

Triangle Industries Ltd.

Condensed Interim Financial Statements
(Unaudited)

Expressed in Canadian dollars

For the six months ended June 30, 2019 and 2018

NOTICE OF NO AUDITOR REVIEW

Under National Instrument 51-102, Part 4 subsection 4.3 (3), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the unaudited condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Triangle Industries Ltd. have been prepared by and are the responsibility of management.

These condensed interim financial statements for the six months' period ended June 30, 2019 have not been reviewed or audited by the Company's independent auditors in accordance with standards established by the Chartered Professional Accountants of Canada.

Triangle Industries Ltd.
Condensed Interim Statements of Financial Position
(Unaudited)
Expressed in Canadian dollars

	Note	June 30, 2019 \$	December 31, 2018 \$
Assets			
Current assets			
Cash		14,374	302,077
Prepaid expenses		3,675	3,675
		118,049	305,752
Non-current assets			
Equipment	3	24,810	30,646
Total assets		142,859	336,398
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		4,074	27,798
Total liabilities		4,074	27,798
Shareholders' equity			
Share capital	4	8,162,830	8,149,830
Share-based payment reserve		110,056	110,056
Deficit		(8,134,101)	(7,951,286)
Total shareholders' equity		138,785	308,600
Total liabilities and shareholders' equity		142,859	336,398

Basis of Presentation and Summary of Significant Accounting Policies (Note 2)

Approved on behalf of the Board of Directors by:

"Lucas Birdsall" Director "Sean Bromley" Director

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

Triangle Industries Ltd.

Condensed Interim Statements of Loss and Comprehensive Loss

(Unaudited)

Expressed in Canadian dollars

	Note	Three months ended		Six months ended	
		June 30,		June 30,	
		2019	2018	2019	2018
		\$	\$	\$	\$
Expenses					
Consulting fees		-	23,125	15,625	23,125
Depreciation	3	2,934	2,738	5,836	2,738
Director fees	6	-	60,000	23,883	60,000
Management fees		9,900	6,000	18,900	6,000
Office and administration		9,687	51,338	25,157	51,422
Professional fees		25,613	17,327	37,179	60,412
Rent		23,400	-	46,800	-
Transfer agent and shareholder costs		4,360	19,014	9,435	24,852
Loss from operating activities		(75,894)	(179,542)	(182,815)	(228,549)
Interest and other income		-	1,815	-	2,807
Loss and comprehensive loss for the period		(75,894)	(177,727)	(182,815)	(225,742)
Loss per share, basic and diluted		(0.00)	(0.01)	(0.01)	(0.02)
Basic and diluted weighted average number of common shares outstanding		26,114,212	24,434,212	25,989,192	15,000,905

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

Triangle Industries Ltd.

Condensed Interim Statements of Changes in Shareholders' Equity

(Unaudited)

Expressed in Canadian dollars

	Share Capital		Share-based		Total Shareholder's Equity
	Number of Shares	Amount \$	Payment Reserve \$	Deficit \$	\$
Balance, December 31, 2017	5,462,783	7,147,892	119,586	(6,948,761)	318,717
Private Placement	20,000,000	1,000,000	-	-	1,000,000
Stock options exercised	400,000	59,530	(9,530)	-	50,000
Issue costs	-	(57,592)	-	-	(57,592)
Loss for the period	-	-	-	(225,742)	(225,742)
Balance, June 30, 2018	25,862,783	8,149,830	110,056	(7,174,503)	1,085,383
Balance, December 31, 2018	25,862,783	8,149,830	110,056	(7,951,286)	308,600
Warrants exercised	260,000	13,000	-	-	13,000
Loss for the period	-	-	-	(182,815)	(182,815)
Balance, June 30, 2019	26,122,783	8,162,830	110,056	(8,134,101)	138,785

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

Triangle Industries Ltd.
Condensed Interim Statements of Cash Flows
(Unaudited)
Expressed in Canadian Dollars

	Six months ended June 30,	
	2019	2018
	\$	\$
Cash flows from operating activities		
Loss for the period	(182,815)	(225,742)
Adjustments for:		
Depreciation	5,836	2,738
Net change in non-cash working capital:		
Receivables	-	(5,059)
Prepaid expenses	-	(1,875)
Accounts payable and accrued liabilities	(23,724)	25,874
Total cash flows used in operating activities	(200,703)	(204,064)
Cash flows from investing activities		
Purchase of equipment	-	(37,547)
Total cash flows used in investing activities	-	(37,547)
Cash flows from financing activities		
Proceeds from Issuance of shares, net	-	942,408
Proceeds from warrants exercised	13,000	-
Proceeds from options exercised	-	50,000
Total cash flows provided by financing activities	13,000	992,408
Increase (Decrease) in cash during the period	(187,703)	750,797
Cash at beginning of period	302,077	325,195
Cash at the end of period	114,374	1,075,992

Supplemental disclosure with respect to cash flows (Note 8)

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

Triangle Industries Ltd.

Notes to the Condensed Interim Financial Statements

(Unaudited)

Expressed in Canadian dollars

For the six months ended June 30, 2019 and 2018

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 was 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 actively seeking opportunities to acquire or participate in new assets or businesses.

On May 1, 2018, the Company's registered address changed to Suite 810 – 789 West Pender Street, Vancouver, British Columbia, Canada.

On April 10, 2018, the Company completed a share consolidation on the basis of one new share for each two and a half old shares. The Company trades on the NEX board of the TSX Venture Exchange (“TSX-V”). Upon approval from the TSX-V, the Company began trading on April 11, 2018, under the symbol “TLD.H” (formerly “TIA.H”). Accordingly, all current and comparative share capital amounts within these condensed interim financial statements have been retroactively restated to adjust for the share consolidation.

The Company incurred a net loss of \$182,815 during the six months ended June 30, 2019 (2018 - \$225,742), and as of this date the Company's accumulated deficit is \$8,134,101 (December 31, 2018 - \$7,951,286).

These condensed interim financial statements were authorized for issue by the Audit Committee and Board of Directors on August 7, 2019.

2. Basis of Presentation and Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these condensed interim financial statements are set out below.

i) Basis of Presentation and Measurement

These condensed interim financial statements have been prepared in accordance with International Accounting Standards (“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 financial statements for the years ended December 31, 2018 and 2017.

ii) Continuance of Operations

The Company's corporate objective is to identify, evaluate and negotiate an acquisition of a participation in or an interest in properties, assets or businesses.

Management estimates that the Company has sufficient resources for the next 12 months to meet its on-going operating and regulatory obligations and to pay its existing obligations, and has sufficient funding to fulfil its corporate objective.

Triangle Industries Ltd.

Notes to the Condensed Interim Financial Statements

(Unaudited)

Expressed in Canadian dollars

For the six months ended June 30, 2019 and 2018

2. Basis of Presentation and Summary of Significant Accounting Policies (Continued)

ii) Continuation of Operations (Continued)

It is expected that additional funding in the future will come from an equity issuance, but there is no assurance that the Company will be able to raise adequate financing or to develop a profitable business. These 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 its existence.

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 these financial statements are disclosed in Note 2(b) of the Company's annual financial statements for the years ended December 31, 2018 and 2017.

iii) Significant Accounting Policies

a) Changes in Accounting Standards

• IFRS 16 – Leases

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 adoption of IFRS 16 did not have a material impact on the Company's financial statements.

b) Critical Accounting Estimates and Assumptions

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 and certain disclosures reported in these financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and revisions are recognized in the period in which the estimates are revised and in future periods affected.

Areas where critical accounting estimates and assumptions have the most significant effect on the amounts recognized in these financial statements include the following:

Triangle Industries Ltd.

Notes to the Condensed Interim Financial Statements

(Unaudited)

Expressed in Canadian dollars

For the six months ended June 30, 2019 and 2018

3. Equipment

	Office Furniture and Equipment
	\$
Cost	
Balance, December 31, 2018	39,231
Additions	-
Balance, June 30, 2019	39,231
Accumulated Amortization	
Balance, December 31, 2018	8,585
Amortization	5,836
Balance, June 30, 2019	14,421
Carrying value	
As at December 31, 2018	30,646
As at June 30, 2019	24,810

4. Share Capital**Authorized share capital**

The authorized share capital of the Company is an unlimited number of common shares without par value.

Issued share capital

As at June 30, 2019, the Company had 26,122,783 (December 31, 2018 – 25,862,783) shares outstanding.

For the six months' period ended June 30, 2019:

On April 2, 2019, the Company issued 260,000 common shares pursuant to 260,000 warrants exercised at \$0.05 for gross proceeds of \$13,000.

For the year ended December 31, 2018:

On March 2, 2018, the Company completed the sale of 20,000,000 non-transferable subscription receipts at a price of \$0.05 per Subscription Receipt for gross proceeds of \$1,000,000. Each Subscription Receipt was exchanged for one unit consisting of one common share and one warrant. Each warrant is exercisable to acquire a further common share at a price of \$0.05 per share for a period of 12 months. The Company received all necessary regulatory approvals on April 6, 2018.

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 which was applied to settle accounts payable.

Triangle Industries Ltd.

Notes to the Condensed Interim Financial Statements

(Unaudited)

Expressed in Canadian dollars

For the six months ended June 30, 2019 and 2018

4. Share Capital (Continued)**Warrants**

The Company has issued warrants entitling the holders to acquire common shares of the Company.

A summary of warrant activity is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, January 1, 2018	-	-
Warrants issued during the year	20,000,000	\$ 0.05
Balance, December 31, 2018	20,000,000	\$ 0.05
Warrants expired during the period	(19,740,000)	\$ 0.05
Warrants exercised during the period	(260,000)	\$ 0.05
Balance, May 31, 2019	-	-

During the period ended June 30, 2019, 19,740,000 warrants expired. There were no warrants outstanding and exercisable at June 30, 2019

Stock Options

The Company adopted an incentive stock option plan in 2008 (“the 2008 Plan”), which allows the Company’s Board of Directors, at its discretion and in accordance with the TSX-V requirements, to grant non-transferable options for the purchase of common shares to its 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 with 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, when the Company’s listing moved to the NEX board of the TSX-V, a further compliance limit was imposed on stock option grants. During any 12-month period, the maximum number of options that may be reserved for issuance or issued is limited to 10% of the issued and outstanding securities.

A summary of option activity is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, January 1, 2018	420,000	\$ 0.125
Options expired or cancelled during the period	(20,000)	\$ 0.125
Options exercised during the period	(400,000)	\$ 0.125
Balance, December 31, 2018 and June 30, 2019	-	\$ 0.125

Triangle Industries Ltd.

Notes to the Condensed Interim Financial Statements

(Unaudited)

Expressed in Canadian dollars

For the six months ended June 30, 2019 and 2018

5. Financial Instruments, Capital Management and Risk Management

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 June 30, 2019:				
Cash	Level 1	114,374	-	-
Accounts payable and accrued liabilities	Not applicable	-	-	(4,074)
As at December 31, 2018:				
Cash	Level 1	302,077	-	-
Accounts payable and accrued liabilities	Not applicable	-	-	(27,798)

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).

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.

Triangle Industries Ltd.

Notes to the Condensed Interim Financial Statements

(Unaudited)

Expressed in Canadian dollars

For the six months ended June 30, 2019 and 2018

6. Financial Instruments, Capital Management and Risk Management (continued)

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.

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.

Triangle Industries Ltd.

Notes to the Condensed Interim Financial Statements

(Unaudited)

Expressed in Canadian dollars

For the six months ended June 30, 2019 and 2018

6. Financial Instruments, Capital Management and Risk Management (continued)**c) Liquidity Risk (continued)**

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:					
June 30, 2019	4,074	-	-	-	4,074
December 31, 2018	22,661	5,137	-	-	27,798

7. Related Party Transactions

The aggregate value of transactions relating to key management personnel were as follows:

	Six months ended June 30,	
	2019	2018
	\$	\$
Director fees	23,883	60,000
	23,883	60,000

As at June 30, 2019, the balance due to related parties was \$Nil (December 31, 2018 - \$Nil).

8. Supplemental disclosure with respect to cash flows

During the year ended December 31, 2018, the Company retained director fees payable of \$50,000 to certain former directors and applied such sum to the exercise of 400,000 stock options.