

Triangle Industries Ltd.

Condensed Interim Consolidated Financial Statements
(Unaudited)

Expressed in Canadian dollars

For the six months ended June 30, 2016 and 2015

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Notice of No Auditor Review of Condensed Interim Financial Statements

These condensed interim consolidated 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 condensed interim consolidated financial statements, notes to financial statements and the related quarterly Management Discussion and Analysis.

Triangle Industries Ltd.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited)

Expressed in Canadian dollars

	Note	June 30, 2016	December 31, 2015
Assets			
Current assets			
Cash	4	\$ 361,245	\$ 388,097
Receivables		3,034	702
Prepaid expenses		5,838	6,074
Total assets		\$ 370,117	\$ 394,873
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		\$ 7,752	\$ 15,588
Total liabilities		7,752	15,588
Shareholders' equity			
Share capital	5	7,147,892	7,147,892
Share-based payment reserve	6	119,586	119,586
Deficit		(6,905,113)	(6,888,193)
Total shareholders' equity		362,365	379,285
Total liabilities and shareholders' equity		\$ 370,117	\$ 394,873

Basis of presentation (Note 2)

Approved on behalf of the Board of Directors by:

"Neil Halldorson"

Director

"Geoffrey Edwards"

Director

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

Triangle Industries Ltd.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited)

Expressed in Canadian dollars

	Three Months Ended		Six Months Ended,	
	June 30,	June 30,	June 30,	June 30,
	2016	2015	2016	2015
Expenses				
Office and administration	\$ 12	117	\$ 188	\$ 1,881
Professional fees	5,361	5,621	10,921	10,396
Transfer agent and shareholder costs	2,035	1,989	8,143	8,648
Loss from operating activities	(7,408)	(7,727)	(19,252)	(20,925)
Interest and other income	1,149	1,326	2,332	2,712
Loss and comprehensive loss for the period	(6,259)	(6,401)	\$ (16,920)	\$ (18,213)
Loss per share, basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Basic and diluted weighted average number of common shares outstanding	13,656,957	13,656,957	13,656,957	13,656,957

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

Triangle Industries Ltd.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Unaudited)

Expressed in Canadian dollars

	Share Capital		Share-based		Total
	Number of	Amount	Payment	Deficit	Shareholder's
	Shares		Reserve		Equity
Balance, December 31, 2015	13,656,957	\$ 7,147,892	\$ 119,586	\$ (6,888,193)	\$ 379,285
Loss for the period	-	-	-	(16,920)	(16,920)
Balance, June 30, 2016	13,656,957	\$ 7,147,892	\$ 119,586	\$ (6,905,113)	\$ 362,365
Balance, December 31, 2014	13,656,957	\$ 7,147,892	\$ 109,580	\$ (6,839,553)	\$ 417,919
Loss for the period	-	-	-	(18,213)	(18,213)
Balance, June 30, 2015	13,656,957	\$ 7,147,892	\$ 109,580	\$ (6,857,766)	\$ 399,706

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

Triangle Industries Ltd.

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited)

Expressed in Canadian Dollars

	Six months ended	
	June 30, 2016	June 30, 2015
Cash flows from operating activities		
Loss for the period	\$ (16,920)	\$ (18,213)
Adjustments for:		
Interest income	(2,332)	(2,712)
Net change in non-cash working capital:		
Prepaid expenses	236	285
Accounts payable and accrued liabilities	(7,836)	(7,413)
Total cash outflows from operating activities	(26,852)	(28,053)
Decrease in cash during the period	(26,852)	(28,053)
Cash at beginning of period	388,097	424,965
Cash at the end of period	\$ 361,245	\$ 396,912

There were no non-cash financing or investing activities during the six months ended June 30, 2016 and 2015

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

Triangle Industries Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

Expressed in Canadian dollars

For the six months ended June 30, 2016 and 2015

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, reloading and warehousing services, collectively called "transloading". 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 registered address is Suite 409, 221 West Esplanade, North Vancouver, British Columbia, Canada.

The Company's ability to continue as a going concern depends on its capacity to raise adequate financing and to develop profitable operations. 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. These condensed interim 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.

The Company incurred a net loss of \$16,920 during the six months ended June 30, 2016 (2015 - \$18,213), and as of this date the Company's accumulated deficit is \$6,905,113 (2015 - \$6,857,766).

2. Basis of Presentation and Summary of Significant Accounting Policies

l) Basis of Presentation and Measurement

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC"). They do not include all the information required for annual financial statements, and therefore should be read in conjunction with the Company's annual consolidated financial statements for the years ended December 31, 2015 and 2014.

The accounting policies followed in these condensed interim financial statements are consistent with those disclosed in note 2 of the Company's consolidated financial statements for the years ended December 31, 2015 and 2014.

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.

These condensed interim consolidated financial statements were approved by the Board of Directors and authorized for issue on August 19, 2016.

Triangle Industries Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

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For the six months ended June 30, 2016 and 2015

II) Significant Accounting Policies

a) Principles of consolidation

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

Subsidiary	Jurisdiction	Nature of Operation	Equity Interest June 30,	
			2016	2015
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%

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.

b) Accounting pronouncements not yet effective

Certain pronouncements have been issued by the IASB or IFRIC that are not mandatory for 2016 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* is effective for years commencing on or after January 1, 2018, and will replace IAS 39, *Financial Instruments: Recognition and Measurement*. Under IFRS 9, financial assets will be classified and measured based on the business model in which they are held and the characteristics of the associated contractual cash flows. IFRS 9 also includes a new general hedge accounting standard which will better align hedge accounting with risk management. The Company intends to adopt IFRS 9 in its consolidated financial statements for the year commencing January 1, 2018; the extent of the impact of adoption of the standard has not yet been determined.

3. Critical Accounting Estimates and Assumptions

Areas of judgment that have the most significant effect on the amounts recognized in the financial statements are disclosed in Note 2 IV of the Company's annual consolidated financial statements for the years ended December 31, 2015 and 2014. There has been no material revisions to the nature of judgments and amount of change in estimates in this period, from those disclosed in the Company's annual consolidated financial statements.

4. Cash

Cash is comprised of the following:

	June 30, 2016	December 31, 2015
Cash	\$ 11,245	\$ 23,097
Term deposit	350,000	365,000
	\$ 361,245	\$ 388,097

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

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, 2014 to June 30, 2016.

Triangle Industries Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

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For the six months ended June 30, 2016 and 2015

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 for up to 10% of its issued and outstanding common shares in a 12 month period.

The following table summarizes the changes in stock options from December 31, 2014 to June 30, 2016:

	Number of Options	Weighted Average Exercise Price (\$)
Balance at December 31, 2014	650,000	\$ 0.20
Expired	(650,000)	0.20
Balance at June 30, 2015	-	-
Granted	1,050,000	\$ 0.05
Balance at June 30, 2016, and December 31, 2015	1,050,000	\$ 0.05

The following table summarizes the share options outstanding and exercisable at June 30, 2016:

Exercise price	Number of Share Options Vested and Exercisable	Weighted Average Remaining Contractual Life	Expiry Date
\$ 0.05	1,050,000	4.38 years	Nov 15, 2020

7. Related Party Transactions

The Company's related parties consist of companies owned by executive officers or related through a common director. Their position in these entities results in their having control or significant influence over the financial or operating policies of these entities.

a) Trading transactions

The Company is related to PNG Gold Corporation through a common officer and incurred the following expenses:

Related party	Nature of transaction	Six months ended June 30,	
		2016	2015
PNG Gold Corporation	office space	\$ -	\$ 1,575

b) Key Management Compensation

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 executive officers and Board of Director members. Key management personnel received no salaries, no non-cash benefits or other remuneration directly from the Company during the six months ended June 30, 2016 and 2015.

Triangle Industries Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited)

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For the six months ended June 30, 2016 and 2015

8. Fair Value Measurement of 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. The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	Fair Value Measurement Hierarchy	Fair Value Through Profit or Loss	Loans and Receivables	Other Financial Liabilities
As at June 30, 2016:				
Cash	Level 1	\$ 361,245	\$ -	\$ -
Receivables	Not applicable	-	3,034	-
Accounts payable and accrued liabilities	Not applicable	-	-	(7,752)
As at December 31, 2015:				
Cash	Level 1	\$ 388,097	\$ -	\$ -
Receivables	Not applicable	-	702	-
Accounts payable and accrued liabilities	Not applicable	-	-	(15,588)

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).