

TJR Coatings Inc.

Management discussion and analysis of financial statements

For year ended January 31, 2011, 2010 and 2009

Report as of May 23, 2012

Management Discussion and Analysis contains certain forward-looking statements and information relating to TJR Coatings Inc. (“TJR” or the “Company”) which is based on the beliefs of Management as well as assumptions made by and information currently available to TJR. These statements, which can be identified by the use of forward-looking terminology such as “anticipates,” “believes,” “estimates,” “expects,” “may,” “will,” “should” or the negative thereof or other variations thereon and similar expressions, as they relate to TJR or its management, are intended to identify forward-looking statements.

The forward-looking statements relate to, among other things, regulatory compliance and, the sufficiency of current working capital. Such statements reflect the current views of TJR’s management with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of TJR to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

The Company disclaims any obligation to update or revise any forward-looking statements if circumstances or management’s estimates or opinions should change, except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

The following discussion and analysis should be read in conjunction with the Company’s audited financial statements and related notes thereto for the period ended January 31, 2011, 2010 and 2009 which have been prepared in Canadian dollars and in accordance with Canadian generally accepted accounting principles. Additional information relating to TJR Coatings Inc. is available on the SEDAR web site at www.sedar.com.

Description of the business and overview

TJR was incorporated December 11, 1998 in the Province of Ontario. On March 31, 1999, TJR acquired 100% of the outstanding shares of Noble House Coatings Inc. (“NHCI”). NHCI was a manufacturer and distributor of specialized wood coating products. On March 1, 2001, the Company discontinued the manufacturing and distribution operations of NHCI and entered into an exclusive distributorship agreement with Primeline Products Corporation (“Primeline”), a related party to the President of the Company. Manufacturing of the products were outsourced to an unrelated Corporation on a contract basis. These actions were done to reduce overall costs and to refocus the Company toward research and development. The Company was to receive a royalty of 20% of gross sales from the WoodMate product line. On November 1, 2001, NHCI discontinued all operations as a subsidiary of TJR. TJR’s distribution agreement with Primeline ceased due to lack of revenue received from Primeline and resulting insolvency status of TJR.

The Company’s interest in its discontinued subsidiary, Noble House Coatings Inc. (“NHCI”) was settled by way of a settlement agreement with a director/shareholder for \$810,512 and as such the company had no active business left.

The Company has not been in operations since the discontinuance of NHCI. The Company is currently under a Cease Trade order from the Ontario Securities Commission for not being in compliance with its continuous disclosure obligations according to National Instrument 51-102. It is the intention of the Company to bring all continuous filing obligations up to date and apply for a revocation of the Cease Trade order. This endeavor is funded by a third party and thus the Company is dependent on this person to continue the advancement of funds.

Results of Operations - Period ended January 31, 2011 compared to the period ended January 31, 2010 and 2009

Administration expenses in the period totaled \$22,850 (2010 - \$1,500; 2009 - \$1,500). These expenses consisted of audit, accounting and fees related to reviving the Company. Operating expenses in 2010 and 2009 were accrued audit fees. Assets consisted of an HST receivable of \$3,118 (2010 - \$NIL; 2009 - \$NIL). Long-term debt consisted of cash advances from a third party of \$59,295 (2010 - \$NIL; 2009 - \$NIL) and the interest accrued of \$2,617.

The following table provides selected audited financial information which should be read in conjunction with the financial statements and the accompanying notes of the Company.

Cdn\$	Year ended January 31, 2011	Year ended January 31, 2010	Year ended January 31, 2009
Net Revenue	-	-	-
Operating Expenses	22,850	1,500	1,500
Net Income (loss) from continuing operations	(22,850)	(1,500)	(1,500)
Net income (loss) per share -basic and diluted	(0.00)	(0.00)	(0.00)
Total assets	3,118	-	-
Long-term debt	61,912	-	-

Summary of Quarterly Results

Cdn\$	Jan 31 2011	Oct 31 2010	Jul 31 2010	Apr 30 2010	Jan 31 2010	Oct 31 2009	Jul 31 2009	Apr 30 2009
Revenue	-	-	-	-	-	-	-	-
Net income (loss)	(6,492)	(9,953)	(6,405)	-	(1,500)	-	-	-
Net income (loss) per share - basic and diluted	(0.00)	(0.00)	(0.00)	-	(0.00)	-	-	-
Total Assets	3,118	3,095	1,925	-	-	-	-	-

Loan Payable and Related Party

The Company is dependent upon cash advances from Robert Salna, a director, to discharge its liabilities. At January 31, 2011 these advances including accrued interest amounted to \$61,912. The advances were interest bearing at a rate of 10% per annum, unsecured and with no fixed repayment terms. There are no ongoing contractual or other commitments resulting from the loan. The purpose is to finance the administrative and accounting functions of the Company until a business acquisition is completed. The Company anticipates repayment of these advances through future share financings.

Liquidity and Capital Resources

At January 31, 2011 TJR had negative working capital of \$2,138 (2010 - negative \$41,200; 2009 - negative \$39,700).

The Company's continued existence is dependent on the financial support of a third party until the Company can acquire a viable business, and cash generated from operations or share financings.

The Company is in need of working capital and is investigating various options. It is unknown at this time what success the Company will have.

Risk and Uncertainties

At present, the Company is insolvent, has no business, no source of operating funds and is dependent on a third party for advances in order to pay its bills as they come due. Should the support of the third party cease, it is unlikely that the Company will continue in business.

The Company will have to pursue, either through acquisition or start-up, a new business. There is no guarantee that the Company will be successful in this regard.

Capital management

The Company defines its capital as the cash in its bank accounts. Presently, the Company does not have any capital and must raise capital or generate cash from a new business.

Future Accounting Changes

Pursuant to the decision made by the Canadian Accounting Standards Board, we will begin reporting our financial statements in accordance with IFRS for the first quarter ended April 30, 2011, including fiscal 2011 comparative results.

We have determined that our critical accounting policies under IFRS will be the same as those under Canadian GAAP. The following summarizes the changes to those policies that we expect to make upon transition.

Financial instruments – recognition and measurement

The recognition and measurement of financial instruments under IFRS are significantly aligned with Canadian GAAP. We will continue to recognize at inception, financial instruments at fair value.

We will continue to monitor changes in IFRS to determine the implications on our current accounting policies as well as our business and capital position.

Committees of the Board of Directors

The audit committee (the “Audit Committee”) of the Board consists of Messrs. Salna and Murphy, and Ms. Gratcheva. All members of the Audit Committee are “financially literate” By virtue of being a venture issuer, the Company is exempt from the requirement that all members of the Audit Committee be “independent” of the Company.

Name of Audit Committee Member	Independence⁽¹⁾	Financial Literacy⁽²⁾	Relevant Experience
Robert Salna	Not Independent	Financially Literate	President, Dover Investments, Ltd., Dover Petroleum Corp.
Edward Murphy	Not Independent	Financially Literate	Senior Vice President, Dover Investments, Ltd.; Operations and accounting consultant, Dover Petroleum Corp.;
Inga Gratcheva	Not Independent	Financially Literate	Ms. Gratcheva is a Certified General Accountant

(1) as such term is defined in Multi-Lateral Instrument 52-110 – *Audit Committee* (“MI 52-110”).

(2) as such term is defined in MI 52-110.

The Board has not appointed any other committees of the Board.

The Company’s audit committee is governed by an audit committee charter, the text of which is attached as Schedule “A” to this MD&A.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

Audit Committee Oversight

At no time since the commencement of the Company’s most recently completed financial year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the Company’s external auditors not been adopted by the Board of Directors.

Reliance of Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on exemptions in relation to "De Minimus Non-Audit Services" or any exemption provided by Part 8 of MI 52-110.

As the Company is a "Venture Issuer" pursuant to relevant securities legislation, it is relying on the exemption in Section 6.1 of National Instrument 52-110-Audit Committees ("NI 52-110") from the reporting requirements of Parts 3 and Part 5 of NI 52-110.

External Auditors Service Fees

The fees charged to the Company by its external auditors for audit fees in each of the last three financial years were as follows:

	Financial Year Ended January 31, 2011 (\$)	Financial Year Ended January 31, 2010 (\$)	Financial Year Ended January 31, 2009 (\$)
Audit Fees	5,000	1,500	1,500
Audit Related Fees	Nil	Nil	Nil
Tax Advice Fees	Nil	Nil	Nil
All Other Fees	Nil	Nil	Nil

Corporate Governance Disclosure

Effective June 30, 2005, National Instrument 58-101 Disclosure of Corporate Governance Practices ("NI 58-101") and National Policy 58-201 Corporate Governance Guidelines ("NP 58-201") were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose annually the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices. The Board believes that good corporate governance improves corporate performance and benefits all shareholders. The Canadian Securities Administrators (the "CSA") have adopted NP 58-201, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the CSA has implemented Form 58-101F2 under NP 58-101 which prescribes the disclosure required to be made by the Company relating to its corporate governance practices. This section sets out the Company's approach to corporate governance and addresses the Company's compliance with NI 58-101.

Board

The Board of Directors ("the Board") is responsible for managing and supervising the management of the business and affairs of the Company. The independent directors of the Board do not hold regularly scheduled meetings at which non-independent directors are not in attendance. However, the size of the Board and the fact that the Company is not currently operating mean that open and candid discussion among the independent directors is possible. The Board does not have a chairperson since the size of the Board enables all directors to participate and provide leadership to the Company.

A director is considered to be "independent" if the director is free from any direct or indirect material relationship with the issuer that could, or could reasonably be perceived to materially interfere with that director's ability to act with a view to the best interests of the Company. As such, a director who is an officer of a Company and a member of day-to-day management is considered to be non-independent.

Inga Gratcheva is considered by the board of directors to be "non-independent" within the meaning of NI 58-101 since she is employed by a company controlled by Robert Salna, who has a material relationship with the issuer. Edward Murphy (President) is a managing director and accordingly is considered to be "non-independent". Robert Salna has a material relationship, therefore, by definition, is a "non-independent" director. Mr. Salna advances loans to the company in which interest is accrued; however, he does not take part in everyday administration. None of the directors receive compensation for serving on the Board of directors.

NP 58-201 suggests that the Board of directors of a public company should be constituted with a majority of individuals who qualify as "independent" directors.

The Board is satisfied that it is not constrained in its access to information, in its deliberations or in its ability to satisfy the mandate established by law to supervise the business and affairs of the Company and that there are sufficient systems and procedures in place to allow the Board to have a reasonable degree of independence from day-to-day management.

Robert Salna also serves as a director of Dover Petroleum Corporation, a U.S. over-the-counter public company. Edward Murphy serves as a director of Aurquest Resources Inc., an unlisted reporting issuer in Ontario, Canada.

Orientation and Continuing Education

The Company does not have a formal process of orientation and education for new members of the Board and does not consider such formal processes necessary at this stage of the Company's operations. The Company does, however, provide continuing education for its directors as such need arises.

Ethical Business Conduct

The Board relies on the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law to ensure the Board operates independently of management and in the best interests of the Company. The Board has found that these policies, combined with the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest, have been sufficient.

Nominations

The Board does not have a nominating committee as the Board feels that the size and nature of the Company's operations do not necessitate such a committee.

Compensation

The Board is responsible for determining all forms of compensation for the Company.

Assessments

The Board annually reviews its own performance and effectiveness and recommends revisions, if necessary. Neither the Company nor the Board have adopted formal procedures to regularly assess the Board, the Audit Committee or the individual directors. The Board monitors the adequacy of information given to the director and communication between the Board and management. The Board believes that its corporate governance practices are appropriate and effective for the Company, given its size and operations. The Company's corporate governance practices allow the Company to operate efficiently, with checks and balances that control and monitor management and corporate functions without excessive administrative burden.

Outlook

The Company is actively seeking business prospects although none have been found at this time.

Outstanding Share Data

Common shares outstanding at January 31, 2011 were: 22,583,836

Options: Nil

Approval

The Board of Directors and the Audit Committee of the Company have approved the disclosure contained in this MD & A. A copy of this MD & A will be provided to anyone who requests it.

SCHEDULE "A"
AUDIT COMMITTEE MANDATE

PURPOSE OF THE COMMITTEE

The purpose of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of the Company is to provide an open avenue of communication between management, the external auditor, and the Board and to assist the Board in its oversight of the: integrity, adequacy and timeliness of the Company's financial reporting and disclosure practices; processes for identifying the principal financial risks of the company and reviewing the company's internal control systems to ensure that they are adequate to ensure fair, complete and accurate financial reporting; Company's compliance with legal and regulatory requirements related to financial reporting; accounting principles, policies and procedures used by management in determining significant estimates; engagement, independence and performance of the Company's external auditor.

The Committee shall also perform any other activities consistent with this Charter, the Company's bylaws and governing laws as the Committee or Board deems necessary or appropriate.

The Committee shall consist of at least three directors. Members of the Committee and the Chairman shall be appointed by the Board and may be removed by the Board in its discretion. A majority of members of the Committee shall be sufficiently financially literate to enable them to discharge their responsibilities in accordance with applicable laws and/or requirements of the various stock exchanges on which the Company's securities trade and in accordance with Multilateral Instrument 52-110. Financial literacy means the ability to read and understand a balance sheet, income statement, cash flow statement and associated notes which represent a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the financial statements of the Company.

The Committee's role is one of oversight. Management is responsible for preparing the Company's financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with International Financial Reporting Standards. Management is also responsible for establishing, documenting, maintaining and reviewing systems of internal control and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The external auditors' responsibility is to audit the Company's financial statements and provide an opinion, based on their audit conducted in accordance with Canadian generally accepted auditing standards, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with International Financial Reporting Standards.

The Committee is directly responsible for the appointment, compensation, evaluation, termination and oversight of the work of the external auditor and oversees the resolution of any disagreements between management and the external auditor regarding financial reporting.

AUTHORITY AND RESPONSIBILITIES

In performing its oversight responsibilities, the Committee shall:

Review and assess the adequacy of this Charter and recommend any proposed changes to the Board for approval at least once per year.

Review the appointments of the Company's Chief Financial Officer and any other key financial executives involved in the financial reporting process.

Review with management and the external auditor the adequacy and effectiveness of the Company's systems of accounting and financial controls and the adequacy and timeliness of its financial reporting processes.

Prior to their approval by the Board, review with management and the external auditor the annual audited financial statements and related documents, and review with management the unaudited quarterly financial statements, the management discussion and analysis reports prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.

Where appropriate and prior to release, review with management and approve any other news releases that contain significant financial information that has not previously been released to the public.

Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.

Review with management and the external auditor significant related party transactions and potential conflicts of interest.

Recommend to the Board to assist them in recommending to the shareholders (a) the external auditor to be nominated to examine the Company's accounts and financial statements and prepare and issue an auditor's report on them or perform other audit, review or attest services for the company and (b) the compensation of the external auditor. The Committee has the responsibility to approve all audit engagement terms and fees.

Monitor the independence of the external auditors by reviewing all relationships between the independent auditor and the company and all audit, non-audit and assurance work performed for the company by the independent auditor.

Conduct or authorize investigations into any matter that the Committee believes is within the scope of its responsibilities. The Committee has the authority to (a) retain independent counsel, accountants or other advisors to assist it in the conduct of its investigation, at the expense of the company, (b) set and pay the compensation of any advisors retained by it and (c) communicate directly with external auditors.

The Committee shall report its recommendations and findings to the Board after each meeting and shall conduct and present to the Board an annual performance evaluation of the effectiveness of the committee.

Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of Multilateral Instrument 52-110 of the Canadian Securities Administrators.