

KR INVESTMENT LTD.
Management's Discussion and Analysis
For the year ended August 31, 2012

DATE – DECEMBER 14, 2012

This management's discussion and analysis (the "**MD&A**") of KR Investment Ltd. (the "**Company**") is dated December 14, 2012. The MD&A should be read in conjunction with the Company's audited Financial Statements and related notes thereto for the year ended August 31, 2012 and 2011, 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 Financial Statements for the year ended August 31, 2012 and 2011 have been prepared in accordance 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 the Company's expectations for its ability to raise capital and meet the Company's 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 FINANCIAL INFORMATION

The financial results of the Company for the three financial years ended August 31, 2012, 2011 and 2010 are summarized as follows:

	IFRS Year Ended August 31, 2012 (\$)	IFRS Year Ended August 31, 2011 (\$)	IFRS Year Ended August 31, 2010 (\$)
Total Revenue	Nil	Nil	Nil
Loss before discontinued operations			
(i) total for the year	66,065	124,044	4,459
(ii) Per share	0.01	0.03	0.03
(iii) Per share fully diluted	0.01	0.03	0.03
Net loss			
(i) total for the year	66,065	124,044	4,459
(ii) Per share	0.01	0.03	0.03
(iii) Per share fully diluted	0.01	0.03	0.03
Total Assets	187,868	254,137	210,200
Total long-term financial liabilities	Nil	Nil	Nil
Cash dividends declared per-share	Nil	Nil	Nil

During the year ended August 31, 2012, the Company had a net loss of \$66,065 consisting of professional fees of \$21,480 (2011 - \$59,149), rent expenses of \$20,000 (2011 - \$8,960), transfer agent and filing fees of \$14,998 (2011 - \$16,935) and travel expenses of \$7,987 (2011 - \$1,262).

The decrease in professional fees is due to the legal fees attributable to the compliance with the requirements established by TSX Venture Exchange related to its initial public offering completed in 2011. The increase in rent expenses is due to its longer rental period in 2012 compared to the period in 2011. The increase in travel expenses is due to travels of its directors to identify acquisition targets in order to complete the qualifying transaction.

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

As at August 31, 2012, the Company had total assets of \$187,868 (2011 - \$254,137) consisting of cash and cash equivalents of \$185,625 (2011 - \$254,105) and amount receivable of \$1,950 (2011 - \$32).

As at August 31, 2012, the Company had accounts payable and accrued liabilities of \$1,095 (2011 - \$1,299) and a due to a related party of \$11,100 (2011 - \$11,100).

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

For the 2011 financial year, the loss of \$124,044 includes costs associated with the preparation of the Company's prospectus and completion of its initial public offering.

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

SUMMARY OF QUARERLY RESULTS

The following selected financial information is derived from the unaudited condensed interim financial statements of the Company for each of the eight most recently completed quarters:

Three Months Ended	IFRS	IFRS	IFRS	IFRS
	August 31, 2012 (\$)	May 31, 2012 (\$)	February 29, 2011 (\$)	November 30, 2011 (\$)
Total Assets	187,868	201,423	222,018	245,297
Working Capital (Deficiency)	175,673	188,854	196,698	223,624
Shareholders' Equity	175,673	188,854	196,698	223,624
Income (loss)	(13,181)	(7,844)	(26,926)	(18,114)
Income (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)

Three Months Ended	IFRS	IFRS	IFRS	IFRS
	August 31, 2011 (\$)	May 31, 2011 (\$)	February 28, 2011 (\$)	November 30, 2010 (\$)
Total Assets	254,137	263,231	161,398	189,262
Working Capital (Deficiency)	241,738	248,977	146,105	163,347
Shareholders' Equity	241,738	248,977	146,105	163,347
Income (loss)	(7,239)	(61,237)	(17,242)	(38,326)
Income (loss) per share	(0.00)	(0.01)	(0.00)	(0.01)

During the three months ended August 31, 2012, the Company reported a net loss of \$13,181 compared to a net loss of \$7,239 for the corresponding period in 2011. An increase of \$5,942 is primarily due to an increase in travel expenses as the directors of the Company travelled to identify an acquisition target in order to complete its qualifying transaction. On the other hand, the rent expenses were decreased to \$2,000 as the rent agreement was expired on June 30, 2012 and the Company was charged for rent for only one month during the period.

LIQUIDITY AND CAPITAL RESOURCES

The financial results for the year ended as well as at August 31, 2012 and 2011 are summarized as follows:

	Year Ended August 31, 2012 (\$)	Year Ended August 31, 2011 (\$)
Cash used in Operating Activities	(68,480)	(91,975)
Cash from Financing Activities	-	136,216
Increase (decrease) in Cash and Cash Equivalents	(68,480)	44,241
Cash and Cash Equivalents – Beginning of Year	254,105	209,864
Cash and Cash Equivalents – End of Year	185,625	254,105

	As at August 31, 2012 (\$)	As at August 31, 2011 (\$)
Cash and Cash equivalents	185,625	254,105
Total Assets	187,868	254,137
Total Liabilities	12,195	12,399
Share Capital	317,207	317,207
Total Shareholders' Equity	175,673	241,738
Total Liabilities and Shareholders' Equity	187,868	254,137

As at August 31, 2012, the Company had cash and cash equivalents of \$185,625 and net working capital of \$175,673.

As at August 31, 2011, the Company had cash and cash equivalents of \$254,105 and net working capital of \$241,738.

OFF-BALANCE SHEET ARRANGEMENTS

As at August 31, 2012, and up to the date of this MD&A, the Company has had no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The Company had identified its directors and certain senior officers as its key management personnel. The remuneration of the Company's key management personnel was \$Nil (2011 - \$36,601) in share-based payments.

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 expired on March 31, 2012 for the amount of \$2,000 per month. The said lease was renewed for an additional term of three months from April 1, 2012 to June 30, 2012.

During the year ended August 31, 2012, the Company paid a total of \$20,000 (2011 - \$8,960) for office premises provided by a company controlled by a director of the Company.

As at August 31, 2012, a director of the Company advanced \$11,100 (2011 – \$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 year ended August 31, 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 August 31, 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 audited Financial Statements of the Company dated August 31, 2012 available on SEDAR at www.sedar.com. The reader is directed to Note 10 for information on the initial adoption of IFRS.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, accounts payable 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 audited Financial Statements and related notes thereto for the year ended August 31, 2012 and 2011.

DISCLOSURE OF OUTSTANDING SHARE DATA

As at December 11, 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.