

# **Triangle Industries Ltd.**

Management's Discussion and Analysis

Prepared by Management

Expressed in Canadian dollars

**For the years ended December 31, 2020 and 2019**

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This Management's Discussion and Analysis ("MD&A") has been prepared by management as of March 17, 2021 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, 2020 and 2019, 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 voluntary delisted on the NEX but remains a reporting issuer in certain jurisdictions in Canada. 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 inadequate cash reserves to meet its ongoing costs of administration for the next 12 months while it continues to actively screen new investment opportunities and may incur short term loans from related parties or a financing.

The Company has voluntary delisted from the NEX but remains a reporting issuer in certain jurisdictions in Canada. The Company has no significant transactions pending at the date of this report.

On December 30, 2020, the Company consolidated all of the issued and outstanding share capital on the basis of one new share for ten old shares. Accordingly, all current and comparative share capital amounts within these financial statements have been retroactively restated to adjust for the share consolidation.

### **Overall Performance and Highlights**

On April 30, 2020, Nader Vatanchi replaced Lucas Birdsall as director, CFO and corporate secretary of the Company.

On January 31, 2020, Brian Morrison resigned as director of the Company.

The Company announced that it intended to apply to the TSX-V to voluntarily delist from NEX. The Company has recently been evaluating various options and alternatives to allow the Company to expand its business activities. Some of these options and alternatives include:

- (1) health sciences businesses activities operating in jurisdictions that are not permissible for a listed Company on the TSX-V; and/or
- (2) smaller scale business activities that would require further growth, additional working capital and a history of operations before the Company would be able to qualify for listing on the TSX-V or an alternative recognized stock exchange.

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#### Overall Performance and Highlights (Continued)

The Company's management has determined that, in order to allow it to fully explore, secure or realize on these options or alternatives, the Company will require the ability to raise more working capital than the rules of the NEX would permit it to raise through the issuance of securities. Subject to delisting, the Company plans to conduct a private placement offering. The terms of the offering have not been determined at this time.

As a result, the Company has determined that continued listing of the common shares on the NEX is not currently in the best interests of the Company. In particular, by not being listed on the TSX-V, the Company believes it will be able to pursue the most beneficial transaction that may be available at a given time, without being subject to the rules and policies of a stock exchange that may prohibit, hinder or delay transaction, providing the Company with the maximum amount of flexibility to structure a transaction to meet its current and future needs.

Subsequent to delisting, the Company continues to be a Reporting Issuer in certain jurisdictions in Canada and remains subject to continuous disclosure requirements. If the Company is able to identify and complete a transaction (or series of transactions) or develop a business in house that results in the Company expanding upon its business activities it may consider, if deemed appropriate at the time a new application for listing of the Common Shares on a recognized stock exchange at a future date.

Pursuant to the policies of the TSX-V, in order to voluntarily delist the Common Shares from the facilities of the TSX-V, a majority of the holders of common shares, excluding those common shares held by officers or directors of the Company, must approve the delisting.

The Company intended to seek this approval by way of written consent and did not intend to hold a shareholders meeting for this purpose.

The delisting from the NEX was subject to the approval of the TSX-V.

The Company has delisted from the NEX but remains a reporting issuer in certain jurisdictions in Canada.

On April 14, 2020 the Company raised \$10,000 by issuing a promissory note carrying interest at 8% per annum to a company controlled by a director.

On March 17, 2020 the Company raised \$10,000 by issuing a promissory note carrying interest at 8% per annum to a company controlled by a director.

On April 2, 2019, the Company issued 26,000 common shares pursuant to 26,000 warrants exercised at \$0.50 for gross proceeds of \$13,000.

#### Quarterly Highlights

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

	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019
Total Revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Total assets	16,743	125,786	125,961	126,030	125,001	128,151	142,859	211,177
Working capital (Deficit)	(137,827)	(4,533)	18,248	41,722	62,134	87,612	113,975	173,935
Loss and comprehensive loss	134,912	24,399	25,074	22,012	25,869	29,330	75,894	106,921
Basic and diluted loss per share	0.05	0.01	0.01	0.01	0.01	0.01	0.03	0.04

#### Discussion:

During the year ended December 31, 2020, the Company incurred a net loss of \$206,397 (2019 - \$238,014), a decrease of \$31,617 compared to 2019.

An explanation of these changes are mainly as follows:

- Consulting fees decreased by \$15,625 in 2020 from 2019 as a result of no 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 attempts to preserve cash.

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- Director fees decreased by \$23,883 in 2020 from 2019 as a result of current directors not receiving any compensation.

#### Discussion: (Continued)

- Office and administration decreased by \$73,585 in 2020 from 2019 as a result of corporate managements agreement to decrease rental expenses and as a result of the decrease in activity related to exploring new opportunities to acquire or participate in new assets and businesses in an attempt to preserve cash.
- In 2020 the Company determined that a loan receivable is no longer collectible and as a result, there was a write-off of loan receivable of \$108,893.

#### Summary of Cash Flows

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

	For the year ended	
	December 31, 2020	December 31, 2019
Cash flows used in operating activities	\$ (18,945)	\$ (214,405)
Cash flows used in investing activities	-	(100,000)
Cash flows provided by financing activities	20,000	13,000
Cash, end of year	\$ 1,727	\$ 672

The Company had cash used in operating activities of \$18,945 compared to \$214,405 during the year ended December 31, 2019. The decrease in cash outflow related to operating activities of \$195,460 for the year ended December 31, 2020 was mainly for the reasons as discussed above, and to conserve cash. There were no investing activities during the year ended December 31, 2020 compared to the \$100,000 invested in the prior year ending December 31, 2019. Financing activities provided \$20,000 cash inflow as promissory notes were issued by a related party and in 2019 a cash inflow of \$13,000 as warrants were exercised.

#### Liquidity and Capital Resources

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

	As at	
	December 31, 2020	December 31, 2019
Current assets	\$ 1,727	\$ 103,549
Current liabilities	139,554	41,415
Working capital (deficit)	\$ (137,827)	\$ 62,134

Working capital decreased by \$199,961 from working capital of \$62,134 to working deficit of \$(137,827) as at December 31, 2020. An increase in accounts payable in 2020 and proceeds from promissory notes issued in 2020 helped to finance the expenses. Management estimates the cash balance of \$1,727 is insufficient for the Company's operations and that the Company might borrow money through loans or raise money through financing to meet current and short-term working capital requirements.

#### Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

#### Transactions with Related Parties

The Directors and Executive Officers of the Company are as follows:

Richard Savage – Director, CEO

Nader Vatanchi – Director, CFO and Corporate Secretary

Lucas Birdsall – Former CFO and Former Corporate Secretary

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**Transactions with Related Parties (Continued)**

	Year ended	
	December 31, 2020	December 31, 2019
	\$	\$
Directors fees	-	23,883
Interest accrued	1,210	-
	<b>1,210</b>	<b>23,883</b>

During the year ended December 31, 2020, the Company paid or accrued director fees of \$Nil (2019 - \$23,883) to former directors of the Company.

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

On March 17, 2020 and April 14, 2020, the Company obtained two promissory notes totalling \$20,000 (December 31, 2019 - \$Nil) from a company controlled by a director. The promissory notes bear interest at 8% per annum and an amount of \$1,210 (2019 - \$Nil) interest accrued for the year ended December 31, 2020.

**Proposed Transactions**

The Company does not have any proposed transactions.

**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, 2020, as compared to those reported in the Company's annual financial statements for the year ended December 31, 2019.

## 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 December 31, 2020:				
Cash	Level 1	\$ 1,727	\$ -	\$ -
Accounts payable and accrued liabilities	Not applicable	-	-	(118,344)
Loans payable	Not applicable	-	(21,210)	-
As at December 31, 2019:				
Cash	Level 1	\$ 672	\$ -	\$ -
Loan receivable	Not applicable	-	102,877	-
Accounts payable and accrued liabilities	Not applicable	-	-	(41,415)

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#### **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.

##### **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 \$20,000 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 Company considers the interest rate 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.

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#### Fair Value Hierarchy (Continued)

##### 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, 2020	\$ 118,344	\$ 21,210	\$ -	\$ -	\$ 139,554
December 31, 2019	41,415	-	-	-	41,415

##### d) Other Risk

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

#### 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:	2,612,272
Share options outstanding:	Nil
Warrants outstanding:	Nil
Share Capital:	\$ 8,162,830

#### Forwarding 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](http://www.sedar.com).*

#### Other information:

##### Stock Exchange Listing – Voluntary delisting

Voluntary delisting - NEX of TSX Venture Exchange  
Previous Trading Symbol "TLD.H"

##### Registered Address

Suite 810 – 789 West Pender Street  
Vancouver, British Columbia, V6C 1H2, Canada

##### Auditors

SHIM & Associates LLP  
Vancouver, British Columbia

##### Transfer Agent

Endeavor Trust Corporation  
Vancouver, British Columbia