TRIANGLE INDUSTRIES LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2010

This Management Discussion and Analysis ("MD&A") of Triangle Industries Ltd. (the "Company" or "Triangle") has been prepared by management as of April 26, 2011 and should be read in conjunction with the consolidated financial statements and related notes thereto of the Company, as at and for the year ended December 31, 2010 and 2009, which were prepared in accordance with Canadian generally accepted accounting principles.

This MD&A may contain forward-looking statements in respect of 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 indicate future results from operations.

Description of Discontinued Business

The Company wound up its transloading business at the end of August, 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 following describes the now discontinued business.

The Company provided transloading services to shippers of bulk commodities who need to transfer product between modes of transportation. The Company also provided ancillary trucking services in support of its transloading activities primarily through subcontractors. The Company did not own any product. Revenues were derived from charges for units of weight and/or volume handled.

The lumber industry and its environment has changed dramatically since the Company acquired the lumber transload operation twelve years ago. Management believes the trends that have become evident during the recession will continue and make it very difficult for small and medium lumber transloaders to return to sustainable profitability. Originally the Company mainly transloaded wood for major producers onto rail cars for shipment to the US. A secondary line of business was loading ocean containers for brokers who purchased their lumber from the many smaller BC mills for shipment to Asian customers. The majors paid little attention to the Asian markets and were content to sell through such brokers.

Consolidation in the rail transload business about five years ago deprived us of the opportunity to load rail cars for the majors. We were forced to refocus on the container loading business for brokers and small mills. Now the recession has closed many mills and constrained the supply of lumber. Deprived of a significant share of their traditional US markets, the major producers have been forced to focus on the Asian markets and have now developed direct selling relationships. This trend favours the large transloaders who deals directly with major producers but disfavours our prime clients, the smaller lumber brokers. Management believes that the steady elimination of these middlemen will continue and therefore we have withdrawn from the business. Furthermore even if the industry returns to reasonable volumes, escalating land cost and associated property taxes will erode much of the potential profit. Land rental is now our most significant cost. Average land rental rates per acre for useable property have almost quintupled since 2004 and are now around $5,000 per acre per month.

Continuing Operations

The consolidated Company now consists of an investment holding company with three inactive subsidiaries. The Company has adequate cash reserves to meet its ongoing costs of administration and is actively screening new investment opportunities.

Wind-up and Liquidation of Assets

For the year ended December 31, 2010, the following accounts relate to the discontinued operations:

Gain on disposal of fixed assets	$106,228
Costs of winding up	$(95,005)

The gain on disposal consists of proceeds of the sale of transportation assets in private sales and at public auction as follows:

Proceeds of sale, net of commissions	$337,734
Net book value of assets sold	231,506
	$106,228

Of the proceeds, $13,000 was received after December 31, 2010 and was recorded in current assets as “Equipment Held for Sale”. This closing will complete the liquidation of transportation equipment.

The costs of winding up consist primarily of severance payments including $80,000 for the services of the former president.

Discussion of Operations and Financial Condition

Summary of continuing operations

The following summarizes comparative information for the continuing activities which consist of administrative expenses for the parent holding company.

Operating Expenses and Net Income

Operating expense and net - for the year Continuing operations	Dec 31 2010	Dec 31 2009	Change as $	Change as %
	$	$		
Operating expenses	218,802	127,224	91,578	72.0%
Other Income (Expense)	1,381	5,130	(3,749)	-73.1%
Net (Loss) Income	(217,421)	(122,094)	95,327	78.1%

Operating expense and net - 4th Quarter Continuing operations	4th Quarter 2010	4th Quarter 2009	Change as $	Change as %
	$	$		
Operating expenses	8,392	39,312	(30,920)	-78.7%
Other Income (Expense)	(3,329)	2,430	(5,759)	-237.0%
Net (Loss) Income	(11,721)	(36,882)	25,161	-68.2%

The increase in operating expenses for the year relates mainly to the expensing of $109,580 of stock-based compensation in relation to the fair value of stock options granted.

Summary of discontinued operations

The following summarizes comparative information for the transload business discontinued in August 2010.

Revenues, operating and net- for the year Discontinued operations	**Dec 31** **2010**	**Dec 31** **2009**	**Change** **as $**	**Change** **as %**
	$	$		
Revenue	150,177	300,148	(149,971)	-50.0%
Direct costs	367,450	654,623	(287,173)	-43.9%
Gross margin (loss)	(217,273)	(354,475)	137,202	-38.7%
Operating expenses	147,784	129,922	17,862	13.7%
Other Income (Expense)	6,720	202,485	(195,765)	-96.7%
Loss from discontinued operations	(358,337)	(281,912)	(76,425)	27.1%

Revenues, operating and net- 4th Quarter Discontinued operations	**4th Quarter** **2010**	**4th Quarter** **2009**	**Change** **as $**	**Change** **as %**
	$	$		
Revenue	(2,486)	24,946	(27,432)	-110.0%
Direct costs	(1,423)	109,387	(110,810)	-101.3%
Gross margin (loss)	(1,063)	(84,441)	83,378	-98.7%
Operating expenses	50,698	77,198	(26,500)	-34.3%
Other Income (Expense)	(10,466)	11,538	(22,004)	-190.7%
Loss from discontinued operations	(62,227)	(150,101)	87,874	-58.5%

Revenues for the year declined because of recessionary business conditions. Direct costs were reduced because of consequent lower labour and subcontract activity. However because the Company was operating at its minimum feasible level of capacity, direct costs were effectively fixed costs and as there was insufficient revenue to cover these costs, the Company experienced continuous negative gross margins.

The change in other income (expense) is mainly attributable to a gain on sale of fixed assets.

The results for the fourth quarter reflect mainly year end audit adjustments including a very conservative provision of approximately $40,000 for doubtful accounts. Management believes the greater part of this amount will be recovered.

Summary of cash flows

The investing activity relates to the sale of fixed assets in the period. Financing activity comprised payments on capital leases and changes in due to directors and related parties.

Cash flow for year	Dec 31 2010	Dec 31 2009	Change as $	Change as %
	$	$		
Continuing operations -				
Operating cash flow	(130,061)	(129,182)	(879)	0.7%
Investing activities	-	-	-	-
Financing activities	-	-	-	-
Change in cash	(130,061)	(129,182)	(879)	0.7%
Discontinued operations -				
Operating cash flow	(349,138)	(300,346)	(48,792)	16.2%
Investing activities	324,735	120,106	204,629	170.4%
Financing activities	(106,147)	(131,685)	25,538	-19.4%
Change in cash	(130,550)	(311,925)	181,375	-58.1%
Combined change in cash	(260,611)	(441,107)	180,496	-40.9%
Cash, end of year	714,726	975,337	(260,611)	-26.7%

For discontinued operations, investing activities represented mainly the disposition of fixed assets and financing activities represented mainly the discharge of related financing. There were no investing or financing activities related to continuing operations.

Selected Annual Information

	Dec-31 2010 $	Dec-31 2009 $	Dec-31 2008 $
Total revenue	**150,177**	**300,148**	**6,258,041**
Net income (loss)			
from continuing operations	(217,421)	(122,094)	(189,300)
from discontinued operations	(358,337)	(281,912)	460,108
Total net income	**(575,758)**	**(404,006)**	**270,808**
Basic Earnings (Loss) Per Share			
from continuing operations	(0.02)	(0.01)	(0.01)
from discontinued operations	(0.03)	(0.02)	0.03
Total basic EPS	**(0.04)**	**(0.03)**	**0.02**
Diluted Earnings (Loss) Per Share			
from continuing operations	(0.02)	(0.01)	(0.01)
from discontinued operations	(0.03)	(0.02)	0.02
Total diluted EPS	**(0.04)**	**(0.03)**	**0.01**
Total assets	**734,132**	**1,314,436**	**2,021,549**
Current liabilities	62,776	153,121	373,585
Long-term debt	-	23,781	106,424
Total liabilities	**62,776**	**176,902**	**480,009**
Cash dividends declared per common share	Nil	Nil	Nil

Summary of Quarterly Results

The following is a summary of certain consolidated financial information concerning the Company for each of the last eight reported quarters:

Quarter ended	Total Revenues	Gross Profit (Loss)	Income (Loss)	Income (Loss) per share
December 31, 2010	(2,486)	(1,063)	(73,948)	(0.01)
September 30, 2010	34,160	(47,096)	35,850	0.00
June 30, 2010	59,975	(88,112)	(391,500)	(0.03)
March 31, 2010	58,528	(81,002)	(146,160)	(0.01)
December 31, 2009	24,946	(84,441)	(186, 983)	(0.01)
September 30, 2009	29,417	(115,001)	(180,687)	(0.01)
June 30, 2009	114,543	(59,715)	(85,533)	(0.01)
March 31, 2009	131,242	(95,318)	49,197	0.00

DISCUSSION OF FINANCIAL CONDITION

Liquidity and Capital Resources

As at December 31, 2010 the Company had working capital of $ 671,356 as shown in the following table.

Working Capital Position	Dec 31 2010	Dec 31 2009	Increase (Decrease)	Change as %
Current assets	734,132	1,026,037	(291,905)	-28.4%
Current liabilities	62,776	153,121	(90,345)	-59.0%
Working capital	671,356	872,916	(201,560)	-23.1%
Working capital ratio	11.7:1	6.7:1		
Cash + receivables less payables	656,805	945,068	(288,263)	-30.5%

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Transactions with Related Parties

Directors

For the year ended December 31, 2010, the Company paid or accrued directors' and management fees of $107,333 (2009, $167,000) which includes $33,000 in advisory fees paid to a party related through a common director (2009, $36,000). In addition a severance payment of $80,000 was made for the services of the former president.

Investor Relation Activities

Investor relations functions were accomplished through inside personnel whose duties include dissemination of news releases, investor communications and general day-to-day operations of the Company. Mr. Neil Halldorson, President, conducts the major part of our investor relations program. No third parties are involved in investor relations.

Disclosure of Outstanding Share Data

During the year no common or preferred shares or warrants to purchase shares were issued.

SUMMARY OF SHARE POSITION

	Shares Issued and Outstanding	Outstanding Options & Warrants	Fully Diluted Share Position	Share Capital $
Balance December 31, 2010 and at April 26, 2011	13,656,957	800,000	14,456,957	7,147,892

The Company's shareholders have approved a stock option plan under which an aggregate of 2,731,391 stock options are reserved for directors, officers and other qualified persons. On June 23, 2010, 800,000 five year stock options with an exercise price of $0.20 each were granted to various directors, officers and consultants leaving an unallocated balance of 1,931,391 potential options. The closing price of the stock on December 31, 2010 was $0.33.

Stock options and stock-based compensation

For stock options granted to employees, officers, directors and consultants, the company recognizes as an expense the estimated fair value of the stock options granted. The fair value of each stock option granted is estimated on the date of grant using the Black-Scholes option-pricing model.

During the year ended December 31, 2010, the company granted 800,000 stock options of which all were fully vested upon issuance. The total stock-based compensation calculated under the fair value method using the Black-Scholes option-pricing model was $109,580 which was expensed.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options issued during the six months the options were outstanding:

	2010
Risk-free interest rate	1.87%
Expected life of options	3 years
Annualized volatility	113.85%
Weighted Average FV Granted 2010	$0.14

Risks and Uncertainties

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.

New Accounting Policy Announcement

Business combinations, non-controlling interests and consolidated financial statements

In January, 2009, the CICA issued Handbook Sections 1582 "Business Combinations", 1601 "Consolidated Financial Statements" and 1602 "Non-controlling Interests" which replace CICA Handbook Sections 1581 "Business Combinations" and 1600 "Consolidated Financial Statements". Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards. Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company's interim and annual consolidated financial statements for its fiscal year beginning on or after January 1, 2011. Early adoption of this Section is permitted and all three Sections must be adopted concurrently.

International financial reporting standards ("IFRS")

In 2006, the AcSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February, 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2010 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010.

Transition to International Financial Reporting Standards

In February, 2008, the Accounting Standards Board of the CICA confirmed that International Financial Reporting Standards (“IFRS”) will replace Canadian GAAP for publicly accountable enterprises for the fiscal years beginning on or after January 1, 2011. As a result, the conversion from Canadian GAAP to IFRS will be applicable to the Company’s reporting for its first quarter of fiscal 2011. The Company’s transition date to IFRS of January 1, 2010 will require comparative information of fiscal 2010, previously presented using Canadian GAAP, to be prepared in accordance with IFRS.

The Company has developed an IFRS transition plan to ensure that its financial statements will comply with IFRS, and to assess the impact of IFRS on its internal controls and financial reporting systems. The transition plan incorporates two broad stages: assessing the impact of IFRS on accounting policies and financial reporting, and assessing the impact on the Company’s business processes.

1. Impact of IFRS on accounting policies and financial reporting

The adoption of IFRS could result in changes to the Company's accounting policies that are applied in the recognition, measurement and disclosure of balances and transactions in its financial statements. Throughout 2010, management has evaluated potential differences between Canadian GAAP and IFRS that could impact the Company’s accounting policies and/or financial reporting.

While not a complete list of potential differences between Canadian GAAP and IFRS, management considers the following areas to be of most significance to the Company:

i) Impairment of (non-financial) assets

If indicators of impairment of a tangible non-financial asset have been identified, IFRS requires an impairment loss to be recorded for any excess of the carrying value of the assets over the higher of its fair market value and its value in use. Value in use is determined using discounted estimated future cash flows. For certain intangible assets (e.g. capitalized property acquisition costs) the Company must compare, annually, carrying values to fair market values and values in use to determine whether any impairment is required, regardless of whether any indicators of impairment exist.

Under IFRS, the assessment of impairment for of tangible and intangible non-financial assets should be done for each individual asset; if it is not practicable to perform this assessment for individual assets, then the assessment is performed for a group of assets within the smallest cash-generating unit identified.

Current Canadian GAAP requires a write-down of a non-financial asset to the fair value only if indicators of impairment exist and the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

The Company's accounting policies related to impairment of assets will be changed to reflect these differences. The Company, however, does not expect this change will have an immediate impact to the carrying value of its assets. The Company will perform impairment assessments as at the Transition Date in accordance with IFRS.

ii) Stock-based compensation

The fair value measurement of stock-based compensation under IFRS is similar to Canadian GAAP. However, for stock options that vest over a period of time, the recognition of the related stock-based compensation expense over the vesting period is different under IFRS than Canadian GAAP.

Because the Company's stock options granted to date have vested immediately, the Company does not expect any changes to the Canadian GAAP measurement or recognition of stock-based compensation resulting from transition to IFRS.

iii) Income taxes

In certain circumstances, IFRS contains different requirements related to recognition and measurement of future (deferred) income taxes. The Company does not expect any changes to its accounting policies related to income taxes that would result in a significant change to line items within its financial statements.

iv) Use of estimates

Changes to estimates used for Canadian GAAP reporting are not permitted when determining the measurement and recognition of accounts and transactions under IFRS. Accordingly, estimates used in the preparation of the Company's opening IFRS statement of financial position as at the Transition Date will be consistent with those made under current Canadian GAAP. If necessary, estimates will be adjusted to reflect any difference in accounting policy.

2. Impact of IFRS on the Company's business processes

As part of its analysis of potential changes to significant accounting policies, management has assessed whether changes may be required to its accounting systems and business processes. Management believes that the accounting policy and financial reporting changes identified to date will not impact the Company's systems, processes or internal controls.

Management has also assessed whether the adoption of IFRS will impact any contractual arrangements or relationships with external stakeholders. To date, no impacts on contractual arrangements or stakeholder relations arising from IFRS adoption have been identified.

The Company's personnel involved in the preparation of financial statements are being trained on the relevant aspects of IFRS and the anticipated changes to accounting policies. Employees of the Company that will be affected by a change to business processes as a result of the conversion to IFRS will also be trained as necessary. The Board of Directors and Audit Committee have been regularly updated on the progress of the IFRS conversion plan, and made aware of the evaluation to date of the key aspects of IFRS affecting the Company.

Financial Instruments

Fair value

The carrying value of cash, accounts receivable, due from a director, accounts payable and accrued liabilities and due to related parties approximated their fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the balance sheet are summarized in levels of the fair value hierarchy as follows:

Assets	Level 1	Level 2	Level 3	Total
Cash	$ 714,726	$ -	$ -	$ 714,726
Total	$ 714,726	$ -	$ -	$ 714,726

The Company has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. Management, the Board of Directors and the Audit Committee monitor risk management activities and review the adequacy of such activities.

Credit risk:

Credit risk is the risk of potential loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying amount on the balance sheet and arises from the Company's cash and accounts receivable.

The Company's cash is held with high-credit quality financial institutions.

Currency risk:

The Company has minimal financial risk arising from fluctuations in foreign exchange rates as the Company does not own foreign currency denominated financial assets or liabilities.

Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due or can only do so at excessive cost. As of December 31, 2010, the Company has cash of $714,726 to settle liabilities of $62,776, which have contractual maturities of less than 30 days and are subject to normal trade terms.

Interest rate risk:

The Company has cash balances and no interest-bearing debt.

Proposed Transactions

The Company has no significant transactions pending at the date of this report but is actively seeking business opportunities.

Readers are referred to the Company's filings at www.sedar.com.

This annual report, including 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.