

Triangle Industries Ltd.

Condensed Interim Financial Statements
(Unaudited)

Prepared by Management

Expressed in Canadian dollars

For the three months ended March 31, 2020 and 2019

Notice of No Auditor Review of Condensed Interim Financial Statements

Under National Instrument 51-102, Part 4 subsection 4.3 (3), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the unaudited condensed interim consolidated 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 three-month period ended March 31, 2020 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

(Prepared by management - Unaudited)

Expressed in Canadian dollars

	Note	March 31, 2020	December 31, 2019
Assets			
Current assets			
Cash		\$ 1,805	\$ 672
Loan receivable	4	104,373	102,877
		106,178	103,549
Non-current assets			
Equipment	5	19,852	21,452
Total assets		\$ 126,030	\$ 125,001
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	9	\$ 64,456	\$ 41,415
Total liabilities		64,456	41,415
Shareholders' equity			
Share capital	6	8,162,830	8,162,830
Share-based payment reserve	6	110,056	110,056
Deficit		(8,211,312)	(8,189,300)
Total shareholders' equity		61,574	83,586
Total liabilities and shareholders' equity		\$ 126,030	\$ 125,001

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

Commitment (Note 10)

Approved on behalf of the Board of Directors by:

"Nader Vatanchi"

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

(Prepared by management - Unaudited)

Expressed in Canadian dollars

	Note	Three months ended	
		March 31,	
		2020	2019
Expenses			
Consulting fees		\$ -	\$ 15,625
Depreciation	5	1,600	2,902
Director fees	8	-	23,883
Management fees		9,450	9,000
Office and administration	8	87	38,870
Professional fees		11,485	11,566
Transfer agent and shareholder costs		886	5,075
Loss from operating activities		(23,508)	(106,921)
Interest and other income	4	1,496	-
Loss and comprehensive loss for the period		\$ (22,012)	\$ (1,06,921)
Loss per share, basic and diluted		\$ (0.00)	\$ (0.00)
Basic and diluted weighted average number of common shares outstanding		26,122,783	25,862,783

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

Triangle Industries Ltd.

Condensed interim Statements of Changes in Shareholders' Equity

(Prepared by management - Unaudited)

Expressed in Canadian dollars

	Share Capital		Share-based Payment Reserve	Deficit	Total Shareholder's Equity
	Number of Shares	Amount			
Balance, December 31, 2018	25,862,783	\$ 8,149,830	\$ 110,056	\$ (7,951,286)	\$ 308,600
Loss for the period	-	-	-	(106,921)	(106,921)
Balance, March 31, 2019	25,862,783	8,149,830	110,056	(8,058,207)	201,679
Balance, December 31, 2019	26,122,783	\$ 8,162,830	\$ 110,056	\$ (8,189,300)	\$ 83,586
Loss for the period	-	-	-	(22,012)	(22,012)
Balance, March 31, 2020	26,122,783	\$ 8,162,830	\$ 110,056	\$ (8,211,312)	\$ 61,574

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

Triangle Industries Ltd.

Condensed Interim Statements of Cash Flows

(Prepared by management - Unaudited)

Expressed in Canadian Dollars

		Three months ended March 31,	
	Note	2020	2019
Cash flows from operating activities			
Loss for the period		\$ (22,012)	\$ (106,921)
Adjustments for:			
Depreciation		1,600	2,902
Interest income		(1,496)	-
Net change in non-cash working capital:			
Receivables		-	(1,414)
Prepaid expenses		-	(6,300)
Accounts payable and accrued liabilities		13,041	(18,300)
Total cash flows used in operating activities		(8,867)	(130,033)
Cash flows from financing activities			
Proceeds from loan	8	10,000	-
Total cash flows provided by financing activities		10,000	-
Increase (decrease) in cash during the period		1,133	(130,033)
Cash at beginning of year		672	302,077
Cash at end of period		\$ 1,805	\$ 172,044
Other supplemental information			
Interest paid	8	\$ 33	\$ -

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

Triangle Industries Ltd.

Notes to the Condensed Interim Financial Statements

(Prepared by Management - Unaudited)

Expressed in Canadian dollars

For the three months ended March 31, 2020 and 2019

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.

The Company's registered address is 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 has voluntarily delisted from the NEX but remains a reporting issuer in certain jurisdictions in Canada.

These condensed interim financial statements are prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business and that management neither intends to liquidate the entity nor does it have no realistic alternative to do so. The Company incurred a net loss of \$22,012 (2019 - \$106,921) during the three-month period ended March 31, 2020, and as of the date the condensed interim financial statements the Company's accumulated deficit is \$8,211,312 (December 31, 2019 - \$8,189,300). These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue its operations is dependent upon its ability to restructure its debt and raise financing. Although the Company has been successful in obtaining the necessary financing to continue operations in the past, there can be no assurance that it will be able to continue to do so in the future and that such funds will be available on terms acceptable by the Company. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and to restructure the Company's debt. These condensed interim financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed interim financial statements.

These condensed interim financial statements were authorized for issue by the Audit Committee and Board of Directors on May 22, 2020.

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.

1) Basis of preparation and Measurement

a) Statement of Compliance

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, 2019 and 2018.

b) Basis of Measurement

These interim condensed financial statements have been prepared on a historical cost basis except for certain financial instruments, which are measured at fair value as explained in the accounting policies set out in Note 2(II). In addition, these interim condensed financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These interim condensed financial statements are presented in Canadian dollars, which is the Company's functional currency.

Triangle Industries Ltd.

Notes to the Condensed Interim Financial Statements

(Prepared by Management - Unaudited)

Expressed in Canadian dollars

For the three months ended March 31, 2020 and 2019

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

b) Basis of Measurement (continued)

The preparation of interim condensed financial statements in compliance with IFRS requires management to make certain critical accounting estimates and exercise judgement in applying the Company's policies.

c) Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation. Such reclassification is for presentation purpose only and has no effect on previously reported results.

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

3) Prepaid expenses

During the year ended December 31, 2018, the Company paid \$275,000 as a refundable deposit for due diligence services to be provided. As at December 31, 2018, the Company wrote-off the balance of the deposit as it was determined that the amount was unlikely to be refunded and that the likelihood of any future benefit to the Company arising from the service was low.

As at December 31, 2019, the Company wrote-off the remaining prepaid expenses of \$3,675 as it was determined that the amount was not recoverable.

4) Loan Receivable

On July 10, 2019 the Company provided a loan to a non-related company. The loan is unsecured, due and payable in one year and is interest bearing at 6% per annum until the loan is repaid in full.

	March 31, 2020	December 31, 2019
Opening balance	\$ 102,877	\$ 100,000
Accrued Interest for the period	1,496	2,877
Ending balance	\$ 104,373	\$ 102,877

Triangle Industries Ltd.

Notes to the Condensed Interim Financial Statements

(Prepared by Management - Unaudited)

Expressed in Canadian dollars

For the three months ended March 31, 2020 and 2019

5) Equipment

	Office Furniture and Equipment
Cost	\$
Balance, December 31, 2019	39,231
Additions	-
Balance, March 31, 2020	39,231
Accumulated Amortization	
Balance, December 31, 2019	17,779
Amortization	1,600
Balance, March 31, 2020	19,379
Carrying value	
As at December 31, 2019	21,452
As at March 31, 2020	19,852

6) 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 March 31, 2020, the Company had 26,122,783 (December 31, 2019 – 26,122,783) shares outstanding.

For the three-months period ended March 31, 2020 and 2019, the Company did not issue any shares.

Warrants

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

The following table is a reconciliation of outstanding and exercisable warrants from December 31, 2018 to March 31, 2020:

	Three-months period ended		Year ended	
	March 31, 2020		December 31, 2019	
	Number of	Weighted Average	Number of	Weighted Average
	Warrants	Exercise Price	Warrants	Exercise Price
Beginning Balance	-	-	20,000,000	\$0.05
Warrants issued	-	-	-	-
Expired/Cancelled	-	-	(19,740,000)	\$0.05
Exercised	-	-	(260,000)	\$0.05
Outstanding	-	-	-	-

There were no warrants outstanding and exercisable at March 31, 2020.

Triangle Industries Ltd.

Notes to the Condensed Interim Financial Statements

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Expressed in Canadian dollars

For the three months ended March 31, 2020 and 2019

6) Share Capital (Continued)

Stock Option Plan Details

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.

There were no stock options outstanding and exercisable at March 31, 2020.

7) Financial Instruments, Capital Management and Risk Management

I) Financial Instruments

The Company’s financial instruments include cash, loan receivable, and accounts payable and accrued liabilities.

Determination of Fair Value

The carrying value of cash, loan receivable, 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 March 31, 2020:				
Cash	Level 1	\$ 1,805	\$ -	\$ -
Loan receivable	Not applicable	-	104,873	-
Accounts payable and accrued liabilities	Not applicable	-	-	(64,456)
As at December 31, 2019:				
Cash	Level 1	\$ 672	\$ -	\$ -
Loan receivable	Not applicable	-	102,877	-
Accounts payable and accrued liabilities	Not applicable	-	-	(41,415)

Triangle Industries Ltd.

Notes to the Condensed Interim Financial Statements

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For the three months ended March 31, 2020 and 2019

7) Financial Instruments, Capital Management and Risk Management (Continued)

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.

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 loan receivable. 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 in respect to cash. The Company is exposed to credit risk on the \$100,000 loan provided to an arm's length party (Note 4).

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 is exposed to a promissory note of \$10,000 carrying interest at 8% per annum. Its interest rate risk is limited to potential decreases on the interest rate offered for cash held with chartered Canadian financial institutions. The interest rate on the loan receivable is fixed at 6% per annum. 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.

Triangle Industries Ltd.

Notes to the Condensed Interim Financial Statements

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For the three months ended March 31, 2020 and 2019

7) Financial Instruments, Capital Management and Risk Management (Continued)

(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.

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:					
March 31, 2020	\$ 64,456	\$ -	\$ -	\$ -	\$ 64,456
December 31, 2019	41,415	-	-	-	41,415

8. Related Party Transactions

	Three-months period ended	
	March 31, 2020	March 31, 2019
Director fees	\$ -	\$ 23,883
Interest paid	33	-
	33	23,883

During the three-months period ended March 31, 2020, the Company paid or accrued director fees of \$Nil (2019 - \$23,883) to Neil Halldorson, Michael Reimann, Keith Scott and Geoffrey Edwards, former directors of the Company.

On March 17, 2020, the Company obtained a promissory note of \$10,000 (December 31, 2019 - \$Nil) from a company controlled by a director. The promissory note was also included in accounts payable and accrued liabilities. The promissory note bears interest at 8% per annum and an amount of \$33 interest accrued for the three-months period ending March 31, 2020.

As at March 31, 2020, the balance due to related parties was \$3,043 (December 31, 2019 - \$Nil) which is included in accounts payable and accrued liabilities.

9. Supplemental disclosure with respect to cash flows

There were no non-cash financing or investing activities during the three-month period ended March 31, 2020.

10. Commitment

The Company entered into a corporate management agreement dated April 1, 2019 with Partum Advisory Services Corp. ("PASC"). The agreement is for twelve months commencing on April 1, 2019. The agreement automatically renews for a further twelve months, unless the Company or PASC give ninety days notice. As at March 31, 2020, total commitment under the agreement was \$75,600.