



Management's Discussion and Analysis

June 23, 2010

The following provides additional analysis of the operations and financial position of TriNorth Capital Inc. ("TriNorth" or the "Company"). It is supplementary information and should be read in conjunction with the Company's audited financial statements and accompanying notes as at December 31, 2009 and unaudited financial statements and accompanying notes for the period ended March 31, 2010.

Regulatory filings for TriNorth may be found on SEDAR at www.sedar.com, while other information related to the Company, including its net asset value, is published on its website at www.trinorthcapital.com.

FORWARD-LOOKING STATEMENTS

Included in this Management Discussion & Analysis are matters that constitute "forward-looking" information within the meaning of Canadian securities law. Such forward-looking statements may be identified by words such as "plans", "proposes", "estimates", "intends", "expects", "believes", "may" or words of a similar nature. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from such statements. Factors that could cause actual results to differ materially include among others, regulatory risks, risk inherent in foreign operations, commodity prices and competition. These factors are largely outside the control of the Company. All subsequent forward-looking statements attributable to the Company or its agents are expressly qualified in their entirety by these cautionary comments. Except as otherwise required by applicable securities statutes or regulation, the Company expressly disclaims any intent or obligation to update publicly forward-looking information, whether as a result of new information, future events or otherwise.

OVERVIEW

TriNorth is an investment company with investments in a portfolio of commodity based companies. TriNorth's investment strategy includes structuring and initiating deals focused on particular resources, themes or regions. TriNorth may also invest in publicly traded companies.

Pursuant to the terms of a management agreement, the Company is managed by Navina Asset Management Inc. (formerly Lawrence Asset Management Inc.) (the "Manager"). The Manager is responsible for providing or arranging for investment management and advisory services as well as administrative and accounting services.

RESULTS OF OPERATIONS

Net loss for the period ending March 31, 2010 was \$319,874 compared to a net loss of \$418,175 for the corresponding period in the prior year. During the first quarter, the following significant events occurred:

- As at December 31, 2009, the Company's only marketable security held was CIC Energy which had a fair value as at that date of \$462,420. The interest in CIC was sold in January 2010 for net proceeds of \$425,728 which resulted in a net loss of \$29,047.
- In the first quarter 2010, unrealized loss on investment of \$146,200 related to Feronia and was the result of a change in foreign exchange. During the first quarter of 2010, the Company paid certain expenses totalling \$117,036, on Feronia's behalf. This amount is included in Prepaid expenses and other assets.

- In March 2010, Saber Energy Corporation (“Saber”) merged with Talon Metals Corp. (“Talon”) so that the Company owned 981,518 common share of Talon, a TSX listed company (“TLO”). As at December 31, 2009, the carrying value of Saber in the Company’s accounts was \$357,042 and as at March 31, 2010, the fair value reflected in the Company’s accounts was \$368,070. The unrealized gain of \$11,028 is included in “Realized and unrealized gain (loss) on marketable securities in the Statements of Operations.
- Management fees declined to \$31,157 for the period ending March 31, 2010 compared to \$63,858 for the same period last year. The decline was the result of fees being applied to a lower investment base.
- Operating, general and administrative declined from \$245,681 to \$100,694 reflecting the much lower activity of the Company.
- Project development expenses, primarily for travel and consultants, were \$16,190 for the period ending March 31, 2010 compared to \$227,025. The decrease reflects the significantly lower investment activity on the part of the Company.

SUMMARY OF QUARTERLY RESULTS

(\$000’s except per share information)

The selected interim financial information set out below for the eight most recently completed quarters has been derived from the Company’s unaudited interim financial statements and accompanying notes posted on www.sedar.com. Readers should read the following financial information in conjunction with those statements and notes.

| | 31-Mar-10 | 31-Dec-09 | 30-Sep-09 | 30-Jun-09 | 31-Mar-09 | 31-Dec-08 | 31-Sep-08 | 30-Jun-08 |
|----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Net Investment gains (losses) | (164) | (1,522) | 606 | (1,906) | 111 | (9,895) | (164) | 2,265 |
| Net Income (loss) for the period | (320) | (2,401) | 156 | (3,054) | (418) | (10,938) | (1,467) | 1,921 |
| Earnings (loss) per share | (0.002) | (0.014) | (0.001) | (0.020) | (0.003) | (0.073) | (0.010) | 0.013 |

Variances in quarterly results occur due to the timing of disposition of investments and revaluations of marketable securities due to fluctuations in the public markets. Privately-held equity investments are revalued at their fair values if the Company has determined that there is a permanent impairment in the value of the investment. In the last quarter of 2009, the Company began to follow AcG-18 which is described in more detail under Adoption of New Accounting Standards in the 2009 year end statements.

FINANCIAL POSITION AND LIQUIDITY

During the quarter ended March 31, 2010, cash outflow from operating activities before non-cash working capital balance adjustments and share of loss in equity accounted investments was \$155,654 (\$802,641 for the comparable period in 2009). After reflecting the changes in accounts receivable, prepaid expenses, payables and share of loss of equity accounted investee, cash outflow from operations was \$391,315 compared to an outflow of \$1,195,031 for the corresponding period in the prior year.

Working capital at March 31, 2010 was \$739,039 including cash and cash equivalents of \$370,969 and marketable securities of \$368,070. These amounts are sufficient to fund the Company’s operations and to support its current investments.

Current liabilities were \$197,758 as at March 31, 2010 of which \$1,626 represented liabilities to a related party.

Net cash inflow from the sale of marketable securities was \$433,372.

INVESTMENTS

CIC Energy Corp

As at December 31, 2009, the Company's only marketable security held was CIC Energy Corp. which had a fair value as at that date of \$462,420. The interest in CIC was sold in January for \$425,700.

Talon Metals Corp. (formerly Saber Energy Corporation)

In March 2010, Saber Energy Corporation ("Saber") merged with Talon Metals Corp. ("Talon") so that the Company owned 981,518 common share of Talon, a TSX listed company ("TLO"). As at December 31, 2009, the carrying value of Saber in the Company's accounts was \$357,042 and as at March 31, 2010, the fair value reflected in the Company's accounts was \$368,070. In April 2010, the Company sold 950,000 shares of its investment in Talon for \$370,500.

Feronia Inc. ("Feronia")

The Company created Feronia as a wholly owned subsidiary and capitalized it with CDN \$1 million in 2008. As a wholly-owned subsidiary, Feronia was consolidated in fiscal 2008 and for the first eight months of 2009.

In April 2009, a further \$170,892 was invested to bring TriNorth's total investment to that date to equate to US \$ 1 million. In September 2009, Feronia issued common shares to TriNorth and other investors. The Company paid \$1,950,337 (the equivalent of US\$ 0.25 per share) for its additional shares. As a result of the September 2009 Feronia capital raise, TriNorth's ownership in Feronia was diluted to 48.25% and the Company recorded a gain on dilution of \$1,909,379. With the dilution, the Company ceased to consolidate Feronia and adopted equity accounting for its investment up to the end of the third quarter.

During the month of September 2009, Feronia continued to hire its own personnel and by the end of September TriNorth no longer had any involvement with Feronia's operations. In the fourth quarter of 2009, the Company became eligible to follow AcG-18 to fair value all its investments, including Feronia. At the year end an amount of \$805,301 was recognized as part of the Change in unrealized gain on investment. This brings TriNorth's 17 million shares to a fair value of US\$ 0.25 per share being the amount received in the third party financing referred to above.

An unrealized loss on investment of \$146,200, during the first quarter of 2010, was the result of a change in foreign exchange and reduced the fair value of Feronia to \$4,316,300. During the first quarter of 2010, the Company paid certain expenses totalling \$117,036, on Feronia's behalf. This amount is included in Prepaid expenses and other assets.

On March 1, 2010, Feronia issued 347,132 shares at a subscription price of US\$ 0.25 per share for gross proceeds of US\$ 86,783.

Subsequent to the period end, Feronia entered into a number of transactions and pending transactions with other parties impacting its capital structure as described below.

- On April 13, 2010, Feronia issued 8,894,344 shares in consideration for the 20% interest in its subsidiary, Feronia JCA Ltd., which it previously did not own.

- On May 25, 2010, Feronia agreed to convert a loan of US\$ 1,000,000 from another fund managed by the Manager into 2,500,000 shares of Feronia and 1,250,000 warrants, upon the satisfaction of the release conditions of the brokered financing described below.
- On May 25, 2010 and June 4, 2010, Feronia completed a brokered financing pursuant to which Feronia issued an aggregate of 51,945,024 subscription receipts at an issuance price of \$0.40 per subscription receipt for aggregate gross proceeds of \$20,778,010, consisting of cash proceeds of \$17,378,010 and the conversion of \$3,400,000 of loans from two other funds managed by the Manager. Each subscription receipt is convertible into one share of Feronia and one half of one share purchase warrant. Each whole warrant will entitle the holder to acquire one share at a price of \$0.60 for a period of three years. The cash proceeds of \$17,378,010 were placed in escrow with a third party escrow agent pending satisfaction of certain release conditions relating to the reverse takeover by Feronia of G.T.M. Capital Corporation and the subsequent listing of its shares on the TSX Venture Exchange. Upon satisfaction of the release conditions and the release of the cash proceeds from escrow, the agents are entitled to receive a cash commission of 6% of the gross proceeds and broker warrants representing 6% of the number of shares issuable upon conversion of the securities sold under the offering at a price of \$0.40 per share for a period of three years. The financing will be used to fund future growth of Feronia's palm oil plantations and other agricultural interests in the Democratic Republic of Congo and other countries in Africa.

TriNorth has not participated in the financing. If the transaction is completed TriNorth's ownership position will be diluted to 17.12% before the impact from warrants being exercised. In addition, there will be certain restrictions on the Company's ability to sell some or all of its shares in Feronia for a period of time after the transaction is completed.

Wild Horse Farms & Bio-Energy Corporation ("Wild Horse")

In May 2008, the Company invested \$2,002,500 (or \$0.75 per share), for an 8.8% ownership interest in Wild Horse, a start up company planning to establish one of Canada's largest corporate farms. The Company's ownership increased to 9.6% at no additional cost when Wild Horse issued additional shares to investors in a private placement after it was unable to list its shares on a recognized stock exchange by December 31, 2008. Wild Horse is focused on higher yield, lower risk irrigated farmland in the Lake Diefenbaker area of Saskatchewan.

Early in the third quarter of 2009, the Company participated in Wild Horse's round of financing for \$1 million by purchasing 1 million convertible preferred shares at \$0.25 for a total consideration of \$250,000. In the second quarter of 2009, based on the knowledge of the aforementioned financing, the Company wrote down its original investment in Wild Horse common shares by \$1,234,863 to its fair value of \$767,637 (\$0.25 per share).

RELATED PARTY TRANSACTIONS AND CONTRACTUAL OBLIGATION

The Company has a management contract with the Manager to manage the undertakings of the Company. The Company has agreed to pay the Manager a 2% management fee per annum, based on the Company's net asset value, and a performance fee, based upon the increase in the Company's net asset value above a benchmark. For the three months ended March 31, 2010, a management fee of \$31,157 (\$63,858 in 2008) was recorded. As at March 31, 2010, the amount accrued and payable to the Manager was \$1,626.

The Manager provides or arranges for all general management and administrative services required by the Company in its day-to-day operations, including investment advice, establishment of brokerage arrangements relating to the purchase and sale of investments of the portfolio, bookkeeping and record-keeping.

A director of TriNorth is also a director of Feronia and Wild Horse.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. The Company's accounting policies are described in Note 2 to the financial statements.

Estimated fair value is determined on the basis of the expected realizable value of the investments if they were disposed of in an orderly manner over a reasonable period of time. The Company uses estimation techniques to determine fair value, which may include arm's length transactions, discounted cash flows, multiples of earnings or production, the movement in economic and sector indicators such as market indices and comparison with other securities of similar companies. Specific techniques listed above or a combination of these techniques maybe be employed by the Company based on its best estimate and judgment under the applicable circumstance.

CHANGE IN BASIS OF ACCOUNTING

During the fourth quarter of fiscal 2009, the Company ceased to be involved in the day-to-day management of it investments. As a result, the Company met the definition of an Investment Company under Accounting Guideline 18, Investment Companies (AcG-18"). In accordance with AcG-18, the Company commenced accounting for its investments at fair value effective on the date of change in status, with changes in fair value recognized as change in unrealized gain (loss) on investments in the Statement of Operations.

FUTURE ACCOUNTING PRONOUNCEMENTS

The Canadian Accounting Standards Board ("AcSB") has confirmed its plan to adopt all International Financial Reporting Standards ("IFRS"), as published by the International Accounting Standards Board by January 1, 2011. The Company will adopt IFRS for the year beginning January 1, 2011 and will present the interim and annual financial statements including comparative 2010 financial statements in accordance with IFRS.

The Company is currently in the process of assessing the differences between IFRS and Canadian GAAP, as well as the alternatives available upon adoption. The impact these differences may have on the financial results has not been yet determined and will be an ongoing process as the International Accounting Standards Board and the AcSB issue new standards and recommendations periodically.

RISK FACTORS AND RISK MANAGEMENT

The Company's investment strategy requires assuming risk in exchange for an above average return on investment. Each of TriNorth's investee companies are subject to the risks inherent in the region and industry in which they operate. Such risks include political, currency, market and liquidity risk. The investee companies are all at an early stage of development and may continue to require additional capital to develop their business plans until they become self-funding.

Credit Risk, Liquidity Risk (see Note 1 of the Financial Statements) and Market Risk

Credit risk is the risk of financial loss when a counterparty defaults on its obligations to the Company. Liquidity risk is the risk that the Company is unable to fulfill its financial obligations as they become due. Market risk occurs when changes in interest rates, foreign exchange rates and commodity prices affect the fair value of, or future cash flows, from the Company's financial instruments. Market risk also creates significantly uncertainty around the ability of the Company to liquidate its investments.

The Company relies on the expertise of the Manager's experience as a portfolio manager in managing risk. Prior to making an investment the Manager will engage in extensive due diligence, which would include site visits and the engagement of consultants with industry and sector experience. In the case of investments in private companies, the Manager will, to the extent possible, structure the investment transaction to facilitate the disposition of the Company's investment at a time that would maximize the Company's returns. It is impossible to eliminate all risks which a specific investment is subject to.

OUTSTANDING SHARE DATA

The Company has two authorized classes of shares: an unlimited number of common shares and an unlimited number of preference shares, issuable in series. As at March 31, 2010, there were 150,747,317 outstanding common shares and no outstanding preference shares.

OUTLOOK

The original business case for TriNorth was to be an active provider of investment capital to higher-risk and commensurately higher return potential assets. The market conditions in 2007 favored this approach. However, we do not believe current market conditions favor this style of investing and do not believe the opportunity exists for TriNorth to actively invest in this manner. As a result, the focus of TriNorth management will continue to be on minimizing operating costs, preserving cash and maximizing the value of its various assets.

The most important asset for TriNorth is its share holdings in Feronia Inc. Feronia is a promising company that is rehabilitating plantations assets in the Democratic Republic of Congo. Feronia is currently in the process of applying to list its shares on the TSX-Venture Exchange and we are optimistic about its long-term potential.

The current focus for the management and directors of the Company is to preserve cash and maximize the value of TriNorth's existing investments, for its shareholders, through sale or distribution.