

GAR Limited

(Incorporated under the laws of Ontario)

Interim Financial Statements

October 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

	<u>As at October 31, 2014</u>	<u>As at January 31, 2014</u>
ASSETS		
Current Assets		
Cash and cash equivalent	\$ 101,534	\$ 87
Marketable securities ó at fair market value	45,000	
Receivables	8,259	5,327
Prepaid expenses	<u>1,353</u>	<u>-</u>
Total Current Assets	<u>156,416</u>	<u>5,414</u>
Non-Current Assets		
Property under option (Note 3)	159,500	-
Mineral property interest (Note 4)	-	1
Land and buildings (Note 5)	<u>-</u>	<u>67,788</u>
	<u>159,500</u>	<u>67,789</u>
Total Assets	<u>\$ 315,916</u>	<u>\$ 73,202</u>
LIABILITIES AND SHAREHOLDERS' (DEFICIENCY) EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 16,365	\$ 29,772
Due to related parties (Note 6)	<u>22,440</u>	<u>82,447</u>
Total Current Liabilities	<u>38,805</u>	<u>112,219</u>
Shareholders' (Deficiency) (Note 7)		
Share capital	2,210,749	2,194,249
Shares to be issued	382,500	-
Reserve for warrants	204,980	204,980
Deficit	<u>(2,522,118)</u>	<u>(2,438,246)</u>
Total Equity	<u>277,111</u>	<u>(39,017)</u>
Total Liabilities and Shareholder's Equity	<u>\$ 315,916</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 November 8, 2014

"John Rapski" Director

"Wm. Andrew Campbell" Director

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

GAR Limited

(An Exploration Stage Enterprise)

Condensed Interim Statement of Comprehensive Income (Loss)

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(Expressed in Canadian Dollars)

	Three Months Ended October 31, 2014	Three Months Ended October 31, 2013
OPERATING EXPENSES		
Advertising & promotion	\$ (4,134)	\$ -
Amortization	-	501
Automobile	(84)	-
Consulting fees	2,776	-
General exploration expenditures	198	-
Management fees Note 6)	15,000	10,700
Legal & audit	-	13,744
Occupancy costs (Note 6)	3,000	-
Property taxes	-	1,955
Transfer agent's and regulatory fees	1,282	13,689
Office, general & administration	258	841
	<u>18,488</u>	<u>47,430</u>
(Loss) before other items	(18,488)	(47,430)
Other Item: Unrealized gain on marketable securities	4,500	-
Net loss and comprehensive loss for the period	\$ (14,246)	\$ (47,430)
Basic and diluted loss per common share	\$ (0.00)	\$ 0.00
Weighted average number of common shares outstanding	9,961,487	1,478,130

The accompanying notes are an integral part of these financial statements

GAR Limited

(An Exploration Stage Enterprise)

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

	Nine Months Ended October 31, 2014	Nine Months Ended October 31, 2013
OPERATING EXPENSES		
Advertising & promotion	\$ 19	\$ -
Amortization	-	1,107
Automobile	2,876	
Consulting fees	8,210	
General exploration expenditures	8,712	-
Management fees Note 6)	45,000	24,500
Legal & audit	5,696	19,741
Occupancy costs (Note 6)	6,000	-
Transfer agent's & regulatory fees	9,198	13,689
Office, general & administration	2,016	1,213
(Loss) before other items	(90,727)	(62,205)
Other Item:		
Unrealized gain on marketable securities	4,500	-
Gain on sale of property (Note 4 & 5)	3,355	
Net income (loss) and comprehensive income (loss) for the period	\$ (82,872)	\$ (62,205)
Basic and diluted loss per common share	\$ (0.00)	\$ 0.00
Weighted average number of common shares outstanding	9,961,487	1,478,130

The accompanying notes are an integral part of these financial statements

GAR Limited

(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					(62,205)	(62,205)
Balance at, October 31, 2013	1,478,130	\$ 2,004,204	\$ nil	\$ nil	\$ (2,721,448)	\$ (717,244)
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 Income for the period					283,202	283,202
Balance, at January 31, 2014	9,378,630	\$ 2,194,249	\$ nil	\$ 204,980	\$ (2,438,246)	\$ (39,017)
Shares issued for cash	220,000	16,500				
Shares to be issued (Note 7 & 10))			382,500			382,500
Net Income for the period					(82,872)	(82,872)
Balance at, October 31, 2014	9,598,630	\$ 2,210,749	\$ 382,500	\$ 204,980	\$ (2,521,118)	\$ 277,111

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

GAR Limited

(An Exploration Stage Enterprise)

Statements of Cash Flows

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	Nine Months ended October 31,	
	2014	2013
Cash flows - operating activities		
Net Income (loss) for the year	\$ (82,872)	\$ (62,205)
Adjustments for:		
Gain on sale of Property	3,355	-
Unrealized gain on marketable securities	(4,500)	-
Amortization	-	1,107
Net change in working capital excluding cash		
Accounts receivable	(2,932)	-
Prepaid expenses	(1,353)	(4,414)
Accounts payable and accrued liabilities	(13,407)	4,398
Cash flows (used in) from operating activities	<u>(108,419)</u>	<u>(61,114)</u>
Cash flows from financing activity		
Shares issued for warrants	16,500	-
Increase in shares to be issued	82,500	-
Increase in due to related parties	(52,510)	41,100
Cash flows provided by financing activity	<u>46,490</u>	<u>41,100</u>
Cash flows from investing activity		
Decrease in property	67,788	-
Decrease in mineral resource properties	1	-
Option payment received	<u>140,500</u>	-
Cash flows provided by financing activity	<u>208,289</u>	-
Increase in cash and cash equivalents	146,360	(20,014)
Cash and cash equivalents, beginning of year	<u>87</u>	<u>20,125</u>
Cash and cash equivalents, end of period	<u>\$ 146,447</u>	<u>\$ 111</u>
Cash and cash equivalents, consists of:		
Cash in bank	101,447	111
Marketable securities	<u>45,000</u>	-
Cash and cash equivalents, end of period	<u>\$ 146,447</u>	<u>\$ 111</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 \$82,872 for the nine month period ended October 31, 2014 and a net income of \$253,175 for the year ended January 31, 2014 and had a working capital of \$117,611 as at October 31 2014 and a working capital deficit of \$(106,805) as at January 31, 2014.

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 November 11, 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 October 31, 2014	Balance January 31, 2014
Acquisition costs	\$ 300,000	\$ -
Option payments	(140,500)	
Book Value of Property Under Option	\$159,500	\$ -

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 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 (öNSRö), The NSR is owned by the President of Gar Limited who also owns a 79.8% interest in 2158879 Ontario Limited.

On October 24, 2014, Morgan Resources Corp. (öMorganö or öMorgan Resourcesö) (TSXN: MOR) executed an agreement to acquire a 51% interest in the Lucky Irish base metal and precious metal property. In order to earn this interest Morgan must spend \$2,500,000 in mining exploration expenditures on the Lucky Irish Property,; make cash payments of \$750,000 (Paid \$100,000); and the issuance of 1,400,000 common shares issued 300,000) over a period of four years.

4. MINERAL PROPERTY INTEREST:

	Balance October 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, land and building and exploration and evaluation assets. (See also 5 (below)). An amount of \$1 has been allocated to the mineral property interest...

5. LAND AND BUILDING:

	Balance October 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>
	<u>\$ 71,144</u>

On February 28, 2014 the Company agreed to sell the property, land, and building and underlying exploration and evaluation assets for a total consideration of \$71,144. \$71,143 of the proceeds were allocated to the land and building resulting in a gain on disposal of \$3,355.

6. Related Party Transactions

The following related party transactions occurred and were expensed in the financial statements during the three month period ended October 31, 2014 and 2013 as follows:

During the three month period ended October 31, 2014 two officers of the Company were paid or accrued \$15,000 (2013 \$3,000) for management fees.

During the three months ended October 31, 2014 a relative of the President were paid or accrued \$4,500 (2013 0 nil) for office occupancy costs.

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 October 31, 2014 total due to related parties balance is \$22,240 (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. 9,598,630 common shares were issued and outstanding as at October 31, 2014 and 9,378,630 were issued as at January 31, 2014.

(i) On December 30, 2013, the Company issued 7,400,000 common share units in settlement of \$370,000 in respect of loans and advances from related parties. Each unit was sold for \$0.05 per unit and comprised one common share and one common share purchase warrant. Each Warrant is exercisable at a price per share of \$0.075 for a period of 2 years.

(ii) On December 30, 2013, the Company issued 500,000 common shares in settlement of \$25,000 in respect of advances from a former President of the Company. As a result of this settlement the Company recognized a gain from debt settlement of \$293,102 and this amount is included in the statements of comprehensive income (loss)

(iii) On March 25, 2014, the Company issued 220,000 common shares for proceeds of \$16,500 in respect of 220,000 warrants issued to the President of the company.

Warrants

During the year ended January 31, 2014 the Company issued 7,400,000 warrants to directors, officers and consultants. A value of \$204,980 was assigned to these options using the Black-Scholes option pricing model with the assumptions listed below.

The following weighted average assumptions were used for the valuation of warrants granted:

	Year Ended January 31, 2014
Risk-free interest rate	1.00%
Expected life of options	2 years
Annualized volatility	126%
Market price	\$0.05
Exercise price	\$0.075
Dividend rate	0.00%

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

As at October 31, 2014 and January 31, 2014 the Company had 7,180,000 warrants outstanding which expiry on December 15, 2015. Each warrant entitles the holder to acquire one common share at a price per share of \$0.075.

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 November 5, 2014, the date the Board of Directors approved these financial statements except the following:

*On November 11, 2014, the Company issued 1,100,000 common shares for proceeds of \$82,500 to settle loans and advances and debts from related parties.