

KR INVESTMENT LTD.
Management's Discussion and Analysis
for the three and six months ended February 29, 2012

DATE – APRIL 27, 2012

This management's discussion and analysis (the "**MD&A**") of KR Investment Ltd. (the "**Company**") is dated April 27, 2012. The MD&A should be read in conjunction with the unaudited Condensed Interim Financial Statements and related notes thereto for the three and six months ended February 29, 2012, copies of which are available on SEDAR at www.sedar.com.

As of September 1, 2011, the Company adopted International Financial Reporting Standards ("**IFRS**"). The unaudited Condensed Interim Financial Statements for the three and six months ended February 29, 2012 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("**IAS 34**") and using policies consistent with IFRS. A discussion of IFRS and its impact on the Company's financial presentation is presented in this MD&A under the heading Critical Accounting Estimates & Changes in Accounting Policies including Initial Adoption.

All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified.

FORWARD-LOOKING STATEMENT

This MD&A includes certain forward-looking information and forward-looking statements (collectively "**Forward-Looking Statements**") concerning the future performance of the Company's business, operations and financial performance and condition, as well as management's objectives, strategies, beliefs and intentions. Specifically, this MD&A includes Forward-Looking Statements regarding that "the Company will continue to incur expenses as it continues to identify and evaluate potential companies, assets or business for the Qualifying Transaction", "it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from financial instruments", "if the Company fails to complete a Qualifying Transaction within 24 months of listing, the Exchange could suspend or delist the common shares of the Company", "in the event that the Company does not complete its Qualifying Transaction within the time specified by the Exchange, an interim cease trade order may be issued against the Company's securities by the securities regulatory authorities and the Company's securities may be suspended from trading on, or delisted from, the Exchange" and "although management of the Company is working diligently to identify a Qualifying Transaction, there is no assurance that a Qualifying Transaction will be entered into or be completed within the specified time, or at all". Forward-Looking Statements are frequently identified by such words as "may", "will", "plan", "expect", "anticipate", "estimate", "intend" and similar words referring to future events and results. Forward-Looking Statements are based on the current opinions and expectations of management based on currently available information. All Forward-Looking Statements are inherently uncertain and subject to a variety of risks and uncertainties, as described in Risks and Uncertainties below. Such Forward-Looking Statements are based on a number of assumptions, including but not limited to, information or statements concerning our expectations for our ability to raise capital and meet our obligations. Should one or more risks and uncertainties materialize or should any assumptions prove incorrect, then actual events or results may differ materially from those expressed or implied in the Forward Looking-Statements. Investors are cautioned against placing undue reliance thereon. The Company undertakes no obligation to revise or update the Forward-Looking Statements, except as required by applicable law.

OVERALL PERFORMANCE

Corporate Structure and History

The Company was incorporated under the *Business Corporations Act* (British Columbia) on August 3, 2010 as “KR Investment Ltd.”. On January 17, 2011, the Company became a reporting issuer in the Provinces of British Columbia and Alberta, and on March 24, 2011, the Company completed its initial public offering. On March 29, 2011, the common shares of the Company commenced trading on the TSX Venture Exchange (the “**Exchange**”) under the symbol “KR.P”.

The Company is classified as a “Capital Pool Company” as that term is defined in Policy 2.4 of the Exchange (“**Policy 2.4**”).

Description of Business

The principal business of the Company is to identify and evaluate companies, assets or businesses with a view to completing a “Qualifying Transaction” as that term is defined in Policy 2.4.

The Company has commenced and is in the process of identifying and evaluating potential companies, assets or businesses for the Qualifying Transaction; however, the Company has not yet entered into any “Agreement in Principle” as that term is defined in Policy 2.4. As at the date hereof, the Company has no assets other than a minimum amount of cash.

SELECTED ANNUAL INFORMATION

The financial results of the Company for the two financial years ended August 31, 2011 and 2010 are summarized as follows:

	IFRS Year Ended August 31, 2011 (\$)	IFRS Year Ended August 31, 2010 (\$)
Total Revenue	Nil	Nil
Loss before discontinued operations		
(i) total for the year	116,344	4,459
(ii) Per share	0.02	0.03
(iii) Per share fully diluted	0.02	0.03
Net loss		
(i) total for the year	116,344	4,459
(ii) Per share	0.02	0.03
(iii) Per share fully diluted	0.02	0.03
Total Assets	254,137	210,200
Total long-term financial liabilities	Nil	Nil
Cash dividends declared per-share	Nil	Nil

For the 2011 financial year, the loss of \$116,344 includes the costs associated with the preparation of the Company’s prospectus and completing its initial public offering.

For the 2010 financial year, the loss of \$4,459 includes the costs associated with incorporation of the Company and completing the seed round of financing.

DISCUSSION OF OPERATIONS

Three months ended February 29, 2012 and February 28, 2011

The financial results of the Company for the three months ended February 29, 2012 and February 28, 2011 are summarized as follows:

	Three Months Ended February 29, 2012 (\$)	Three Months Ended February 28, 2011 (\$)
Net Income (loss)	(26,926)	(17,242)
Basic/diluted Income (loss) per share	(0.00)	(0.00)
Total Assets	222,018	198,299
Total Liabilities	25,320	15,293

During the three months ended February 29, 2012, the Company had a net loss of \$26,926 consisting of accounting and legal fees of \$9,363 (2011 - \$14,391), rent of \$6,000 (2011 - \$Nil) and transfer agent and filing fees of \$11,348 (2011 - \$2,596).

The increase of loss for the three month period ended February 29, 2012 was mainly due to significant increase in rent expenses and transfer agent and filing fees. The Company incurred \$6,000 rent expenses for the period pursuant to a lease agreement entered on May 1, 2011. The transfer agent and filing fees increased due to payments for annual fees with the Exchange and applicable securities authorities and for convening the annual general meeting of the Company.

Six months ended February 29, 2012 and February 28, 2011

The financial results of the Company for the six months ended February 29, 2012 and February 28, 2011 are summarized as follows:

	Six Months Ended February 29, 2012 (\$)	Six Months Ended February 28, 2011 (\$)
Net Income (loss)	(45,040)	(47,196)
Basic/diluted Income (loss) per share	(0.01)	(0.01)
Total Assets	222,018	198,299
Total Liabilities	25,320	15,293

During the six months ended February 29, 2012, the Company had a net loss of \$45,040 consisting of accounting and legal fees of \$19,169 (2011 - \$43,949), rent of \$12,000 (2011 - \$Nil), and transfer agent and filing fees of \$12,529 (2011 - \$2,745).

The decrease of loss for the six month period ended February 29, 2012 was mainly due to significant decrease in accounting and legal expenses post the Company's initial public offering. This decrease in accounting and legal expenses was partly offset by the increase in rent expenses and transfer agent and filing fees. The Company incurred \$12,000 rent expenses for the period pursuant to a lease agreement entered on May 1, 2011. The transfer agent and filing fees increased due to payments for annual fees with the Exchange and applicable securities authorities and for convening the annual general meeting of the Company.

The Company will continue to incur expenses as it continues to identify and evaluate potential companies, assets or business for its Qualifying Transaction.

Statements of Financial Position as at February 29, 2012 and August 31, 2011

As at February 29, 2012, the Company had total assets of \$222,018 compared to \$254,137 as at

August 31, 2011. As at February 29, 2012, the Company's assets comprised of cash and cash equivalents of \$218,174 (August 2011 - \$254,105) and amount receivable of \$3,844 (August 2011 - \$32).

As at February 29, 2012, the Company had accounts payable and accrued liabilities of \$14,220 (August 2011 - \$1,299) and a due to a related party of \$11,100 (August 2011 - \$11,100).

SUMMARY OF QUARERLY RESULTS

The Company was incorporated on August 3, 2010; the financial results for each of the seven most recently completed quarters are summarized as follows:

	IFRS	IFRS	IFRS	IFRS
	three months ended February 29, 2012 (\$)	three months ended November 30, 2011 (\$)	three months ended August 31, 2011 (\$)	three months ended May 31, 2011 (\$)
Total Assets	222,018	245,297	254,137	263,231
Working Capital (Deficiency)	196,698	223,624	241,738	248,977
Shareholders' Equity	196,698	223,624	241,738	248,977
Income (loss)	(26,926)	(18,114)	(7,911)	(61,237)
Income (loss) per share	(0.00)	(0.00)	(0.00)	(0.01)

	IFRS	IFRS	IFRS
	three months ended February 28, 2011 (\$)	three months ended November 30, 2010 (\$)	for the Period from Inception to August 31, 2010 (\$)
Total Assets	161,398	189,262	210,200
Working Capital (Deficiency)	146,105	163,347	192,965
Shareholders' Equity	146,105	163,347	193,301
Income (loss)	(17,242)	(29,954)	(4,459)
Income (loss) per share	(0.00)	(0.01)	(0.03)

LIQUIDITY AND CAPITAL RESOURCES

The financial results for the three months ended February 29, 2012 are summarized as follows:

	Six Months Ended February 29, 2012 (\$)	Six Months Ended February 28, 2011 (\$)
Cash from Operating Activities	(35,931)	(48,802)
Cash from Financing Activities	-	(46,832)
Increase (decrease) in Cash and Cash Equivalents	(35,931)	(95,634)
Cash and Cash Equivalents – Begin of Period	254,105	209,864
Cash and Cash Equivalents – End of Period	218,174	114,230

	As at February 29, 2012 (\$)	As at February 28, 2011 (\$)
Cash and Cash equivalents	218,174	114,230
Total Assets	222,018	161,398
Total Liabilities	25,320	15,293
Share Capital	309,506	197,760
Total Shareholders' Equity	196,698	146,105
Total Liabilities and Shareholders' Equity	222,018	161,398

As at February 29, 2012, the Company had cash and cash equivalents of \$218,174 and net working capital of \$196,698.

As at February 28, 2011, the Company had cash and cash equivalents of \$114,230 and net working capital of \$98,937.

OFF-BALANCE SHEET ARRANGEMENTS

As at February 29, 2012, and up to the date of this MD&A, the Company has had no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

On May 1, 2011, the Company entered into a lease agreement with a company controlled by a director of the Company for a period commencing on May 1, 2011 and expiring on March 31, 2012 for the amount of \$2,000 per month.

During the six months ended February 29, 2012, the Company paid a total of \$12,000 (2011 – \$nil) for office premises provided by a company controlled by a director of the Company.

As at February 29, 2012, a director of the Company advanced \$11,100 (2010 – \$11,100) to the Company. This advance is unsecured, non-interest bearing and due on demand.

These transactions were in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

PROPOSED TRANSACTIONS

During the six months ended February 29, 2012, and up to the date of this MD&A, there were no proposed transactions of the Company, other than as disclosed herein.

CRITICAL ACCOUNTING ESTIMATES & CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

As at February 29, 2012, the Company was a "venture issuer" as that term is defined in National Instrument 51-102 *Continuous Disclosure Obligations*, and as such is not required to provide the information pertaining to the critical accounting estimates of the Company.

For a detailed summary of the Company's accounting policies, the reader is directed to Note 4 of the Notes to the unaudited Condensed Interim Financial Statements of the Company dated February 29, 2012 available on SEDAR at www.sedar.com.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, accounts payable and accrued liabilities and due to a related party. The fair value of these financial instruments approximates their carrying values, unless otherwise noted. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from financial instruments.

RISKS AND UNCERTAINTIES

The Company is a Capital Pool Company as that term is defined in Policy 2.4. If the Company fails to complete its Qualifying Transaction within 24 months of listing, the Exchange could suspend or delist the common shares of the Company. In the event that the Company does not complete its Qualifying Transaction within the time specified by the Exchange, an interim cease trade order may be issued against the Company's securities by the securities regulatory authorities and the Company's securities may be suspended from trading on, or delisted from, the Exchange. Although management of the Company is working diligently to identify a Qualifying Transaction, there is no assurance that a Qualifying Transaction will be entered into or be completed within the specified time, or at all.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The required additional disclosure concerning the Company is contained in the unaudited Condensed Interim Financial Statements and related notes thereto for the three and six months ended February 29, 2012 and February 28, 2011.

DISCLOSURE OF OUTSTANDING SHARE DATA

As at February 29, 2012, there were 6,000,000 common shares without par value of the Company issued and outstanding.

On March 24, 2011, the Company completed its initial public offering of 2,000,000 common shares without par value of the Company, bringing the total issued and outstanding of the Company from 4,000,000 to 6,000,000 common shares without par value. In addition, pursuant to the initial public offering of the Company, the Company issued 200,000 agent's options to Raymond James Ltd. exercisable for a period of 24 months from the date the common shares were listed on the Exchange, exercisable at a price of \$0.10 per share and further issued 400,000 incentive stock options to directors and officers of the Company under the Company's stock option plan, exercisable for a period of 10 years from the date the common shares were listed on the Exchange, exercisable at a price of \$0.10 per share.

ADDITIONAL INFORMATION

Additional information relating to the Company can also be found on SEDAR at www.sedar.com.