TJR COATINGS INC.

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

JULY 31, 2011

(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, 2011 and July 31, 2010.

TJR Coatings Inc.

Condensed Interim Statement of Financial Position

Expressed in Canadian Dollars	**July 31, 2011** **$**	**Jan. 31, 2011** **$**	**Feb. 1, 2010** **$**
ASSETS			
Current			
Accounts receivable	4,548	3,118	-
	4,548	**3,118**	**-**
LIABILITIES			
Current			
Accounts payable and accrued liabilities	29,323	5,256	41,200
Long-term			
Loan payable (note 4)	75,782	61,912	-
	105,105	67,168	
SHAREHOLDERS' DEFICIENCY			
Capital stock (note 2)	511,600	511,600	511,600
Deficit	(612,157)	(575,650)	(552,800)
	(100,557)	(64,050)	(41,200)
	4,548	**3,118**	**-**

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.

Condensed Interim Statement of Loss and Comprehensive Loss

Expressed in Canadian Dollars	Six months ended **July 31, 2011** **$**	Six months ended **July 31, 2010** **$**	Three months ended **July 31, 2011** **$**	Three months ended **July 31, 2010** **$**
General and administrative	33,253	6,234	30,253	6,234
Interest on loan payable	3,254	171	1,729	171
	36,507	6,405	31,982	6,405
NET LOSS AND COMPREHENSIVE LOSS	**(36,507)**	**(6,405)**	**(31,982)**	**(6,405)**
Deficit, beginning of period	(575,650)	(552,800)	(580,175)	(552,800)
DEFICIT, END OF PERIOD	(612,157)	(559,205)	(612,157)	(559,205)
BASIC AND FULLY DILUTED INCOME (LOSS) PER SHARE	$ (.00)	$ (.00)	$ (.00)	$ (.00)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING – BASIC AND DILUTED	22,583,836	22,583,836	22,583,836	22,583,836

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

TJR Coatings Inc.

Condensed Interim Statement of Cash Flows

Expressed in Canadian Dollars	Six months ended **July 31, 2011**	Six months ended **July 31, 2010**
Cash provided by (used in):	**$**	**$**
Operations:		
Net income (loss) for the period	(36,507)	(6,405)
Changes in non-cash working capital items:		
Accounts receivable	(1,430)	(1,925)
Accounts payable and accrued liabilities	24,067	(8,341)
	(13,870)	(16,671)
Financing:		
Loan advances	13,870	16,671
	13,870	16,671
Net change in cash	-	-
Cash position, beginning of period	-	-
Cash position, end of period	-	-

Condensed Statement of Changes in Equity

Expressed in Canadian Dollars	Common Shares #	Common Shares Amount	Deficit	Total Shareholders' Equity
Balance – Feb. 1, 2010	22,583,836	$ 511,600	($ 552,800)	($ 41,200)
Net loss			(6,405)	(6,405)
Balance – July 31, 2010	22,583,836	$ 511,600	($ 559,205)	($ 47,605)
Net loss			(16,445)	(16,445)
Balance – January 31, 2011	22,583,836	$ 511,600	($ 575,650)	($ 64,050)
Net loss			(36,507)	(36,507)
Balance – July 31, 2011	22,583,836	$ 511,600	($ 612,157)	($ 100,557)

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

1. CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

Corporate information

TJR Coatings Inc. (the "Company") is incorporated under the laws of the Province of Ontario. The Company is the subject of a cease trade order issued by the Ontario Securities Commission on January 15, 2001 since it is in default of filing financial statements and continuous disclosure requirements to the Ontario Securities Commission. An application to lift the cease traded order is currently under review.

The Company currently has no active business. The Company has been able to discharge its liabilities by securing cash advances from an individual. The Company is dependent on a continuation of these advances in order to continue in business until it is able to generate cash flow from a new business opportunity.

Basis for presentation and statement of compliance

The accompanying condensed interim financial statements **("interim financial statements ")** for TJR Coatings Inc. have been prepared by management 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 are our second interim financial statements for part of the period covered by our first annual financial statements prepared in accordance with IFRS for the year ending January 30, 2012. Disclosures concerning the transition from Canadian generally accepted accounting principles ("CGAAP") to IFRS are provided in note eight (8). These condensed interim financial statements do not include all disclosures normally provided in annual financial statements and should be read in conjunction with our audited CGAAP financial statements for the year ended January 31, 2011.

The policies applied in these interim financial statements are based on IFRS issued and outstanding as of July 31, 2011. Any subsequent changes to IFRS, which are given effect in the Company's annual financial statements for the year ending January 31, 2011 could result in restatement of these interim financial statements, including the transition adjustments recognized on change-over to IFRS.

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 $36,507 (2010: $6,405) and generated a negative cash flow from operations in the amount of $13,870 (2010: $16,671). The Company has been able to fund these operating losses mainly by cash advances; however, there can be no assurance that the Company will be able to do so in the future. Should the going concern assumption be proven to be invalid the carrying amounts of certain assets may have to be restated.

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.

Significant accounting policies and changes in accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these interim financial statements and in preparing the opening IFRS statement of financial position at February 1, 2010 for the purpose of the transition to IFRS unless otherwise indicated.

a) Key accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates are used when accounting for items such as collectability of receivables, income taxes, fair value of financial assets and liabilities and amounts and likelihood of contingencies. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

b) Earnings per share ("EPS")

Basic EPS is computed by dividing net EPS available to owners of the Company by the weighted average number of Common Shares outstanding. Diluted EPS is computed by dividing net EPS available to owners of the Company by the weighted average number of Common Shares outstanding adjusted to include the potentially dilutive effect of outstanding stock options and warrants, if not anti-dilutive.

c) Financial instruments

The Company does not have any derivative financial instruments.

All financial assets are classified as fair value through profit or loss ("FVTPL"). Financial assets are classified as FVTPL when the financial asset is held for trading or it is designated as FVTPL. Financial assets classified as FVTPL are stated at fair value and changes are recognized in profit or loss.

The Company has the following non-derivative financial liabilities: amounts payable and accrued liabilities. The carrying value of financial liabilities approximates their fair value due to their short-term nature. Such financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted.

Accounting standards issued but not yet applied

The Company is currently evaluating the following IFRSs, but does not expect them to have a material effect:

(i) IFRS 7 Financial Instruments – Disclosures

IFRS 7 has been amended and will be effective for financial periods beginning on or after July 1, 2011. The amendments increase the disclosure requirements for transactions involving transfers of financial assets; for example, the use of receivables, investments or equity to settle transactions. These amendments are intended to provide greater transparency for risk exposures of transactions involving the transfer of a financial asset and some level of continuing exposure in the asset by the transferor. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

(ii) IFRS 9 Financial Instruments

IFRS 9 was issued by the IASB on November 12, 2009 and will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 is effective for annual periods beginning on or after January 1, 2013. The Company is currently evaluating the impact of IFRS 9; however it is not expected to have a material effect on the financial statements of the Company.

(iii) IFRS 10 Consolidation

IFRS 10 was issued in May 2011 and requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC 12 Consolidation – Special Purpose Entities and parts of IAS 27 Consolidation and Separate Financial Statements.

(iv) IFRS 11 Joint Arrangements

In May 2011, IFRS 11 was issued and requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting, whereas for a joint operation the venture will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interest in joint ventures.

IFRS 11 superseded IAS 31 Interests in Joint Ventures and SIC Jointly Controlled Entities – Non-monetary Contributions by Venturers.

(v) IFRS 12 Disclosure of Interest in Other Entities

IFRS 12 was issued in May 2011 and establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

(vi) IFRS 13 Fair Value Measurement

IFRS 13 was issued in May 2011 and is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

2. CAPITAL STOCK

No shares or options to purchase shares were issued in the quarter. Shares issued as of July 31, 2011 were 22,583,836.

3. LOSS PER SHARE

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

4. LOAN PAYABLE

Loan payable is an advance to the company which is interest bearing 10%, unsecured, with no fixed repayment terms. The balance is not due within the next twelve months.

The fair value of the loan payable estimated using the present value of future cash flows based on market interest rates for loans with similar conditions and maturity, approximates carrying amount.

5. FINANCIAL INSTRUMENTS

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

6. 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 fiscal year. The Company raises capital, as necessary, to meet its needs and to take advantage of perceived opportunities and therefore, does not have a numeric target for its capital structure.

7. 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.

8. TRANSITION TO IFRS

The accounting policies set out in note one (1) have been applied in preparing the financial statements for the six months ended July 31, 2011, the comparative information presented in these financial statements for the six months ended July 31, 2010, for the year ended January 31, 2011, and in the preparation of an opening IFRS balance sheet at February 1, 2010 (the "transition date").

In preparing our opening IFRS balance sheet, we have not adjusted any amounts reported previously in financial statements prepared in accordance with previous Canadian GAAP. There was no change to the Canadian GAAP financial statements as at February 1, 2010; therefore, reconciliation is not included. The February 1, 2010 opening balance is the same as the January 31, 2009 ending balance.

Transition elections

a) Business Combinations – IFRS 1 allows for the guidance under IFRS 3, "Business Combinations", to be applied either retrospectively or prospectively to business combinations that occurred before the Transition Date. The Company has elected to adopt IFRS 3 prospectively, meaning that only business combinations that occur on or after January 1, 2010 will be accounted for in accordance with IFRS 3.

b) Estimates – Hindsight is not used to create or revise estimates. The estimates previously made by the Company under Canadian GAAP were not revised for application of IFRS except where necessary to reflect any difference in accounting policies.