company in future periods.