



Management's Discussion and Analysis

August 30, 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 consolidated financial statements and accompanying notes for the period ended June 30, 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. On June 7, 2010, the Manager entered into a share purchase agreement whereby all of its shares would be purchased by Aston Hill Financial Inc. The acquisition was completed in August, 2010.

RESULTS OF OPERATIONS

Results for the quarter ended June 30, 2010

Net income for the three month period ending June 30, 2010 was \$59,207 compared to a net loss of \$3,054,385 for the corresponding period in the prior year. During the second quarter, the following significant events occurred:

- As at March 31, 2010, the Company's only marketable security was Talon Metals Corp. which had a fair value as at that date of \$368,070. In the second quarter, this investment was sold for

\$392,614. The gain on the sale of \$24,544 was recorded in the Statements of Operation as Realized and unrealized gain (loss) on marketable securities.

- The second quarter 2010's result reflects an unrealized gain on investments of \$191,250 relating to Feronia Inc. and was the result of a change in foreign exchange.
- Interest income for the three months ended June 30, 2010 was nominal compared to \$19,198 in the same three months of 2009 reflecting the fact that the Company had in 2009 some interest bearing short term investments.
- Management fees declined to \$29,911 for the period ending June 30, 2010 compared to \$55,206 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 \$116,389 to \$71,801 reflecting the much lower activity of the Company.

Results for the six months ended June 30, 2010

Net loss for the six month period ending June 30, 2010 was \$260,667 compared to a net loss of \$3,472,560 for the corresponding period in the prior year. During the first six months of 2010, the following significant events occurred:

- The realized and unrealized gain on marketable securities was \$6,524 compared to a realized and unrealized loss in the previous year of \$66,844. The 2010 gain was made up of \$35,571, being the total realized gain on the disposition of all of the Company's investment in Talon Metals, net of a realized loss of \$29,047 on the disposition of all of the Company's investment in CIC Energy.
- In the first six months of 2010 there was a Change in unrealized gain (loss) on investments reflected in the Statements of Operations being a net unrealized gain on investment of \$45,050. This net unrealized gain was made up of \$45,050 related to Feronia and was the result of change in foreign exchange.
- During the first six months of 2010, the Company paid certain expenses totalling \$131,346, on Feronia's behalf. This amount is included in Prepaid expenses and other assets. In July 2010, this amount was repaid in full to the Company.
- Management fees declined to \$61,068 for the six months ending June 30, 2010 compared to \$119,065 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 \$957,478 to \$217,083 reflecting the much lower activity of the Company.
- Project development expenses, primarily for travel and consultants, were \$16,190 for the six months ending June 30, 2010 compared to \$627,428. 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.

	30Jun10	31Mar10	31Dec09	30Sep09	30Jun09	31Mar09	31Dec08	30Sep08
	\$	\$	\$	\$	\$	\$	\$	\$
Net Investment gains (losses)	216	(164)	(1,522)	606	(1,906)	111	(9,895)	(164)
Net Income (loss) for the period	59	(320)	(2,401)	(156)	(3,054)	(418)	(10,938)	(1,467)
Earnings (loss) per share	0.000	(0.002)	(0.014)	(0.001)	(0.020)	(0.003)	(0.073)	(0.010)

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 June 30, 2010, cash outflow from operating activities before non-cash working capital balance adjustments was \$156,587 (\$1,148,212 for the comparable period in 2009). After reflecting the changes in accounts receivable, prepaid expenses, and payables, cash outflow from operations was \$229,529 compared to an outflow of \$1,232,710 for the corresponding period in the prior year.

Working capital at June 30, 2010 was \$398,910 including cash and cash equivalents of \$534,054. These amounts are sufficient to fund the Company's operations and to support its current investments.

Current liabilities were \$135,144 as at June 30, 2010 of which \$10,491 represented liabilities to a related party.

Cash inflow from the sale of marketable securities was \$392,614.

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 2010 for gross proceeds of \$425,700 and a realized loss of \$29,048.

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 shares 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. In the six months ended June 30, 2010, the Company sold all of its investment in Talon for gross proceeds of \$392,614 and a realized gain of \$35,571.

Feronia Inc. (“Feronia”)

The Company created Feronia as a wholly owned subsidiary and capitalized it with \$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 increase TriNorth’s total investment, to that date, to equate to US \$ 1 million, which amount was the investment that Feronia had originally expected. 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 gain on investment of \$191,250, during the second quarter of 2010, was the result of a change in foreign exchange and increased the fair value of Feronia to \$4,507,550. During the first six months of 2010, the Company paid certain expenses totalling \$131,346, on Feronia’s behalf. This amount is included in Prepaid expenses and other assets. In July 2010, this amount was repaid in full to the Company.

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

In the second quarter, Feronia entered into a number of transactions and pending transactions with other parties impacting its capital structure:

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

On May 25, 2010, Feronia assumed a loan of US\$1,000,000 and the holder of the loan agreed that the loan would convert 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 rights at an issuance price of \$0.40 per subscription right 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. 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 CDN\$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 likely 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.

On August 27, 2010, GTM Capital Corporation announced that the previously announced reverse takeover of Feronia had received conditional approval from the TSX Venture Exchange and is currently scheduled to close on or about September 9, 2010.

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.

On July 26, 2010, the shareholders of Wild Horse received a notice and proxy information in connection with its annual general meeting. Amongst other things, the shareholders were informed that one of the items to be considered at the upcoming meeting would be a proposal to wind up the company. At Wild Horse's annual general meeting, held on August 19, 2010, the Board of Directors of Wild Horse were authorized, by the shareholders, to wind down the affairs of the company, including the sale of substantially all of the assets of the company at the best value reasonably obtainable under the circumstances, with realized proceeds to be used to repay creditors with any residual value to be allocated to Wild Horse shareholders. Management of Wild Horse have indicated that they are looking at a few alternatives.

The Company has not recorded an impairment in value in the June 30, 2010 financial statements in relation to Wild Horse. The Company estimates that the effect of the above events would be a decline in the fair value of \$0.25 per share to an amount of \$0.09 per share (a write down of approximately \$651,000), which amount reflects the book value per share of Wild Horse provided to the Company by Wild Horse in July. An amount less than \$0.09 per share might be warranted if the liquidation values of Wild Horse's assets turn out to be less than their book values.

The Company will monitor its position over the remaining two quarters of 2010 to determine if a further write down is necessary.

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 June 30, 2010, a management fee of \$29,911 (\$55,206 in 2009) was recorded. For the six months ended June 30, 2010, a management fee of \$61,068 (\$119,065 in 2009) was recorded. As at June 30, 2010, the amount accrued and payable to the Manager was \$10,491.

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. In June 2010, the AcSB published for comments an exposure draft proposing that investment companies, which include investment funds, can defer adoption of IFRS by one year. Investments companies may continue to apply existing GAAP standards and must adopt IFRS for fiscal years beginning on or after January 1, 2012. The AcSB expects to finalize the proposed amendments in September 2010.

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.

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 June 30, 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 short-term focus for the management and directors of the company is to identify, articulate, and execute a plan to maximize the value of TriNorth's assets for its shareholders.