

Triangle Industries Ltd.

Management Discussion and Analysis
For the year ended December 31, 2013

As at March 17, 2014

TRIANGLE INDUSTRIES LTD.
Management Discussion and Analysis
For the year ended December 31, 2013

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TRIANGLE INDUSTRIES LTD.

Management Discussion and Analysis

For the year ended December 31, 2013

Triangle Industries Ltd. (the "Company" or "Triangle") is a public Canadian company whose common shares are listed on the NEX and trade under the symbol of TIA.H.

The following Management Discussion and Analysis ("MD&A") of the Company should be read in conjunction with the Company's audited consolidated financial statements and notes for the years ended December 31, 2013 and 2012. The financial information in this MD&A is derived from the Company's consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC"). All dollar amounts are expressed in Canadian dollars.

This MD&A may contain forward-looking statements in respect to various matters including upcoming events. The results or events predicted in these forward-looking statements may differ materially from actual results or events. The Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily be indicative of future results from operations.

This MD&A has been prepared by management as of March 17, 2014.

Description of Business

The Company wound up its transloading business and disposed of substantially all related assets in the year ended December 31, 2010. As a result, the Company's shares were transferred to the NEX board of the TSX Venture Exchange effective September 7, 2012. The NEX is a separate board of the TSX Venture Exchange that provides a trading forum for listed companies that have low levels of business activity or have ceased to carry on an active business.

The Company consists of an investment holding company with three inactive subsidiaries. Management is of the opinion that Company resources can be better utilized under a new business plan designed to improve the Company's prospects and to recapture shareholder interest. The Company has adequate cash reserves to meet its ongoing costs of administration and is actively screening new investment opportunities. The Company has no significant transactions pending at the date of this report.

Selected Annual Information

The following table summarizes selected annual financial data reported by the Company for the years ended December 31. The information set forth should be read in conjunction with the consolidated audited financial statements, prepared in accordance with IFRS, and the related notes thereof:

	For the years ended December 31,		
	2013	2012	2011
Total interest income	\$ 6,711	\$ 6,052	\$ 2,315
Net loss	45,331	41,074	119,411
Loss per share, basic and diluted	0.00	0.00	0.01
Total assets	483,702	526,849	576,020
Total liabilities	18,162	15,978	24,075

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Summary of Quarterly Results

The following table summarizes select consolidated financial information concerning the Company for each of the eight most recently completed quarters:

	2013				2012			
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
Total assets	\$ 483,702	\$ 492,653	\$ 501,982	\$ 519,658	\$ 526,849	\$ 534,337	\$ 539,599	\$ 558,638
Working capital	465,540	480,706	489,791	502,246	510,871	517,427	524,929	528,891
Loss and comprehensive loss	15,166	9,085	12,455	8,625	6,556	7,502	3,962	23,054
Basic and diluted income or (loss) per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Results of Operations and Financial Conditions**Variance Analysis**

The following tables summarize results of operations and selected comparative information for the business:

Annual

	For the year ended December 31,		Change	
	2013	2012	as \$	as %
Net loss	\$ 45,331	\$ 41,074	\$ 4,257	9.4 %
Interest income	6,711	6,052	659	9.8 %
Gain on disposal of capital assets	-	10,542	(10,542)	n/a
Professional fees	34,059	35,820	(1,761)	(5.2) %
General and administrative	52,042	57,668	(5,626)	(10.8) %

Net loss of \$45,331 for the year ended December 31, 2013 was \$4,257 higher than the year ended December 31, 2012, largely as a result of the receipt of \$10,542 in the second quarter of 2012 from the sale of equipment previously written-off.

An explanation of other variances is as follows:

- Interest income – The increase in 2013 is due to the higher interest rate paid on the lower term deposit balance.
- Professional fees are for accounting, audit, tax and legal services. Reported fees in 2013 include GST and HST, and while HST is excluded in 2012, it is included in general and administrative expenses.
- General and administrative expenses – The decrease of \$5,626 in 2013 is largely a result of lower professional fees resulting from a decrease in business activity.

Fourth Quarter

	For the three months ended December 31,		Change	
	2013	2012	as \$	as %
Net loss	\$ 15,166	\$ 6,556	\$ 8,610	56.8 %
Interest income	1,584	1,546	38	2.4 %
Professional fees	9,227	3,164	6,063	65.7 %
General and administrative	16,750	18,644	(1,894)	(11.3) %

The net loss during the current quarter was \$8,610 higher compared to the comparative quarter in 2012, which was mainly as a result of a timing difference recording audit fees and other current year expenses.

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Summary of cash flows

Cash decreased by \$42,465 or 9% to \$472,435 as at December 31, 2013, from \$514,900 at December 31, 2012. The following tables summarize cash flow information:

Annual

	For the year ended December 31,		Change	
	2013	2012	as \$	as %
Operating cash flows	\$ (49,314)	\$ (63,729)	\$ 14,415	(29.2) %
Investing activities	6,849	16,461	(9,612)	(140.3) %
Change in cash	\$ (42,465)	\$ (47,268)	\$ 4,803	(11.3) %
Cash, beginning of year	\$ 514,900	\$ 562,168	\$ (47,268)	(9.2) %
Cash, end of year	472,435	514,900	(42,465)	(9.0) %

Fourth Quarter

	For the three months ended December 31,		Change	
	2013	2012	as \$	as %
Operating cash flows	\$ (10,309)	\$ (8,984)	\$ (1,325)	12.9 %
Investing activities	6,849	5,919	930	13.6 %
Change in cash	\$ (3,460)	\$ (3,065)	\$ (395)	11.4 %
Cash, beginning of period	\$ 475,895	\$ 517,965	\$ (42,070)	(8.8) %
Cash, end of period	472,435	514,900	(42,465)	(9.0) %

Liquidity and Capital Resources

Working capital decreased by \$45,331 or 9.7% to \$465,540 as at December 31, 2013 from \$510,871 at December 31, 2012. The decrease compared to the prior year is primarily the result of a lower cash balance, and to a lesser extent, increased trade payables. The balances of and changes in working capital are shown in the following table:

	As at December 31,		Change	
	2013	2012	as \$	as %
Current assets	\$ 483,702	\$ 526,849	\$ (43,147)	(8.9) %
Current liabilities	18,162	15,978	2,184	12.0 %
Working capital	\$ 465,540	\$ 510,871	\$ (45,331)	(9.7) %
Working capital ratio	26.6 : 1	33.0 : 1		
Cash and receivables less payables	\$ 455,164	\$ 499,951	\$ (44,787)	(9.8) %

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

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Financial Instruments, Capital Management and Risk Management

Financial Instruments

The Company's financial instruments include cash, accounts receivable, and accounts payable and accrued liabilities.

Determination of Fair Value

The carrying value of cash, accounts receivable, accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Fair Value Hierarchy

Financial instruments measured at fair value on the statement of financial position are summarized into the following fair value hierarchy levels:

Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table summarizes information relating to Triangle's financial instruments as at December 31, 2013 and December 31, 2012:

	Fair value measurement hierarchy	Fair value through profit or loss	Loans and receivables	Other financial liabilities	Total
As at December 31, 2013:					
Cash	Level 1	\$ 472,435	\$ -	\$ -	\$ 472,435
Accounts receivable	Not applicable	-	891	-	891
Accounts payable and accrued liabilities	Not applicable	-	-	(18,162)	(18,162)
Total		\$ 472,435	\$ 891	\$ (18,162)	\$ 455,164
As at December 31, 2012:					
Cash	Level 1	\$ 514,900	\$ -	\$ -	\$ 514,900
Accounts receivable	Not applicable	-	1,029	-	1,029
Accounts payable and accrued liabilities	Not applicable	-	-	(15,978)	(15,978)
Total		\$ 514,900	\$ 1,029	\$ (15,978)	\$ 499,951

Capital Management

The Company's capital management objectives are to safeguard its ability to continue as a going concern and to seek new investment opportunities for the benefit of its shareholders.

In the management of capital, the Company includes items in its shareholders' equity and working capital in the definition of capital. The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new sources of financing available and to manage its expenditures to reflect current financial resources in the interest of sustaining long-term viability.

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Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's overall strategy with respect to management of capital remains unchanged from the prior year. The Company is not subject to any externally imposed capital requirements.

Management expects 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 consolidated 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.

Risk Management

Future Financings and Economic Volatility

Management expects the Company has sufficient resources and will be able to secure the necessary financing to meet the Company's requirements on an ongoing basis. Failure to obtain funding could delay or postpone the Company's ability to proceed with new business.

Global Equity markets have experienced a high level of price and volume volatility, and market prices of many securities have experienced large fluctuations that have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that continual fluctuations in price will not occur.

Market Price of Common Shares

The market price of the Company's common shares, at any given point in time, may not accurately reflect its long-term value.

Outstanding Share Data

As of March 17, 2014, the following securities were outstanding:

Authorized:	Unlimited common shares without par value
Issued and outstanding:	13,656,957
Share options outstanding:	650,000
Warrants outstanding:	Nil
Share Capital :	\$ 7,147,892

Management and Board of Directors

There were no changes to management or the Board of Directors in the year ended December 31, 2013. The incumbent directors were re-elected at the annual general meeting held December 10, 2013.

Recent Accounting Pronouncements

The following new or amended standards and interpretations that are mandatory for 2013 annual periods have not had a material impact on the Company's 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.

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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.

Critical Accounting Estimates, Assumptions and Judgements

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses during the reporting period. 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.

Areas where critical accounting estimates and assumptions have the most significant effect on the amounts recognized in the consolidated financial statements include the following:

a) Recovery of deferred tax assets

Deferred tax assets and liabilities are determined based on differences between the financial statement carrying values of assets and liabilities and their respective income tax bases (“temporary differences”), and losses carried forward.

The determination of the ability of the Company to utilize tax loss carry-forwards to offset deferred tax liabilities requires management to exercise judgment and make certain assumptions about the future performance of the Company. It also requires an estimate of the expected manner and timing of the realization or settlement of the carrying value of the deferred tax assets and liabilities in order to apply the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

b) Share-based payments

The Company grants stock options to employees and consultants under its stock option plan. The fair value of stock options is estimated using the Black-Scholes option pricing model and are expensed over their vesting periods. Option pricing models require the input of highly subjective assumptions, including expected price volatility of the underlying shares and life of the options. Changes in input assumptions can materially affect the fair value estimate. Assumption details are discussed in the notes to the financial statements.

Forward Looking Information

The success of the Company depends upon a number of factors, many of which are beyond our control. Typical risk factors and uncertainties, among others, include political risks, financing risks, credit risks, commodity prices, exchange rate risks, and changing laws and public policies. As the Company is not presently involved in an active business, it is not currently exposed to industry specific risks.

This annual Management’s Discussion and Analysis may contain forward-looking statements, including statements regarding the business and anticipated financial performance of the Company, which involve risks and uncertainties. These risks and uncertainties may cause the Company’s actual results to differ materially from those contemplated by the forward-looking statements. Readers are encouraged to consider the other risks and uncertainties discussed in and additional information contained in the Company’s required financial statements and filings filed on SEDAR at www.sedar.com.

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Other Supplementary Information

Officers and Directors:

Neil Halldorson⁽ⁱ⁾
Chief Executive Officer, Director

Geoffrey J. Edwards
Chief Financial Officer, Director

Michael Reimann⁽ⁱ⁾
Director

Keith Scott⁽ⁱ⁾
Director

(i) Member, Audit Committee

Other information:

Stock Exchange Listing

NEX of TSX Venture Exchange
Trading Symbol "TIA.H"

Transfer Agent

Computershare Trust Company of Canada
Vancouver, British Columbia

Auditors

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Vancouver, British Columbia

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