FAZZARI PARTNERS LLP
CHARTERED ACCOUNTANTS

TJR Coatings Inc.

Financial Statements

January 31, 2011

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FAZZARI + PARTNERS LLP
CHARTERED ACCOUNTANTS

Independent Auditors' Report

To the Shareholder of
TJR Coatings Inc.

We have audited the accompanying financial statements of TJR Coatings Inc., which comprise the balance sheet as at January 31, 2011, 2010 and 2009 and the statements of retained earnings, income and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of the accounting principles used and reasonableness of accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the corporation as at January 31, 2011, 2010 and 2009 and the results of its financial performance and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Fazzari + Partners

FAZZARI + PARTNERS LLP
Chartered Accountants
Licensed Public Accountants

Vaughan, Ontario
June 29, 2011

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TJR Coatings Inc.

Balance Sheet

As at January 31

	2011	2010	2009
Assets			
Current			
Cash	$ -	$ -	$ -
Other taxes receivable	3,118	-	-
	$ 3,118	**$ -**	**$ -**
Liabilities			
Current			
Accounts payable and accrued liabilities	$ **5,256**	**$ 41,200**	**$ 39,700**
Long-term			
Loan payable (Note 6)	**61,912**	**-**	**-**
	67,168	**41,200**	**39,700**
Shareholder's Equity			
Capital stock (Note 3)	511,600	511,600	511,600
Deficit	(575,650)	(552,800)	(551,300)
	(64,050)	**(41,200)**	**(39,700)**
	$ 3,118	**$ -**	**$ -**

Approved on behalf of the Board

"Edward Murphy"
Edward Murphy

"Inga Gratcheva"
Inga Gratcheva

TJR Coatings Inc.

Statement of Retained Earnings

Year Ended January 31

	2011	2010	2009
Balance, beginning of year	**$ (552,800)**	**$ (551,300)**	**$ (549,800)**
Net loss	(22,850)	(1,500)	(1,500)
Balance, end of year	**$ (575,650)**	**$ (552,800)**	**$ (551,300)**

TJR Coatings Inc.

Statement of Income

Year Ended January 31

	2011	2010	2009
Sales	**$ -**	**$ -**	**$ -**
Operating expenses			
Professional fees	20,233	1,500	1,500
Interest on loan payable	2,617	-	-
	22,850	**1,500**	**1,500**
Net loss for the year	**$ (22,850)**	**$ (1,500)**	**$ (1,500)**
Loss per share	0.00	0.00	0.00

TJR Coatings Inc.

Statement of Cash Flow

Year Ended January 31

	2011	2010	2009
Cash provided by (used in):			
Operating activities			
Net loss for the year	$ (22,850)	$ (1,500)	$ (1,500)
Changes in non-cash working capital items:			
Other taxes receivable	(3,118)	-	-
Accounts payable and accrued liabilities	(35,944)	1,500	1,500
	(39,062)	1,500	1,500
	(61,912)	**-**	**-**
Financing activities			
Loan payable	**61,912**	**-**	**-**
Increase (decrease) in cash for the year	**-**	**-**	**-**
Cash, beginning of year	-	-	-
Cash, end of year	**$ -**	**$ -**	**$ -**

1. Basis of presentation and going concern

These financial statements have been prepared on a going-concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. These financial statements do not include any adjustments that might result from this uncertainty. The Company is currently inactive and its future operations are dependent upon the ability of the Company to obtain necessary financing. The Company has incurred recurring operating losses and has negative working capital.

2. Significant accounting policies

These financial statements have been prepared in accordance with accounting policies generally accepted in Canada.

The financial statements of the Company have been prepared, in management's opinion, within reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

(a) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates. Significant estimates are required in assessing uncollectible receivables, assessment income tax asset and contingencies. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in the period in which they become known.

(b) Loss per share

Loss per share is computed using the weighted average number of common shares outstanding during the year

2. Significant accounting policies continued

(c) GAAP for public companies

The Accounting Standards Board (AcSB) has issued a set of standards for public enterprises as part of the CICA Handbook. Public enterprises would have to adopt accounting standards in accordance with International Financial Reporting Standards. The standards for public enterprises are effective for annual financial statements relating to fiscal years beginning on or after January 1, 2011. Early adoption is permitted. The Company has decided to adopt the new standard in fiscal 2012 and has not determined the impact of adopting the new standard on its financial statements.

3. Capital stock

Authorized
Unlimited number of common shares
Issued

	2011	**2010**
Number of common shares	22,583,836	22,583,836
Balance as of January 31	**$ 511,600**	**$ 511,600**

The Company maintains a Stock Option Plan for officers, directors, employees and other persons who provide services for the Company. At the fiscal year ended January 31, 2011, no options were granted, outstanding or exercised.

4. Loss per share

For the purposes of calculating loss per shares, there were no changes in the number of issued and outstanding shares during the year.

5. Income taxes

As at January 31, 2011, the Company has unused non-capital losses. These losses expire as follows:

Tax Year		Amount	Expires
2004	$	1,500	2011
2005		1,500	2015
2006		1,500	2026
2007		1,500	2027
2008		1,500	2028
2009		1,500	2029
2010		1,500	2030
2011		22,850	2031
	$	**33,350**	

Due to the expected future operating results, management has determined that the Company does not meet the 'more likely than not' criteria that the deferred tax assets resulting from the tax losses available for carry forward and the differences in tax bases of assets will be realized through the reduction of future income tax payments, accordingly a 100% valuation allowance has been recorded for future income tax assets.

6. Loan payable

Loan payable is an advance from a director of the Company which is interest bearing 10%, unsecured, with no fixed repayment terms. The balance is not due within the next twelve months.

The loan is measured at the exchange amount agreed to by the related parties.

The fair value estimates for loan payable cannot be determined with sufficient reliability as no active market exists for such related party instruments.

7. Financial instrument

The fair value of working capital items is assumed to approximate its historical cost carrying amount due to their short term nature.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk relates to its loan payable bearing interest at 10%.