

# **Triangle Industries Ltd.**

Management's Discussion and Analysis

Prepared by Management

Expressed in Canadian dollars

**For the three months ended March 31, 2021 and 2020**

## **Triangle Industries Ltd.**

### Management's Discussion and Analysis

For the three months ended March 31, 2021 and 2020

---

This Management's Discussion and Analysis ("MD&A") has been prepared by management as of May 28, 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 unaudited condensed interim financial statements for the three months ended March 31, 2021 and 2020 and 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.

The Company has voluntarily 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 and 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.

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.

## Triangle Industries Ltd.

### Management's Discussion and Analysis

For the three months ended March 31, 2021 and 2020

---

#### Overall Performance and Highlights (Continued)

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.

During the three months ended March 31, 2021, the Company raised \$25,000 by issuing a series of promissory notes carrying interest at 8% per annum to an unrelated third-party.

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.

#### 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:

	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019
Total Revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Total assets	21,252	16,743	125,786	125,961	126,030	125,001	128,151	142,859
Working capital								
(Deficit)	(162,407)	(137,827)	(4,533)	18,248	41,722	62,134	87,612	113,975
Loss and comprehensive loss	25,687	134,912	24,399	25,074	22,012	25,869	29,330	75,894
Basic and diluted loss per share	0.01	0.05	0.01	0.01	0.01	0.01	0.01	0.03

#### Discussion:

During the three months ended March 31, 2021, the Company incurred a net loss of \$25,687 (2020 - \$22,012), an increase of \$3,675 compared to 2020.

An explanation of these changes are mainly as follows:

- Office and administration increased by \$612 in 2021 from 2020 as a result of increase in interest accrual on promissory notes issued during the three months ended March 31, 2021.
- Transfer agent and filing fees increased by \$2,059 in 2021 from 2020 due to expenses incurred during the course of the Company's replacement of the previous transfer agent.
- Interest and other income decreased by \$1,496 in 2021 as the Company wrote off its note receivable during the year ended December 31, 2020.

## Triangle Industries Ltd.

### Management's Discussion and Analysis

For the three months ended March 31, 2021 and 2020

#### Summary of Cash Flows

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

	For the three months ended	
	March 31, 2021	March 31, 2020
Cash flows used in operating activities	\$ (24,634)	\$ (8,867)
Cash flows provided by financing activities	25,000	10,000
Cash, end of period	\$ 2,093	\$ 1,805

The Company had cash used in operating activities of \$24,634 compared to \$8,867 during the three months ended March 31, 2020. The increase in cash outflow related to operating activities of \$24,634 for the three months ended March 31, 2021 was mainly for the reasons as discussed above as well as the increase of \$10,000 in prepaids as at March 31, 2021. There were no investing activities during the three months ended March 31, 2021 and 2020. Financing activities during the three months ended March 31, 2021 and 2020 provided \$25,000 and \$10,000 cash inflow respectively for promissory notes issued.

#### Liquidity and Capital Resources

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

	As at	
	March 31, 2021	December 31, 2020
Current assets	\$ 12,343	\$ 1,727
Current liabilities	(174,750)	(139,554)
Working capital deficiency	\$ (162,407)	\$ (137,827)

Working capital deficiency increased by \$24,580 from \$137,827 as at December 31, 2020 to \$162,407 as at March 31, 2021. An increase in accounts payable and proceeds from promissory notes payable during the three months ended March 31, 2021 helped to finance the expenses. Management estimates the cash balance of \$2,093 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

As at March 31, 2021, the balance due to related parties was \$3,043 (December 31, 2020 - \$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 from a company controlled by a director. The loans are unsecured and due upon demand. The promissory notes bear interest at 8% per annum. During the three months ended March 31, 2021, interest expense of \$395 (2020 - \$33) was accrued for the promissory notes.

#### Proposed Transactions

The Company does not have any proposed transactions.

## Triangle Industries Ltd.

### Management's Discussion and Analysis

For the three months ended March 31, 2021 and 2020

#### Financial Instruments, Capital Management and Risk Management

There were no significant changes to the Company's financial instruments, capital management and risk exposures during the three-months period ended March 31, 2021, as compared to those reported in the Company's annual financial statements for the years ended December 31, 2020 and 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 March 31, 2021:				
Cash	Level 1	\$ 2,093	\$ -	\$ -
Accounts payable and accrued liabilities	Not applicable	-	-	(127,935)
Loans payable	Not applicable	-	(46,815)	-
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)	-

##### 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.

## Triangle Industries Ltd.

### Management's Discussion and Analysis

For the three months ended March 31, 2021 and 2020

---

#### Fair Value Hierarchy (Continued)

##### 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 promissory notes with outstanding balance of \$45,000 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.

##### 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, 2021	\$ 127,935	\$ 46,815	\$ -	\$ -	\$ 174,750
December 31, 2020	\$ 118,344	\$ 21,210	\$ -	\$ -	\$ 139,554

##### 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.

## **Triangle Industries Ltd.**

Management's Discussion and Analysis

For the three months ended March 31, 2021 and 2020

---

### **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