TRIANGLE INDUSTRIES LTD.

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)

DECEMBER 31, 2010

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Triangle Industries Ltd.

We have audited the accompanying consolidated financial statements of Triangle Industries Ltd. which comprise the consolidated balance sheet as at December 31, 2010 and the consolidated statements of operations and deficit and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Triangle Industries Ltd. as at December 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

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Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that Triangle Industries Ltd. incurred a net loss of $575,758 during the year ended December 31, 2010 and, as at that date, Triangle Industries Ltd. has accumulated a deficit of $6,586,116. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about Triangle Industries Ltd.'s ability to continue as a going concern.

Other Matters

The consolidated financial statements of Triangle Industries Ltd. for the year ended December 31, 2009 were audited by another auditor who expressed an unmodified opinion on those statements on April 29, 2010.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada | Chartered Accountants

April 26, 2011

TRIANGLE INDUSTRIES LTD.
CONSOLIDATED BALANCE SHEETS
(Expressed in Canadian dollars)
AS AT DECEMBER 31

	2010	2009
ASSETS		
Current		
Cash	$ 714,726	$ 975,337
Accounts receivable	4,855	40,486
Equipment held for sale	13,000	-
Due from a director (Note 6)	-	3,328
Prepaid expenses	1,551	6,886
	734,132	1,026,037
Property, plant and equipment (Note 5)	-	287,869
Incorporation costs, at cost	-	530
	$ 734,132	$ 1,314,436
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 37,924	$ 43,755
Due to related parties (Note 6 and 10)	24,852	27,000
Current portion of obligation under capital lease (Note 7)	-	82,366
	62,776	153,121
Obligation under capital lease (Note 7)	-	23,781
	62,776	176,902
Shareholders' equity		
Share capital (Note 8)	7,147,892	7,147,892
Contributed surplus (Note 8)	109,580	-
Deficit	(6,586,116)	(6,010,358)
	671,356	1,137,534
	$ 734,132	$ 1,314,436

Nature and continuance of operations (Note 1)
Discontinued operations (Note 4)
On behalf of the Board:

"Neil Halldorson" Director *"Geoffrey Edwards"* Director

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

TRIANGLE INDUSTRIES LTD.
CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT
(Expressed in Canadian dollars)
YEAR ENDED DECEMBER 31

	2010	2009
EXPENSES		
Bad debts	$ 11,257	$ -
Director's and management fees	48,000	87,001
Interest and bank charges	409	318
Office and general	743	1,071
Professional fees	35,149	28,292
Stock-based compensation (Note 9)	109,580	-
Transfer agent and shareholder costs	13,664	10,542
Loss before other items	(218,802)	(127,224)
OTHER ITEMS		
Interest and other income	1,381	5,130
Loss from continuing operations	(217,421)	(122,094)
Loss from discontinued operations (Note 4)	(358,337)	(281,912)
Loss for the year	(575,758)	(404,006)
Deficit, beginning of year	(6,010,358)	(5,606,352)
Deficit, end of year	$ (6,586,116)	$ (6,010,358)
Basic and diluted loss per common share		
Continuing operations	$ (0.02)	$ (0.01)
Discontinued operations	(0.03)	(0.02)
Weighted and diluted average number of common shares outstanding	13,656,957	13,656,957

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

TRIANGLE INDUSTRIES LTD.
CONSOLIDATED STATEMENT OF CASH FLOWS
(Expressed in Canadian dollars)
YEAR ENDED DECEMBER 31

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year from continuing operations	$ (217,421)	$ (122,094)
Items not affecting cash:		
Stock based compensation	109,580	-
Write-off of bad debts	11,257	-
Net change in non-cash working capital:		
Accounts receivable	(6,101)	(5,391)
Accounts payable and accrued liabilities	3,624	(15,697)
Due to related parties	(31,000)	14,000
Net cash used in continuing operations	(130,061)	(129,182)
CASH FLOWS FROM DISCONTINUED OPERATIONS		
Net cash used in operating activities	(349,138)	(300,346)
Net cash provided by investing activities	324,735	120,106
Net cash used in financing activities	(106,147)	(131,685)
Net cash used in discontinued operations	(130,550)	(311,925)
Decrease in cash	(260,611)	(441,107)
Cash, beginning of year	975,337	1,416,444
Cash, end of year	$ 714,726	$ 975,337
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for income taxes	$ -	$ -
Cash paid for interest	24,112	15,526

There were no non-cash financing and investing activities during the years ended December 31, 2010 and 2009.

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

(Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

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 shares of the Company are listed on the TSX Venture Exchange and trade under the symbol TIA.

At the end of August 2010 the Company wound up its transloading business and disposed of all related assets. 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 presentation of comparative figures in the consolidated statements of operations and cash flows have been modified to segregate continuing and discontinued operations.

The Company's continuing operations are dependent upon its ability to carry out its new business plan successfully. As of December 31, 2010, the Company has $714,726 in cash and liabilities of $62,776. Management believes the Company has sufficient resources to identify and carry on a new business plan for the next twelve months.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. Its ability to continue as a going concern is dependent on obtaining continued financial support, completing public equity financings, or generating profitable operations in the future.

There can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the balance sheets. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

	2010	2009
Working capital	$ 671,356	$ 872,916
Deficit	(6,586,116)	(6,010,358)

2. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The consolidated financial statements include the accounts of Triangle Industries Ltd., and its wholly-owned Canadian subsidiaries, Bridges Reload Inc., Burnaby Distribution Centres Inc., and Triangle Assets Ltd. On consolidation all material intercompany transactions have been eliminated.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities at the date of the financial statements, and revenues and expenses for the period reported. Actual results could differ from those estimates.

Financial instruments – recognition and measurement

All financial instruments are classified into one of the following five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale or other financial liabilities. All financial instruments, including derivatives, are measured in the consolidated balance sheets at fair value except for loans and receivables, held to maturity investments and other financial liabilities which are measured at amortized cost using the effective interest method. Subsequent measurement and changes in fair value will depend on their initial classification, as follows: held-for-trading financial instruments are measured at fair value and changes in fair value are recognized in the statement of operations in the period in which they arise; available-for-sale financial assets are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is de-recognized or impaired at which time the amounts would be recorded in net income.

The Company has classified its cash as held-for-trading. Accounts receivable and due from a director are classified as loans and receivables. Accounts payable and accrued liabilities and due to related parties are classified as other financial liabilities, which are measured at amortized cost.

Property, plant and equipment

Property, plant and equipment are recorded at cost, net of accumulated amortization. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Equipment	- 5 year straight line
Road equipment	- 10 year straight line
Yard equipment	- 10 year straight line

Half rates are applied in the year of acquisition.

Leases

Leases entered into by the Company as lessee are classified as either capital or operating leases. Leases where all of the benefits and risks of ownership of property rest with the Company are accounted for as capital leases. Equipment under capital lease is depreciated on the same basis as capital assets. Rental payments under operating leases are expensed as incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Impairment of long-lived assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

Revenue recognition

Revenues are recognized when services are provided and ultimate collection is reasonably assured.

Earnings per share

Basic (loss) earnings per share is computed by dividing earnings by the weighted average number of shares outstanding during the year. The Company uses the treasury stock method for calculating diluted (loss) earnings per share. Diluted (loss) earnings per share are computed similar to basic (loss) earnings per share except that the weighted average shares outstanding are increased to include additional shares from the assumed exercise of stock options. If dilutive, the number of additional shares is calculated by assuming that outstanding stock options were exercised and that the proceeds from such exercises were used to acquire shares of common stock at the average market price during the year.

Income taxes

The Company uses the asset and liability method for accounting for income taxes. Under this method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax values as well as for the benefit of losses available to be carried forward to future years for tax purposes that are likely to be realized.

Stock based compensation

The Company accounts for employee stock options using the fair value based method. Under the fair value based method, compensation cost attributable to options granted to employees and directors is measured at the fair value at the date of grant and is expensed over the vesting period of the underlying option. A corresponding increase in contributed surplus is recorded when stock options are expensed. When stock options are exercised capital stock is credited by the sum of consideration paid and the related portion previously recorded in contributed surplus. The effects of forfeiture are recorded as they occur.

Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

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.

3. 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

(Expressed in Canadian dollars)

3. FINANCIAL INSTRUMENTS (cont'd…)

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.

4. DISCONTINUED OPERATIONS

As of August 31, 2010 the Company ceased all its transloading operations which was carried out by its three subsidiaries and disposed of all related assets. The loss from the transloading operations is as follows:

	2010	2009
REVENUE	$ 150,177	$ 300,148
DIRECT COSTS		
Amortization	56,362	80,702
Equipment costs	43,364	91,278
Labour costs	113,608	230,959
Subcontracts	73,462	116,251
Property costs	80,654	135,433
	367,450	654,623
Gross margin	(217,273)	(354,475)

- Continued -

(Expressed in Canadian dollars)

4. DISCONTINUED OPERATIONS (cont'd…)

		2010		2009
Continued…				
GENERAL AND ADMINISTRATION EXPENSES				
Bad debts (recovery)		41,586		(7,190)
Interest and bank charges		1,154		1,594
Entertainment and promotion		2,117		-
Insurance		3,285		15,526
Interest on long term debt		24,112		28,598
Management fees		59,333		80,000
Office and general		2,193		6,240
Professional fees		5,450		(17,949)
Telephone		6,213		11,330
Travel		2,341		11,773
		147,784		129,922
Loss from operations		(365,057)		(484,397)
OTHER INCOME (EXPENSE)				
Interest and other income (expenses)		(4,503)		90,408
Gain on disposal of assets		106,228		112,077
Costs of winding up		(95,005)		-
Loss from discontinued operations	$	(358,337)	$	(281,912)

5. PROPERTY, PLANT AND EQUIPMENT

December 31, 2009		Cost		Accumulated Amortization		Net Book Value
Yard equipment	$	416,182	$	192,367	$	223,815
Road equipment		469,537		452,500		17,037
Other equipment		79,805		32,788		47,017
	$	965,524	$	677,655	$	287,869

(Expressed in Canadian dollars)

5. PROPERTY PLANT AND EQUIPMENT (cont'd…)

The Company disposed of most of its equipment as of December 31, 2010. The remaining capital assets were reclassified to a current asset account as "equipment held for sale", and recorded at the lower of carrying value or fair value. All equipment held for sale was sold subsequently in 2011.

6. DUE TO OR FROM DIRECTORS

Advances to or from directors of the Company are repayable within one year. They are unsecured and do not bear interest. The balance consists of directors fees accrued but not yet paid plus sales taxes due to a director from prior years.

7. OBLIGATION UNDER CAPITAL LEASE

		2010		2009
Capital leases on yard equipment and trailers with varying interest rates from 7% to 14% secured by the underlying assets. Average monthly payments range between $5,130 and $2,868 with leases expiring between 2010 and 2012	$	-	$	106,147
Less: current portion		-		(82,366)
	$	-	$	23,781

8. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares		Amount		Contributed Surplus
Authorized Unlimited number of common shares without par or nominal value					
Issued and outstanding: Balance, December 31, 2008 and 2009	13,656,957	$	7,147,892	$	-
Stock based compensation (Note 9)	-		-		109,580
Balance, December 31, 2010	13,656,957	$	7,147,892	$	109,580

(Expressed in Canadian dollars)

9. STOCK OPTIONS AND STOCK-BASED COMPENSATION

The Company, in accordance with its stock option plan, is authorized to grant options to directors, employees and consultants, to acquire up to 2,731,391common shares. The exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 5 years. Options granted under the terms of this plan are vested at the discretion of board of directors.

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 ($0.14 per option). There were no stock options granted in the year ended December 31, 2009.

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

	2010
Risk-free interest rate	1.87%
Expected life of options	3 years
Annualized volatility	113.85%
Dividend rate	0.00%

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2008 and 2009	-	$ -
Issued	800,000	0.20
Balance, December 31, 2010	800,000	$ 0.20
Exercisable, December 31, 2010	800,000	$ 0.20

As at December 31, 2010 the Company had outstanding stock options which are fully vested, enabling the holders to acquire common shares as follows:

	Number	Exercise Price	Expiry Date
Options	800,000	$0.20	June 22, 2015

(Expressed in Canadian dollars)

10. RELATED PARTY TRANSACTIONS

The following related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

During the year ended December 31, 2010, the Company paid or accrued directors' and management fees of $74,333 (2009 - $131,000) to directors. The Company also paid $33,000 (2009 - $36,000) for advisory and management services to a subsidiary of Skana Capital Corp. to which it is related through a common director. In addition the Company paid $80,000 as severance relating to the former president's services.

11. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to expand its business for the benefit of its shareholders.

In order to maintain its capital structure, the Company, is dependent on equity funding and when necessary, raises capital through the issuance of equity instruments, primarily comprised of common shares and incentive stock options. The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will make changes to its capital structure as deemed appropriate under the specific circumstances.

The Company's capital consists of cash and equity instruments. The Company is not subject to any externally imposed capital requirements or debt covenants, and does not presently utilize any quantitative measures to monitor its capital. The Company's overall strategy with respect to management of capital remains unchanged from the year ended December 31, 2009.

12. INCOME TAXES

A reconciliation of income taxes at statuary rates is as follows:

	2010	2009
Net loss before income taxes	$ (575,758)	$ (404,006)
Expected income tax expense (recovery)	(164,091)	(121,202)
Non-deductible expenses for tax purposes	16,063	24,211
Taxable item	30,275	33,623
Tax benefits not recognized	117,753	63,368
Future income tax recovery	$ -	$ -

(Expressed in Canadian dollars)

12. **INCOME TAXES** (cont'd…)

The significant components of the Company's future income tax assets are as follows:

	2010	2009
Future income tax assets		
Non-capital losses	$ 311,000	$ 316,000
Valuation allowance	(311,000)	(316,000)
	$ -	$ -

As of December 31, 2010, the Company has non-capital losses of approximately $1,244,000, which may be carried forward and applied against taxable income in future years. The right to claim the non-capital losses will expire at various dates through the taxation year ending December 31, 2030.

In addition the Company has accumulated capital losses of $629,000 which do not expire but which can only be applied against future capital gains.