GAR LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE YEAR ENDED JANUARY 31, 2011

The objective of this Management Discussion and Analysis Report ("MD&A") released by GAR Limited (the "Company" or "GAR") is to allow the reader to assess our operating results as well as our financial position for the year ended January 31, 2011 compared to the year ended January 31, 2010. This report is based on all available information up to September 12, 2013 and should be read in conjunction with the financial statements for the year ended January 31, 2011, as well as the accompanying notes.

The audited annual financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") for financial reporting. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for fair presentation have been included. Information contained herein is presented as at January 31, 2011, unless otherwise indicated.

The Company discloses, on a regular basis, additional information on its operations, which is recorded on the System for Electronic Document Analysis and Retrieval ("SEDAR") in Canada at www.sedar.com.

Forward Looking Statement

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

The document may contain forward-looking statements that reflect management's current expectations with regards to future events. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results to differ from expected results. Such factors include the following: mineral exploration and development costs and results, fluctuation in the prices of commodities for which the Company is exploring, foreign operations and foreign government regulations, competition, uninsured risks, recoverability of resources discovered, capitalization requirements, commercial viability, environmental risks and obligations, and the requirement for obtaining permits and licenses for the Company's operations in the jurisdictions in which it operates.

Nature of Activities and Continuation of Exploration Activities

Gar Limited was incorporated on February. 20, 1987under the Business Corporations Act (Ontario). Historically the Company has been in the business of acquiring, exploring and developing mineral properties in Canada. The Company has been inactive for the last twelve years and was under a cease trade order ("CTO"). The CTO was issued in Ontario, Alberta and British Columbia on June 23, 1998 for failure to file annual and interim financial statements for the three month period ended April 30, 1998 and for the six month period ended July 31, 1998, as required by the Act. The current registered office of the Corporation is Box 122, 288 Kenogami Lane, Swastika, Ontario, P0K 1T0.

Overall Objective

The primary objective of the Company is to acquire, explore and if warranted develop mineral properties and interests in cooper, silver, gold and other minerals exploration and development activities.

Corporate Highlights

The Company has not conducted any material business since the date of the CTO in1998. The Company has been on a "care and maintenance" status since then. The Company is attempting to become compliant with the Securities Regulators in Ontario, Alberta and British Columbia and have the CTO revoked.

Mineral Exploration Properties

The Company does not own any significant exploration properties and therefore has not conduct any exploration.

In the event that the Company wishes to acquire an interest in another resource property, make a significant capital expenditure or enter into agreements with a third party requiring corporate expenditures, the Company will be required to raise addition capital. It is expected that any capital raised will be by equity financing, likely in the form of a private placement, as opposed to issuing other debt instruments or undertaking other forms of debt financing. The Company does not currently make use of any other financial instruments, and does not anticipate making use of any such instruments in the short term. During the year ended January 31, 2009, the Company purchased a 100% interest in a property in the township of Grenfill for cash consideration of $71,144. Other than the aforementioned purchase the Company did not make any material capital expenditures other than in the ordinary course of business.

Trends

The Company is engaged in the business of preliminary or early stage mineral exploration and mine development. The Company holds no interest in producing or commercial deposits. The company does not have a source of revenue and is considered to be in the exploration stage. The trend of losses from operations, therefore, is expected to continue for the foreseeable future until a resource property is acquired and brought into commercial production. As is the case with resource properties or other junior exploration companies, it is impossible to determine the likelihood or estimated time frame for the acquisition and production of a resource property.

There are significant uncertainties regarding the price of copper, silver, gold and other minerals and the availability of equity financing for the purpose of exploration and development.

Financial markets are likely to be volatile, reflecting ongoing concerns about the stability of the global economy and weakening global growth prospects. Unprecedented uncertainty in the credit markets has also led to increased difficulties in borrowing and raising funds. Companies worldwide have been affected particularly negatively by these trends. As a result, The Company may have difficulties raising equity financing for purposes of cooper, silver, gold and other mineral exploration and development, particularly without excessively diluting the interest of existing shareholders. These trends may limit the ability of the Company to develop and/or further explore its current mineral exploration properties and any other property interests that may be acquired in the future.

Selected Annual Information

The following is selected financial data derived from the audited financial statements of the Company at January 31, 2011, 2010 and 2009.

	Years ended January 31		
	2011	**2010**	**2009**
	$	**$**	**$**
Revenue	-	-	-
Income (Loss)	6,893	(30,549)	(30,482)
Per share-basic and fully-diluted	0.01	(0.01)	(0.01)
Total assets	69,392	71,858	70,338

Results of Operations
For the Years ended January 31

	2011	**2010**	**2009**
	$	**$**	**$**
Amortization	1,606	1,673	854
Office, general and miscellaneous	1,416	7,149	1,128
Legal and audit	18,926	34,205	8,500
Management and consulting fees	14,400	12,000	20,000
	(36,378)	(55,027)	(30,482)
Other Items			
Cost recoveries	43,271	24,478	-
Loss and comprehensive loss for the year	6,893	(30,549)	30,482

Results of Operations

Twelve Months ended January 31, 2011 as compared to January 31, 2010

	2011 $	2010 $
Amortization	1,606	1,673
Office and miscellaneous	73	7,149
Legal and audit	12,000	34,205
Management and consulting fees	14,400	12,000
	(28,079)	(55,027)
Other items		
Recovery of prior years expenses	43,271	24,478
Net loss	15,192	(30,549)

The Company's net income totalled $15,192 for the year ended January 31, 2011 with basic and fully diluted net income per share of $ 0.01. This compares with a net loss for the twelve months ended January 31, 2010 of $(30,549) with a basic and fully diluted loss per share of $(0.01). The nominal increase of $45,741 was principally because:

- The Company incurred a decrease in legal and audit fees of $22,405 for the twelve months ended January31, 2011 as compared to the twelve months ended January 31, 2010. The increase can be attributed to increased corporate activities required assistance from the Company auditors and corporate lawyers in 2010:
- The Company incurred an increase in office, general and administration of $73 for the twelve months ended January 31, 2011. The increase can be attributed to increased general corporate activities.
- The Company incurred a recovery of prior year's expenses of $43,271 for the twelve months ended January 31, 2011 and there was a recovery of prior years expenses of $24,478 during the twelve months ended January 31, 2010.

Selected Quarterly Information

	Q4-11 (i)	Q3-11 (ii)	Q2-11 (iii)	Q1-10 (iv)	Q4-10 (v)	Q3-10 (vi)	Q2-10 (vii)	Q1-10 (viii)
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net income (loss) ($)	25,992	(3,600)	(3,600)	(3,600)	(21,549)	(3,000)	(3,000)	(3,000)
Per share ($)	0.02	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)

(i) The net income for the fourth quarter of 2011 as compared to the loss for the fourth quarter of 2010 shows an increase of $47,541, and is primarily due to an increase recoveries of $18,793, a decrease in professional fees of $ 6,426 and a decrease of legal and audit fees of $22,205.

ii) The loss for the third quarter of 2011 as compared to the same period in 2010 shows and increase of $600 which is due to an increase in management and consulting fees.

iii) The loss for the second quarter of 2011 as compared to the same period in 2010 shows and increase of $600 which is due to an increase in management and consulting fees.

iv) The loss for the first quarter of 2011 as compared to the same period in 2010 shows and increase of $600 which is due to an increase in management and consulting fees.

v) The loss for the fourth quarter of 2010 as compared to the loss for the fourth quarter of 2009 shows an increase of $67 and is primarily due to an increase recoveries of $24,478, an increase in amortization of $819; an increase in office general and administration of $6,021;and an increase in legal and audit of $25,705.

vi) The loss for the third quarter of 2010 as compared to the same period in 2009 shows a decrease of $1,400 which is due to a decrease in management and consulting fees.

vii) The loss for the second quarter of 2011 as compared to the same period in 2010 shows a decrease of $1,400 which is due to a decrease in management and consulting fees. .

viii) The loss for the first quarter of 2011 as compared to the same period in 2010 shows a decrease of $1,400 which is due to a decrease in management and consulting fees.

Results of Operations

Three Months ended January 31, 2011 as compared to January 31, 2010

	2011 **$**	**2010** **$**
Expenses		
Amortization	1,606	1,673
Office and miscellaneous	73	7,149
Legal and audit	12,000	34,205
Management and consulting fees	3,600	3,000
	(17,279)	(46,027)
Other items		
Recovery of prior years expenses	43,271	24,478
Income (Loss) for the Period	25,992	(21,549)

The Company's net income totalled $(25,992) for the three months ended January 31, 2011 with basic and fully diluted income per share of $0.01. This compares with a net loss for the three months ended January 31, 2010 of $(21,549) with a fully diluted loss per share of $(0, 01). The increase of $47,541 was principally because:

- The Company incurred a decrease in legal and audit fees of $22,205 for the three months ended January31, 2011. The decrease can be attributed to increased corporate activities required assistance from the Company auditors and corporate lawyers during 2010;

- The Company incurred a decrease in office, general and administration of $7,076 for the three months ended January 31, 2011 as compared to the three months ended January 31, 2010. The decrease can be attributed to increased general corporate activities in 2010.

- The Company incurred a recovery of prior years expenses of $43,271 for the three months ended January 31, 2011 as compared to a recovery of prior years expenses of $24,478 during the three months ended January 311, 2010.

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Liquidity and Capital Resources

The Company is not in commercial production on any of its mineral resource properties, and accordingly, the Company has no revenues. The Company finances its operations by raising capital in the equity markets.

Future cash requirements will depend primarily on the extent of future expenditures on the Company's exploration programs. The cost and duration of future exploration programs will depend on the results of current exploration programs and therefore, the Company is not able to forecast future cash requirements. The Company will require additional financing to fund its operations and complete exploration programs in 2012 and future years.

As at January 31, 2011, the Company had working capital deficit of $684,969 and cash and cash equivalents of $7,071.This compares to a working capital deficit of $701,767 and cash of $7,143 as at January 31, 2010. The decrease in the working capital deficit is primarily due to the recovery of prior years expenses.

Risks and Uncertainties

The Company is in the exploration stage and has not yet determined whether its mineral resource properties contain reserves that are economically recoverable. In addition, the Company has a working capital deficit of $674,733 and a contingent liability for its failure to make required flow-through expenditures (see "Contingencies"). The continued operations of the Company and the recoverability of amounts shown for mineral resource properties is dependent upon the ability of the Company to obtain financing to finance its operations and to complete the exploration and development of its mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its mineral resource properties.

The Company is subject to numerous risk factors that may affect its business prospects in the future. These risks include, but are not limited to, the Company's access to additional capital to fund future activities, the loss of mineral properties or the inability to obtain mining licenses', the inherently risky nature of the Company's activities and its lack of experience in bringing an exploration property into production, foreign exchange fluctuations, the political stability and economic uncertainty of those areas in which the Company carries on operations and the lack of infrastructure in those areas, title risks, the risks and uncertainties associated with joint ventures and the Company's reliance on third parties, statutory and regulatory compliance, the adequacy and availability of insurance coverage, the Company's dependence upon employees and consultants and fluctuations in mineral prices.

Significant Accounting Policies

Basis of preparation

These financial statements have been prepared Company's financial statements were prepared in accordance with Canadian generally accepted accounting principles (Canadian "GAAP").

The Company's ability to continue as a going concern is uncertain and is dependent upon the generation of profits from mineral properties, obtaining additional financing or maintaining continued support from its shareholders and creditors.

The significant accounting policies that have been applied in the preparation of these audited financial statements are summarized in note 2.

Changes in Accounting Policies including Initial Adoption

Recent accounting pronouncements

The CICA has issued new standards which may affect the financial disclosures and results of operations of the Company for interim and annual periods beginning February 1, 2010. With the exception of the move to International Financial Reporting Standards, the Company will adopt the requirements commencing in the interim period ended April 30, 2010 and is currently considering the impact this will have on the Company's financial statements.

International financial reporting standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of February 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended January 31, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Business combinations, non-controlling interest and consolidated financial statements

In January 2009, the CICA issued Handbook Sections 1582 “Business Combinations”, 1601 “Consolidated Financial Statements” and 1602 “Non-controlling Interests” which replace CICA Handbook Sections 1581 “Business Combinations” and 1600 “Consolidated Financial Statements”. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1582 is applicable for the Company’s business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company’s interim and annual consolidated financial statements for its fiscal year beginning January 1, 2011. Early adoption of this Section is permitted and all three Sections must be adopted concurrently.

CHANGE IN ACCOUNTING POLICY

Credit risk and fair value of financial assets and financial liabilities

In January 2009, the CICA approved EIC-173 “Credit Risk and the Fair Value of Financial Assets and Financial Liabilities.” This guidance clarified that an entity’s own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. The Company has evaluated the new section and determined that adoption of these new requirements has had no impact on the Company’s consolidated financial statements.

Goodwill and Intangible Assets

Effective February 1, 2009, the Company adopted CICA HB Section 3064, Goodwill and Intangible Assets (“Section 3064”), which replaces HB Section 3062, Goodwill and Other Intangible Assets (“Section 3062”) and HB Section 3450, Research and Development Costs. Various changes have been made to other sections of the CICA Handbook for consistency purposes. HB Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill are unchanged from the standards included in the previous HB Section 3062. The Company has evaluated the new section and determined that adoption of these new requirements has had no impact on the Company’s consolidated financial statements.

Mining exploration costs

On March 27, 2009, the CICA approved EIC-174 “Mining Exploration Costs.” This guidance clarified that an entity that has initially capitalized exploration costs has an obligation in the current and subsequent accounting years to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The Company has evaluated the new section and determined that adoption of these new requirements has had no impact on the Company’s consolidated financial statements.

Amendment to Financial Instruments - Disclosures

CICA Handbook Section 3862, Financial Instruments – Disclosures was amended to require disclosure about the inputs used in making fair value measurements, including their classification within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of receivables, marketable securities, due to related parties and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Financial risk factors

The Company’s risk exposures and the impact on the Company’s financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with counterparty’s inability to fulfill its payment obligations. Management believes that the credit risk concentration with respect to financial instruments included in cash is remote. Receivables are due primarily from government agencies.

Liquidity risk

The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at January 31, 2011 the Company had a cash balance of $ 2,083 (2010 - $7,143) to settle current liabilities of $711,008 (2010 - $672,939). All of the Company’s financial liabilities are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant and the Company, as all other companies in its industry, has exposure to these risks.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company’s current policy is to maintain cash and term deposits in its banking institutions and does not believe interest rate risk to be significant.

(b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables, accounts payable and accrued liabilities that are denominated in Canadian dollars. Management believes the risk is currently insignificant as most transactions are denominated in Canadian dollars.

(c) Price risk

The Company is not a producing entity so is not directly exposed to fluctuations in commodity prices. The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company’s earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Early adopted by the Company

At the date of authorization of these financial statements, certain new standards amendments and Interpretations to existing standards have been published but are not yet effective, and have not been adopted by the Company.

Management anticipates that all the pronouncements not yet effective will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a significant impact on the Company.

IFRS 9 "Financial Instruments (effective ("January 1, 2013"): The International Accounting Standards Board ("IASB") aims to replace IAS 39 "Financial Instruments: Recognition and Measurement" in its entirety. The replacement standard (IFRS 9) is being issued in phases. To date, the chapters dealing with recognition, classification, measurement and de recognition of financial assets and liabilities have been issue. These chapters are effective for annual periods beginning on or after January 1, 2013. Further chapters, dealing with impairment methodology and hedge accounting are still being developed. Management has not yet assessed the impact that this amendment is likely to have on the financial statements of the Company. However, it does not expect to implement the amendments until the chapters of IFRS 9 have been published and it can comprehensively assess the impact of changes.

Related Party Transactions

During the year ended January 31, 2011 and 2010, the Company entered into the following transactions with related parties not disclosed elsewhere in the financial statements:

a) Paid or accrued management fees of $12,000(2010 - $20,000) to the president of the Company John Rapski.

As at January 31, 2011 and January 31, 2010, due to related parties includes the following:

	January 31, 2011	January 31, 2010
Amounts due to the President and a company controlled by the president and director, John Rapski that are unsecured, non-interest bearing and have no fix terms of repayment.	284,572	272,572
	$ 284,572	$ 272,572

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

Contingencies

The Company is not aware of any contingencies or pending legal proceedings as of September 12, 2012.

Additional Disclosure for Venture Issuers without Significant Revenue

There have been no amounts capitalized for exploration and development costs during the year ended January 31, 2011 or 2010.

Disclosure of Outstanding Share Data

As of January 31 2011, the Company had 1,478,130 **c**ommon shares issued and outstanding.

Subsequent Events

There are no significant subsequent events up to September, 12 2013.