

# **Triangle Industries Ltd.**

Condensed Consolidated Interim Financial Statements  
(Unaudited)  
(Expressed in Canadian dollars)

**For the nine months ended September 30, 2013 and 2012**

**Triangle Industries Ltd.**

Condensed Consolidated Interim Financial Statements (Unaudited)

For the nine months ended September 30, 2013

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**TABLE OF CONTENTS**

|  | <b><u>Page</u></b> |
|--|--------------------|
| Notice of No Auditor Review of Interim Financial Statements .....                              | 2                  |
| Condensed Consolidated Interim Statements of Financial Position (Unaudited) .....              | 3                  |
| Condensed Consolidated Interim Statements of Comprehensive Loss (Unaudited) .....              | 4                  |
| Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Unaudited) ..... | 5                  |
| Condensed Consolidated Interim Statements of Cash Flows (Unaudited) .....                      | 6                  |
| <br>Notes to the Consolidated Financial Statements:  |                    |
| 1. Corporate Information .....   | 7                  |
| 2. Basis of Presentation and Summary of Significant Accounting Policies .....                  | 7                  |
| 3. Critical Accounting Estimates .....   | 8                  |
| 4. Cash .....  | 8                  |
| 5. Share Capital .....   | 9                  |
| 6. Share-Based Payments .....  | 9                  |

## **Notice of No Auditor Review of Interim Financial Statements**

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These interim financial statements of Triangle Industries Ltd. have been prepared by management and approved by the Audit Committee and Board of Directors of the Company. In accordance with National Instrument 51-102 "Continuous Disclosure Obligations" released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these interim financial statements, notes to financial statements and the related quarterly Management Discussion and Analysis.

**Triangle Industries Ltd.**

Condensed Consolidated Interim Statements of Financial Position (Unaudited)  
Expressed in Canadian dollars

|   | Notes | September 30,<br>2013 | December 31,<br>2012 |
|---|-------|-----------------------|----------------------|
| <b>Assets</b>                                     |       |                       |                      |
| <b>Current assets</b>                             |       |                       |                      |
| Cash  | 4     | \$ 475,895            | \$ 514,900           |
| Accounts receivable                               |       | 6,156                 | 1,029                |
| Prepaid expenses                                  |       | 10,602                | 10,920               |
| <b>Total assets</b>                               |       | <b>\$ 492,653</b>     | <b>\$ 526,849</b>    |
| <b>Liabilities and shareholders' equity</b>       |       |                       |                      |
| <b>Current liabilities</b>                        |       |                       |                      |
| Accounts payable and accrued liabilities          |       | \$ 11,947             | \$ 15,978            |
| <b>Total liabilities</b>                          |       | <b>11,947</b>         | <b>15,978</b>        |
| <b>Shareholders' equity</b>                       |       |                       |                      |
| Share capital                                     | 5     | 7,147,892             | 7,147,892            |
| Share-based payment reserve                       |       | 109,580               | 109,580              |
| Deficit   |       | (6,776,766)           | (6,746,601)          |
| <b>Total shareholders' equity</b>                 |       | <b>480,706</b>        | <b>510,871</b>       |
| <b>Total liabilities and shareholders' equity</b> |       | <b>\$ 492,653</b>     | <b>\$ 526,849</b>    |

**Basis of presentation** (Note 2)

Signed on behalf of the Board of Directors by:

*"Neil Halldorson"*

Director

*"Geoffrey Edwards"*

Director

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

**Triangle Industries Ltd.**Condensed Consolidated Interim Statements of Comprehensive Loss (Unaudited)  
Expressed in Canadian dollars

|   | Three months ended    |                       | Nine months ended     |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | September 30,<br>2013 | September 30,<br>2012 | September 30,<br>2013 | September 30,<br>2012 |
| <b>Expenses</b>   |                       |                       |                       |                       |
| Bad debt recovery   | \$ -                  | \$ 632                | \$ -                  | \$ (5,063)            |
| Professional fees   | 8,448                 | 7,441                 | 24,832                | 32,656                |
| Transfer agent and shareholder costs  | 2,205                 | 824                   | 10,104                | 10,805                |
| Other expenses  | 117                   | 117                   | 356                   | 626                   |
|   | <b>10,770</b>         | <b>9,014</b>          | <b>35,292</b>         | <b>39,024</b>         |
| <b>Loss from operating activities</b>   | <b>(10,770)</b>       | <b>(9,014)</b>        | <b>(35,292)</b>       | <b>(39,024)</b>       |
| Interest and other income   | 1,685                 | 1,512                 | 5,127                 | 4,506                 |
| <b>Loss and comprehensive loss for the period</b>                                 | <b>\$ (9,085)</b>     | <b>\$ (7,502)</b>     | <b>\$ (30,165)</b>    | <b>\$ (34,518)</b>    |
| <br>  |                       |                       |                       |                       |
| <b>Loss per share, basic and diluted</b>  | <b>\$ (0.00)</b>      | <b>\$ (0.00)</b>      | <b>\$ (0.00)</b>      | <b>\$ (0.00)</b>      |
| <br>  |                       |                       |                       |                       |
| <b>Basic and diluted weighted average number of<br/>common shares outstanding</b> | <b>13,656,957</b>     | <b>13,656,957</b>     | <b>13,656,957</b>     | <b>13,656,957</b>     |

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

**Triangle Industries Ltd.**

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Unaudited)

Expressed in Canadian dollars

For the nine months ended September 30,

|                                    | Share Capital       |                     | Share-based<br>payment<br>reserve | Deficit               | Total             |
|------------------------------------|---------------------|---------------------|-----------------------------------|-----------------------|-------------------|
|                                    | Number of<br>shares | Amount              |                                   |                       |                   |
| Balance, December 31, 2011         | 13,656,957          | \$ 7,147,892        | \$ 109,580                        | \$ (6,705,527)        | \$ 551,945        |
| Loss for the period                | -                   | -                   | -                                 | (34,518)              | (34,518)          |
| <b>Balance, September 30, 2012</b> | <b>13,656,957</b>   | <b>\$ 7,147,892</b> | <b>\$ 109,580</b>                 | <b>\$ (6,740,045)</b> | <b>\$ 517,427</b> |
| Balance, December 31, 2012         | 13,656,957          | \$ 7,147,892        | \$ 109,580                        | \$ (6,746,601)        | \$ 510,871        |
| Loss for the period                | -                   | -                   | -                                 | (30,165)              | (30,165)          |
| <b>Balance, September 30, 2013</b> | <b>13,656,957</b>   | <b>\$ 7,147,892</b> | <b>\$ 109,580</b>                 | <b>\$ (6,776,766)</b> | <b>\$ 480,706</b> |

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

**Triangle Industries Ltd.**

Condensed Consolidated Interim Statements of Cash Flows (Unaudited)

Expressed in Canadian dollars

For the nine months ended September 30,

|  | 2013              | 2012              |
|--|-------------------|-------------------|
| <b>Cash flows from operating activities</b>          |                   |                   |
| Loss for the period                                  | \$ (30,165)       | \$ (34,518)       |
| Adjustments for:                                     |                   |                   |
| Bad debt recovery                                    | -                 | (10,542)          |
| Write-off of bad debts                               | -                 | 5,479             |
| Interest income                                      | (5,127)           | (4,506)           |
| Net change in non-cash working capital:              |                   |                   |
| Accounts receivable                                  | -                 | (5,224)           |
| Prepaid expenses                                     | 318               | 1,731             |
| Accounts payable and accrued liabilities             | (4,031)           | (4,711)           |
| Due to related parties                               | -                 | (2,454)           |
| <b>Total cash outflows from operating activities</b> | <b>(39,005)</b>   | <b>(54,745)</b>   |
| <b>Cash flows from investing activities</b>          |                   |                   |
| Disposal of equipment                                | -                 | 10,542            |
| <b>Total cash inflows from investing activities</b>  | <b>-</b>          | <b>10,542</b>     |
| <b>Decrease in cash during the period</b>            | <b>(39,005)</b>   | <b>(44,203)</b>   |
| <b>Cash at beginning of period</b>                   | <b>514,900</b>    | <b>562,168</b>    |
| <b>Cash at the end of period</b>                     | <b>\$ 475,895</b> | <b>\$ 517,965</b> |

There were no non-cash financing or investing activities during the nine months ended September 30, 2013 and 2012.

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

## Triangle Industries Ltd.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

Expressed in Canadian dollars

For the nine months ended September 30, 2013

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### 1. Corporate Information

Triangle Industries Ltd. (the "Company") was incorporated on November 16, 1983 under the British Columbia Companies Act and was in the business of providing freight and reloading services. The Company wound up its transloading business and disposed of substantially all related assets in the year ended December 31, 2010. Management is of the opinion that Company resources could be better utilized under a new business plan designed to improve the Company's prospects and to recapture shareholder interest.

The Company is listed on the NEX and trades under the symbol TIA.H. The Company's address is 800-570 Granville Street, Vancouver, British Columbia, Canada. The Company's registered office is located at 400-570 Granville Street, Vancouver, British Columbia, Canada.

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on November 26, 2013.

The Company's ability to continue as a going concern depends on its ability to raise adequate financing and to develop profitable operations. Management expects that the Company has sufficient resources and will be able to secure the necessary financing to meet the Company's requirements on an ongoing basis. The condensed consolidated interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The Company incurred a net loss of \$30,165 during the nine months ended September 30, 2013 (2012 - \$34,518), and as of that date the Company's accumulated deficit was \$6,776,766 (2012 - \$6,746,601).

### 2. Basis of Presentation and Summary of Significant Accounting Policies

#### a) Basis of Presentation and Measurement

These unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2013 have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company's 2012 annual financial statements which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The condensed consolidated interim financial statements have been prepared using accounting policies consistent with those used in the Company's 2012 annual financial statements except for new standards, interpretation and amendments mandatorily effective for the first time from January 1, 2013. Note 2c sets out the impact of new standards, interpretations and amendments that have had a material effect on the financial statements.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates and exercise judgement in applying the Company's policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

#### b) Principles of consolidation

The unaudited condensed consolidated interim financial statements include the financial statements of the parent company, Triangle Industries Ltd., and its subsidiaries listed below:

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|                                   |              |                     | Equity Interest |      |
|-----------------------------------|--------------|---------------------|-----------------|------|
|                                   | Jurisdiction | Nature of Operation | September 30,   |      |
|                                   |              |                     | 2013            | 2012 |
| Bridges Reload Inc.               | BC, Canada   | Holding             | 100%            | 100% |
| Burnaby Distribution Centers Inc. | BC, Canada   | Holding             | 100%            | 100% |
| Triangle Asset Management Ltd.    | BC, Canada   | Holding             | 100%            | 100% |

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## Triangle Industries Ltd.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

Expressed in Canadian dollars

For the nine months ended September 30, 2013

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The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany balances and transactions have been eliminated.

### c) New Accounting Pronouncements

The following new or amended standards and interpretations that are mandatory for 2013 annual periods have been adopted and none of these standards has had a material impact on the Company's interim financial position and results of operations upon adoption:

- IFRS 7, *Financial Instruments: Disclosures* amendments require additional disclosures on transferred financial assets.
- IFRS 10, *Consolidated Financial Statements* establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.
- IFRS 12, *Disclosure of Interests in Other Entities* establishes disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities.
- IFRS 13, *Fair Value Measurement* defines fair value and sets out a single IFRS framework for measuring fair value and disclosures about fair value measurements.

### d) Accounting Pronouncements Not Yet Effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its consolidated financial statements.

*Accounting Standards Issued and Effective - for annual periods beginning on or after January 1, 2014*

- IAS 32 (Amendment), *Financial Instruments* amendment to clarify requirements for offsetting financial assets and financial liabilities.

*Accounting Standards Issued and Effective - for annual periods beginning on or after January 1, 2015*

- IFRS 9, *Financial Instruments* replaces the current standard IAS 39 *Financial Instruments: Recognition and Measurement*, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value.

## 3. Critical Accounting Estimates

The preparation of consolidated financial statements in conformance with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

There have been no material revisions to the nature of judgments and amount of changes in estimates in this period from amounts reported in the Company's 2012 annual financial statements.

## 4. Cash

Cash comprises of the following:

|              | September 30, 2013 | December 31, 2012 |
|--------------|--------------------|-------------------|
| Cash         | \$ 15,578          | \$ 34,583         |
| Term deposit | 460,317            | 480,317           |
|              | \$ 475,895         | \$ 514,900        |

The term deposit can be redeemed at any time without penalty.

## Triangle Industries Ltd.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

Expressed in Canadian dollars

For the nine months ended September 30, 2013

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### 5. Share Capital

The Company is authorized to issue an unlimited number of common shares without par value. There were no shares issued from December 31, 2011 to September 30, 2013.

### 6. Share-Based Payments

#### Stock Option Plan Details

The Company, in accordance with its 2008 Stock Option Plan ("the 2008 Plan"), is authorized to grant options to directors, officers, employees, consultants, or service providers of the Company. Under the 2008 Plan, the maximum number of common shares which may be eligible for issuance at any one time, including shares issuable upon exercise of options outstanding is 2,731,391 common shares. Furthermore, the maximum number of common shares which may be granted to a participant under the 2008 Plan shall not exceed 5% of its issued and outstanding common shares on a non-diluted basis.

The terms of the 2008 Plan provide that the Board of Directors have the right to grant options to acquire common shares of the Company at not less than the closing market price of the shares at the time of granting the option. The options can be granted for a maximum term of 5 years. Options granted under the terms of the 2008 Plan vest at the discretion of the Board of Directors. On September 7, 2012, the Corporation's listing was moved to the NEX board of the TSX Venture Exchange and is therefore limited to grant stock options up to 10% of its issued and outstanding in and 12 month period.

The following table summarizes the changes in share options from December 31, 2011 to September 30, 2013:

|  | Number of<br>Options | Weighted Average<br>Exercise Price |
|--|----------------------|------------------------------------|
| Outstanding – December 31, 2011 and September 30, 2012 | 800,000              | \$ 0.20                            |
| Options forfeited                                      | (150,000)            | 0.20                               |
| Outstanding – December 31, 2012 and September 30, 2013 | 650,000              | \$ 0.20                            |

The following table summarizes the share options outstanding and exercisable at September 30, 2013:

| Exercise price | Number of Share Options<br>Vested and Exercisable | Weighted Average<br>Remaining Contractual Life<br>(years) | Weighted Average<br>Exercise Price | Expiry Date   |
|----------------|---|---|------------------------------------|---------------|
| \$ 0.20        | 650,000   | 1.73  | \$ 0.20                            | June 22, 2015 |