

# Triangle Industries Ltd.

Management's Discussion and Analysis  
For the year ended December 31, 2015

As at March 17, 2016

Triangle Industries Ltd.  
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For the year ended December 31, 2015

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Triangle Industries Ltd.  
Management's Discussion and Analysis  
For the year ended December 31, 2015

This Management's Discussion and Analysis ("MD&A") has been prepared by management as of March 17, 2016, and should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2015 and 2014. 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 Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC"). All dollar amounts are expressed in Canadian dollars.

About Triangle Industries Ltd.

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.

Cautionary Statement on Forward-Looking Information

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 discussion and analysis may not necessarily be indicative of future results from operations.

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Description of Business

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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.

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Selected Annual Information

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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,		
	2015	2014	2013
Total interest income	5,260	\$ 5,902	\$ 6,711
Loss and comprehensive loss	48,640	47,621	45,331
Loss per share, basic and diluted	0.00	0.00	0.00
Total assets	394,873	434,291	483,702
Total liabilities	15,588	16,372	18,162

## Summary of Quarterly Results

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

	2015				2014			
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
Total assets	\$ 394,873	\$ 401,482	\$ 408,665	\$ 415,895	\$ 434,291	\$ 446,680	\$ 456,790	\$ 475,134
Working capital	379,285	392,413	399,706	406,107	417,919	431,502	445,628	455,037
Loss and comprehensive loss	23,134	7,293	6,401	11,812	13,583	14,126	9,409	10,503
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	
	2015	2014	as \$	as %
Loss and comprehensive loss	\$ 48,640	\$ 47,621	\$ 1,019	2.1 %
Interest income	5,260	5,902	(642)	(12.2) %
Professional fees	26,629	31,734	(5,105)	(19.2) %
General and administrative	53,900	53,523	377	0.7 %

During the year ended December 31, 2015, the Company incurred a net loss of \$48,640 (2014 - \$47,621), an increase of \$1,019 or 2.1% as compared to 2014.

An explanation of items with significant variance is as follows:

- Interest income – the decrease in 2015 is due to the lower interest rate paid on the lower term deposit balance.
- Professional fees are for accounting, legal and consulting services. The decrease in professional fees during 2015 resulted from lower accounting fees offset by an increase in legal fees, as compared to 2014.

#### Fourth Quarter

	For the three months ended December 31,		Change	
	2015	2014	as \$	as %
Loss and comprehensive loss	\$ 23,134	\$ 13,583	\$ 9,551	41.3 %
Interest income	1,233	1,429	(196)	(15.9) %
Professional fees	9,740	9,228	512	5.3 %
General and administrative	24,367	15,012	9,355	38.4 %

During the three months ended December 31, 2015, the Company incurred a net loss of \$23,134 (2014 - \$13,583), an increase of \$9,551 or 41.3%, as compared to the comparative quarter in 2014. The increase was mainly the result of share-based payments recorded for the current quarter's stock option grants.

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Summary of cash flows

The following tables summarize the Company's cash flow information:

Annual

	For the year ended December 31,		Change	
	2015	2014	as \$	as %
Operating cash flow	\$ (42,265)	\$ (53,424)	\$ 11,159	(26.4) %
Investing activities	5,397	5,954	(557)	(10.3) %
Change in cash	(36,868)	(47,470)	10,602	(28.8) %
Cash, beginning of year	424,965	472,435	(47,470)	(11.2) %
Cash, end of year	388,097	424,965	(36,868)	(9.5) %

Fourth Quarter

	For the three months ended December 31,		Change	
	2015	2014	as \$	as %
Operating cash flows	\$ (7,842)	\$ (12,400)	\$ 4,558	(58.1) %
Investing activities	5,397	5,954	(557)	(10.3) %
Change in cash	(2,445)	(6,446)	4,001	(163.6) %
Cash, beginning of year	390,542	431,411	(40,869)	(10.5) %
Cash, end of year	388,097	424,965	(36,868)	(9.5) %

The Company ended the year with a cash balance of \$388,097, a decrease of \$36,868 or 9.5% from the previous year's balance of \$424,965.

Liquidity and Capital Resources

The balances of and changes in working capital are shown in the following table:

	As at December 31,		Change	
	2015	2014	as \$	as %
Current assets	\$ 394,873	\$ 434,291	\$ (39,418)	(10.0) %
Current liabilities	15,588	16,372	(784)	(5.0) %
Working capital	\$ 379,285	\$ 417,919	\$ (38,634)	(10.2) %
Working capital ratio	25.3 : 1	26.5 : 1		
Cash and receivables less payables	\$ 373,211	\$ 409,432	\$ (36,221)	(9.7) %

Working capital decreased in 2015 by \$38,634 or 10.2% to \$379,285 from \$417,919. The decrease is the result of a lower cash balance.

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

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### Transactions with Related Parties

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Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's officers and Board of Director members.

The Company entered a service agreement effective April 1, 2014, for office space on a month-to-month term with PNG Gold Corporation, a Company related through a common officer. During the year ended December 31, 2015, the Company incurred fees of \$1,575 (2014 - \$4,725). The service agreement was terminated April 1, 2015.

Expenses have been measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

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### Financial Instruments, Capital Management and Risk Management

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#### Financial Instruments

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

#### Determination of Fair Value

The carrying value of cash, receivables, 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 Company's financial assets and financial liabilities have been classified into categories that determine their basis of measurement. The following table summarizes information relating to Triangle's financial instruments as at December 31, 2015 and December 31, 2014.

	Fair value measurement hierarchy	Fair value through profit or loss	Loans and receivables	Other financial liabilities
As at December 31, 2015:				
Cash	Level 1	\$ 388,097	\$ -	\$ -
Receivables	Not applicable	-	702	-
Accounts payable and accrued liabilities	Not applicable	-	-	(15,588)
As at December 31, 2014:				
Cash	Level 1	\$ 424,965	\$ -	\$ -
Receivables	Not applicable	-	839	-
Accounts payable and accrued liabilities	Not applicable	-	-	(16,372)

## 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 in the interest of sustaining long-term viability.

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 estimates 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 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 estimates 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. 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.

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## Outstanding Share Data

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As of March 17, 2016, the following securities were outstanding:

Authorized:	Unlimited common shares without par value
Issued and outstanding:	13,656,957
Share options outstanding:	1,050,000
Warrants outstanding:	Nil
Share Capital :	\$ 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. Additional details of stock option plan can be found in the notes to the financial statements.

On November 15, 2015, 1,050,000 five year stock options with an exercise price of \$0.05 were granted to various directors, officers and consultants leaving an unallocated balance of 1,681,391 potential options. The closing price of the stock on December 31, 2015 was \$0.015.

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## Share-Based Payments

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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, 2015, the Company granted 1,050,000 stock options on November 15, 2015, of which all were fully vested upon issuance. The total share-based compensation calculated under the fair value method using the Black-Scholes option pricing model was \$10,006, which was expensed.

The weighted average assumptions used for the Black-Scholes valuation of stock option granted November 15, 2015 are as follows:

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Assumptions:	
Risk-free interest rate	0.94%
Expected life of options	5 years
Expected volatility	110.12%
Expected dividend	nil
Results:	
Weighted average fair value of options granted (per option)	\$ 0.0095

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## Management and Board of Directors

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There were no changes to management or the Board of Directors during the year ended December 31, 2015. The incumbent directors were re-elected at the annual general meeting held December 18, 2015.

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## Recent Accounting Pronouncements

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### Accounting pronouncements not yet effective

Certain pronouncements have been issued by the IASB or IFRIC that are not mandatory for 2015 reporting periods. Many of these updates are not applicable or consequential to the Company and have been excluded from the discussion below.

- IFRS 9 Financial Instruments adds new requirements for impairment of financial assets and makes changes to the classification and measurement of financial instruments. IFRS 9 also includes a new general hedge accounting standard which will better align hedge accounting with risk management. The final version of IFRS 9 was issued by the IASB in July 2014 to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 is effective for annual period beginning on or after January 1, 2018, with early application permitted. The Company is currently evaluating the impact of adopting IFRS 9 on its consolidated financial statements and has not yet determined when it will adopt the new standard.
- IAS 1 Presentation of Financial Statements, amendments are effective for years commencing on or after January 1, 2016. IAS 1 is amended to improve presentation and disclosure in financial reports. The Company intends to adopt these amendments in its financial statements for the year commencing January 1, 2016. The Company does not expect the amendments to have a material impact on the financial statements.



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### Critical Accounting Estimates, Assumptions and Judgements

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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 above and in the notes to the financial statements.

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### Forward Looking Information

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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](http://www.sedar.com).

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Other Supplementary Information

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Officers and Directors:

Neil Halldorson<sup>(i)</sup>  
Chief Executive Officer, Director

Geoffrey J. Edwards  
Chief Financial Officer, Director

Michael Reimann<sup>(i)</sup>  
Director

Keith Scott<sup>(i)</sup>  
Director

(i) Member, Audit Committee

Other information:

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

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Auditors  
Davidson & Company LLP  
Vancouver, British Columbia

Transfer Agent  
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