

GAR Limited

(Incorporated under the laws of Ontario)

Interim Condensed Financial Statements

July 31, 2013

Management's Responsibilities for Financial Reporting

The accompanying condensed interim financial statements of GAR Limited (an Exploration Company) were prepared by management in accordance with International Financial Reporting Standards ("IFRS"). Management acknowledges responsibility for the preparation and presentation of the unaudited interim condensed interim financial statements, including responsibility for significant accounting judgments and estimate and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management has established systems of internal control over financial the financial reporting process, which are designed provide responsible assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim financial statements together with other financial information of the Company for issuance to the Shareholders.

Management recognized its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulation, and for maintaining proper standard of conduct for its activities.

/s/ John Rapski
President

Walter Krystna
Director

Notice of No Auditor Review of Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

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Condensed Interim Statements Financial Position
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(Expressed in Canadian Dollars)

	As at July 31, 2013	As at January 31, 2013
ASSETS		
Cash and cash equivalents	\$ 20,137	\$ 20,125
Sales tax receivable	<u>3,242</u>	<u>3,242</u>
	23,379	23,367
Other		
Mineral property interests (Note 6)	68,399	69,005
Equipment (Note 7)	<u>1</u>	<u>1</u>
	<u>\$ 91,778</u>	<u>\$ 92,373</u>
LIABILITIES AND SHAREHOLDERS' (DEFICIENCY)		
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 416,408	\$ 431,328
Due to related parties (Note 6)	<u>378,362</u>	<u>349,262</u>
	<u>794,770</u>	<u>782,590</u>
Shareholders' (deficiency) equity		
Share capital (Note 7)	2,004,204	2,004,204
Deficit	<u>(2,707,196)</u>	<u>(2,692,421)</u>
	<u>(702,992)</u>	<u>(688,217)</u>
	<u>\$ 91,778</u>	<u>\$ 92,373</u>

* Nature and continuation of operations and going concern (Note 1)

* Subsequent events (Note 10)

Approved on behalf of the Board on September 12, 2013

“John Rapski” _____ Director

“Walter Krystna” _____ Director

The accompanying notes are an integral part of these financial statements

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Condensed Interim Statement of Comprehensive Income (Loss)**Page 3**

(Expressed in Canadian Dollars)

	Three Months Ended July 31, 2013	Three Months Ended July 31, 2012
OPERATING EXPENSES		
Amortization	370	\$ -
Office, general and administrative	18	24
Management and consulting fees (Note 7)	5,100	3,600
	<u>5,488</u>	<u>(3,624)</u>
Net loss and comprehensive loss for the period	<u>\$ (5,488)</u>	<u>\$ 3,624</u>
Basic and diluted loss per common share	<u>\$ (0.00)</u>	<u>\$ 0.00</u>
Weighted average number of common shares outstanding	<u>1,478,130</u>	<u>1,478,130</u>

The accompanying notes are an integral part of these financial statements

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Condensed Interim Statement of Comprehensive Income (Loss)**Page 4**

	Six Months Ended July 31, 2013	Six Months Ended July 31, 2012
OPERATING EXPENSES		
Amortization	606	\$ -
Office, general and administrative	370	42
Management and consulting fees (Note 7)	13,800	7,200
	<u>14,775</u>	<u>(7,242)</u>
Net loss and comprehensive loss for the period	<u>\$ (14,775)</u>	<u>\$ 7,242</u>
Basic and diluted loss per common share	<u>\$ (0.00)</u>	<u>\$ 0.00</u>
Weighted average number of common shares outstanding	<u>1,478,130</u>	<u>1,478,130</u>

The accompanying notes are an integral part of these financial statements

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Condensed Interim Statement of Changes in Equity**Page 4**

	July 30,	
	2013	2012
Share Capital		
Balance, beginning of year	\$ 2,004,204	\$ 2,004,204
Balance, end of period	<u>\$ 2,004,204</u>	<u>\$ 2,004,204</u>
Accumulated deficit		
Balance, beginning of year	\$ (2,692,421)	\$ (2,630,461)
Net loss for the period	(14,775)	(7,242)
Balance, end of period	<u>\$ (2,707,196)</u>	<u>\$ (2,637,703)</u>

Condensed Interim Statements of Cash Flows

	Six Months ended July 31,	
	2013	2012
Cash flows - operating activities		
Net loss for the year	\$ (14,775)	\$ (3,618)
Adjustments for:		
Amortization	606	-
Net change in working capital excluding cash		
Sales tax receivable	-	-
Accounts payable and accrued liabilities	(14,920)	600
Cash flows (used in) from operating activities	<u>(29,089)</u>	<u>(3,018)</u>
Cash flows from financing activity		
Increase in due to related parties	29,100	3,000
Cash flows provided by financing activity	<u>29,100</u>	<u>3,000</u>
Increase (decrease) in cash and cash equivalents	11	18
Cash and cash equivalents, beginning of year	<u>20,125</u>	<u>7,143</u>
Cash and cash equivalents, end of period	<u>\$ 20,136</u>	<u>\$ 7,125</u>

The accompanying notes are an integral part of these financial statements

1. Nature of operations and going concern

GAR Limited (the "Company") was incorporated on February 20, 1987 under the Business Corporations Act (Ontario). The Company is in the business of acquiring, exploring for and developing mineral properties in Canada. Substantially all of the efforts of the Company are devoted to these business activities. To date the Company has not earned significant revenue and is considered to be in the exploration stage. The ability of the Company to carry out its business plan rests with its ability to secure equity and other financing.

On June 23, 1998, the Ontario Securities Commission ("Commission") issued a Notice of Order (Cease Trade Order) against the Company for failure to file financial statements and management's discussion and analysis. Other provincial securities commissions subsequently also issued Cease Trade Orders. Its shares were subsequently delisted from the Canadian Venture Exchange. The Company has not conducted any material business since the date of the CTO in 1998. The Company has been on a "care and maintenance" status since then. The Company is attempting to become to become compliant with the Securities Regulators in Ontario, Alberta and British Columbia and have the CTO revoked.

The Company is in the process of exploring its resource mining properties and has not yet determined whether these properties contain economically recoverable reserves. The continued operations of the Company and the amounts recoverable on these mining properties are dependent upon the economically recoverable reserves, the ability of the Company in obtaining the financing to complete the necessary exploration and development upon attaining future profitable production or proceeds from disposition of the mining properties.

Although the Company has taken steps to verify title to mining properties in which it has an interest according to industry standards for the stage of exploration and development of such properties, these procedures may not guarantee the Company's title. Properties may be subject to undisclosed prior agreements or transfers and title may be affected by undetected defects.

The Company's continued existence as a going concern is dependent upon its ability to continue to obtain adequate ongoing debt and/or equity financing with creditors, officers, directors and stakeholders. In addition the Company must also ultimately become profitable.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements.

1. Nature of operations and going concern - continued

The company has incurred a loss of \$14,755 for the six month period ended July 31, 2013 and a of loss of \$33,178 for the year ended January 31, 2013 and has a working capital deficiency of \$771,391 as at July 31, 2013 and \$757,223 as at January 31, 2013. The ability of the Company to remedy its working capital deficiency and to carry out its business plan rests with its ability to secure additional equity and other financing.

2. Basis of preparation and adoption of IFRS

Statement of Compliance

The Company applies International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“ISAB”). These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS and interpretations issued as issued by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these condensed interim financial statements are based on IFRSs issued and outstanding as of September 12, 2013, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended January 31, 2013. Any subsequent changes to IFRS that are given effect in the Company’s annual financial statements for the year ended January 31, 2014 could result in restatement of these condensed interim financial statements.

New standards not yet adopted and interpretations issued but not in effect in the most recent annual statements as at and for the year ended January 31, 2013.

There are no relevant changes in accounting standards applicable to future periods other than as disclosed in the most recent annual statements as at and for the year ended January 31, 2013.

3. Cash and cash equivalents

	<u>July 31,</u> <u>2013</u>	<u>January 31,</u> <u>2013</u>
Cash on hand and held at banks	\$ 137	\$ 125
Cash held in trust	<u>20,000</u>	<u>20,000</u>
	<u>\$ 20,137</u>	<u>\$ 20,125</u>

4. Property

	<u>Cost</u>	<u>Accumulated</u> <u>Amortization</u>	<u>2013</u> <u>Net Book</u> <u>Value</u>	<u>January 31, 2013</u> <u>Net Book</u> <u>Value</u>
Land	\$ 28,457	\$ -	\$ 28,457	\$ 28,457
Building	<u>47,770</u>	<u>7,828</u>	<u>39,942</u>	<u>40,548</u>
	<u>\$ 76,227</u>	<u>\$ 7,828</u>	<u>\$ 68,399</u>	<u>\$ 69,005</u>

5. Mineral interests

Accumulated mineral property costs have been incurred as follows:

	2013	2013
Balance, beginning of year	\$ 1	\$ -
Costs	<u>-</u>	<u>1</u>
Balance, end of period	<u>\$ 1</u>	<u>\$ 1</u>

In 2009, the Company acquired a 100% interest in property in the township of Grenfell for cash consideration of \$71,144.

The consideration of \$71,144 was allocated to the net identifiable assets acquired as follows:

Land	\$ 28,457
Building	42,686
Mineral rights	<u>1</u>
	<u>\$ 71,144</u>

6. Related Party Transactions

The following related party transactions occurred and were expensed to management fees in the financial statements during the six month period ended July 31, 2013 and 2012 as follows:

During the six month period ended July 31, 2013 an officer of the Company charged management fees in the amount of \$9,000 (2012 - \$6,000) to the Company. As at July 31, 2013 a total of \$288,655 (January 31, 2013 - \$279,655) is due to this officer in respect of management fees. This amount is included in due to related parties.

As at July 31, 2013 the Company owes a total of \$140,572 (January 31, 2013 - \$140,572) to various related parties and an officer of the Company as results of advances received from these parties. These amounts are included in due to related parties.

Due to related parties

The advances are from an officer of the Company, a company controlled by the officer and another related company. The advances bear no interest and have no specified terms of repayment.

As at July 31, 2013 total due to related parties balance is \$378,362; (January 31, 2013 - \$349,262).

These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

7. Share capital

The Company's authorized share capital is comprised of an unlimited number of common shares. 1,478,130 common shares were issued and outstanding as at July 31, 2013 and January 31, 2013.

The Company has a stock option plan to provide employees and directors with options to purchase common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock on the day of grant and the maximum term of option is five years. The maximum number of shares which may be issued under the program shall not exceed 10% of the issued and outstanding shares.

As at July 31, 2013 and January 31, 2013 there were no outstanding stock options.

8. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation. These reclassifications did not affect prior year's net losses.

9. Segmented information

The Company operates in one operating reporting segment, being mineral exploration and development. The Company's principal mineral interests are located in Grenwell Township, Ontario. In addition, all of the Company's assets, liabilities and expenses are in Canada.

10. Subsequent events

There are no subsequent events to report up to and including September 12, 2013, the date the Board of Directors approved these financial statements.