

GAR Limited

(Incorporated under the laws of Ontario)

Interim Financial Statements

July 31, 2014

Management's Responsibilities for Financial Statements

The accompanying unaudited 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 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 unaudited interim financial 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 unaudited interim 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

/s/Wm. Andrew Campbell CA/CPA
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 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 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.

GAR Limited
(An Exploration Stage Enterprise)
Statements of Financial Position

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	<u>As at July 31, 2014</u>	<u>As at January 31, 2014</u>
ASSETS		
Current Assets		
Cash and cash equivalent	\$ 322	\$ 87
Receivables	<u>8,259</u>	<u>5,327</u>
Total Current Assets	<u>8,581</u>	<u>5,414</u>
Non-Current Assets		
Deposit on properties under option (Note 3)	37,500	-
Mineral property interest (Note 4)	-	1
Land and buildings (Note 5)	<u>-</u>	<u>67,788</u>
	<u>37,500</u>	<u>67,789</u>
Total Assets	<u>\$ 46,081</u>	<u>\$ 73,202</u>
LIABILITIES AND SHAREHOLDERS' (DEFICIENCY) EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 14,598	\$ 29,772
Due to related parties (Note 6)	<u>99,626</u>	<u>82,447</u>
Total Current Liabilities	<u>114,224</u>	<u>112,219</u>
Shareholders' (Deficiency) (Note 7)		
Share capital	2,194,249	2,199,689
Shares to be issued	37,500	-
Reserve for warrants	204,980	204,980
Deficit	<u>(2,504,872)</u>	<u>(2,438,246)</u>
Total Equity	<u>(68,143)</u>	<u>(39,017)</u>
Total Liabilities and Shareholder's Equity	<u>\$ 46,081</u>	<u>\$ 73,202</u>

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

* Subsequent events (Note 10)

Approved on behalf of the Board September 16, 2014

"John Rapski" Director

"Wm. Andrew Campbell " Director

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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, 2013
OPERATING EXPENSES		
Advertising & promotion	\$ 3,903	\$ -
Amortization	-	370
Automobile	2,792	-
Consulting fees	1,950	2,100
General exploration expenditures	8,514	-
Management fees Note 7)	15,000	3,000
Legal & audit	5,696	-
Rent – office	4,000	-
Transfer agent’s and regulatory fees	4,708	-
Office, general & administration	1,665	18
	<u>44,228</u>	<u>5,488</u>
(Loss) before other items	(44,228)	(5,488)
Other Item: Gain on sale of property (Note 4&5)	-	-
Net loss and comprehensive loss for the period	<u>\$ (44,228)</u>	<u>\$ (5,488)</u>
Basic and diluted loss per common share	<u>\$ (0.00)</u>	<u>\$ 0.00</u>
Weighted average number of common shares outstanding	<u>9,378,630</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, 2014	Six Months Ended July 31, 2013
OPERATING EXPENSES		
Advertising & promotion	\$ 4,153	\$ -
Amortization	-	606
Automobile	2,792	
Consulting fees	5,350	4,800
General exploration expenditures	8,514	-
Management fees Note 7)	30,000	9,000
Legal & audit	5,696	-
Office rent	4,000	-
Transfer agent's & regulatory fees	7,718	-
Office, general & administration	1,758	370
(Loss) before other items	(69,981)	(14,775)
Other Item: Gain on sale of property (Note 4&5)	3,355	-
Net loss and comprehensive loss for the period	\$ (66,626)	\$ (14,775)
Basic and diluted loss per common share	\$ (0.00)	\$ 0.00
Weighted average number of common shares outstanding	9,378,630	1,478,130

The accompanying notes are an integral part of these financial statements

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(An Exploration Stage Enterprise)

Statements of Changes in Shareholders' Equity**Page 4**

	Number of Shares	Common Shares to Shares Be Issued	Reserve for Warrants	Deficit	Total	
Balance at, January 31, 2013	1,478,130	\$ 2004,204	\$ nil	\$ nil	\$(2,659,243)	\$ (655,039)
Net (loss) for the period					(14,775)	(14,775)
Balance at, July 31, 2013	1,478,130	\$ 2,004,204	\$ nil	\$ nil	\$ (2,674,018)	\$ (669,814)
Shares issued for debt settlements (Note 7)	7,900,000	395,000		\$ -		395,000
Shares issued for services	500	25				25
Fair value ascribed to warrants (Note 7)		(204,980)		204,980		
Net (Loss) for the year					235,772	235,772
Balance, at January 31, 2014	9,378,630	\$ 2,194,249	\$ nil	\$ 199,540	\$ (2,438,246)	\$ (39,017)
Shares to be issued (Note 7)			37,500			37,500
Net (loss) for the period					(66,626)	(66,626)
Balance at, July 31, 2014	9,378,630	\$ 2,194,249	\$ 37,500	\$ 204,980	,\$ (2,504,872)	\$ (68,143)

The accompanying notes to the condensed interim financial statements are an integral part of these financial statements

GAR Limited

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Statements of Cash Flows**Page 5**

	Six Months ended July 31,	
	2014	2013
Cash flows - operating activities		
Net Income (loss) for the year	\$ (66,626)	\$ (14,775)
Adjustments for:		
Gain on sale of Property	3,353	-
Amortization	-	606
Net change in working capital excluding cash		
Accounts receivable	(2,932)	-
Accounts payable and accrued liabilities	(15,174)	2,681
Cash flows (used in) from operating activities	<u>(81,379)</u>	<u>(4,566)</u>
Cash flows from financing activity		
Increase in due to related parties	<u>81,614</u>	4,600
Cash flows provided by financing activity	<u>81,614</u>	<u>4,600</u>
Increase in cash and cash equivalents	235	34
Cash and cash equivalents, beginning of year	<u>87</u>	<u>20,125</u>
Cash and cash equivalents, end of period	<u>\$ 322</u>	<u>\$ 20,159</u>

The accompanying notes to the condensed interim financial statements are an integral part of these financial statements

1. Nature of operations and going concern

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.

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 net loss of \$(66,626) for the six month period ended July 31, 2014 and a net income of \$253,175 for the year ended January 31, 2014 and a working capital deficiency of \$(105,643) as at January 31 2014 and \$(106,806) 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 (“IASB”). 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 16, 2014, 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, 2014. 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, 2014.

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, 2014.

3. DEPOSITS ON PROPERTIES UNDER OPTION:

	Balance July 31, 2014	Balance January 31, 2014
Acquisition costs	\$ 37,500	\$ -
Book Value of Property Under Option	\$37,500	\$ -

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 Flavelle 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 in equal installments 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.

4. MINERAL PROPERTY INTEREST:

	Balance July 31, 2014	Balance January 31, 2014
Acquisition costs	\$ nil	\$ 1
Book Value of Mineral Property	\$nil	\$ 1

In 2009, the Company acquired a 100% interest in a property in the township of Grenfell for cash consideration of \$71,144 which \$1 was allocated to the mineral property claim. On February 28, 2014 the Company agreed to sell the property, plant and equipment and exploration and evaluation assets for a consideration of \$1.

5. LAND AND BUILDING:

	Balance July 31, 2014	Balance January 31, 2014
Land	\$ nil	\$ 28,457
Building	Nil	47,771
Accumulated amortization	Nil	(8,440)
Net Book Value	\$ nil	\$67,788

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>
	\$ 71,144

On February 28, 2014 the Company agreed to sell the property, plant and equipment and exploration and evaluation assets for a consideration of \$71,144 and allocated the \$71,143 to the land and building resulting in a gain on disposal of \$63355.

6. Related Party Transactions

The following related party transactions occurred and were expensed to management fees in the financial statements during the three month period ended July 31, 201 and 2013 as follows:

During the three month period ended July 31, 2014 two officers' of the Company charged management fees in the amount of \$15,000 (2012 - \$3,000) to the Company.

Due to related parties

The advances are from two 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, 2014 total due to related parties balance is \$99,626 (January 31, 2014 - \$82,447).

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. 9,378,630 common shares were issued and outstanding as at July 31, 2014 and January 31, 2014.

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, 2014 and January 31, 2014 there were no outstanding stock options.

As at July 31, 2014 and January 31, 2014 the Company had 7,400,000 warrants outstanding which expiry on December 15, 2015. Each warrant entitles the holder to acquire one common share at a price per share of \$0.07.

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 which is located in Burt, Gross and Flavelle Townships in the Larder Lake Mining Division of 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 16, 2014, the date the Board of Directors approved these financial statements.