FORM 10-QSB

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarter Ended JUNE 30, 2005

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File No. 000-24455

TORVEC, INC.
(Exact name of small business issuer as specified in its charter)

New York	16-150951-2
(State or Other Jurisdiction of Incorporation or Organization)	(IRS Employer Identification Number)

Powder Mills Office Park
1169 Pittsford-Victor Road
Suite 125

Pittsford, New York	14534
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: (585) 248-0740

Securities registered under Sec. 12(g) of the Act:

$.01 Par Value Common Stock
(Title of Class)

The Registrant has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and has been subject to such filing requirements for the past 90 days.

YES [X] NO [ ]

As of June 30, 2005, there were outstanding 29,619,604 shares of the company's common stock, $.01 par value. Options for 1,823,895 shares of the company's common stock are outstanding but have not yet been issued. Shares to cover the options will not be issued until they are exercised.

TORVEC, INC.
(A Development Stage Company)

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TORVEC, INC.
(A Development Stage Company)
CONDENSED BALANCE SHEETS

	June 30, 2005 (Unaudited)	December 31, 2004
ASSETS		
CURRENT ASSETS:		
Cash	$215,000	$574,000
Prepaid Expenses	31,000	149,000
Total Current Assets	246,000	723,000
PROPERTY AND EQUIPMENT:		
Office equipment	34,000	27,000
Shop equipment	118,000	79,000
Leasehold improvements	3,000	3,000
Transportation equipment	69,000	95,000
	224,000	204,000
LESS: ACCUMULATED DEPRECIATION	66,000	77,000
Net Property and Equipment	158,000	127,000
OTHER ASSETS		
License, net of accumulated amortization of $1,119,000 and $692,000, respectively	2,141,000	2,568,000
Deposits	2,000	2,000
Total Other Assets	2,143,000	2,570,000
Total Assets	$2,547,000	$3,420,000
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$235,000	$290,000
Accrued liabilities	1,590,000	1,495,000
Loans payable to stockholders and officers	28,000	28,000
Total Current Liabilities	1,853,000	1,813,000
Deferred revenue	150,000	150,000
Total Liabilities	2,003,000	1,963,000
COMMITMENTS AND CONTINGENCIES		
MINORITY INTEREST	144,000	281,000
STOCKHOLDERS' EQUITY		
Preferred Stock, $.01 par value, 100,000,000 shares authorized, 3,300,000 designated as Series A non-voting cumulative dividend $.40 per share, convertible preferred, 336,743 and 259,243 shares issued and outstanding at June 30, 2005 and December 31, 2004, (liquidation preference $1,518,823 and $1,150,063), respectively. 300,000 designated as Class B non-voting cumulative dividend $.50 per share, convertible preferred, 42,500 and 42,500 shares issued and outstanding at June 30, 2005 and December 31, 2004, (liquidation preference $229,135 and $218,181), respectively.	3,000	3,000
Common stock, $.01 par value, 40,000,000 shares authorized, 29,619,605 and 29,043,654 issued and outstanding at June 30, 2005 and December 31, 2004, respectively	296,000	290,000
Additional paid-in capital	35,300,000	32,761,000
Due from stockholders	(3,000)	(3,000)
Deficit accumulated during the development stage	(35,196,000)	(31,875,000)
Total Stockholders' Equity	400,000	1,176,000
Total Liabilities and Stockholders' Equity	$2,547,000	$3,420,000

See Notes to Condensed Financial Statements

TORVEC, INC.
(A Development Stage Company)
CONDENSED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended June 30, 2005	Three Months Ended June 30, 2004	Six Months Ended June 30, 2005	Six Months Ended June 30, 2004	September 25, 1996 (Inception) Through June 30, 2005
COSTS AND EXPENSES:					
Research and development	$983,000	$457,000	$1,484,000	$757,000	$11,542,000
General and administrative	978,000	1,011,000	1,974,000	5,080,000	24,782,000
Loss Before Minority Interest	(1,961,000)	(1,468,000)	(3,458,000)	(5,837,000)	(36,324,000)
Minority Interest in Loss of Consolidated Subsidiary	68,000	116,000	137,000	232,000	1,128,000
Net loss	(1,893,000)	(1,352,000)	(3,321,000)	(5,605,000)	(35,196,000)
Preferred Stock beneficial conversion feature	-	178,000	159,000	198,000	715,000
Preferred Stock Dividend	38,000	25,000	70,000	33,000	189,000
Net Loss Attributable to Common Stockholders	($1,931,000)	($1,555,000)	($3,550,000)	($5,836,000)	($36,100,000)
Basic and Diluted Loss Per Share	($0.07)	($0.05)	($0.12)	($0.21)	
Weighted average number of shares of common stock - basic and diluted	29,414,000	28,738,000	29,276,000	28,198,000	

See Notes to Condensed Financial Statements

TORVEC, INC.
(A Development Stage Company)
CONDENSED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Six Months Ended June 30, 2005	Six Months Ended June 30, 2004	September 25, 1996 (Inception) Through June 30, 2005
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	($3,321,000)	($5,605,000)	($34,922,000)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	441,000	86,000	1,210,000
Gain on sale of fixed asset	(10,000)	0	(10,000)
Minority interest in loss of consolidated subsidiary	(137,000)	(232,000)	(1,128,000)
Compensation expense attributable to common stock in subsidiary	0	0	619,000
Common stock issued for services	1,155,000	1,278,000	8,757,000
Contribution of services	150,000	225,000	1,659,000
Compensatory common stock, options and warrants	930,000	3,889000	12,136,000
Changes in other current assets and current liabilities:			
Prepaid Expenses	118,000	(472,000)	129,000
Deposits	0	0	(2,000)
Accounts payable and accrued expenses	40,000	478,000	3,733,000
Deferred revenue	0	0	150,000
Net cash used in operating activities	(634,000)	(353,000)	(7,669,000)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property and equipment	(45,000)	(3,000)	(249,000)
Cost of acquisition	0	0	(16,000)
Proceeds from sale of fixed asset	10,000	0	10,000
Net cash provided by (used in) investing activities	(35,000)	(3,000)	(255,000)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net proceeds from sales of common stock and upon exercise of options and warrants	0	1,246,000	6,488,000
Net proceeds from sales of preferred stock	310,000	0	1,679,000
Net Proceeds from sale of subsidiary stock	0	0	234,000
Proceeds from long-term borrowings	0	0	29,000
Repayment of long-term debt	0	0	(29,000)
Proceeds from (repayments of) stockholders' loans-net	0	0	103,000
Distributions	0	0	(365,000)
Net cash provided by (used in) financing activities	310,000	1,246,000	8,139,000
NET INCREASE (DECREASE) IN CASH	(359,000)	890,000	215,000
CASH - BEGINNING OF PERIOD	574,000	56,000	0
CASH - END OF PERIOD	$215,000	$946,000	$215,000
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Preferred dividends declared but not paid	$0	$32,000	

See Notes to Condensed Financial Statements

TORVEC, INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS

June 30, 2005

Note 1 Financial Statement Presentation

The interim information contained herein with respect to the three month and six month periods ended June 30, 2005 and June 30, 2004 and the period from September 25, 1996 (inception) through June 30, 2005 has not been audited but was prepared in conformity with generally accepted accounting principles for interim financial information and instructions for 10-QSB and Item 310(b) of Regulation S-B. Accordingly, the condensed financial statements do not include all information and footnotes required by generally accepted accounting principles for financial statements. Included are ordinary adjustments, which in the opinion of management are necessary for a fair presentation of the financial information for the three month and six month periods ended June 30, 2005, and since inception. The results are not necessarily indicative of results to be expected for the year.

For the period from inception through June 30, 2005, the company has accumulated a deficit of $35,196,000, and has been dependent upon equity financing, loans from shareholders and the exchange of stock for services to meet its obligations and sustain operations. The company is in the development stage and its efforts have been principally devoted to research and development, raising capital and marketing of principal products. A sale and/or commercialization of one of the company's technologies, additional financing, a joint venture relationship or a combination thereof will be required by the company to commence operations.

Note 2 The Company

Torvec, Inc. was incorporated in New York on September 25, 1996. The company, which is in the development stage, specializes in automotive technology.

Note 3 Summary of Significant Accounting Policies

Consolidation

The financial statements include the accounts of the company and its majority owned-subsidiary, Ice (69.26% owned at June 30, 2005), its 100% owned subsidiaries, Iso-Torque Corporation and IVT Diesel Corp. and its 49% owned subsidiary, Variable Gear, LLC. All material intercompany transactions and account balances have been eliminated in consolidation.

Equipment

Equipment, including a prototype vehicle, is stated at cost less accumulated depreciation. Depreciation is provided using the straight-line method over the useful lives of the assets which range from three to seven years.

Research, Development and Patents

Research, development costs and patent expenses are charged to operations as incurred.

License

Through December 31, 2004, the license was being amortized over its estimated useful life of approximately 19 years which correlates to an underlying patent. Effective January 1, 2005, the company has changed its estimate of economic useful life to 3 years. Charges for amortization in each of the three and six month periods ended June 30, 2005, was $214,000 and $428,000 and charges for amortization in each of the three and six month periods ended June 30, 2004 was $42,000 and $84,000. Such amortization expense is included in research and development expense.

Total future amortization of the license is as follows:

Year Ending December 31,	Amount
2005 (remainder)	$ 429,000
2006	856,000
2007	856,000
	$ 2,141,000

Revenue Recognition

Revenue in connection with the granting of license to Variable Gear LLC is to be recognized when all conditions specified under recent accounting standards have been met. Generally, revenue is only recorded when no future performance is required related to the item.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of income and expenses during the reported period. Actual results could differ from these estimates.

Loss Per Common Share

We report loss per common share in accordance with Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings Per Share." The per share effects of potential common shares such as warrants, options, and convertible preferred stock have not been included, as the effect would be antidilutive.

Stock-Based Compensation

As permitted under SFAS No. 123, *Accounting for Stock-based Compensation* (SFAS No. 123), the company has elected to continue to follow the guidance of APB Opinion No. 25, *Accounting for Stock Issued to Employees* (APB No. 25), and Financial Accounting Standards Board Interpretation No. 44, *Accounting for Certain Transactions Involving Stock Compensation - an Interpretation of APB Opinion No. 25* (FIN No. 44), in accounting for its stock-based employee compensation arrangements. Accordingly, no compensation cost is recognized for any of the company's fixed stock options granted to employees when the exercise price of each option equals or exceeds the fair value of the underlying common stock as of the grant date for each stock option. Changes in the terms of stock option grants, such as extensions of the vesting period or changes in the exercise price, result in variable accounting in accordance with APB No. 25. Accordingly, compensation expense is measured in accordance with APB No. 25 and recognized over the vesting period. If the modified grant is fully vested, any additional compensation costs is recognized immediately. The company accounts for equity instruments issued to non-employees in accordance with the provisions of SFAS No. 123.

At June 30, 2005, the company had one stock-based employee compensation plan, and the company's subsidiaries had no stock-based employee compensation plan. As permitted under SFAS No. 148, *Accounting for Stock-Based Compensation - Transition and Disclosure,* which amended SFAS No. 123, the company has elected to continue to follow the intrinsic value method in accounting for its stock-based employee compensation arrangements as defined by APB No. 25 and related interpretations including FIN No. 44. The following table illustrates the effect on net loss attributable to common stockholders and loss per share if the company had applied the fair value recognition provisions of SFAS No. 123 to stock-based employee compensation for options granted under its plan:

	Three Months June 30		Six Months June 30	
	2005	2004	2005	2004
Net loss attributable to common stockholders	$(1,931,000)	$(1,555,000)	$(3,550,000)	$(5,836,000)
Pro forma net loss attributable to common stockholders	$(1,931,000)	$(1,555,000)	$(3,550,000)	$(5,836,000)
Basic and diluted net loss attributable to common stockholders per share	$ (0.07)	$ (0.05)	$ (0.12)	$ (0.21)
Pro forma basic and diluted net loss attributable to common stockholders per share	$ (0.07)	$ (0.05)	$ (0.12)	$ (0.21)

On June 30, 2005, the company entered into a non-exclusive two year consulting agreement for engineering design services. Under the terms of the consulting agreement, the company will issue annually 12,000 fully and immediately vested $.01 warrants exercisable into common stock of the company, payable on a quarterly basis. In addition, the company granted 100,000 stock options under its 1998 Stock Option Plan to acquire shares of its common stock to its engineering design consultant during the three months ended June 30, 2005. The option vests immediately and has a term of ten years. The exercise price for the option is $5.00 per share. The company valued the options at $247,000 using the Black-Scholes option/pricing model and charged operations.

Impairment or Disposal of Long-Lived Assets

The company follows Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." Accordingly, whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable, management assesses the recoverability of the assets.

Note 4 Common and Preferred Stock

Class A Preferred Shares

In January 2002, the company commenced the sale of up to 3,300,000 shares of its Class A Non-Voting Cumulative Convertible Preferred Stock. During 2002, the company sold 38,500 shares at $4.00 per share of its Class A Preferred in a private placement offering for approximately $142,000 in net proceeds. Each share of Class A is convertible into one share of voting common stock and entitles the holder to dividends, at $.40 per share per annum. The holder has the right to convert after one year subject to Board approval. In April, 2004, the holders converted 38,500 preferred shares into 38,500 common shares. On June 6, 2004, the Board of Directors declared a 10% dividend on the shares converted, and paid accrued dividends on the converted shares, amounting to $32,124 by the issuance of 8,031 Class A Preferred Stock on August 18, 2004.

In connection with this offering the company granted the placement agent 5,000 Class A Warrants, exercisable for five years at an exercise price of $1.52 per share. The company also granted 2,500 Class A Warrants, exercisable for five years at an exercise price of $0.01 per share. Such warrants were treated as a cost of the offering. Also, the placement agent was granted 10,000 warrants for providing certain financial analysis for the company. The warrant is immediately exercisable at $.30 per share for five years. The warrant contains a cashless exercise feature. The company valued the warrant at $8,000 using the Black-Scholes option/pricing model and charged operations. On July 8, August 14 and September 11, 2003, the company issued 2,500, 7,480 and 1,200 common shares respectively to the placement agent upon the exercise of warrants issued in connection with this offering.

During 2003, the company sold 15,687 Class A Preferred for proceeds of $63,000.

In December 2003, the company received $9,216 for 2,305 Class A Preferred shares classified as Class A Preferred stock issued in January 2004.

On March 19, 2004 the company sold 62,500 Class A Preferred to each of three investors for $250,000 each. On March 22, 2004, the company sold 17,922 Class A Preferred for $71,687. On April 26, 2004, the company sold 32,653 Class A Preferred for Proceeds of $130,613.

On September 8, and December 13, 2004, investors converted 1,261 and 1,289 Class A Preferred received as a dividend into 1,261 and 1,289 common shares, respectively.

On March 16, and March 28, 2005 the company sold 37,500 and 10,000 Class A Preferred to one investor for $150,000 and $40,000. On each of April 15, 2005, May 16, 2005 and June 16, 2005, the company sold 10,000 Class A Preferred to the same investor for proceeds of $120,000.

In connection with the sale of Class A Preferred, the company recognized as a beneficial conversion feature at the date of issuance representing the difference between the conversion price and the market price of the common stock into which the preferred stock is convertible. At March 31, 2004, the company valued the beneficial conversion feature at approximately $714,000. The beneficial conversion feature will be amortized through the date the preferred stock becomes eligible for conversion, which is one year from the date of issuance. The beneficial conversion feature was fully amortized during the first quarter of 2005.

Class B Preferred Shares

In September, 2004, in order to initially fund the business of the company's wholly owned subsidiary, Iso-Torque Corporation, the company created a new class of preferred shares, Class B Non-Voting Convertible Cumulative Preferred Shares ("Class B Preferred").

The company has authorized the sale of up to 300,000 shares of its Class B Non-Voting Cumulative Convertible Preferred Stock. Each share of Class B is convertible into one share of voting common stock or the holder can convert each Class B Preferred Share into one fully paid share of common stock of Iso-Torque Corporation if (a) upon the initial public offering of Iso-Torque; (b) initial trading of Iso-Torque on a national exchange; or (c) sale, transfer and/or exchange of Iso-Torque stock to a third party and entitles the holder to dividends, at $.50 per share per annum. The holder has the right to convert after one year subject to Board approval.

The Class B Preferred Stock includes a liquidation preference. In the event of any liquidation, dissolution or winding up of the company, either voluntary or involuntary, the holders of shares of Class B Preferred Stock are entitled to receive an amount equal to $5.00 per share. The liquidation price per share would be paid out of the assets of the company available for distribution prior to any payments made on any shares of the company's Common Stock or any other capital stock other than the Preferred Stock.

On September 13, 2004 and October 8, 2004 the company sold 22,500 and 20,000 Class B Preferred to one investor for $112,500 and $100,000.

Note 5 Related Party Transactions

The company's consulting agreements with members of the Gleasman family expired on December 1, 2003. Effective January 1, 2004, the company no longer pays any consulting fees to the Gleasmans for these services. Included in research and development and general and administrative expenses for the three and six months ended June 30, 2005 and 2004 is $75,000 and $150,000, respectively for the value of the contributed services the company received from the Gleasmans.

The Gleasmans have agreed to provide consulting services and assign new patents, existing patent improvements and all know-how in connection with all their inventions to the company. In addition, Keith E. Gleasman continues to serve as President and as a director and James A. Gleasman continues to serve as a director and has been appointed chief executive officer and interim chief financial officer. Keith E. Gleasman also is managing director of the company's wholly owned subsidiary, Iso-Torque Corporation, and James A. Gleasman serves as managing director of IVT Diesel Corp.

At June 30, 2005 loans and advances from stockholders and officer of $28,000 are non-interest bearing and have no fixed date of repayment.

For the three and six month periods ended June 30, 2005, the company incurred approximately $151,000 and $298,000 for consulting services provided to the company by outside counsel exclusive of legal services.

During the three and six month periods ended June 30, 2005, the company entered into a rental agreement with a shareholder to lease space, engage 3 engineers with automotive experience and the use of machine tools, all at a monthly charge of 10,000 common shares per month. The company has recorded rent expense for the three and six month periods ended June 30, 2005 of $100,000 and $142,000 respectively.

Note 6 Business Consultants Stock Plan

The company's Business Consultants Stock Plan as amended, ("the Plan") provides for the granting of 5,100,000 common shares of the company's $.01 par value common stock, which may be issued from time to time to business consultants and advisors.

For the three and six month periods ended June 30, 2005, 359,057 and 563,950 shares respectively (including 139,400 and 243,800 warrants exercised respectively) were issued under the Plan to consultants in exchange for services and amounts owed to these consultants. The shares were valued at the market value of the shares on the date immediately prior to the date of issuance and approximated $820,000 and $1,305,000 respectively. Included was the issuance of 30,000 and 40,000 shares valued at $42,000 and $142,000, to a shareholder for rent of his facility, for the three and six months ended June 30, 2005, respectively.

TORVEC, INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS

June 30, 2005

Note 7 Employment Agreements

On April 1, 2002, our subsidiary, ICE Surface Development, Inc., executed employment agreements with three individuals with the same terms as previously executed between those individuals and the company and the individuals became officers of Ice. These employment agreements expired at the end of July 2004. In 2003 and 2002, these individuals contributed $240,000 and $720,000 respectively, of accrued compensation to Ice's capital and agreed to forego payment of all future monies under their employment agreements until certain board discretionary performance criteria have been realized. All payables pursuant to these employment agreements will be paid directly by our subsidiary, ICE Surface Development, Inc., either in cash or ISDI stock.

Note 8 Variable Gear LLC

On January 1, 2008, the company is required to purchase the 51% membership interest it does not own in Variable Gear LLC at the then fair market value as defined. The company does not share in any profit or losses in this entity. At June 30, 2005 such fair market value cannot yet be reasonably estimated.

Note 9 Warrants

On March 20, 2003, September 26, 2003 and April 1, 2004, three former officers of the company who are currently officers of our subsidiary, Ice, exercised warrants to acquire 448,865 common shares. The warrants had previously been issued to the officers in payment of compensation under their former employment agreements. During June 2003, Swartz Private Equity LLC exercised all of their remaining warrants in a cashless exercise and received 654,432 shares of common stock.

For services rendered as members of the company's board of directors and its committees, nonmanagement directors who have been board members for at least one full year and have attended, in person or by telephonic conference as permitted by the company's By-laws, at least 75% of both board meetings and meetings of committees of which they are a member shall receive warrants to purchase up to 12,000 common shares at a purchase price of $.01 per share. The warrants are issued quarterly on a pro rata basis. The warrant term is for a period of ten years. In addition, the chairman of the audit committee is entitled to receive as payment for services on such committee 5,000 warrants per year, payable quarterly.

The plan became effective on October 1, 2004. For the period ended December 31, 2004 Herbert H. Dobbs, Joseph Alberti, Gary A. Siconolfi and Daniel R. Bickel each received 12,000 warrants in accordance with the plan. In addition, for such period Daniel R. Bickel received 5,000 warrants for services rendered as chairman of the audit committee.

TORVEC, INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS

June 30, 2005

For the quarter ended March 31, 2005, each of Herbert H. Dobbs, Gary A. Siconolfi and Daniel R. Bickel received 3,000 warrants for services rendered as directors and Mr. Bickel received 1,250 additional warrants for services rendered as chairman of the audit committee. The company recorded a charge of $41,000 in connection with the issuance of the warrants.

On March 16, 2005 and on May 13, 2005, Mr. Siconolfi exercised 12,000 and 3,000 warrants respectively at a purchase price of $.01 per common share.

For the quarter ended June 30, 2005 each of Herbert H. Dobbs, Gary A. Siconolfi, Daniel R. Bickel and David P. Carlisle received 3,000 warrants for services rendered as directors, and Mr. Bickel received 1,250 additional warrants for services rendered as chairman of the audit committee. Mr. Carlisle received his warrants on a pro rata basis on the assumption that he would complete his first full year as a director. After his resignation as a director on July 8, 2005, Mr. Carlisle returned his warrant to the company. The company recorded a charge of $33,000 in connection with the issuance of the warrants.

During the second quarter, the company awarded 48,000 common stock purchase warrants to outside counsel for business consulting services rendered, of which 48,000 were exercised. The company recorded a charge of $151,000.

On February 20, 2004 the company entered into an agreement with a management-consulting firm to assist the company in executing a business plan to commercialize and produce a full terrain vehicle. Upon execution of the agreement, the company granted 15,306 shares of common stock in settlement of $75,000 owed upon execution of the agreement. Pursuant to the February 20th agreement, the company issued 28,792 common shares in monthly fees and granted 620,000 warrants, of which 104,400 were exercised during the first quarter of 2004 and 88,400 were exercised during the second quarter of 2005. The February 20th agreement was terminated and replaced with a new agreement effective June 30, 2004 with the same management consulting firm pursuant to which the management consulting firm furnished individuals to serve as the company's chief executive officer, chief financial officer and chairman of its board of directors as well as continuing to provide all of the business consulting and technical services provided under the February 20th agreement. As under the February 20th agreement, under the June 30th agreement, no payments of any kind, stock, warrants or options were made to the individuals furnished by the management consulting firm but all payments, stock issuances, warrants or options were made by the company directly to the management consulting firm as called for under the June 30th agreement. The June 30th agreement was for an initial term of 24 months and could have been renewed for an additional 24 month periods unless either party provides notice to the other at least sixty days prior to the end of the term. With one significant exception, the June 30th agreement provided compensation terms similar to those contained in the February 20th agreement. As under the February 20th agreement, the

company paid the management consulting firm $50,000, plus 20,000 warrants exercisable at $.01

per share on a monthly basis. In lieu of such payment, upon the happening of a revenue producing event, the company will grant 40,000 warrants per month, exercisable at $.01 per share. Pursuant to the June 30th agreement, the company granted 200,000 warrants on August 20, 2004 and recorded a charge of $1,191,000 in connection with the issuance of the warrant.

The June 30th agreement provided for additional success and other fees payable in warrants. In connection therewith, the company may recognize significant charges in the future if and when such events occur.

Under the February 20th agreement, the company was obligated to grant warrants exercisable at $.01 per share based upon a formula if the closing bid price of the company's common stock was equal to or greater than $5.00 per share ("equity incentive provision"). In connection with this obligation the company granted 500,000 warrants with a fair value of $2,972,000 during the first quarter of fiscal 2004 as a result of the stock price exceeding $5.00 per share. The company recorded a charge of $173,000 and $444,000 respectively for these warrants for the three and six month periods ended June 30, 2005.

At its meeting held June 9, 2004, at which meeting approval of the June 30, 2004 agreement was given, the Board of Directors specifically considered and rejected the equity incentive provision and, in lieu thereof, voted to increase the consulting firm's success fee from 3% to 8%.

On April 12, 2005 the Board voted to terminate the June 30th agreement at the request of the consulting firm due to its internal reorganization. The Board approved a new agreement with the reorganized consulting firm, conditioned upon such consulting firm's representation that no material change had been made to the June 30th agreement as such agreement had been approved by the Board on June 9, 2004.

Upon its creation on July 8, 2005 the Executive Committee of the Board of Directors reviewed both the June 30th and April 12th agreements in connection with its examination of the relationship between the company and the consulting firm. The text of the agreements reviewed by the Committee was as set forth in the copies of the agreements filed with the Securities and Exchange Commission as exhibits to certain of the company's periodic reports. The Committee discovered that, despite Board rejection of the equity incentive provision, both agreements, as filed, contained such provision and as filed, were filed in error since such agreements had not been approved by the Board.

Based upon its comprehensive analysis of the circumstances surrounding the negotiation and execution of the June 30th and April 12th agreements, including the contents of a report furnished to it by an independent special counsel engaged by it, the Committee concluded that the Board of Directors had never approved either agreement as filed. Consequently, after consultation with independent special counsel, the Executive Committee has concluded that the agreements are null and void from inception and is withdrawing the June 30th and April 12th agreements from the exhibits deemed filed with the Commission as part of this report.

Note 10 Subsequent Events

In August, 2005, two shareholders purchased 32,500 Class A Preferred shares for proceeds of $130,000. In connection with one of these transactions, the company issued 12,500 $.01 warrants exercisable into restricted common shares.

On August 17, 2005, the company repaid the $28,000 indebtedness to a stockholder in exchange for 11,667 shares of restricted common shares, such number of shares based upon the closing price of the company's common stock on August 16, 2005.

TORVEC, INC.
PLAN OF OPERATION

The following discussion should be read in conjunction with, and is qualified in its entirety by, the Financial Statements and the Notes thereto included in this report. This discussion contains certain forward-looking statements that are based on current expectations, estimates and projections about the company and its plans for future operation as well as management's beliefs and assumptions. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions ("Future Factors") which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. The company undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

The Future Factors that may affect the company, its plans for its future operations and performance and results of the company's future business include, but are not limited to, the following:

a. the company's ability to raise or borrow significant capital to fund its business plan;

b. the company's ability to sell and/or commercialize one or more of its technologies, and/or to enter into collaborative joint working arrangements, formal joint venture arrangements with domestic and/or foreign governments, automotive industry manufacturers and suppliers to manufacture and promote the company's inventions;

c. industry and consumer acceptance of the company's inventions;

d. the level of competition and resistance in the automotive and related industries;

e. general economic and competitive conditions in the markets and countries in which the company will operate, and the risks inherent in any future international operations;

f. the strength of the U.S. dollar against currencies of other countries where the company may operate, as well as cross-currencies between the company's future operations outside of the U.S. and other countries with whom it transacts business.

g. changes in business, political and economic conditions and the threat of future terrorist activity in the U.S. and other parts of the world and related military action;

Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements.

(a) Overall Business Strategy

The company's overall business strategy relating to the commercialization of its technologies is:

- to license or sell any one or all of our technologies (i.e. our infinitely variable transmissions (IVT™), the hydraulic pump/motor system, the Iso-Torque™ differential, the spherical gearing constant velocity joint mechanism, the ice technology) in order to provide the capital management believes is necessary to successfully implement its stated goal to commercialize and market its FTV™ worldwide, especially in the Asian, African, South and Central American, and Eastern European markets.

The company's plan of operation relative to its automotive inventions during fiscal 2005 is:

- to continue the ongoing real world testing of our infinitely variable transmissions in both gasoline and diesel powered vehicles (all hydraulic IVT and hydromechanical IVT). Torvec has developed 3 infinitely variable transmissions for diesel and gasoline engines, namely, the hydromechanical configured for the Dodge Ram diesel (2003), the all hydraulic for gasoline engines and the modular, hydromechanical for both gasoline as well as diesel engines.

  The research and development pertaining to these three transmissions has enabled Torvec to create a patent portfolio with broad patent protection for its IVT technology;

- to build Iso-Torque prototypes to showcase to automotive companies and first-tier suppliers;

- to continue ongoing serious discussions and demonstrations of our technology with potential parties with a view to completing one or more definite agreements for license or sale of our technologies;

- to continue to improve the company's inventions and, where appropriate, to obtain patent protection on such new improvements.

The company's website is www.torvec.com, and information regarding the company and all of its inventions can be found on such website.

The company's overall business strategy relating to its ice technology is to

- to continue our development efforts necessary to position the ice technology for sale or license to one or more candidates, whether domestic or foreign;

- to divest the ice technology through license, sale or write-off of the technology.

The company's ice technology is held through its majority-owned subsidiary, Ice Surface Development, Inc. Our subsidiary has made progress in identifying three distinct methods for de-icing -- electrolysis, high frequency and pulse. It is currently developing with a joint venture partner a coating process designed to enable microcircuitry to be applied to glass surfaces without visual distortion. Our subsidiary is seeking a partner in the power supply field to assist it develop an industry-acceptable power supply for the ice technology.

The company's license agreement with Dartmouth provides for a royalty of 3.5% based on the value of net sales of licensed product with minimum annual payments of $10,000 for the first two years, $15,000 for the third year and $25,000 per year thereafter. In addition, the agreement provides for the payment of 50% of sub-license fee income.

(b) Current Status of Product Development

Based upon our experience and research to date, we believe the following inventions will eventually become commercially viable:

- the FTV™, including the steering drive and suspension for tracked vehicles;

- the Iso-Torque™ differential;

- infinitely variable transmissions (IVT™);

- the hydraulic pump and motor;

- spherical gearing constant velocity mechanism.

These inventions are in the following stages of development.

- The Iso-Torque™ differential - patent protection for this invention was issued July 8, 2004. Through our wholly-owned subsidiary, Iso-Torque Corporation, we are building prototype Iso-Torques and have:

  - designed and specified materials to complete several Iso-Torque differentials for a NISSAN 350Z automobile, which will be used for testing and demonstrating to potential partners;

- designed the specific cutters for the gears and instructed the manufacturer of the cutters on how to produce them;

- successfully programmed the gear cutting machine's software to cut our unique gears;

- received the cutters and have proceeded to cut the gears sets and complete the differential for the 350Z. The completion will be affected by the availability of a machine owned by an outside gear manufacturing company;

- completed the housing and are ready to install gear sets.

- The Infinitely Variable Transmissions (IVT™) - We wish to summarize our progress as well as our plan of operation with respect to our Infinitely Variable Transmissions.

As previously stated, the company has developed three Infinitely Variable Transmissions for diesel and gasoline engines, namely, the hydromechanical configured for the Dodge Ram diesel (2003), the all hydraulic for gasoline engines and the modular, hydromechanical for both gasoline as well as diesel engines.

Essentially we have created transmissions for very different market applications.

Our hydraulic transmission has approximately 170 total parts, of which 25 are separately manufactured parts (excluding nuts, bolts, screws and the like). This contrasts with an average of over 700 parts for an automatic transmission, the majority of which have to be separately manufactured. We believe our hydraulic transmission has solved the major problems of weight, size, noise, heat and lack of start-up ability at low revolutions per minute (rpm) all of which have heretofore prevented the development of a hydraulic transmission for automotive use.

Our hydraulic transmission is by nature a stand alone, infinitely variable transmission operating purely on the hydraulics of Torvec's unique pumps and motors. We believe that our hydraulic transmission, functioning as a stand alone transmission, is ideal for use in subcompact, compact and mid-sized cars where, according to the May 9, 2005 issue of Business Week, "Why GM's Plan Won't Work," the auto companies' profit margin is most narrow.

We believe the market for the all hydraulic transmission may very well be the rapidly emerging, but highly competitive Third World markets like China where:

- cost reduction is essential,
- roads are difficult to traverse,
- city driving is generally congested,
- vehicle speeds are reduced.

While Torvec's unique pumps and motors can function as a stand alone transmission, they also form the core of Torvec's infinitely variable, hydromechanical transmission. Our

hydromechanical transmission operates both on our unique pumps and motors and on gears. The addition of a gear pack to the hydraulic transmission enables our transmission to operate under the greater torque (power) requirements demanded by SUV's, Hummers, trucks and buses, and is the ideal transmission for these types of vehicles. This is possible in part because the mechanical portion of the transmission enables our pumps and motors to operate under lower loads than when they are functioning on a stand alone (hydraulic) basis.

The combination of our hydraulic and our hydromechanical transmissions constitute Torvec's modular transmission and we have recently filed a patent application for such modular transmission.

In 2003, we successfully tested our hydromechanical transmission in a diesel-fueled Dodge Ram 4x4. See our press release dated November 10, 2003. In April 2004, we tested our hydraulic pump at the EPA national laboratory in Ann Arbor, Michigan to determine its efficiency and to answer the question whether our hydromechanical transmission could be adapted to give greater performance in a gasoline engine, in addition to a diesel engine. This determination was necessary because diesel engines operate at low rpm and generate high torque, in contrast to gasoline engines that operate at high rpm and generate little torque and low fuel efficiencies at low rpm.

The question of suitability of our transmission for a gasoline engine lay primarily in the mechanical and volumetric efficiencies of our hydraulic pump and motor. We therefore installed our pump and motor as a stand alone transmission in a Tahoe and conducted a series of exhaustive tests, facilitated by our acquisition of a state-of-the art dynamometer. Our tests were designed to demonstrate our transmission's compatibility with a gasoline engine, its operating efficiencies, its durability and the fuel economy obtainable with the unit.

During this period, we made a number of improvements to the transmission, including a major design improvement to our motor, enabling it to operate over an infinite range of ratios (a design feature previously limited to our pump).

We believe that Torvec's transmissions, all hydraulic, hydromechanical and modular, perform better than an automatic transmission for a number of reasons, including the following:

- No vehicle creep -We have all experienced sitting at a red light and our foot comes off the brake. The vehicle creeps forward or rolls backward which, if unanticipated, can be extremely dangerous. We are confident that Torvec's transmission eliminates vehicle creep, whether forward or backward.

- Increased vehicle control - On the other hand, our transmission enables a driver to dramatically control vehicle speed, reducing speeds to less than one-half mph (i.e., approximately 16 ft. per minute), thus providing greater safety in inclement weather, less fuel usage in traffic jams, greater control and flexibility to maneuver through parking lots and narrow streets (such as those in Asia), as well as greater maneuverability on rough terrain and poor road conditions.

  The magnitude of this accomplishment can be experienced first hand by any person driving a car for any distance at less than 2 or 3 mph.

- Greater mpg during rapid acceleration-A considerable portion of typical city and suburban driving involves "rapid" acceleration, that is, acceleration from zero to 30 mph at a rate exceeding 6 mph per second. In side-by-side testing of the hydraulic transmission against the Tahoe's automatic transmission in the zero to 30 mph acceleration range, our test results indicated that the automatic transmission used 100% more fuel than our transmission.

- Increased fuel economy-In response to inquiries made by several auto companies, we compared our transmission in side-by-side tests under simulated city driving scenarios, such as those found in New York City, Chicago, Los Angeles, Rio de Janeiro and Beijing. We then ran an entire series of side-by-side comparisons utilizing the EPA-sanctioned New York City cycle test. Over the course of all of these tests, our transmission consistently achieved an average of 4.33% improvement in fuel efficiency over the Tahoe automatic.

The side-by-side tests that we ran involved the EPA New York City test program. We present a brief description of the methodology utilized in this test in order to focus upon the opportunities for fuel improvement that such test allows.

The New York City cycle test runs for 9 minutes, 58 seconds and covers a distance of 1.18 miles. Of the time spent on the test, the vehicle is idling for 211 seconds (approximately 35%), accelerating for 208 seconds (approximately 35%) and decelerating in coast mode for 179 seconds (approximately 30%). The average speed that must be maintained by the driver is 7.1 mph. The top speed permitted is 27.6 mph, and this speed must be attained starting from zero at an average acceleration rate of 1.4 mph per second (which translates into almost 18 seconds to attain a speed of 25 mph!).

Accordingly, the area for fuel efficiency improvement is confined to a band of approximately 3.5 minutes covering only 35% of the entire test, since we cannot improve fuel efficiency in the idle and coast modes. Of that 3.5 minutes of acceleration, none of the time is conducted at an acceleration rate of at least 6 mph per second.

In the company's view, the New York City cycle test like many of the EPA-sanction tests developed in the 1970's creates a driving test scenario that permits a vehicle to operate in a narrow zone of high efficiency for an automatic transmission. Further in the company's view, EPA-sanctioned tests generally do not reflect the way consumers actually drive and that consequently the fuel efficiency results may not be reflective of actual real world driving. The company believes that its view of this issue is not an isolated one and reference is made to the following website: http://www.aaa-calif.com/corpinfo/05-03-03-mileaae.asp and the Wall Street Journal article of May 12, 2005 regarding the EPA's announcement that it is going to overhaul its tests and methodology.

We believe that our transmissions provide the following other distinct advantages over the standard automatic transmission utilized in vehicles today:

- Greater operating efficiencies/durability - Durability and efficiency are directly related (i.e., the more efficient a device is, the more durable it will

also be under test conditions). Heat generated is an extremely accurate measure of efficiency. Our all hydraulic transmission operates in a temperature range of 90 to 160 degrees (the higher temperature reflects higher loads and more difficult driving conditions), with a general operating temperature of approximately 140 degrees. There is no oil cooler (radiator) required, and the entire system utilizes only 6 quarts of oil. In its operating range, our pump is 92% efficient and the motor is 92% efficient, reflecting an overall operating efficiency of 85% (92% x 92%). These efficiencies are validated by our operating temperatures. A further confirmation of our transmission's efficiency is greater fuel mileage during acceleration as previously described.

Other durability tests have been conducted. First, recall that we developed our all hydraulic transmission for subcompact, compact and mid-sized cars. These vehicles are less than one-half the weight of our Tahoe as well as one-half of the horsepower. Effectively, we have been driving this transmission at over 100% overload during the entire testing period. In addition to operating in an overloaded condition, we ran the unit in excess of the design limits. We also performed a series of rapid deceleration tests without braking, including a "shock-load" deceleration of the Tahoe at a rate of 23 mph per second.

- Greater, less costly compatibility with developing accumulator technology

  Developing accumulator technology promises to have a significant impact on fuel efficiency-it enables a vehicle to use no fuel while at rest (since the engine is turned off) and accelerate from rest to approximately 10 mph again using no fuel. This is because kinetic energy produced by hydraulic pressure while the vehicle is coasting and decelerating is not wasted, but stored by the system in the accumulator bags ("tanks") for later use. In our discussion above, we indicated that our all hydraulic transmission did not generate fuel savings while at idle and coasting. If, however, our transmission is integrated with an accumulator system, the combined unit could increase fuel efficiency significantly. We believe that our all hydraulic transmission is the most compatible transmission to integrate with advanced accumulator technology. This is because the ability to add a complete accumulator system is built into the design of our hydrostat. Accumulator technology requires the installation of a hydraulic pump and motor in order to function. Obviously, our hydrostat already furnishes the pump and motor unit necessary for the accumulator system. An OEM need only add the plumbing and the bags. This provides another illustration why we believe our hydraulic transmission is the most cost effective technology available to generate fuel savings. Automatic transmission technology requires the addition of a pump and motor, accumulator bags and plumbing.

The company recognizes the emergence of electric hybrid and fuel cell technology. Discussions concerning the advantages of electric hybrid and fuel cell technology ignore one, all important fact: electric hybrids and fuel cell driven vehicles require a transmission to function. We believe our transmissions are a viable alternative to the standard automatic transmission currently used.

Obviously, the auto companies will continue to attempt to surmount the economic, efficiency, ecological and logistical problems currently associated with electric hybrid and fuel cell technologies. However, it is vital that our shareholders understand that the auto industry's enthusiasm for Torvec's transmission has not waned. To the contrary, the auto industry recognizes that transmissions will always be required, regardless of engine technology in order for a vehicle to move forward and backwards. They have continued to support our efforts to perfect our transmission technology since it may be the most viable alternative technology to integrate with any future engine device.

The company's next steps with respect to its IVT technology are to continue the development and testing of our modular transmission.

Automakers are increasingly calling upon us to create an almost production-ready model transmission that can be installed in a vehicle and driven under real-world driving scenarios. And, as we have indicated above, the American public, Congress, reputable independent organizations and the EPA itself are undeniably concluding that real-world driving scenarios are the only real way to generate meaningful mpg data. Accordingly, our emphasis will be to move forward with our modular transmission technology best suited for real world driving conditions.

At the same time, there continues to be global debate as to whether diesel technology will play an ever increasing role in providing an ecologically sound, fuel efficient, economic solution to the problems besetting the auto industry worldwide. Significantly, our shareholders should recall that our transmission was originally designed to operate, achieve significant fuel economies and emission reduction with a diesel-fuel engine (again, see our press release on this subject dated November 10, 2003). Our efforts in developing our transmission's affinity for gasoline technology has never meant that we have retreated from our long-held basic premise that diesel technology, not fuel cells or hybrids, may very well be the ultimate solution to the issues of fuel economy and pollution reduction. Our confidence has been reinforced by recent public announcements made by such oil companies as Royal Dutch/Shell Group, ChevronTexaco Corp. and ExxonMobil, that they are seeking to convert natural gas into an odorless diesel fuel that would reduce dependence upon the smelly, sulfur soot belched by engines firing on conventional diesel fuel. Our confidence is further boosted by such companies' announcement that they are committing far more capital to the natural gas-odorless diesel fuel project than is being spent on hybrid and fuel cell technology.

The Middle East focus on gas-to-liquid fuel (GTL), the size of the investment by the world's oil giants and the strategic location of the GTL facilities in pro-Western Qatar all lead to the conclusion that very soon, there will be plants producing a clear liquid that will have the high efficiency of diesel fuel (one-third more efficient than gas), but none of the smog producing pollutants of conventional, crude oil-based fuel.

- The Constant Velocity Joint - this invention has been viewed by potential joint venture partners and has been included in ongoing negotiations with such partners.

On June 29, 2000, the company announced that it had granted an exclusive, world-wide license of all its automotive technology to Variable Gear, LLC for the aeronautical and marine markets. Variable Gear will pay the company 4% royalties for 7 years after which the company

is obligated to repurchase the license. Variable Gear is owned 51% by Robert C. Horton, Chairman and CEO of Ultrafab, Inc. and a company shareholder. The company owns the remaining 49%. The company does not share in any profit or losses in this entity. Variable Gear to date has not commenced operations or sublicensed our automotive technology in its markets.

Due to a lack of activity on the part of Variable Gear, we have been in discussions with Mr. Horton with a view to modifying the agreement so that the arrangement can become more productive for Torvec.

(c) Second Quarter Developments

Full Terrain Vehicle

As previously disclosed, we entered the U.S. Department of Defense Advanced Research Project Agency's 2005 Grand Challenge with a two partners - Mototron Corporation and Telanon Corporation. We were responsible for the performance of our Full Terrain Vehicle (FTV™). Mototron/Telanon were responsible for the complete guidance system for the autonomous operation of the FTV over the Grand Challenge course. The Torvec-Mototron-Telanon entry officially was known as "Team Autonomous Ingenuity."

On May 3, 2005 our FTV was demonstrated to DARPA officials under real world conditions that had proved difficult for vehicles in previous DARPA demonstrations (e.g., power line interference, railway interruptions, rocky road conditions and ditches filled with collected rain water).

Our vehicle performed flawlessly, including the execution of a right-hand turn into a ditch at a steep incline, traversing the ditch and exiting the ditch by way of a left-hand turn. This maneuver is the kind of maneuver that vehicles entered into the DARPA Challenge have found very difficult to perform.

The FTV completed the course 3 times with consistency, i.e., after 3 runs, each track's tread marks were only 2 inches apart. The DARPA officials found this to be very impressive.

However, the Mototron/Telanon guidance system, as then developed, did not allow Team Ingenuity to demonstrate that the FTV could actually avoid physical obstacles, (i.e., trashcans) which would be placed on the course, even though Team Ingenuity possessed the software capability to detect obstacles. Management believes that as a result, Team Ingenuity was not chosen as a DARPA finalist but was chosen as an alternate. Team Ingenuity declined the invitation to be an alternate due to the demands and resources required, and was removed from the DARPA alternate list on June 29, 2005.

Aside from the recognition received and the exposure generated by our entry into the DARPA Challenge, an additional benefit derived from the Challenge was the opportunity it gave us to complete an overall engineering evaluation of the FTV prototype. Because we have completed over 1,000 hours of testing with the FTV prototype, we made arrangements for appropriate facilities, engineers and mechanics to enable us to completely overhaul and search out mechanical deficiencies found in the prototype as the result of the stresses and strains impacting upon purchased products (belts, chains, shafts and the like) during our previous testing and customer demonstrations.

As a result of our ongoing evaluation and maintenance program, the FTV will be a more durable vehicle which is now the subject matter of negotiations. We have an improved steer drive mechanism, 30% less parts, a lighter FTV, a less costly FTV and an FTV which provides even better performance than previously demonstrated.

Status of Negotiations

On July 25, 2005 Torvec announced that Peng Pu, a subsidiary of Shanghai Automotive Industries Corp. had announced (on July 22, 2005) that several months ago it had begun confidential talks with Torvec involving Torvec's FTV with discussions focused upon the creation of a joint venture between the companies to develop this patented vehicle. We confirmed that the latest meeting was held recently in Shanghai, China with the Torvec delegation led by Mr. James Gleasman, assisted by outside consultants Mr. Gary Eidlin, CEO of Eidlin Associates and Elizabeth Harrington-Lynch, CEO of E. Harrington Global Associates, Chicago, Illinois (Ms. Harrington is a former senior partner of PricewaterhouseCoopers in China).

We further announced that the representatives of Peng Pu were Madam Xu Yan, General Manager, and Mr. Ma Wei Dong, Vice General Manager.

These discussions with Peng Pu and with its parent company, Shanghai Automotive, are continuing.

Corporate Governance Issue

On July 14, 2005, the company filed a Current Report (Form 8-K) with the Securities and Exchange Commission announcing that on July 8, 2005, the Board of Directors had created an Executive Committee of the Board, consisting of Daniel R. Bickel, Herbert H. Dobbs, James A. Gleasman, Keith E. Gleasman and Gary A. Siconolfi. It should be noted that the Executive Committee is composed of a majority of the company's 8 person board. It also should be noted that the Executive Committee is composed of 2 of the company's founders who have guided the company from inception, a long-term advisor to the Gleasman family and the company, especially on military matters (Dr. Dobbs), and an individual who was nominated and elected for the express purpose of representing the interests of all of the company's shareholders, including its minority shareholders (Mr. Siconolfi).

The members of the Executive Committee had become increasingly concerned with the direction and management of the company under CXO on the GO, LLC, a management consulting firm, especially under CEO-CFO Philip Fain and Board Chairman, Read McNamara.

The Committee therefore engaged special counsel to investigate certain actions and/or omissions in the management of the company by CXO in fulfillment of such board members' obligations under the Sarbanes-Oxley Act. The Committee, on a temporary basis until the investigation has been completed, was delegated certain powers by the board with respect to the management of the company as permitted by the New York Business Corporation Law, and temporarily suspended board meetings.

Upon completion of the investigation by special counsel, the furnishing of a report by such counsel to the Committee and action by the Committee in response thereto, the Committee's

special function will have been completed and its delegated powers terminated by action of the full board, which then will resume conducting regular board meetings.

As the result of the investigation by the special counsel and after consultation therewith, on August 19, 2005 the Committee unanimously removed Philip A. Fain as chief executive officer and chief financial officer of the company as well as removed Read McNamara as chairman of the board. The Committee unanimously appointed James Gleasman chief executive officer and interim chief financial officer as well as Gary Siconolfi as chairman of the board, effective August 19, 2005.

Letter from Counsel

On September 7, 2005 the company received a letter from counsel representing two members of the Board of Directors, namely Read McNamara and Philip Fain. The body of this letter in its entirety is set forth:

September 7, 2005

This letter is written on behalf of Read McNamara and Philip Fain, members of the Board of Directors of Torvec, Inc. ("Torvec"), who have reviewed the revised preliminary draft of the Form 10-QSB ("Revised Form 10-Q") of Torvec which was provided late yesterday evening.

The Revised Form 10-Q continues to include a number of statements of material fact which are either untrue, or which omit a material fact necessary to make the statement made, in light of the circumstances under which it was made, not misleading. As a result, we believe that, if the Revised Form 10-Q is filed in its present form, the certification by James Gleasman of the Revised Form 10-Q would be knowingly false.

We repeat and incorporate each of the instances of materially untrue or misleading statements or omissions identified in my letter to Richard Sullivan of August 30, 2005. In addition, the Revised Form 10-Q provided on September 7, 2005, contains the following untrue or misleading statements or omissions of material fact:

- The statement in the notes to the condensed financial statements, on page 14, purporting to describe a meeting of the Torvec Board of Directors held on June 9, 2004, is untrue. The Board never "specifically considered and rejected the equity incentive provision and, in lieu thereof, voted to increase the consulting firm's success fee from 3% to 8%." The statement that this occurred is materially and factually untrue.

- The statement that the inclusion of an equity incentive provision in agreements between Torvec and CXO on the GO, LLC or CXO on the GO of Delaware, LLC (collectively "CXO") was "mistaken" is also blatantly and factually untrue and false. The June 30, 2004 agreement between Torvec and CXO, including the equity incentive provision, was negotiated directly by CXO with Torvec senior management and was prepared by Torvec's corporate counsel: both management and corporate counsel reviewed and approved the final version of that agreement before it was executed. Any statement or suggestion that the inclusion of that provision was a "mistake" is known by Torvec's management and counsel to be untrue and defamatory.

- The description of the presentation of the revised agreement between CXO and Torvec to the Torvec Board of Directors on April 12, 2005, is also materially untrue.

The Board never "conditioned" its consent to that agreement upon any representation made by CXO. To the contrary, the April 12, 2005 agreement was negotiated and prepared with the substantial and direct personal involvement of Torvec's counsel, and it was made available to Torvec's counsel and management prior to execution, and CXO principals were not present during the Board's discussion of the agreement. Any change in terms in that agreement from the previous agreement was indisputably due to the inadvertent or intentional acts of Torvec's own counsel. Accordingly, the description of the April 12, 2005 Board meeting in the Revised Form 10-Q is known by Torvec's management and counsel to be materially untrue, as well as defamatory to CXO.

- Additionally, the descriptions of the circumstances of the drafting, negotiation, preparation and execution of each of these agreements in the Revised Form 10-Q is materially untrue or misleading without the additional disclosure of the material facts that Torvec's senior management and Torvec's corporate counsel were directly and substantially involved in the preparation, drafting, negotiation, revision, review and execution of these agreements.

- The description of the full terrain vehicle in the Revised Form 10-Q is inaccurate: the "Team Autonomous Ingenuity" entry should be referenced on page 24 as the entry of "Torvec-Mototron-Telanon." Telanon was responsible for the radar system on the vehicle.

- The description of the capability of the Mototron guidance system on page 25 of the Revised Form 10-Q is materially untrue. At the time of the DARPA Challenge, neither the Team Autonomous Ingenuity nor the FTV possessed software capability to avoid physical obstacles. The software at that time was able to detect obstacles, but could not avoid them. The present statement in the proposed public filing is known to be untrue by CXO's management.

- Similarly, the statement on page 25 of the Revised Form 10-Q that Team Ingenuity was not chosen as a DARPA finalist because of the inability to demonstrate that the FTV could avoid physical obstacles is also an untrue statement of material fact. DARPA gave no indication of the reason why Team Ingenuity was not chosen as a DARPA finalist: any statement purporting to state a hypothetical or speculative cause as fact is materially untrue and misleading.

If filed, the Revised 10-Q would materially mislead investors as it contains a number of materially untrue or misleading statements and omissions. Accordingly, Mr. Fain and Mr. McNamara demand that the filing include the additional disclosure that, consistent with its routine practices, Torvec provided a draft of this filing to its directors, including Mr. Fain and Mr. McNamara, that Mr. Fain and Mr. McNamara have identified a number of factual statements which they believe are materially untrue or which omit material facts necessary to make the statements made in light of the circumstances under which some statements were made not misleading and, that Mr. Fain and Mr. McNamara believe that the certification by Mr. James Gleasman is knowingly false.

Torvec's Response

On September 9, 2005 the Executive Committee of the Board of Directors of the company, composed of a majority of the current Board of Directors and a majority of its independent directors, responded to such counsel's letter and the body of its entire response is set forth:

The Executive Committee of the Board of Directors of Torvec Inc., composed of a majority of the current Board and a majority of its independent directors, wish to respond to the statements made by you in your letter dated September 7, 2005.

Our response will address each of your statements in the order in which you made them.

1. The statement in the condensed financial statements, on page 14, that the board "specifically considered and rejected the equity incentive provision and voted to increase the consulting firm's success fee to 8%" is materially and factually true.

   It is indisputable that Torvec's board of directors, at its meeting held June 9, 2004, rejected the equity incentive provision and, in lieu thereof, raised CXO's success fee to 8%. We enclose a copy of the minutes of such meeting for your review. Further, we enclose a copy of the August 11, 2004 board minutes which categorically state that the minutes of June 9, 2004 board meeting were approved "without correction."

   Please be advised that the August 11, 2004 minutes explicitly state that Messrs. McNamara (chairman of the board), Philip Fain (chief financial officer), Richard Ottalagana (chief executive officer) and Robert Green of CXO (guest) were present at such August 11, 2004 board meeting. More importantly with respect to this issue, none of such CXO principals raised any objection to the contents of the June 9, 2004 minutes or stated to anyone that such minutes, as written, were incorrect.

2. The statement that the inclusion of an equity incentive provision in the CXO - Torvec agreements as filed with the Securities and Exchange Commission was "mistaken" is materially and factually true.

   It is indisputable that the board rejected the inclusion of the equity incentive provision (minutes 6/9/04 approved without correction, 8/11/04). It is also correct to state that, as filed, the agreements did contain an equity incentive provision. We do not have sufficient evidence as yet to determine that the filings of documents containing a provision the board had specifically rejected was intentional. Thus, we have reached the only conclusion possible based upon the facts as presently known - that the filing of such documents was in error, or as stated, "mistaken".

3. The description of the presentation of the revised agreement to the board on April 12, 2005 is materially true and correct. We enclose a copy of the minutes of such board meeting for your review. Please note the minutes reflect that, contrary to your assertion contained in your September 7, 2005 letter, Mr. Read McNamara presided over the board's discussion of the request by CXO to terminate the June 30, 2004 agreement, to execute the April 12, 2004 agreement without "substantive" change and further reflects that Mr. McNamara and Mr. Fain "abstained" from voting on the approval of the revised document. It is difficult to comprehend how Messrs. Fain and McNamara could have "abstained" from voting if they "were not present" as you state in you letter.

4. Finally, we wish to state that the central issue in this entire matter is that Torvec's board of directors (as distinguished from management or counsel) did not approve the June 30th or April 12th documents containing an equity incentive provision. While management (in the person of Mr. Fain as CEO-CFO) may have reviewed with Torvec's counsel specific changes to the June 30th agreement necessitated by CXO's reorganization and to remove obsolete provisions from such document, such review does not alter the fact that the revised document was never presented to the board by Mr. Fain at its April 12th meeting nor was it made available by him either before or after the meeting to Torvec's directors.

Frankly, we must assume that your clients did not provide you with copies of the June 9, 2004, August 11, 2004 or the April 12, 2005 board minutes. Otherwise, we do not believe you would have made the totally inaccurate statements set forth in your September 7, 2005 letter.

We believe you should discuss the contents of our response as well as the attached board minutes with your clients. They and you should be quite clear that all members of the Executive Committee, as well as Mr. Joseph Alberti, a board member on June 9, 2004, and August 11, 2004, unequivocally testify as to the accuracy of such minutes.

Your clients and you also should be quite clear that Torvec reserves any and all rights to take any and all action as it may deem necessary and / or appropriate to safeguard the integrity, truthfulness and accuracy of its publicly filed reports.

The minutes referred to in the Executive Committee's statement are found as Exhibits 99.1, 99.2 and 99.3 of this Report.

For further details please review the company's Current Reports (Form 8-K) filed with the Securities and Exchange Commission on July 25, 2005 and August 19, 2005 - www.torvec.com - "Securities Filings-All Forms".

(d) Company Expenses

The net loss for the three months ended June 30, 2005 was $1,893,000 as compared to the three months ended June 30, 2004 net loss of $1,352,000. The increase in the net loss of $541,000 is due to increases in research and development expenditures as well as significant legal fees relating to patent updates.

Research and development expenses for the three months ended June 30, 2005 amounted to $983,000 as compared to $457,000 for the three months ended June 30, 2004. This increase amounted to $526,000. This increase is attributable to increased costs associated with commercializing our technologies.

General and administrative expenses for the three months ended June 30, 2005 amounted to $978,000 as compared to $1,011,000 for the three months ended June 30, 2004. This decrease amounted to $33,000 and is partly due to the costs associated with warrants issued to our management consulting firm. Additional fees were also incurred with updating of patents and continued product development.

(e) Liquidity and Capital Resources

The company's business activities during the quarter ended June 30, 2005 were funded, in part, through the sale of 30,000 Class A Preferred for proceeds of $120,000.

At June 30, 2005, the company's cash position was $215,000 and it had a working capital deficit of $1,607,000. Included in the company's current liabilities are amounts payable of $1,628,000 which the company believes will be paid with future issuances of stock. Approximately $1,541,000 of the $1,628,000 is attributable to our subsidiary, ICE Surface Development, Inc. and will be paid directly by ISDI in its own stock.

The company's cash position at anytime during the quarter ended June 30, 2005 was directly dependent upon its success in selling common and preferred stock since the company did not

generate any revenues. The company cannot determine whether it will generate any revenues from its business activities during the balance of its 2005 fiscal year.

During the quarter ended June 30, 2005 the company issued 359,057 common shares (including 139,400 warrants exercised) with a fair value of $820,000 to business consultants under its Business Consultants Stock Plan in exchange for ongoing corporate legal services, internal accounting services, product marketing research expenses, legal fees and associated expenses for ongoing patent work and reimbursement of ongoing employee consultant expenses.

At June 30, 2005 loans payable to stockholders and officers amounted to $28,000 and are non-interest bearing and have no fixed date repayment.

The company has an obligation to purchase 51% of Variable Gear, LLC on January 1, 2008. The purchase price is equal to 51% of the then value of Variable Gear, as determined by an independent appraiser selected by the parties. This liability can not be estimated at this time. We believe that contributions of cash flows from the sale of our technologies will produce sufficient cash flow to fund this obligation.

Subsequent Event

In August, 2005, the company sold 32,500 Class A Preferred to 2 shareholders for gross proceeds of $130,000.

On August 17, 2005, the company repaid the $28,000 indebtedness to a stockholder in exchange for 11,667 shares of restricted common shares, such number of shares based upon the closing price of the company's common stock on August 16, 2005.

(f) Critical Accounting Policies

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of income and expenses during the reported period.

(g) Revenue Recognition

Revenue in connection with the granting of the license to Variable Gear, LLC is to be recognized when all conditions for earning such fee is complete. Generally, revenue is only recorded when no future performance is required related to the item.

(h) Impairment of Long-Lived Assets

The company has adopted SFAS No. 144, "Accounting for the Impairment of Disposal of Long-Lived Assets." Accordingly, whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable, management assesses the recoverability of the assets.

Management is also required to evaluate the useful lives each reporting period. When events or circumstances indicate, our long-lived assets, including intangible assets with finite useful lives, are tested for impairment by using the estimated future cash flows directly associated with, and that are expected to arise as a direct result of, the use of the assets. If the carrying amount exceeds the estimated undiscounted cash flows, an impairment may be indicated. The carrying amount is then compared to the estimated discounted cash flows, and if there is an excess, such amount is recorded as an impairment.

(i) Impact of Inflation

Inflation has not had a significant impact on the company's operations to date and management is currently unable to determine the extent inflation may impact the company's operations during the quarter ending June 30, 2005.

(j) Quarterly Fluctuations

As of June 30, 2005, the company had not engaged in revenue producing operations. Once the company actually commences significant revenue producing operations, the company's operating results may fluctuate significantly from period to period as a result of a variety of factors, including purchasing patterns of consumers, the length of the company's sales cycle to key customers and distributors, the timing of the introduction of new products and product enhancements by the company and its competitors, technological factors, variations in sales by product and distribution channel, product returns, and competitive pricing. Consequently, once the company actually commences significant revenue producing operations, the company's product revenues may vary significantly by quarter and the company's operating results may experience significant fluctuations.

CONTROLS AND PROCEDURES

James Y. Gleasman, the company's chief executive officer and interim chief financial officer, has informed the Board of Directors that, based upon his evaluation of the company's disclosure controls and procedures as of the end of the period covered by this quarterly report (Form 10-QSB), such disclosure control and procedures are effective to ensure that information required to be disclosed by the company in the reports it submits under the Securities Exchange Act of 1934 is accumulated and communicated to management (including the chief executive officer and chief financial officer) as appropriate to allow timely decisions regarding required disclosure.

Management, with the participation of the company's chief executive officer and interim chief financial officer, has concluded that there were no changes in the company's internal control over financial reporting that occurred during the fiscal quarter covered by this quarterly report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting.

PART II
OTHER INFORMATION

Item 1. Legal Proceedings

None

Item 2: Changes in Securities

Class A and B Preferred Shares

We ask that you refer to our annual report (Form 10-KSB) filed with the Securities and Exchange Commission on April 11, 2005 for a description of our Class A and Class B Preferred Shares. As of June 30, 2005, there were 3,300,000 authorized Class A Preferred Shares and 336,743 issued and outstanding. There were 300,000 authorized Class B Preferred Shares and 42,500 issued and outstanding.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Other Information

None.

Item 5. Exhibits and Reports on Form 8-K

(a) Exhibits

The following Exhibits, as applicable, are attached to this quarterly report (Form 10-QSB). The Exhibit Index is found on the page immediately succeeding the signature page and the Exhibits follow on the pages immediately succeeding the Exhibit Index.

(2) Plan of acquisition, reorganization, arrangement, liquidation, or succession

2.1 Agreement and Plan of Merger, dated November 29, 2000 by and among Torvec Subsidiary Corporation, Torvec, Inc., UTEK Corporation and ICE Surface Development, Inc. incorporated by reference to Form 8-K filed November 30, 2000 and Form 8K/A filed February 12, 2001.

(3) Articles of Incorporation, By-laws

3.1 Certificate of Incorporation, incorporated by reference to Form 10-SB/A , Registration Statement, registering company's $.01 par value common stock under section 12(g) of the Securities Exchange Act of 1934;

3.2 Certificate of Amendment to the Certificate of Incorporation dated August 30, 2000, incorporated by reference to Form SB-2 filed October 19, 2000;

3.3 Certificate of Correction dated March 22, 2002, incorporated by reference to Form 10-KSB filed for fiscal year ended December 31, 2002;

3.4 By-laws, as amended by shareholders on January 24, 2002, incorporated by reference to Form 10-KSB filed for fiscal year ended December 31, 2002;

3.5 Certification of Amendment to the Certificate of Incorporation dated October 21, 2004 setting forth terms and conditions of Class B Preferred, incorporated by reference to Form 10-QSB filed for fiscal quarter ended September 30, 2004.

(4) Instruments defining the rights of holders including indentures

None

(9) Voting Trust Agreement

None

(10) Material Contracts

10.1 Certain Employment Agreements, Consulting Agreements, certain assignments of patents, patent properties, technology and know-how to the company, Neri Service and Space Agreement and Ford Motor Company Agreement and Extension of Term, all incorporated by reference to Form 10-SB/A, Registration Statement, registering company's $.01 par value common stock under section 12(g) of the Securities Exchange Act of 1934;

10.2 The company's 1998 Stock Option Plan and related Stock Options Agreements, incorporated by reference to Form S-8, Registration Statement, registering 2,000,000 shares of the company's $.01 par value common stock reserved for issuance thereunder, effective December 17, 1998;

10.3 The company's Business Consultants Stock Plan, incorporated by reference to Form S-8, Registration Statement, registering 200,000 shares of the company's $.01 par value common stock reserved for issuance thereunder,

effective June 11, 1999, as amended by reference to Form S-8 Registration Statements registering an additional 200,000, 200,000, 100,000, 800,000, 250,000, 250,000, 350,000, 250,000, and 2,500,000 shares of the company's $.01 par value common stock reserved for issuance thereunder, effective October 5, 2000, November 7, 2001, December 21, 2001, February 1, 2002, November 12, 2002, January 22, 2003, May 23, 2003, November 26, 2003, and April 20, 2004 respectively;

10.4 Termination of Neri Service and Space Agreement dated August 31, 1999, incorporated by reference to Form 10-QSB filed for the quarter ended September 30, 1999;

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10.7 Investment Agreement with Swartz Private Equity, LLC dated September 5, 2000, together with attachments thereto, incorporated by reference to Form 8-K filed October 2, 2000;

10.8 Extension of and Amendment to Consulting Agreement with James A. Gleasman, incorporated by reference to Form 10-KSB filed for the fiscal year ended December 31, 2000;

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10.13 Investment Banking Services Agreement with Swartz Institutional Finance (Dunwoody Brokerage Services, Inc.) dated December 8, 2000, incorporated by reference to Form 10-QSB filed for quarter ended March 31, 2001;

10.14 Employment Agreement with Michael Martindale, Chief Executive Officer, dated August 1, 2001, incorporated by reference to Form 10-QSB filed for fiscal quarter ended September 30, 2001;

10.15 Employment Agreement with Jacob H. Brooks, Chief Operating Officer, dated August 1, 2001, incorporated by reference to Form 10-QSB filed for fiscal quarter ended September 30, 2001;

10.16 Employment Agreement with David K. Marshall, Vice-President of Manufacturing, dated September 1, 2001, incorporated by reference to Form 10-QSB filed for fiscal quarter ended September 30, 2001;

10.17 Investment Banking Services Agreement with Swartz Institutional Finance (Dunwoody Brokerage Services, Inc.), as amended, dated October 23, 2001, incorporated by reference to Form 10-QSB filed for fiscal quarter ended September 30, 2001;

10.18 Stock Option Agreement with Samuel Bronsky, Chief Financial and Accounting Officer, dated August 28, 2001, incorporated by reference to Form 10-QSB filed for fiscal quarter ended September 30, 2001;

10.19 Pittsford Capital Group, LLC Agreement dated January 30, 2002, incorporated by reference to Form 10-KSB filed for fiscal year ended December 31, 2001;

10.20 Gleasman-Steenburgh Indemnification Agreement dated April 9, 2002, incorporated by reference to Form 10-KSB filed for fiscal year ended December 31, 2001;

10.21 Series B Warrant dated April 10, 2002, incorporated by reference to Form 10-KSB filed for fiscal year ended December 31, 2001;

10.22 Billow Butler & Company, LLC investment banking engagement letter dated October 1, 2003, incorporated by reference to Form 10-QSB filed for fiscal quarter ended September 30, 2003;

10.23 Letter of Acknowledgement and Agreement with U.S. Environmental Protection Agency dated February 4, 2004, incorporated by reference to Form 10-KSB filed for fiscal year ended December 31, 2003;

10.24 Letter Agreement with CXO on the GO, L.L.C. dated February 20, 2004, incorporated by reference to Form 10-KSB filed for fiscal year ended December 31, 2003;

10.25 Letter Amendment with CXO on the GO, L.L.C. dated February 23, 2004, incorporated by reference to Form 10-KSB filed for fiscal year ended December 31, 2003;

10.26 Lease Agreement for premises at Powder Mills Office Park, 1169 Pittsford-Victor Road, Suite 125, Pittsford, New York 14534, dated July 16, 2004; incorporated by reference to Form 10-QSB filed for fiscal quarter ended June 30, 2004;

10.27 Lease Agreement for testing facility and Mustang dynamometer, dated July 21, 2004; incorporated by reference to Form 10-QSB filed for fiscal quarter ended June 30, 2004;

10.28 Advisory Agreement with PNB Consulting, LLC, 970 Peachtree Industrial Blvd., Suite 303, Suwanee, Georgia 30024; incorporated by reference to Form 10-QSB filed for fiscal quarter ended June 30, 2004;

10.29 Agreement between Torvec and ZT Technologies, Inc. dated July 21, 2004, incorporated by reference to Form 10-QSB filed for fiscal quarter ended September 30, 2004;

10.30 Assignment and Assumption of Lease between William J. Green and Ronald J. Green and Torvec, Inc. effective as of December 31, 2004, incorporated by reference to Form 10-KSB filed for fiscal year ended December 31, 2004;

10.31 Bill of Sale between Dynamx, Inc. and Torvec, Inc. for equipment and machinery, incorporated by reference to Form 10-KSB filed for fiscal year ended December 31, 2004;

10.32 Lease and Services Agreement between Robert C. Horton as Landlord and Torvec, Inc. as Tenant dated March 18, 2005, incorporated by reference to Form 10-KSB filed for fiscal year ended December 31, 2004;

10.33 Settlement Agreement and Mutual Release between Torvec, Inc. and ZT Technologies, Inc. dated March 29, 2005;

10.34 Advisory Agreement between Robert C. Horton and Torvec, Inc. dated February 15, 2005;

10.35 Lease and Services Agreement between Dennis J. Trask as Landlord and Torvec, Inc. as Tenant dated April 18, 2005;

10.36 Consulting Agreement with Matthew R. Wrona dated June 30, 2005;

10.37 Option Agreement between Matthew R. Wrona, Grantee and Torvec, Inc. as Grantor dated June 30, 2005.

(11) Statement re computation of per share earnings (loss)

Not applicable

(14) Code of Ethics

(16) Letter on change in certifying accountant

None

(18) Letter re change in accounting principles

None

(20) Other documents or statements to security holders

None

(21) Subsidiaries of the registrant
Ice Surface Development, Inc. (New York)
Iso-Torque Corporation (New York)
IVT Diesel Corp. (New York)
Variable Gear, LLC (New York)

(22) Published report regarding matters submitted to vote of security holders

None

(23.1) Consents of experts and counsel

None

(24) Power of attorney

None

(31) Rule 13(a)-14(a)/15(d)-14(a) Certifications

(32) Section 1350 Certifications

(99) Additional exhibits

99.1 Minutes of a meeting of the Board of Directors of Torvec, Inc. held on June 9, 2004;

99.2 Minutes of a meeting of the Board of Directors of Torvec, Inc. held on August 11, 2004;

99.3 Minutes of a meeting of the Board of Directors of Torvec, Inc. held on April 12, 2005.

(b) Reports Filed on Form 8-K

(1) Current Report filed on May 19, 2005; Current Report filed on June 17, 2005, Current Report filed on July 14, 2005, Current Report filed on July 25, 2005, Current Report filed on August 16, 2005, Current Report filed on August 19, 2005.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TORVEC, INC.

Date: September 9, 2005 By: /S/JAMES Y. GLEASMAN
James Y. Gleasman, Chief Executive Officer
and Interim Chief Financial Officer

EXHIBIT INDEX

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Not applicable

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None

(18) Letter re change in accounting principles

None

(20) Other documents or statements to security holders

None

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Ice Surface Development, Inc. (New York)
Iso-Torque Corporation (New York)
IVT Diesel Corp. (New York)
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(22) Published report regarding matters submitted to vote of security holders

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(23) Consents of experts and counsel

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EXHIBIT 10.36

CONSULTANT AGREEMENT

This Agreement is made and entered into as of the 30th day of June, 2005, between **Matthew R. Wrona,** (the "Consultant"), whose address is 313 Mason Rd., Fairport, New York 14450 and **Torvec, Inc.**, (the "Company"), whose address is Powder Mills Office Park, 1169 Pittsford-Victor Rd., Suite 125, Pittsford, New York 14534.

In consideration of the mutual promises made herein, the parties hereto agree as follows:

I. EXCLUSIVITY

The Company hereby engages the Consultant's services on a non-exclusive basis for the term specified in Section II hereof to render consulting services and advice to the Company as an engineering design specialist upon the terms and conditions set forth herein.

II. TERM

Except as otherwise specified herein, this Agreement shall be effective for two (2) years from the date hereof and will be automatically renewed for additional two (2) year terms unless the Consultant provides notice to the Company of his decision not to renew, such notice to be provided at least forty-five (45) days prior to the renewal date. During this term, the Consultant will assist the Company in consulting on its various technology platforms, as well as the additional projects described in Section III below.

III. DUTIES, RESPONSIBILITIES, AND PAYMENT OF THE CONSULTANT

During the term of this Agreement, the Consultant shall provide the Company with such regular and customary consulting advice as is reasonably within the scope of the advisory services contemplated by this Agreement. It is understood and acknowledged by the parties that the value of the Consultant's advice is not readily quantifiable, and that the Consultant shall be obligated to render advice upon the request of the Company, in good faith and on a best efforts basis, but shall not be obligated to spend any specific amount of time in so doing.

More specifically, the Consultant shall serve as the Chief Engineer for the Company's subsidiary, IVT Diesel Corp.

IV. PAYMENT FOR SERVICES RENDERED

The Company will pay the Consultant during the term of this Agreement and all renewals hereof 12,000 fully and immediately vested $.01 warrants exercisable into the common stock of the Company, payable on a quarterly basis, on the same date as similar warrants are issued to the Company's non-management directors.

The Company will also pay to the Consultant during the term of this Agreement and all renewals hereof, the amount set forth in each of the Consultant's invoices delivered to the Company on a quarterly basis on the first day of each calendar quarter. Payment will be made in either cash, business consulting shares or a combination of both in the Company's discretion and during each quarter shall be payable on a weekly basis.

The Company will also grant to the Consultant non-qualified stock options for 100,000 fully and immediately vested common shares of the Company exercisable at $5.00 per share with a ten (10) year term.

The Company will also pay the Consultant for the performance of extraordinary services rendered and/or extraordinary contributions made to the Company in an amount agreed to by the Company and the Consultant.

V. CONFIDENTIALITY

The Company recognizes and confirms that, in advising the Company and in fulfilling its engagement hereunder, the Consultant will use and rely on data, material and other information furnished to the Consultant by the Company. The Company acknowledges and agrees that in performing its services under this Agreement, the Consultant may rely upon the data, material and other information supplied by the Company without independently verifying the accuracy and completeness of same. Accordingly, the Company expressly agrees that all data, material and other information furnished to the Consultant by the Company shall not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstance under which they were made, not misleading.

VI. INDEPENDENT CONTRACTOR AND TERMINATION

The Consultant shall perform its services hereunder as an independent contractor and not as an employee or agent of the Company or an affiliate thereof. It is understood and agreed to by the parties hereto that the Consultant shall have no authority to act for, represent or bind the Company or any affiliate thereof in any manner, except as may be agreed to expressly by the Company in writing from time to time. Each party shall be solely responsible for the compliance with all state and federal laws pertaining to employment taxes, income withholding at the source, unemployment compensation contributions and other employment related statues regarding their respective employees, agents and servants.

The Consultant may be discharged for cause, and this Agreement thereby canceled and terminated. Discharge for cause is defined as the occurrence of one or more of the following events:

The Consultant discloses confidential information, as described in Section V above.

The Consultant breaches its duties under this Agreement in any material respect, and that breach is not cured within thirty (30) days of notice thereof from the Company to the Consultant.

The Consultant engages in any malfeasance or misconduct or performs services in a grossly negligent manner, any of which has a material adverse effect on the Company, including such effect on the Company's reputation in the marketplace for equity investments and business development transactions.

The Consultant commits an act of embezzlement or fraud against the Company.

VII. ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement and understanding of the parties hereto, and supersedes any and all previous agreements and understandings, whether oral or written, between the parties with respect to the matters set forth herein.

VIII. NOTICES

All notices, requests, demands and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when personally delivered, sent by registered or certified mail, return receipt requested, postage prepaid, or by overnight mail service (e.g. Airborne Express) to the party at the address set forth below or to such other address as either party may hereafter give notice of in accordance with the provisions hereof:

if to the Company, to the address as follows:

James Y. Gleasman
Torvec, Inc
Powder Mills Office Park
1169 Pittsford-Victor Rd., Suite 125
Pittsford, New York 14534

with a copy (not constituting notice) to:

Chamberlain D'Amanda
Two State St., Suite 1600
Rochester, NY 14614-1397

Attention: Richard B. Sullivan, Esq.
Telephone: 585-232-3730
Facsimile: 585-232-3882

and, if to the Consultant, to the address as follows:

Matthew R. Wrona
313 Mason Rd.
Fairport, NY 14450

IX. ENTIRE AGREEMENT

This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors, legal representatives and assigns.

X. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which together shall constitute on one and the same original documents.

XI. AMENDMENT, MODIFICATION OR WAIVER

No provision of this Agreement may be amended, modified or waived, except in a writing signed by all of the parties hereto.

XII. TRANSFER, SUCCESSORS AND ASSIGNS

The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

XIII. GOVERNING LAW

This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of New York, without giving effect to principles of conflicts of law.

XIV. TITLES AND SUBTITLES

The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

XV. SEVERABILITY

If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith.
In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (a) such provision shall be excluded from this Agreement, (b) the balance of the Agreement shall be interpreted as if such provision were so excluded and (c) the balance of the Agreement shall be enforceable in accordance with its terms.

XVI. DELAYS OR OMISSIONS

No delay or omission to exercise any right, power or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power or remedy of such non-breaching or non-defaulting party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

Executed as of the date above first written.

Accepted and Agreed:

TORVEC, INC.

By: /S/JAMES Y. GLEASMAN
James Y. Gleasman, Chief Executive Officer

/S/MATTHEW R. WRONA
Matthew R. Wrona

EXHIBIT 10.37

STOCK OPTION AGREEMENT

THIS STOCK OPTION AGREEMENT MADE as of this 30th day of June, 2005 between **TORVEC, INC.**, a New York business corporation (herein referred to as the "Company"), and **Matthew R. Wrona** (herein referred to as the "Optionee");

WITNESSETH:

1. The Company hereby grants to the Optionee an Option (hereinafter referred to as "Option") to purchase an aggregate of 100,000 shares of the $.01 par value Common Stock of the Company (herein referred to as the "Shares") at a price of $5.00 per Share to be paid by the Optionee with cash, a certified check or a bank cashier's check made payable to the order of the Company. Alternatively, provided the Board of Directors shall approve the specific transfer, the Optionee may pay for the Shares, either in whole or in part, by the delivery of Common Stock of the Company already owned by him which will be accepted as payment for the Shares, based upon such Common Stock's fair market value on the date of exercise. In addition, provided the Board of Directors shall approve the specific transfer, payment for the Shares, either in whole or in part, may be made by delivery of Common Stock acquired by the Optionee under any of the Company's stock option plans, provided, however, that if this Option is exercised in part, Shares acquired by such partial exercise may not be used as payment for additional Shares to be acquired under this Agreement. In order for the Optionee to so use shares of Common Stock previously acquired under any of the Company's stock option plans as payment for the Shares either in whole or in part, the transfer of such previously acquired Common Stock as payment for all or a portion of the exercise price under this Agreement must occur more than two years from the date of the grant and one year from the date of exercise of the prior option pursuant to which the Optionee acquired such Common Stock.

2. The term during which the Option shall be exercisable shall commence on July 1, 2005 and expire on the close of business July 1, 2015, subject to earlier termination as provided in the Torvec, Inc. 1998 Stock Option Plan (herein referred to as the "Plan"). This Option shall vest immediately and be exercisable in full upon execution hereof.

This Option may be exercised even if the Optionee is not a consultant of the Company or its subsidiaries on the date of exercise.

3. The Option is not transferable by the Optionee other than by Will or the laws of descent and distribution and is exercisable, during his lifetime, only by the Optionee. In the event that the right to exercise the Option passes to the Optionee's estate, or to a person to whom such right devolves by reason of the Optionee's death, then the Option shall be non transferable in the hands of the Optionee's Executor or Administrator or of such person, except that the Option may be distributed by the Optionee's Executor or Administrator to the distributees of the Optionee's estate as a part thereof.

4. In order for the Option to be exercised, in whole or in part, the notice by the Optionee to the Company in the form attached hereto must be accompanied by payment in full of the option price for the Shares being purchased.

5. The Optionee understands that a Registration Statement covering the Shares to be issued pursuant to the Option granted hereunder was filed with the Securities and Exchange Commission on December 17, 1998. The Registration Statement became effective on December 17, 1998. The Optionee understands that, by virtue of the effectiveness of such Registration Statement, and provided he is not and has not been an "affiliate" of the Company for a period of at least three (3) months before sale, he may sell the Shares received upon the exercise of the Option granted hereunder in "open market" transactions. The Optionee also understands that if he is an "affiliate" of the Company or has been an "affiliate" during the three (3) month period prior to sale, he may not sell freely in the open market and therefore the Optionee agrees that he will consult the Company's counsel as to the securities law restrictions on his ability to sell the Shares acquired upon exercise prior to any such sale.

6. The Optionee hereby acknowledges receipt of the Prospectus dated December 17, 1998 prepared by the Company in connection with the grant of the Option contained herein, together with its exhibits, and the Optionee further acknowledges receipt of all reports, including the annual (Form 10-KSB), quarterly (Form 10-QSB) and current (Form 8-K) reports filed with the Securities and Exchange Commission for the most recently completed fiscal year of the Company and for all interim periods immediately preceding the date of the exercise of this Option. The Optionee further acknowledges receipt of the proxy and all other shareholder communications, including the annual report to security holders, for the most recent annual meeting of shareholders and for any special shareholders' meetings which may have occurred since the most recent annual meeting until the date of the exercise of this Option.

7. The Optionee understands and agrees that the Shares to be acquired upon the exercise of the Option may not be sold, transferred, exchanged, hypothecated, encumbered, pledged or otherwise disposed of for value for a period of six (6) months from the date of the grant of this Option.

8. The Optionee understands that the Company has established certain policies and procedures governing trading in the Company's securities, including the Shares to be acquired upon the exercise of this Option, while in possession of material, inside information regarding the Company and/or any of its subsidiaries. The Optionee agrees that upon exercise of this Option, either in whole or in part, he will comply with all of the terms and conditions of such policy, including the procedures and guidelines established for its implementation. In particular, the Optionee agrees that where required under such guidelines and procedures, he will obtain permission of the Company's Clearinghouse Committee composed of senior management prior to effectuating any sale or other transfer for value of the Shares to be acquired by virtue of the exercise of this Option.

9. All the terms and provisions of the Plan, duly adopted at a meeting of the Company's Board of Directors on December 1, 1997 and approved by a majority vote of the Company's shareholders either in person or by proxy at a duly called meeting of such shareholders held on May 26, 1998 and as amended to date, are hereby expressly incorporated into this Agreement and made a part hereof as if printed herein and the Optionee, by the

Optionee's signature hereon, acknowledges receipt of a certified copy of said Plan. If there shall be any conflict between this agreement and the Plan, the provisions of the Plan shall control.

10. In accordance with certain terms and conditions of the Plan, the aggregate number and kind of Shares that may be purchased pursuant to the grant of the Option under this Agreement shall be proportionately adjusted by the Board of Directors for any increase, decrease or change in the total number of the outstanding shares of the Company resulting from a stock dividend, stock-split or other corporate reorganization which would result in or have the effect of the Optionee being treated differently (but for the adjustment) than he would be treated had he been the beneficial owner of the Shares subject to the Option on the record date for such dividend, split or reorganization, as the case may be.

11. Upon either the grant of the Option or upon his exercise of all or a portion of the Option granted hereunder. Upon the actual disposition of the Shares acquired pursuant to exercise of the Option, long or short term capital gain or loss will be recognized by the Optionee, depending upon the holding period (twelve months for long term capital gain or loss) and the extent to which the selling price exceeds or is less than the Optionee's basis in the stock. The amount of gain will be taxed at normal, ordinary tax rates, with a maximum rate of 15% if the Shares are held for a period of at least twelve months.

The Optionee also understands that for purposes of the federal income tax calculation, the difference between the exercise price and the fair market value of the Shares on the date of exercise shall be includible as an item of gross income for the taxable year of exercise except to the extent that such Shares are not transferable and are subject to a substantial risk of forfeiture.

The Optionee also understands that the provisions of federal tax law described herein are subject to change and, consequently, the Optionee agrees to consult with his own tax advisor with respect to the tax treatment to be accorded the grant of the Option herein, the exercise of such Option, and the disposition of the Shares.

12. Consistent with the provisions of the Plan, this Agreement shall be binding upon and inure to the benefit of any successor or assignee of the Company and to any executor, administrator, legal representative, legatee, or distributee entitled by law to the Optionee's right hereunder.

13. Except insofar as an interpretation of federal securities law otherwise is required, or is controlling, this Agreement shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its duly authorized officer and the Optionee has hereunto set his hand, as of the day and year first above written.

TORVEC, INC.

By: /S/JAMES Y. GLEASMAN
James Y. Gleasman
Title: Chief Executive Officer

/S/MATTHEW R. WRONA
Matthew R. Wrona, Optionee

NOTICE OF EXERCISE OF STOCK OPTION

AND

RECORD OF STOCK TRANSFER

Torvec, Inc.
Powder Mills Office Park
1169 Pittsford-Victor Rd., Suite 125
Pittsford, New York 14534

I hereby exercise my Stock Option granted to me by Torvec, Inc. under a Stock Option Agreement dated September 1, 2001, subject to all the terms and provisions thereof and of the Torvec, Inc. 1998 Stock Option Plan referred to therein and notify you of my desire to purchase ___ Shares of the $.01 par value Common Stock of the Company which were offered to me pursuant to the Incentive Stock Option Agreement. Enclosed is my payment in the sum of _____ _____in full payment of such Shares.

I understand that a Registration Statement covering the Shares to be issued to me pursuant to this exercise of the Option granted to me was filed with the Securities and Exchange Commission on December 17, 1998. The Registration Statement became effective on December 17, 1998. Consequently, I understand that unless I am an "affiliate" of the Company, the Shares I am acquiring are freely tradable and may be sold by me in "open market" transactions. If I am an "affiliate" of the Company, however, or have been one during the three month period prior to sale, I recognize that I may not sell freely on the open market and therefore agree that I will consult the Company's counsel as to the securities law restrictions on my ability to sell the Shares.

I also understand that under the Plan, and in accordance with the terms of the Incentive Stock Option Agreement, I may not sell, assign, alienate, pledge, encumber or otherwise transfer for value the Shares unless a period of six (6) months has elapsed from the date of the grant of the Option to me.

I acknowledge that I am aware that the Company has established a policy with respect to trading in its securities while in possession of material inside information regarding the Company and/or its subsidiaries, and that, in accordance with certain guidelines and procedures designed to implement such policy, I may be required to obtain permission from a Clearinghouse Committee, composed of Senior Management, prior to any sale or other transfer for value of the Shares hereby acquired.

I also acknowledge that I have received and have read the Prospectus dated December 17, 1998 prepared by the Company in connection with the grant of the Option contained herein, together with its exhibits, and all proxy and other shareholder communications, including the annual report to security holders, for the most recently completed fiscal year and all quarterly and current updates thereof. I acknowledge that I have received all documents incorporated by reference in the Prospectus and the Registration Statement filed with the Securities and Exchange Commission that I requested and have read the same. I acknowledge that I have had

the opportunity to ask questions of and receive answers from the Company's management concerning the information set forth in such Prospectus, reports and updates and have been satisfied with the answers provided regarding the same.

Finally, I acknowledge that there are significant federal income tax consequences resulting from my exercise of this Option, that I have consulted with and received advice from qualified tax counsel both as to the nature of such tax consequences and their impact upon my own personal income tax situation as the result of such exercise, and that I fully understand such impact and have planned accordingly.

DATED: _____

Receipt is hereby acknowledged of the delivery to my by Torvec, Inc. on _____ _____ of stock certificates for_____ shares of $.01 par value common stock purchased by me pursuant to the terms and conditions of the Torvec, Inc. 1998 Stock Option Plan referred to above.

DATED: _____

EXHIBIT 31.1

CERTIFICATION

I, James Y. Gleasman, chief executive officer and interim chief financial officer, hereby certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Torvec, Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) [Reserved] [Paragraph omitted pursuant to SEC Release Nos. 33-8392 and 34-49313.]

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based upon such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 9, 2005

/S/JAMES Y. GLEASMAN
James Y. Gleasman, Chief Executive Officer
and Interim Chief Financial Officer

EXHIBIT 32

**Certificate pursuant to 18 U.S.C. Section 1350,
as adopted pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Torvec, Inc. ("Torvec") on Form 10-QSB for the period ending June 30, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James Y. Gleasman, chief executive officer and interim chief financial officer of Torvec, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Torvec, Inc.

/S/JAMES Y. GLEASMAN
James Y. Gleasman, Chief Executive Officer
and Interim Chief Financial Officer

September 9, 2005

Issuer Statement

A signed original of this written statement required by Section 906 has been provided to Torvec, Inc. and will be retained by Torvec, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 99.1

MINUTES OF A MEETING
OF THE BOARD OF DIRECTORS
OF
TORVEC, INC.

Held on June 9, 2004

The meeting of the Board of Directors of Torvec, Inc. was held at the company's offices at 11 Pond View Drive. All directors were in attendance, either in person or by telephonic conference, except Daniel Bickel, who was in Canada. In addition, Richard B. Sullivan, general counsel, and Philip Fain and Read McNamara of CXO were present as guests.

The first order of business was the acceptance of Eric Steenburgh's resignation as chief executive officer and chairman of the Board effective May 31, 2004. Upon motion duly made by Keith Gleasman, seconded by Joseph Alberti, his resignation was accepted.

Next, the question of the appointment of Read McNamara as chairman of the Board, Richard Ottalagana as chief executive officer and Philip Fain as chief financial officer, effective June 15, 2004; a new agreement with CXO to reflect the provisions of their services in such capacity; and the issuance of a press release to announce the changes were discussed. In connection with CXO compensation under the new agreement, Joe Alberti made a motion, seconded by the entire Board, that CXO's success fee be raised uniformly to 5% of the total consideration paid to Torvec.

Discussion next centered on the "equity-kicker" provision of the agreement if the price of Torvec common stock was to exceed $5.00 per share during the term of the CXO agreement. While a similar provision was contained in CXO's February 20, 2004 agreement, it was decided that in lieu thereof, CXO's success fee should be raised to 8%. With these changes and other minor modifications, upon motion duly made and seconded, the appointment of Read McNamara as chairman, Richard Ottalagana as chief executive officer and Philip Fain as chief financial officer was unanimously approved; the new agreement with CXO (a copy of which is attached to these minutes) was unanimously approved; and the contents of the press release announcing the appointment (a copy of which is attached to these minutes) was unanimously approved.

The directors next discussed the fact that investors who purchased Torvec Class A convertible preferred stock through Pittsford Capital have converted their preferred shares to common stock in accordance with the terms of the Class A preferred. Dividends at 10% have accrued on the preferred and the Board agreed to declare a dividend payable in additional preferred as permitted pursuant to the terms of the preferred equal to the amount of accrued dividends owed to these investors. The declaration was conditioned upon Torvec's ability to actually make dividend payments pursuant to the applicable provisions of New York's Business Corporation Law.

James Gleasman reiterated that all Board discussions must be held in strictest confidence and the sharing of the same with anyone, including consultants and advisors, must be only on a "need to know basis."

Keith Gleasman, James Gleasman and Philip Fain then lead the Board in a discussion concerning upcoming meetings on June 15 with David Carlisle and on June 17 with representatives of General Motors. A technical call would occur immediately after the Board meeting with high level engineers from GM as well as with engineers from Allison, which makes transmissions for GM.

The Board was very pleased to have the company meet with Carlisle since his reputation is that of being the "top automotive consultant in the world."

The GM meeting speaks for itself and it is anticipated that we will be able to form a working relationship with GM based upon our presentation.

The Board also decided that it would file the new CXO agreement with its next quarterly report (Form 10-QSB).

There being no further business, the meeting was adjourned.

Respectfully submitted,

/S/GARY A. SICONOLFI
Gary A. Siconolfi, Secretary

EXHIBIT 99.2

MINUTES OF A MEETING
OF THE BOARD OF DIRECTORS
OF
TORVEC, INC.

Held on August 11, 2004

The meeting was held at the offices of the company. Mr. Gary Siconolfi had called the meeting and all directors were present. Also present were Richard Ottalagana, CEO, Philip Fain, CFO, and Robert Green from CXO on the GO, LLC. Richard Sullivan, company counsel, was also present.

OLD BUSINESS

STATE OF BUSINESS

MANAGEMENT REVIEW

The Board discussed the 10-QSB and authorized its filing, subject to the final approval of the Audit Committee at its meeting to be held August 13, 2004.

The June 9, 2004 minutes were approved without correction.

The next Board meeting is to be held on August 17, 2004 at 2:00 p.m. at 125 Powder Mill Office Park.

/S/GARY A. SICONOLFI
Gary A. Siconolfi, Secretary

EXHIBIT 99.3

MINUTES OF A MEETING
OF THE BOARD OF DIRECTORS
OF
TORVEC, INC.

Held on April 12, 2005

The meeting was called to order by the chairman, Read McNamara. All directors were present except for Herb Dobbs. The minutes of March 15, 2005 and March 29, 2005 were tabled since they had not been received in time for the directors to review.

Read McNamara introduced three new directors to the Board - Mary Ho, David Carlisle and Phil Fain. All were enthusiastically welcomed.

OLD BUSINESS

CEO REPORT

CHANNEL 8 COVERAGE OF FTV

NEW BUSINESS

- Read McNamara explained that as a result of an internal reorganization of CXO on the GO, LLC, on advice of counsel, it was necessary for the company to dissolve and a new company, CXO on the GO of Delaware, LLC be formed. Consequently, it was necessary that the June 30, 2004 between CXO and Torvec be terminated and a new agreement, without substantive change, be entered into between the parties in order to continue the relationship.

  The board concurred. After motion duly made and seconded, the following resolutions were adopted by the board, with Read McNamara and Philip Fain abstaining in each case:

  BE IT RESOLVED, the June 30, 2004 Agreement between Torvec, Inc. and CXO on the GO, L.L.C. be and it hereby is terminated effective April 12, 2005, and Keith E. Gleasman, Torvec's President, is hereby authorized to notify CXO on the GO, L.L.C. of such termination; and

  BE IT FURTHER RESOLVED, that effective April 12, 2005, the Agreement between the company and CXO on the GO of Delaware, LLC be and it hereby is approved and the officers of Torvec and each of them is hereby authorized to execute such Agreement on behalf of Torvec.

There being no further business, the meeting was adjourned.

/S/RICHARD B. SULLIVAN
Richard B. Sullivan, Secretary