GAR LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED JANUARY 31, 2013

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, 2013 compared to the year ended January 31, 2012. 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, 2013, as well as the accompanying notes. The January 31, 2013 financial statements are prepared under International Financial Reporting Standards ("IFRS"). Unless otherwise indicated, all amounts are expressed in Canadian dollars.

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, 1987 under 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, and 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 Grenfell 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 mineral 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 mineral 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 Financial Information

The following selected financial data derived from the audited financial statements of the Company at January31, 2013 2012 and 2011.

Selected Annual Information

	Years ended January 31		
	2013	**2012**	**2011**
	$	**$**	**$**
Revenue	-	-	-
Income (Loss)	(33,178)	(28,172)	6,893
Per share-basic and fully-diluted	(0.02)	(0.02)	0.01
Total assets	92,373	67,778	69,392

Results of Operations
For the Years ended January 31

	2013	**2012**	**2011**
	$	**$**	**$**
Amortization	1,548	1,542	1,606
Office, general and miscellaneous	1,757	340	1,416
Legal and audit	7,673	12,500	18,926
Management and consulting fees	22,200	14,400	14,400
	(33,178)	(28,782)	(36,378)
Other Items		-	43,271

Cost recoveries	-		
Loss and comprehensive loss for the year	(33,178)	(28,782)	6,893

The Company's net loss totalled $(33,178) for the year ended January 31, 2013 with basic and fully diluted net income per share of $ (0.02). This compares with a net income for the twelve months ended January 31, 2012 of $(28,782) with a basic and fully diluted income per share of $(0.02). The nominal increase of $4,396 was principally because:

- The Company incurred an increase in office, general and administration of $1,417 for the twelve months ended January 31, 2013. The increase can be attributed to increased general corporate activities.
- The Company incurred an increase in management and consulting fees of $7,800 for the twelve months ended January 31, 2013.
- The Company incurred a decrease in legal and audit fees of $4,827for the twelve months ended January 31, 2013.

Selected Quarterly Information

	Q4-13 (i)	**Q3-13 (ii)**	**Q2-13 (iii)**	**Q1-13 (iv)**	**Q4-12 (v)**	**Q3-12 (vi)**	**Q2-12 (vii)**	**Q1-12 (viii)**
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net income (loss) ($)	(6,118)	(7,575)	(13,981)	(5,504)	(17,922)	(3,618)	(3,624)	(3,618)
Per share ($)	(0.00)	(0.00)	(0.01)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)

i) The loss for the fourth quarter of 2013 as compared to 2012 shows a decrease of $11,804 and is primarily due to an increase in amortization of $6; an increase in office, general and miscellaneous of $990; a decrease in legal and audit of $12,500 and a decrease in management and consulting fees of $300..

ii) The loss for the third quarter of 2013 as compared to the same period in 2012 shows a small net increase of $3957 which is primarily due to an increase in legal and audit of $2,500 and an increase in office, general and miscellaneous of $457 and management and consulting fees of $1,000.

iii) The loss for the second quarter of 2013 as compared to 2012 shows an increase of $10,357 primarily due to an increase in legal and audit of $7,000; management and consulting fees of $$1,500; and an increase in office, general and miscellaneous of $1,857.

iv) The loss for the first quarter of 2013 as compared to the same period in 2011 shows a small net increase of $1,886 which is due to an increase in office and administration.

v) The loss for the fourth quarter of 2012 as compared to 2011 shows an increase of $35,615 and is primarily due to a decrease in debt forgiveness of $43,271 offset by a decrease in amortization of $64; a decrease in professional fees of $ 6,426, and a decrease in office and administration of $1,106.

vi) The loss for the third quarter of 2012 as compared to the same period in 2011 shows a small net increase of $18 which is due to an increase in office and administration.

vii) The loss for the second quarter of 2012 as compared to the same period in 2011 shows a small net increase of $24 which is due to an increase in office and administration.

viii) The loss for the first quarter of 2012 as compared to the same period in 2011 shows a small net increase of $18 which is due to an increase in office and administration.

Results of Operations

Three Months ended January 31, 2013 as compared to January 31, 2012

	2013 $	2012 $
Expenses		
Amortization	1,548	1,542
Office, general and miscellaneous	1,270	280
Legal and audit	-	12,500
Management and consulting fees	3,300	3,600
Income (Loss) for the Period	(6,118)	(17,922)

The Company's net loss totalled $(6,118) for the three months ended January 31, 2013 with basic and fully diluted income per share of $(0.00). This compares with a net loss for the three months ended January 31, 2012 of $(17,922) with a fully diluted loss per share of $(0.01). The decrease in the loss of $11,804 was principally because:

- The Company incurred an increase in office, general and administration of $984 for the three months ended January 31, 2013 as compared to the three months ended January 31, 2012. The decrease can be attributed to increased general corporate activities in 2013.

- The Company incurred a decrease in legal and audit of $12,500 for the three months ended January 31, 2013 as during the three months ended January 31, 2012 as the Company fully provided for legal and audit fees in a prior period.

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 2014 and future years.

As at January 31, 2013, the Company had working capital deficit of $757,223 and cash and cash equivalents of $20,125.This compares to a working capital deficit of $720,508 and cash of $211 as at January 31, 2012. The decrease in the working capital deficit is primarily due to cash advances made by a related party.

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 $757,223 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.

Basis of preparation and going concern

These financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"). The accounting policies which are disclosed in Note 3 to the annual audited financial statements for the year ended January 31, 2013 have been applied consistently to all periods presented.

Future accounting policies

At the date of authorization of these Financial Statements, the IASB and IFRIC has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted these standards, amendments and interpretations. However, the Company is currently assessing what impact the application of these standards or amendments will have on the financial statements of the Company.

- IFRS 7 '*Financial Instruments, Disclosures*' - effective for annual periods beginning on or after January 1, 2013, IFRS 7 has been amended to provide more extensive quantitative disclosures for financial instruments that are offset in the statement of financial position or that are subject to enforceable master netting similar arrangements.

- IFRS 9 *'Financial Instruments: Classification and Measurement'* - effective for annual periods beginning on or after January 1, 2015, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments.

- IFRS 10 '*Consolidated Financial Statements'* - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

- IFRS 11 '*Joint Arrangements'* - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form.

- IFRS 12 '*Disclosure of Interests in Other Entities'* - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

- IFRS 13 '*Fair Value Measurement'* - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides the guidance on the measurement of fair value and related disclosures through a fair value hierarchy.

- IAS 1 '*Presentation of Financial Statements'* - the IASB amended IAS 1 with a new requirement for entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss.

- IAS 27 '*Separate Financial Statements*' - effective for annual periods beginning on or after January 1, 2013, as a result of the issue of the new consolidation suite of standards, IAS 27 Separate Financial Statements has been reissued, as the
consolidation guidance will now be included in IFRS 10. IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.

- IAS 28 '*Investments in Associates and Joint Ventures'* - effective for annual periods beginning on or after January 1, 2013, as a consequence of the issue of IFRS 10, IFRS 11and IFRS 12, IAS 28 has been amended and will provide the accounting guidance for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The amended IAS 28 will be applied by all entities that are investors with joint control of, or significant influence over, an investee.

• IAS 32 ‘*Financial instruments, Presentation’* - In December 2011, effective for annual periods beginning on or after January 1, 2013, IAS 32 was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date.

Accounting estimates and critical judgments

The preparation of financial statements requires management to make estimates, assumptions and judgements about future events. These estimates and judgements are constantly challenged. They are based on past experience and other factors, particularly, forecasts of future events that are reasonable in the circumstances. The actual results are likely to differ from the estimates, assumptions and judgments made by management, and may not equal estimated results.

The following paragraphs describes the most critical management estimates and assumptions in the recognition of assets, liabilities and expenses and the most critical management judgement’s in applying accounting policies:

Impairment of assets
An impairment loss is recognized when the carrying amount of an asset is not recoverable and exceeds its fair value. Management reviews on a regular basis the impairment assessment of its Mineral property interests without a recovery test as disclosed in the Company’s 2013 Annual Financial Statements.

Share based payments
The estimation of share-based payment costs require the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own share price, the probable life of options, the time of exercise of those options and expected extinguishments. The valuation model used by the Company is Black-Scholes.

Income taxes and deferred taxes
The Company is subject to taxes from different tax jurisdictions. It maintains allowances for uncertain tax positions that, in its opinion, appropriately reflect the risks related to the tax positions related to the tax positions subject to discussions, audits, differences of opinion and appeals with the tax authorities or that are otherwise uncertain. These allowances are determined using best estimates of the amounts payable based on a qualitative assessment of all relevant information. These allowances are reassessed at the end of each financial reporting period to determine if the amount is sufficient. However, audits by the tax authorities could subsequently result in an additional liability.

Related Party Transactions

During the year ended January 31, 2013 and 2012, the Company entered into the following transactions with related parties not disclosed elsewhere in the financial statements:

a) Paid or accrued management fees of $18,000(2012 - $12,000) to the president of the Company John Rapski.

As at January 31, 2013 and January 31, 2012, due to related parties includes the following:

	January 31, 2013	January 31, 2012
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.	$ 349,262	$ 296,572
	$ 349,262	$ 296,572

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, 2013.

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, 2013 or 2012.

Disclosure of Outstanding Share Data

As of January 31, 2013, 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.