

Triangle Industries Ltd.

Management's Discussion and Analysis
For the year ended December 31, 2018

As at April 30, 2019

Triangle Industries Ltd.

Management's Discussion and Analysis

For the year ended December 31, 2018

This Management's Discussion and Analysis ("MD&A") has been prepared by management as of April 30, 2019 and is intended to assist in the understanding and assessment of trends and significant changes in the results of operations and financial condition of the Company. As such, it should be read in conjunction with the Company's audited financial statements for the years ended December 31, 2018 and 2017, which were prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar amounts are expressed in Canadian dollars.

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.

About Triangle Industries Ltd.

Triangle Industries Ltd. (the "Company" or "Triangle") was incorporated on November 16, 1983 in the Province of British Columbia, Canada and its common shares are listed on the NEX and trade under the symbol of TLD.H. The NEX is a separate board of the TSX Venture Exchange ("TSX-V") for companies that have a low level of business activity or have ceased to carry on active business.

Description of Business

Historically, the Company, through its wholly-owned subsidiaries Bridges Reload Inc., Burnaby Distribution Centres Inc. and Triangle Assets Management Ltd. operated a freight and warehousing service organization providing freight, reloading and warehousing services, collectively called "transloading". These wholly-owned subsidiaries have since been dissolved.

On August 5, 2010, the Company announced the winding down of its transloading business and disposed of substantially all related assets by the end of 2010. Industry changes, the economic downturn, changing business conditions, and escalating land costs all contributed to this decision. Management was of the opinion that the Company's resources could be better utilized under a new business plan designed to improve prospects and to recapture shareholder interest. Since this time, the Company has been actively seeking opportunities to acquire or participate in new assets or businesses.

On September 7, 2012, the Company's shares were transferred to the NEX board of the TSX-V due to its lower level of business activity. The NEX is a separate board of the TSX-V that provides a trading forum for listed companies that have low levels of business activity or have ceased to carry on an active business. Until the Company enters new business activities, it will have no revenue and will continue to incur expenses for accounting, legal, audit, tax, listing and transfer agent fees, and other costs associated with its stock exchange listing. The Company has adequate cash reserves to meet its ongoing costs of administration for the next 12 months while it continues to actively screen new investment opportunities. The Company has no significant transactions pending at the date of this report.

Activities

On March 2, 2018, the Company completed the sale of 20,000,000 non-transferable subscription receipts (the "**Subscription Receipts**") at a price of \$0.05 per Subscription Receipt for gross proceeds of \$1,000,000. Each Subscription Receipt was conditionally exchangeable for one unit (a "**Unit**") consisting of one common share and one warrant. Each warrant was exercisable to acquire a further common share at a price of \$0.05 per share for a period of 12 months (the "**Offering**"). All securities issued in connection with the Offering were subject to a statutory hold period of four months and a day, which expired on July 3, 2018.

Under the Subscription Receipt Agreement, the proceeds were to be released to the Company upon:

- (i) shareholder approval of the Offering;
- (ii) completion of the consolidation of the Company's issued and outstanding shares on the basis of one new share for each two and a half old shares (the "**Consolidation**"); and,
- (iii) receipt of all necessary regulatory approvals (approved on April 6, 2018).

Triangle Industries Ltd.

Management's Discussion and Analysis

For the year ended December 31, 2018

On April 3, 2018, the shareholders approved the Offering and the Consolidation. Post consolidation, the number of issued and outstanding shares has reduced from 13,656,967 to 5,462,783 shares. Additionally, 1,050,000 outstanding stock options, exercisable at a price of \$0.05 per share until November 15, 2020, are reduced to 420,000 for the same aggregate consideration prior to the Consolidation. To this will be added the 20,000,000 post-Consolidation shares in exchange of the Subscription Receipts, leaving 25,462,783 shares issued and outstanding.

On April 10, 2018, the proceeds from the sale of Subscription Receipts were received by the Company after having completed the Consolidation and after having obtained regulatory approvals.

The proceeds of the Offering will be used to source and execute a transaction by which the Company would acquire a new business or assets, and for general working capital. The Company is presently in no discussions about, and has no agreement for, such transaction, and there can be no assurance that the Company will be able to source or execute any such transaction.

On April 11, 2018, the Company's shares commenced trading on the NEX board of the TSX-V on a consolidated basis under the symbol "TLD.H" (formerly "TIA.H").

All current and comparative share amounts have been retroactively restated to adjust for the Consolidation.

On April 25, 2018, the Company issued 400,000 common shares related to 400,000 stock options with an exercise price of \$0.125 being exercised for \$50,000 to certain former directors of the Company.

Selected Annual Information

The following table provides selected annual financial information of the Company, prepared in accordance with IFRS for the three most recent years:

	For the years ended December 31,		
	2018	2017	2016
Total interest income	\$ 2,807	\$ 4,237	\$ 4,607
Loss and comprehensive loss	1,002,525	28,546	32,022
Loss per share, basic and diluted	0.05	0.01	0.01
Total assets	336,398	331,619	360,773
Total liabilities	27,798	12,902	13,510

Summary of Quarterly Results

The following table provides selected financial information of the Company, prepared in accordance with IFRS for each of the eight most recent quarters:

	2018				2017			
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
Total assets	\$ 336,398	\$ 732,273	\$ 1,124,159	\$ 1,268,584	\$ 331,619	\$ 336,853	\$ 338,243	\$ 353,434
Working capital	277,954	678,787	1,050,574	1,213,110	318,717	327,478	331,808	337,466
Loss and comprehensive loss	403,800	372,983	177,727	48,015	8,761	4,330	5,658	9,797
Basic and diluted loss per share	0.02	0.01	0.01	0.01	0.00	0.00	0.00	0.00

Triangle Industries Ltd.

Management's Discussion and Analysis

For the year ended December 31, 2018

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

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

	For the three months ended December 31,		Change	
	2018	2017	as \$	as %
Loss and comprehensive loss	\$ 403,800	\$ 8,761	\$ 395,039	4,509.1%
Consulting fees	53,150	-	53,150	100.0%
Office and administration	42,371	-	42,371	100.0%
Professional fees	16,035	4,934	11,101	225.0%
Write-off of prepaid expenses	275,000	-	275,000	100.0%

During the three months ended December 31, 2018, the Company incurred a net loss of \$403,800 (2017 - \$8,761), an increase of \$395,039 or 4,509.1%, as compared to 2017.

An explanation of the variance is as follows:

- Consulting fees increased by \$53,150 or 100.0% in 2018 from 2017 as a result of increased activity from the Company's consultants related to business development for the Company and meetings with potential customers, strategic partners and key industry contacts as the Company explores new opportunities to acquire or participate in new assets or businesses.
- Office and administration increased by \$42,371 or 100.0% in 2018 from 2017 as a result of the increase in activity related to exploring new opportunities to acquire or participate in new assets and businesses.
- Professional fees include accounting, legal, audit and tax services. The increase of \$11,101 or 225.0% in 2018 from 2017 is mainly due to accounting services provided by a consultant to the Company.
- Write-off of prepaid expenses of \$275,000 relates to the Company determining that the balance of a deposit for due diligence services was unlikely to be refunded and the likelihood of any future benefit to the Company from the service was low.

	For the year ended December 31,		Change	
	2018	2017	as \$	as %
Loss and comprehensive loss	\$ 1,002,525	\$ 28,546	\$ 973,979	3,412.0%
Consulting fees	394,400	-	394,400	100.0%
Director fees	60,000	-	60,000	100.0%
Office and administration	116,477	64	116,413	181,895.3%
Professional fees	94,049	19,722	74,327	376.9%
Transfer agent and shareholder costs	32,821	12,997	19,824	152.5%
Write-off of prepaid expenses	275,000	-	275,000	100.0%

During the year ended December 31, 2018, the Company incurred a net loss of \$1,002,525 (2017 - \$28,546), an increase of \$973,979 or 3,412.0%, as compared to 2017.

An explanation of the variance is as follows:

- Consulting fees increased by \$394,400 or 100.0% in 2018 from 2017 as a result of increased activity from the Company's consultants related to business development for the Company, facilitation of the Subscription Receipts Offering and meetings with potential customers, strategic partners and key industry contacts as the Company explores new opportunities to acquire or participate in new assets or businesses.
- Director fees increased by \$60,000 or 100.0% in 2018 from 2017 as a result of a bonus paid to certain former directors for their past services.
- Office and administration increased by \$116,413 or 181,895.3% in 2018 from 2017 as a result of the increase in activity related to exploring new opportunities to acquire or participate in new assets and businesses.
- Professional fees include accounting, legal, audit and tax services. The increase of \$74,327 or 376.9% in 2018 from 2017 reflects the professional fees incurred to complete the Subscription Receipts Offering and accounting services provided by a consultant to the Company.

Triangle Industries Ltd.

Management's Discussion and Analysis

For the year ended December 31, 2018

- Transfer agent and shareholder costs increased by \$19,824 or 152.5% in 2018 from 2017 as a result of completing the Subscription Receipts Offering and regulatory filing fees.
- Write-off of prepaid expenses of \$275,000 relates to the Company determining that the balance of a deposit for due diligence services was unlikely to be refunded and the likelihood of any future benefit to the Company from the service was low.

Summary of cash flows

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

	For the years ended December 31,	
	2018	2017
Cash flows used in operating activities	\$ (926,295)	\$ (32,078)
Cash flows provided by (used in) investing activities	(39,231)	4,297
Cash flows provided by financing activities	942,408	-

	December 31, 2018	December 31, 2017
Cash	302,077	325,195

The Company had a cash balance of \$302,077 as at December 31, 2018, a decrease of \$23,118 from December 31, 2017, or a 7.1% decrease. The decrease in cash is a result of the proceeds from the Subscription Receipts Offering of \$942,408 and offset by cash outflow related to operating activities of \$926,295 and cash outflow related to the purchase of office equipment of \$39,231.

Liquidity and Capital Resources

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

	As at	
	December 31, 2018	December 31, 2017
Current assets	\$ 305,752	\$ 331,619
Current liabilities	27,798	12,902
Working capital	\$ 277,954	\$ 318,717

Working capital decreased by \$40,763 or 12.8% from \$318,717 to \$277,954 at December 31, 2018. The decrease during the year is the result of higher operating expenditures in 2018 compared to 2017. Management estimates the cash balance of \$302,077 is sufficient for the Company's operations and that there is sufficient capital to meet current and short-term working capital requirements.

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Triangle Industries Ltd.

Management's Discussion and Analysis

For the year ended December 31, 2018

Transactions with Related Parties

	Year ended December 31,	
	2018	2017
	\$	\$
Consulting fees	12,500	-
Director fees	60,000	-
	72,500	-

During the year ended December 31, 2018, the Company paid/accrued consulting fees of \$12,500 (2017: \$Nil) to Lucas Birdsall, the Chief Financial Officer, Corporate Secretary and Director of the Company.

During the year ended December 31, 2018, the Company paid/accrued director fees of \$60,000 (2017: \$Nil) to Neil Halldorson, Michael Reimann, Keith Scott and Geoffrey Edwards, former directors of the Company.

Financial Instruments, Capital Management and Risk Management

There were no significant changes to the Company's financial instruments, capital management and risk exposures during year ended December 31, 2018, as compared to those reported in the Company's annual financial statements for the years ended December 31, 2017 and 2016.

I) 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	Financial assets at FVTPL	Financial assets at amortized cost	Financial liabilities at amortized cost
As at December 31, 2018:				
Cash	Level 1	\$ 302,077	\$ -	\$ -
Accounts payable and accrued liabilities	Not applicable	-	-	(27,798)
As at December 31, 2017:				
Cash	Level 1	\$ 325,195	\$ -	\$ -
Receivables	Not applicable	-	586	-
Accounts payable and accrued liabilities	Not applicable	-	-	(12,902)

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).

Triangle Industries Ltd.

Management's Discussion and Analysis

For the year ended December 31, 2018

II) 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. The Company includes shareholders' equity in the definition of capital.

The Company sets the amount of capital required in proportion to its operating requirements and perceived risk of loss. The Company manages the capital structure and makes adjustments to it in 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 and is open to new sources of financing to manage its expenditures in the interest of sustaining long-term viability. The Company's capital management objectives, policies and processes have not changed over the years presented.

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 is not subject to any externally imposed capital requirements.

III) Risk Management

The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and receivables. The Company's credit exposure is limited to the carrying amount of its financial assets.

The Company's cash is held with a high-credit-rated financial institution and as such, the Company does not believe there to be a significant credit risk.

b) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk.

(i) Foreign currency risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and a foreign currency will affect the Company's operations and financial results. The Company does not have significant exposure to foreign exchange rate fluctuations.

(ii) Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings. Its interest rate risk is limited to potential decreases on the interest rate offered for cash held with chartered Canadian financial institutions. The Company considers the risk to be immaterial.

(iii) Commodity price risk

Commodity risk is the exposure to fluctuations in the market price of commodities. The Company does not have any commodity exposure.

(iv) Equity price risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company does not have any equity investments.

Triangle Industries Ltd.

Management's Discussion and Analysis

For the year ended December 31, 2018

c) 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. The key success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

The Company's policy is to ensure that it will have sufficient cash to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

	Up to 3 months	3 to 12 months	1 to 2 years	Over 2 years	Total
Accounts payable and other liabilities:					
December 31, 2018	\$ 22,661	\$ 5,137	\$ -	\$ -	\$ 27,798
December 31, 2017	4,762	8,140	-	-	12,902

Outstanding Share Data

As of the date of this report, the following securities were outstanding:

Authorized:	Unlimited common shares without par value
Issued and outstanding:	25,862,783
Share options outstanding:	Nil
Warrants outstanding:	20,000,000
Share Capital:	\$ 8,149,830

Management and Board of Directors

On April 25, 2018, Mr. Geoffrey Edwards resigned as a director, Chief Financial Officer and Corporate Secretary of the Company, and appointed Mr. Lucas Birdsall as a director, Chief Financial Officer and Corporate Secretary of the Company.

On May 4, 2018, Mr. Keith Scott resigned as a director of the Company.

On May 18, 2018, Mr. Sean Bromley was appointed as a director of the Company in place of Mr. Michael Reimann who has resigned.

On May 22, 2018, Mr. Richard Savage was appointed as a director and Chief Executive Officer of the Company to fill the vacancy left by Mr. Neil Halldorson who resigned.

On August 8, 2018, Mr. Brian Morrison was appointed as a director of the Company.

Triangle Industries Ltd.

Management's Discussion and Analysis

For the year ended December 31, 2018

Recent Accounting Pronouncements

Changes in accounting standards

- IFRS 9 – Financial Instruments

The Company adopted IFRS 9, which replaced IAS 39 – Financial Instruments: Recognition and Measurement, in its financial statements beginning January 1, 2018. IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities, however it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

Under IFRS 9 there are three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit and loss ("FVTPL"). The classification of financial assets under IFRS 9 is based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model. The new impairment model applies to financial assets measure at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

The adoption of IFRS 9 did not have a material impact on the Company's financial statements.

- IFRS 15 – Revenue from contracts with customers

On May 28, 2014 the IASB issued IFRS 15, Revenue from Contracts with Customers. IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the goods or services. The standard replaces IAS 18 Revenue and IAS 11 Construction contracts and related interpretations.

The adoption of IFRS 15 did not have a material impact on the Company's financial statements.

Accounting standards and interpretations not yet effective

- IFRS 16 Leases is effective for years commencing on or after January 1, 2019, and will replace IAS 17, Leases. IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value, while lessor accounting remains largely unchanged from IAS 17 and the distinction between operating and finance leases is retained. The Company intends to adopt IFRS 16 in its financial statements for the year commencing January 1, 2019.

The Company is currently assessing the impact of the adoption of IFRS 16.

Critical Accounting Estimates, Assumptions and Judgements

The preparation of 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 financial statements include the following:

a) Recovery of Deferred Tax Assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its deferred tax assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

Triangle Industries Ltd.

Management's Discussion and Analysis

For the year ended December 31, 2018

Forward Looking Information

Triangle remains focused on seeking to identify and acquire a viable business while preserving its cash. 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 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.

Other Supplementary Information

Officers and Directors:

Richard Savage⁽³⁾
Chief Executive Officer, Director

Lucas Birdsall⁽¹⁾
Chief Financial Officer, Corporate Secretary, Director

Sean Bromley⁽²⁾
Director

(1) Appointed on April 25, 2018.

(2) Appointed on May 18, 2018.

(3) Appointed on May 22, 2018.

Other information:

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

Registered Address
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Transfer Agent
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