TJR COATINGS INC.

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

JULY 31, 2012

(expressed in Canadian dollars)

The auditor of TJR Coatings Inc. has not performed a review of the unaudited condensed interim statements for the period ended July 31, 2012 and July 31, 2011.

TJR Coatings Inc.

Condensed Interim Statement of Financial Position

Canadian dollars

	Note	Unaudited July 31, 2012	Audited January 31, 2011
ASSETS		$ -	$ -
LIABILITIES			
Current			
Accounts payable and accrued liabilities		$ 740	$ 28,673
Long-term			
Loan payable	9	151,363	93,152
		152,103	121,825
SHAREHOLDERS' DEFICIENCY			
Share capital	4	511,600	511,600
Deficit (page 4)		(663,703)	(633,425)
		(152,103)	(121,825)
		$ -	$ -

Approved on behalf of the Board:

"Edward Murphy"
Edward Murphy, Director

"Inga Gratcheva"
Inga Gratcheva, Director

The accompanying notes form an integral part of these unaudited condensed interim statements.

TJR Coatings Inc.

Unaudited Condensed Interim Statement of Loss and Comprehensive Loss
Canadian Dollars
Six months to July 31

	NOTE	2012	2011
Expenses			
Professional fees		$ 24,527	$ 33,253
Interest on loan payable	9	5,751	3,254
		30,278	36,507
NET LOSS AND COMPREHENSIVE LOSS		**$ (30,278)**	**$ (36,507)**
Basic and diluted loss per share		$ -	$ -
Weighted average number of shares outstanding		22,583,836	22,583,836

Unaudited Condensed Interim Statement of Loss and Comprehensive Loss
Canadian Dollars
Three months to July 31

	NOTE	2012	2011
Expenses			
Professional fees		$ 21,080	$ 30,253
Interest on loan payable	9	3,398	1,729
		24,478	31,982
NET LOSS AND COMPREHENSIVE LOSS		**$ (24,478)**	**$ (31,982)**
Basic and diluted loss per share		$ -	$ -
Weighted average number of shares outstanding		22,583,836	22,583,836

The accompanying notes form an integral part of these unaudited condensed interim statements.

TJR Coatings Inc.

Unaudited Condensed Interim Statement of Cash Flows

Canadian Dollars

Six months to July 31

	NOTE	2012	2011
Cash provided by (used in):			
Operations:			
Net loss		$ (30,278)	$ (36,507)
Changes in non-cash working capital items:			
Accounts receivable		-	(1,430)
Accounts payable and accrued liabilities		(27,933)	24,067
		(58,211)	**(13,870)**
Financing:			
Loan payable	9	**58,211**	**13,870**
Net change in cash		**-**	**-**
Balance, beginning of year		**$ -**	**$ -**

The accompanying notes form an integral part of these unaudited condensed interim statements.

TJR Coatings Inc.

Unaudited Condensed Statement of Shareholders' Deficit

Canadian dollars

	Number of Common shares		Share Capital		Deficit		Total Shareholders' Deficit
Balance at January 31, 2011	**22,583,836**	**$**	**511,600**	**$**	**(575,650)**	**$**	**(64,050)**
Net loss					(36,507)		(36,507)
Balance at July 31, 2011	**22,583,836**	**$**	**511,600**	**$**	**(612,157)**	**$**	**(100,557)**
Net loss					(21,268)		(21,268)
Balance at January 31, 2012	**22,583,836**	**$**	**511,600**	**$**	**(633,425)**	**$**	**(121,825)**
Net loss					(30,278)		(30,278)
Balance at July 31, 2012	**22,583,836**	**$**	**511,600**	**$**	**(663,703)**	**$**	**(152,103)**

The accompanying notes form an integral part of these unaudited condensed interim statements.

1. Status of incorporation and nature of activities

TJR Coatings Inc. (the "Company") is incorporated under the laws of the Province of Ontario. The ultimate controlling shareholder is Mr. Tonino Margani. The registered office and principal place of business of the Company is 31 Sunset Trail, Toronto, Ontario, M9M 1J4.

2. Statement of compliance

These unaudited condensed interim financial statements ("interim financial statements") were approved for issuance by the Board of Directors on September 5, 2012. The interim financial statements were prepared in accordance with IAS 34 Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). These interim financial statements do not include all disclosures normally provided in consolidated annual financial statements and should be read in conjunction with our audited annual financial statements for the year ended January 31, 2012.

The policies applied in these interim consolidated financial statements are based on IFRS's issued and outstanding as of July 31, 2012. Any subsequent changes to IFRS, which may give effect to the Company's annual financial statements for the year ending January 31, 2013, could result in restatement of these interim financial statements.

These interim financial statements are presented in Canadian dollars, which is our presentation and functional currency. We have prepared these interim financial statements using the historical cost basis. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statement, management is satisfied that these financial statements have been fairly presented.

3. Going concern

These financial statements have been prepared under the assumption that the Company is a going concern. This assumption, among other things, contemplates that the Company will be able to realize on its assets and discharge its liabilities in the normal course of operations. The Company has incurred a loss during the period in the amount of $30,278 (2011: $36,507) and generated a negative cash flow from operations in the amount of $58,211 (2011: $13,870). Should the going concern assumption be proven to be invalid the carrying amounts of certain assets may have to be restated. The Company has incurred recurring operating losses since 2002 and has negative working capital. The Company is currently inactive and is currently being financed by a director.

4. Significant accounting policies

The significant accounting policies used in the preparation of these interim financial statements are consistent with those described in the notes to the Company's annual financial statements for year-ended January 31, 2012.

5. Critical accounting judgments and estimates

The preparation of these financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, 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 reporting period. Actual results could differ from these estimates. Significant estimates are required in the assessment of 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.

6. Capital stock

The Company has authorized an unlimited number of common shares. Issued capital stock consists of the following: 22,583,836

The Company maintains a Stock Option Plan for officers, directors, employees and other persons who provide services for the Company. At the end of the period, no options were granted, outstanding or exercised.

7. 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.

8. Income taxes

As at January 31, 2012, the Company has unused non-capital losses. These losses expire as follows:

Tax Year	Amount	Expires
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
2012	57,775	2032
	$ 89,625	

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.

9. Related party 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 loan consists of $135,366 plus accrued interest of $15,997. The fair value estimates for loan payable cannot be determined with sufficient reliability as no active market exists for such related party instruments.

10. Financial instruments and risk management

(a) Fair value of financial instruments

The fair value of a financial instrument is the estimated amount that the Company would receive or pay to settle a financial asset or financial liability as at the reporting date.

The fair values of cash, amounts receivable and accounts payable and accrued liabilities approximate their carrying values due to their nature or capacity for prompt liquidation. The fair values of the Company's financial instruments are estimated based on the amount at which these instruments could be exchanged in a transaction between knowledgeable and willing parties. As these estimates are subjective in nature, involving uncertainties and matter of judgment, they cannot be determined with precision. Changes in assumptions can affect estimated fair values.

(b) Risk management

The Company manages its exposure to the risks associated with financial instruments that have the potential to affect its operating and financial performance. The objective of the policy is to reduce volatility in cash flow and earnings.

The Company has exposure to the following risks associated with its financial instruments:

(c) Interest rate risk

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%.

(d) Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The maximum exposure to credit risk of the Company at year end is the carrying value of its cash and receivables.

(e) Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. One of management's primary goals is to maintain an optimal level of liquidity through the active management of the assets and liabilities as well as the cash flows. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. See related party loans, note 9.

11. Capital Management

The Company manages its capital to ensure that the Company will be able to continue as a going concern. The strategy remains unchanged from the most recently completed year. The Company raises capital, as necessary, to meet its needs and therefore, does not have a numeric target for its capital structure. There were no changes to the Company's approach to capital management during the year compared to the previous year.

12. Compensation to key management and directors

The Company did not compensate key management or directors during the quarter or the comparative quarter of the previous year.