GAR LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE *THREE AND TWELVE MONTH PERIOD ENDED JANUARY 31, 2014*

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 ***three and twelve month period ended January 31, 2014***. This report is based on all available information up to ***June XX, 2014*** and should be read in conjunction with the audited financial statements for the periods ended January 31, 2014 and ***January 31, 2013***, as well as the accompanying notes. Both the audited financial statements for the year ended ***January 31, 2014*** and the audited financial statements for the period ended ***January 31, 2013*** 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 evaluating 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 copper, silver, and gold and other minerals exploration and evaluation 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. During the fourth quarter of 2014 the Company received approval from the Securities Regulators in Ontario, Alberta and British Columbia and have had the CTO lifted.

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 $74,144. 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 evaluation. 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, if such properties are proven successful. 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, exploration and evaluation, and eventual 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 evaluation.

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 evaluation, 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 ***January 31, 2013 2012 and 2011***.

Selected Annual Information

	Years ended January 31		
	2014	**2013**	**2012**
	$	**$**	**$**
Revenue	-	-	-
Income (Loss)	254,175	(33,178)	(28,782)
Per share-basic and diluted	0.12	(0.02)	(0.02)
Total assets	73,202	92,373	67,778

Results of Operations
For the Years ended January 31

	2014	**2013**	**2012**
	$	**$**	**$**
Amortization	1,217	1,548	1,542
Office, general and miscellaneous	3,546	1,757	340
Legal an audit	32,234	7,673	12,500
Listing and regulatory fees	19,752	-	-
Management and consulting fees	46,000	22,200	14,400
	(102,749)	(33,178)	(28,782)
Other Items			
Cost recoveries	63,822	-	
Gain on settlement of debt	293,102	-	
Income (Loss) and comprehensive Income (loss) for the year	254,175	(33,178)	(28,872)

The Company's net income totalled $254,175 for the year ended January 31, 2014 with basic and fully diluted net income per share of $ 0.12. This compares with a net (loss) for the twelve months ended January 31, 2013 of $(33,178) with a basic and diluted (loss) per share of $(0.02). The increase of $287,353 was principally because:

- The Company recorded a gain of $293,102 on a gain on settlement of debt by the issuance of 500,000 common shares to a former officer of the Company and recorded cost recoveries of $63, 822 for the year ended January 31, 2014.
- The Company incurred an increase in office, general and administration of $1,789 for the twelve months ended January 31, 2014. The increase can be attributed to increased general corporate activities.
- The Company incurred an increase in management and consulting fees of $23,800 for the twelve months ended January 31, 2014. The increase can be attributed to increased general management activities in 2014.
- The Company incurred an increase in legal and audit fees of $24,561 in listing and regulatory fees of $19,752 and increase in for the twelve months ended January 31, 2014. This total increase of $44,313 relates to the Company obtaining a Cease Trade Order lifted by the Ontario Securities Commission as well as the Alberta Securities Commission and the British Columbia Securities Commission.

The Company's net (loss) totalled $(33,178) for the year ended January 31, 2013 with basic and diluted net (loss) per share of $ (0.02). This compares with a net loss for the twelve months ended January 31, 2012 of $(28,872) with a basic and diluted (loss) per share of $(0.02). The nominal increase of $4,306 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 $4,827 for the twelve months ended January 31, 2013.

Selected Quarterly Information

	Q4-14 (i)	Q3-14 (ii)	Q2-14 (iii)	Q1-14 (iv)	Q4-13 (v)	Q3-13 (vi)	Q2-13 (vii)	Q1-13 (viii)
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net income (loss) ($)	314,515	(47,300)	(5,488)	(7,552)	(6,118)	(7,575)	(13,981)	(5,504)
Per share ($)	.15	(0.03)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.00)

Narrative Analysis of Quarterly Results

i) The income for the fourth quarter of 2014 as compared to 2013 shows an increase of $314,515 in net income primarily due to a gain on settlement of debt of $293,102 and cost recoveries of $63,922 offset by increases of increases in listing and regulatory fees of$6,063, legal and audit fees of $12,493 and management fees of $21,500.

ii) The loss for the third quarter of 2014 as compared to 2013 shows an increase of $39,725 primarily due to an increase in legal and audit of $13,744; management and consulting fees of $7,100; and an increase in regulatory and transfer agent's fees of $13,689.

iii) The loss for the second quarter of 2014 as compared to 2013 shows an increase of $8,493 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 2014 as compared to the same period in 2013 shows a small net increase of $2,048 which is due primarily to an increase in management and consulting fees of $ 3,300.

v) 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.

vi) The loss for the third quarter of 2013 as compared to the same period in 2012 shows a small net increase of $3,957 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.

vii) 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.

viii) The loss for the first quarter of 2013 as compared to the same period in 2012 shows a small net increase of $1,886 which is due to an increase in office and administration.

Results of Operations

Three Month Period Ended January 31, 2014 as compared to January 31, 2013:

	2014	2013
	$	$
Amortization	110	1,548
Office, general and miscellaneous	2,243	1,270
Legal and audit	12,493	-
Listing and regulatory fees	6,063	-
Management and consulting fees	21,500	3,300
	(40,409)	6,118
Other Items		
Cost recoveries	63,822	-
Gain on settlement of debt	293,102	-
Income (Loss) and comprehensive Income (loss) for the year	$ 314,515	$ 6,118

The Company's net income totalled $314,515 for the three months ended January 31, 2014 with basic and diluted income per share of $0.21. This compares with a net loss for the three months ended January 31, 2013 of $(6,118) with a diluted loss per share of $(0.00). The increase in net income of $320,633 was principally because:

- The Company recorded a gain of $293,102 on a gain on settlement of debt by the issuance of 500,000 common shares to a previous officer of the Company and recorded cost recoveries of $63, 822 for the year ended January 31, 2014.
- The Company incurred an increase in management and consulting fees of $18,200 for the three months ended January 31, 2014 as compared to the three months ended January 31, 2013. The increase can be attributed to increased general management activities in 2014.
- The Company incurred an increase in legal and audit fees of $12,493 for the three months ended January 31, 2014 as compared to the three months ended January 31, 2013. The increase can be attributed to increased legal fees during the year.
- The Company incurred an increase in regulatory and transfer agent's fees of $6,063 for the three months ended January 31, 2014 as compared to the three months ended January 31, 2013. The increase can be attributed directly to cost incurred to having the cease trade order lifted.

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, 2014***, the Company had working capital deficit of $106,806 and cash and cash equivalents of $87. This compares to a working capital deficit of $757,223 and cash of $20,125 as ***at January 31, 2013***. The decrease in the working capital deficit is primarily due to cash advances made by a related party and the settlement of a debt of $318,101 in exchange for 500,000 common shares at $0.05 per share to a former officer of the Company.

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 $106,806. 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, evaluation and development of its mineral resource properties, if they are proven successful, 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, 2014*** have been applied consistently to all periods presented.

New accounting policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning January 1, 2013. The following new standards have been adopted:

(i) IFRS 10 **-** Consolidated Financial Statements ("IFRS 10") was issued by the IASB in May 2011. IFRS 10 is a new standard which identifies the concept of control as the determining factor in assessing whether an entity should be included in the consolidated financial statements of the parent corporation. Control consists of three elements: power over an investee; exposure to variable returns from an investee; and the ability to use power to affect the reporting entity's returns. At February 1, 2013, the Company adopted this pronouncement and there was no impact on the Company's financial statements.

(ii) IFRS 11 **-** Joint Arrangement ("IFRS 11") was issued by the IASB in May 2011. IFRS 11 is a new standard which focuses on classifying joint arrangements by their rights and obligations rather than their legal form. Entities are classified into two groups: parties having rights to the assets and obligations for the liabilities of an arrangement, and rights to the net assets of an arrangement. Entities in the former case account for assets, liabilities, revenues and exposure to variable returns from an investee; and the ability to use power to affect the reporting entity's returns. For entities with the rights to the net assets of an arrangement, equity accounting is used. At February 1, 2013, the Company adopted this pronouncement and there was no impact on the Company's financial statements.

(iii) IFRS 12 **-** Disclosure of Interests in Other Entities ("IFRS 12") was issued by the IASB in May 2011. IFRS 12 is a new standard which provides disclosure requirements for entities reporting interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structure entities. At February 1, 2013, the Company adopted this pronouncement and there was no impact on the Company's financial statements.

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(iv) IFRS 13 – Fair Value Measurement ("IFRS 13") is effective for annual period beginning on January 1, 2013, provides the guidance on the measurement of fair value and related disclosures through a fair value hierarchy.

The Company's adoption of IFRS 13, on February 1, 2013, and did not have a material financial impact upon the financial statements, however, certain new or enhanced disclosures are required and can be found in Notes to these financial statements .

(v) Amendments to IAS 1 - Presentation of Financial Statements - During the year ended January 31, 2014, the Company adopted IAS 1 - Presentation of Financial Statements (amendments to IAS 1), issued by the IASB in June 2011. The amendments require items presented in the statement of other comprehensive income to be categorized according to whether the items will or will not be reclassified to income at a future date. The adoption is reflected in the Company's financial results and had no impact.

(vi) IAS 27 - Separate Financial Statements ("IAS 27") was effective for annual periods beginning on or after January 1, 2013, as a result of the issue of IFRS 10, IAS 27 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. At February 1, 2013, the Company adopted this pronouncement and there was no impact on the Company’s financial statements.

(vii) In October 2011, the IASB issued IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine. This interpretation requires the capitalization and depreciation of stripping costs in the production phase if an entity can demonstrate that it is probable future economic benefits will be realized, the costs can be reliably measured and the entity can identify the component of the ore body for which access has been improved. At February 1, 2013, there was no impact on the Company’s financial statements from this interpretation.

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 9 – 'Financial instruments', effective for annual periods beginning on or after January 1, 2018, addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of lAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the lAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income, unless this creates an accounting mismatch. In addition, the new standard has brought into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. The Company is yet to assess IFRS 9's full impact. The Company will also consider the impact of the remaining phases of IFRS 9 when completed by the Board.

IAS 32 – Financial Instruments: Presentation (“IAS 32”) was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014. Earlier adoption is permitted.

IAS 36 – Impairments of Assets ("IAS 36") was amended by the IASB in May 2013 to clarify the requirements to disclose the recoverable amounts of impaired assets and require additional disclosures about the measurement of impaired assets when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount. The amendments to IAS 36 are effective for annual periods beginning on or after January 1, 2014. Earlier adoption is permitted.

IFRIC 21 – Levies ("IFRIC 21") was issued in May 2013. IFRIC 21 provides guidance on the accounting for levies within the scope of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets ("IAS 37"). IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("obligating event"). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods commencing on or after January 1, 2014. Earlier adoption is permitted.

IFRS 14 and IFRS 15 have been issued but have no effect on the company.

Accounting estimates and critical judgments

The preparation of financial statements using accounting policies consistent with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. The preparation of the financial statements also requires management to exercise judgment in the process of applying the accounting policies.

Critical accounting estimates

Impairment of assets
When there are indications that an asset may be impaired, management is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less disposal costs. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value.

Useful life of assets subject to depreciation
Useful life of assets subject to depreciation - The Company reviews at the end of each reporting period the useful life of assets subject to depreciation.

Critical judgment in applying accounting policies

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 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.

Going concern assumption
Going concern presentation of the financial statements which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

Related Party Disclosure and Key Management Compensation

During the twelve month periods ended ***January 31, 2014 and 2013***, the Company entered into the following transactions with related parties not disclosed elsewhere in the financial statements:

a) Key management compensation of $46,000; (2013 - $ 22,200) to the president of the Company John Rapski.

As at ***January 31, 2014 and January 31, 2013***, due to related parties includes the following:

	January 31, 2014	***January 31, 2013***
Amounts due to the Chief Financial Officer and director, Wm. Andrew Campbell CA/CPA that are unsecured, non-interest bearing and have no fixed terms of repayment.	$ 18,000	$ -
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.	64,447	349,262
	$ 82,447	$ 349,262

These transactions were in the normal course of operations and were measured at the exchange amount, whichis 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 June 4, 2014.***

Additional Disclosure for Venture Issuers without Significant Revenue

There have been no amounts capitalized for exploration and evaluation costs during the period ended January 31, 2014.

Disclosure of Outstanding Share Data

As of ***January 31, 2014***, the Company had 9,378,630 **c**ommon shares issued and outstanding.

Subsequent Events

On February 28, 2014 the Company agreed to sell the property, plant and equipment and exploration and evaluation assets to a relative of the President for a consideration of $71,144.

On April 14, 2014, the Company signed an option agreement to acquire a mineral property containing 41 mining claims from 2158879 Ontario Limited (a private company) which is located in Burt, Gross and Flanelle Townships in the Larder Lake Mining Division of Ontario.

The Company can obtain a 100% interest in the property by making payments of 500,000 common shares over an eight year period totaling 4,000,000 common shares. The property is subject to a 3% net smelter return ("NSR"), The NSR is owned by the President of Gar Limited who also owns a 79.8% interest in 2158879 Ontario Limited.

In addition to the above, there are no significant subsequent events up to ***June 4, 2014***.