

Operator

Good morning ladies and gentlemen. Welcome to the Conference Call Update on TriNorth. I would now like to turn the meeting over to Mr. Ravi Sood. Please go ahead, Mr. Sood.

Ravi Sood, President & Chief Operating Officer

Thank you and thank you everyone for dialling in this morning.

Today I'm going to review a number of things with respect to TriNorth. First off, some introductory remarks about the year in review followed by a review of the key results as pertaining to the operations of TriNorth in 2008, a review of the net asset value of our holdings, a description and some colour of the key holdings of the company and a discussion of the strategy for the year ahead and some of the catalysts that we expect in the upcoming quarters and the remainder of the year. Followed by a question and answer period.

Looking back at 2008, clearly a very difficult year in capital markets, the economy in general, and especially for early-stage companies, and we were by no means insulated from that. Our strategy with TriNorth is of course to focus on creating value by getting involved with ventures with great long-term potential at a very early stage and by creating value for ourselves by not just contribution of early-stage capital but a lot of our structuring expertise and the other elements that we can bring to bear, including introducing high-quality management, strategic investors, and a real path towards public markets and higher valuations and lower cost of capital.

2008 was just a spectacularly bad year for early-stage companies and made our business plan very difficult to execute on; however, we are quite satisfied that we were able to retain value in our key holdings and a lot of our energies have been devoted to making sure that these key holdings survive and are able to execute on their business plans while capital remains very tight for early stage companies. That's really our key focus so I'll describe that more in this discussion of the strategy going forward.

Review of the operations or key operational events in 2008: On April 18, 2008 we sold our entire investment in Buchanan Renewable Energies for net proceeds of \$6.246 million and recorded a gain of approximately \$2.5 million. This was a major disposition for us and it's worthwhile to note that if you include this disposition our

net investments in new investments into private companies in 2008 was only \$2.4 or not quite \$2.5 million. So it was a very fortuitous exit. We believe Buchanan has gone on to do very well in its new hands under its new ownership and we wish them well, but that was an excellent exit for the Company.

During the year we wrote down all of our private holdings by an aggregate amount of \$5,277,108. In some cases this was because we sold the investments at a lower price than we paid for it, in some cases it's related to a company going public and the value being realized or in the market being lower than where we'd carry it, and in other cases it's simply where we've written the investment down to believing that valuations have decreased due to the credit crisis and generally lower valuations across the market.

The Company's proportionate share of losses from investments in which it has a significant influence was \$1,305,565. This is a difficult number to decipher. Part of this loss in fact is attributable to Buchanan Renewable Energies prior to its sale. So this is not a particularly significant number in terms of understand the value of TriNorth.

We recorded an unrealized loss on investments in public companies of \$2,279,947, and one other item that in the accounting sense is described as material, ah, we earned \$165,000 from the disposition of shares in CHC Helicopter, which was simply advantageously or opportunistically purchasing shares in the market prior to closing of its acquisition by a private equity group.

Moving on to a review of our net asset value, as I said, we took a number of write-downs, i.e. reducing the value at which we hold a number of our investments, and as a result the net asset value per unit of TriNorth is currently 8.79 cents per share. This is down obviously from where it was at the end of 2007/beginning of 2008, reflecting what's happened in markets. I think it's certainly out-performed most junior stock indices over that time period and it also is a very conservative valuation of what we have in our portfolio. And as I'll describe it, in some cases we're giving a very conservative valuation of our holdings and we believe there is potential for upside from these levels over the course of the next several quarters.

Just breaking that number down further, looking at public market positions. This constitutes about, currently, \$2.8 million or about 1.8 cents per share, our cash position is just over \$2 million or about 1.4 cents per share, so in aggregate just over 3 cents per share in public markets positions in cash. Our position in Saber Energy is just over 1 cent per share. That's written down by about 75

percent from our cost. No third party or external event has caused us to take that write-down, we've just taken that in the interest of being prudent and making sure that we can factor in any depreciation in that holding and given what's happened in the broader market.

Our investment in Wild Horse Farms, which is \$2 million or approximately 1.3 cents per share, and our investment in Russo Forest, which is currently valued at \$990,000 or about two-third of one cent per share. Russo Forest is in the process of going public via reverse takeover. We expect this to be complete very soon and start trading and the valuation, this represents a significant part of the write-down or reduction in carrying value that we took in 2008, is based on the deal that was struck with the shell in terms of valuing Russo Forest. We're optimistic that it has the opportunity to outperform the level that we have written it down to.

Looking at the key holdings and their prospects, discussion of Saber Energy, Saber has shown a 51-101 compliant resource of 28 tcf—that's trillion cubic feet—of gas. It has experienced a number of technical issues in terms of determining how to economically extract that gas. We believe they have a reasonable opportunity or probability of solving those technical issues and that resource will prove to be of tremendous value. That's, ah, this resource is of course in Botswana and therefore worth much less than it would be if it were in Western Europe or North America. General rule of thumb being for non-conventional gas in North America you can look for a valuation of almost \$1 billion per trillion cubic feet of gas in the ground. And certainly that's not the case with this asset but it does underscore the fact that there is potential significant value there. The management team in this company is excellent and we continue to be optimistic about this notwithstanding our significant write-down. We don't expect any catalysts in the short-term on this one but we believe the company to be adequately funded to continue its process of developing this resource.

Wild Horse Farms is a corporate farm in Saskatchewan. Since we made our investment the price of farmland in Saskatchewan has appreciated, so we're very comfortable with this investment. The company is looking for a go-public transaction, most likely an initial public offering, at some point before the end of this year. they had intended to complete an IPO in 2008 and were subject to a penalty clause, which we benefitted from in that they did not complete an initial public offering or other go-public transaction, but we do believe they are on track to complete one by the end of this year. And, again, we continue to be optimistic that they will be successful in this regard given the high demand for high-quality

agricultural-related investments. And there's a real scarcity of value to corporate farm investments particularly in Canada. This is one of the very few opportunities to invest in corporate scale farming with a quality management team and very high-quality assets.

Russo Forest, which I discussed briefly, is going public imminently. The shares will start trading in the next month or two. And we believe that they are set to continue to execute on their strategy of expanding the forestry licenses and the hectares under management, their annual allowable cut and expanding the amount that they are able to harvest on an annual basis. We're optimistic that the company will either achieve cash flow breakeven in 2009 or very shortly thereafter and ideally complete a financing, which will improve its financial health and allow it to execute on the strategy of expansion. The current economic turmoil has certainly produced a lot of opportunities for acquisitions and we believe the management team in place at Russo is capable in executing that strategy. It will be a challenge to make sure that they're adequately capitalized, as I said, given the condition of markets, but we are aggressively supporting them and are optimistic that they'll be able to execute on that.

One other key holding which I didn't discuss in terms of its contribution to the net asset value, because it's currently minimal, is Feronia Inc. Feronia is, ah, we have invested \$1 million into Feronia and because it's a 100-percent owned subsidiary of TriNorth we currently value it at its cash value per share. It has no sort of multiple value associated to it although we expect to achieve a multiple value through an external investment from a third party at some point over the next quarter or two. Feronia is an operating agricultural company focused on Africa and has struck a number of deals which we hope to announce as they are finalized over the next several months, which will give it a very large land position in tropical Africa from which it can earn what we believe will be a very high return. The management team that we've assembled is outstanding. They collectively have over 130 years experience in large-scale agriculture in emerging markets, principally in Africa and Southeast Asia, but in a number of other places around the world as well, and they are uniquely positioned to capitalize on these large-scale agricultural opportunities.

We continue to believe this is the right sector to be focused on. the fundamentals for it are outstanding. Certainly, like everything else, there was a weakness in this sector over the past six months but we believe the long-term fundamentals are the easiest to understand are really outstanding at this point in the cycle. While we're bullish on a number of other commodity-related

businesses, when we look at the downside risk associated to owning productive agricultural land being very low and the upside from potential price spikes and through excellent management teams that are able to improve the profitability and efficiency of the operations that we're acquiring, we're very excited about the potential of our capital appreciation here.

Moving on to a discussion of our strategy for the remainder of the year and going forward, as I indicated earlier on in the call we're very much focused on ensuring that our existing investments survive and prosper, making sure that they're adequately capitalized and they're able to not just execute on their business plans or survive but really, as I said, really flourish in this environment. So we're spending an enormous amount of time with each and every one of our companies' management teams and helping them work out not just any sort of issues on the operational side but on the capital markets and fund raising side. We'll devote, ah, to the extent that we make any more investments in private companies it will be supporting our existing companies. Currently we are not anticipating that but that may change over the balance of the year. We're optimistic that all of our companies are sufficiently financed, at least for the balance of 2009, and in the coming quarters there will be opportunities to access capital markets.

Again, as I said in my introductory remarks, our ability to create value for ourselves by getting in very early in high-potential situations and accessing public markets and other forms of financing at much higher levels through our expertise and our ability to structure or assist in the structure of these companies has been seriously impaired by the markets, but that situation is improving. Definitely in the last few months the ability for companies to access capital has improved dramatically for large cap companies and the window is starting to open up for small cap companies as well and this, we believe, will have a significant positive impact on TriNorth.

Just to summarize, again, the net asset value per unit is 8.79 cents per share and given our trading price obviously there's a significant discount there. That's perhaps a function of the market and a number of other factors but we're hopeful that as we get out and tell the story we can at least erase part of that discount. With that I will pass the call back to the operator and I'm looking forward to answering any questions you may have.

Operator

Thank you, Mr. Sood. If you have a question and you are using a speakerphone, please lift your handset before

making your selection. If you have a question, please press star one on your telephone keypad. If at any time you wish to cancel your question, please press the pound sign. Please press star one at this time if you have a question. There will be a brief pause while participants register for questions. Thank you for your patience.

The first question is from Randy Hazen. Please go ahead.

Randy Hazen

Hello, Ravi.

Ravi Sood, President & Chief Operating Officer

Hey, Randy.

Randy Hazen

Could you comment on the public stocks that make up TriNorth like Day4 and the other ones quickly? I guess what a lot of clients have done is just to sort of get a measurement as to how TriNorth is doing they say well let's look at the holdings. They really can't look at obviously the private companies but they would like to look at these public ones you own. So could you give a quick overview of those?

Ravi Sood, President & Chief Operating Officer

Definitely. And just to underscore that, the value of the public markets positions is currently just under 2 cents a share, it's about 1.8 cents, so that's very significant as part of the trading price but not that significant, it's I guess about 20 percent of the net asset value of the Company.

Homeland Energy is a position that TriNorth has. That's a producing thermal coal company with assets in South Africa listed on the Toronto Stock Exchange. We believe these shares to be significantly undervalued and are long-term holders of that company. We think as the production comes on line and the operating throughput is improved throughout the course of this year that this will generate substantial cash flow on an annual basis, you know, and show this to be trading at an extremely low multiple. They've had a number of dilutions to the number of shares outstanding occur over the last sort of 90 days for a number of factors, but even including those we believe that to be seriously undervalued.

Day4 continues to trade at absurdly low valuations. I think that there's very little in the way of a catalyst for that given the negative sentiment and negative fundamentals currently, frankly, for solar companies, but with that management team in place, their cash position and their order book continuing to build, although it's been much less than expected give what, again, what's happened in credit markets, that's an excellent long-term holding.

And finally CIC Energy, which is again thermal coal, again Southern Africa. A huge value to that resource at 3 billion tonnes of proven coal. They are getting closer in terms of their power plant project, in terms of a signed power purchase agreement with the South African government and with getting financing in place from a number of development-related agencies. It's a substantial project. It's a difficult one to pull off. But they have very high-quality advisors in place and they're working with these people to complete that. Even ignoring that, it's trading at a slight premium to its cash value per share, valuing its 3 billion tonnes of proven coal at virtually nothing.

And I can't emphasize enough there's a huge strategic value to proven coal assets in Southern Africa or in the entire Indian Ocean zone right now. There's demand growing for increased imports into China. China is historically and will always be a large thermal coal producer but it is consuming more and more and more and there's nothing but structural demand being created. Every year it's going to be more and more demand for thermal coal. And even faster on a percentage growth in demand and incremental import demand is India. And so you're looking at well over 100 million tonnes of incremental demand on an annual basis for thermal coal going into India for power plants that have already been announced or commenced in one shape or another. That coal has to come from somewhere and it's going to be a huge strain on that entire region, whether it's Indonesia, South Africa, Mozambique, or Australia, any of the thermal coal producers, because there's just huge increases in demand and there's very few places where you can get any sort of large incremental supply.

So there's long-term strategic value to that coal. It shouldn't be given zero value, it should be getting a premium value, and at some point over the next several years it will be. So if they can complete this power project as we expect, that's a huge uplift in valuation and we expect that to—will find out huge pieces of information coming out on that over in May/June on the power purchase agreement and by the end of Q3 in terms of getting financing in place. And in any case it's, as I said, it's underscored by their cash value per share, which it's

only trading at a slight premium to, and the strategic value of that coal.

But just to, again, to come back to your original question, it is only about 20 percent of the value of TriNorth is represented by those public positions. We hope to hold those for a very long time and have the value emerge in those holdings, but it isn't a huge part of the TriNorth net asset value right now.

Operator

Thank you. Once again, please press star one if you have a question or comment.

There are no further questions, Mr. Sood.

Ravi Sood, President & Chief Operating Officer

Great. Thank you everyone for dialling in and look forward to speaking to shareholders on a more frequent basis in the near future and thank you for your support in what's been a very difficult time in capital markets. We're certainly very optimistic about the long-term prospects for TriNorth and our various operating companies and our various holdings. Thank you very much.

Operator

Thank you. The conference has now ended. Please disconnect your lines at this time. Thank you for your participation.
