GAR LIMITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTH PERIOD ENDED OCTOBER 31, 2016

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 nine Month period ended October 31, 2016. This report is based on all available information up to December 15, 2016 and should be read in conjunction with the audited financial statements for the year ended January 31, 2016 and January 31, 2015, as well as the accompanying notes. Both the audited financial statements for the year ended January 31, 2016 and the audited financial statements for the year ended January 31, 2015 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 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 development activities in Canada and Nicaragua, Central America.

Corporate Highlights

On December 29, 2014 the common shares of the Company (GAR Limited (GL) were approved for listing on the Canadian Stock Exchange (CSE).

The Company had not conducted any material business since the Ontario Securities Commission ("OSC"), the Alberta Securities Commission ("ASC") and the British Columbia Securities Commission ("BCSC") imposed a cease trade order on trading of the Company's common shares on June 24, 1998, October 2, 1998 and October 1, 1998 respectively for failure to file timely quarterly financial statements. The Company had been on a "care and maintenance" program until the Cease Trade Orders' were fully revoked and the ban from trading in the Company's common shares was lifted by the OSC on September 30, 2013, the ASC on October 2, 2013 and the BCSC on October 1, 2013.

In 2009, the Company acquires a 100% interest in a property located in the township of Grenfell. On February 28, 2014 the Company sold its 100% interest in a property in the township of Grenfell for a cash consideration of $71,144. The property was sold to a family member of the President resulting in a gain of $3,355.

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 are located in Burt, Gross and Flavelle Townships in the Larder Lake Mining Division of Ontario. These claims are known as The Lucky Irish Property. 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. As of October 31, 2016 1,000,000 common shares have been paid in respect of the option agreement. The property is subject to a 3% net smelter return ("NSR"). The NSR is owned by the President of Gar Limited who also owns 79.8% interest in 2158879 Ontario Limited.

On October 24, 2014, Morgan Resources Corp. ("Morgan" or "Morgan Resources") (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 issue of 1,400,000 common shares(issued 300,000) over a period of four years. The Company valued the shares received at $36,000 which was a reflection of the market value on the date of the agreement (300,000 x $0.12 = $45,000). $25,000 of the proceeds were used to reduce the cost base of the Lucky Irish property to Nil and the balance was recognized on the statement of operations as mineral properties option payments received.

On March 16, 2015 the Company issued a press release that it has incorporated a wholly owned subsidiary "Gar Limited S.A. which has applied for two concessions in Nicaragua, Central America. The first concession is an Antimony prospect. The second is a tungsten, molybdenum and gold prospect. Gar Limited is planning to commence exploration programs in the summer 0f 2015. Gar Limited S.A. has established an office in Grenada, Nicaragua and has retained legal and accounting services there. The Company was unsuccessful in being granted the concessions. The project has been put on hold.

In May 2015, Gar Limited terminated the Lucky Irish Property option with Morgan Resources Corporation for failure to comply with the terms of the option agreement. Gar Limited recuperated its 100% ownership of the Lucky Irish Property.

Mineral Exploration Properties

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.

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 as at: ***January 31, 2016, 2015 and 2014***.

Selected Annual Information

	Years ended January 31		
	2016	**2015**	**2014**
	$	**$**	**$**
Revenue	-	-	-
Income (Loss)	(196,051)	(37,651)	254,175
Per share-basic and fully-diluted	0.02	0.00	12.63
Total assets	3,056	102,966	73,202

Results of Operations

For the Years ended January 31

	2016	**2015**	**2014**
	$	**$**	**$**
Bank charges and interest	6,705	536	138
Consulting fees	8,416	9,841	-
Management fees	54,000	60,000	46,000
Amortization	-	-	1,217
General exploration expenses	11,483		
Meetings and conventions	2,164		
Occupancy costs	12,000	11,000	-
Office	1,666	3,524	3,408
Professional fees	13,609	23,196	32,235
Registrar and transfer agent fees	17,751	22,069	19,751
Repairs and maintenance	3,198		
Travel	7,135	12,840	-
	(138,126)	143,006	102,749
NET LOSS BEFORE OTHER ITEMS	(138,126)	(143,006)	(102,749)
OTHER ITEMS			
Gains (losses) on disposal of assets	-	3,355	
Bad debt recoveries	-	-	293,102
Cost recoveries			68,322
Gain/(loss) on disposal of investments	(18,995)	-	
Mineral properties option payments received	-	111,000	-
EARNINGS (LOSS) BEFORE OTHER ITEMS	(157,121)	(28,651)	254,175
Write down of temporary investments	(1,930)	(9,000)	
Write down of mineral properties	(37,000)	-	-
Income (Loss) and comprehensive Income (loss) for the year	$(196,051)	$(37,651)	$ 254,175

The Company's net (loss) totalled $(196,051) for the year ended January 31, 2016 with basic and fully diluted net loss) per share of $ (0.017). This compares with a net loss for the twelve months ended January 31, 2015 of $(37,651) with a basic and fully diluted loss per share of $(0.004). The decrease of $4,880 in operating expenses was principally because:

- The Company incurred a decrease in office, general and administration of $1,858 for the twelve months ended January 31, 2015. This can be attributed to decreased general corporate activities.
- The Company incurred a decrease in management and consulting fees of $6,000 for the twelve months ended January 31, 2015.

- The Company incurred an increase in exploration expense of $11,483
- The Company incurred a decrease in registrar and transfer agent fees of $4,318 and a decrease in Travel of $5,705.
- In addition the Company sold its short term investments resulting in a loss of $18,995 and wrote down its mineral properties by $37,000.

The Company's net (loss) totalled $(37,651) for the year ended January 31, 2015 with basic and fully diluted net loss) per share of $ (0.004). This compares with a net income for the twelve months ended January 31, 2014 of $254,175 with a basic and fully diluted income per share of $0.027. The increase of $40,257 in operating expenses was principally because:

- The Company incurred a decrease in office, general and administration of $116 for the twelve months ended January 31, 2015. This can be attributed to increased general corporate activities.
- The Company incurred an increase in management and consulting fees of $23,841 for the twelve months ended January 31, 2015.
- The Company incurred an increase in registrar and transfer agent fees of $2,318.
- The Company incurred a decrease in legal and audit fees of $9,039 for the twelve months ended January 31, 2015.

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 income for the twelve months ended January 31, 2013 of $33,178 with a basic and fully diluted income per share of $(0.02). The decrease 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 $1,764 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 $23,825 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.

Selected Quarterly Information:

	Q3-17 (i)	**Q2-17 (ii)**	**Q1-16 (iii)**	**Q4-16 (iv)**	**Q3-16 (v)**	**Q2-16 (vi)**	**Q1-16 (vii)**	**Q4-15 (viii)**
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net income (loss) ($)	(63,175)	(29,846)	(16,843)	(67,498)	(25,471)	(55,942)	(47,140)	45,221
Per share ($)	(0.001)	(0.001)	(0.001)	(0.002)	(0.002)	(0.004)	(0.002)	0.005

Narrative Analysis Quarterly Results:

(i) The loss for the third quarter of 2017 as compared to same period for 2016shows a decrease in the net loss of $1,265 was principally because there was an unrealized loss on marketable securities of $9,000 in 2015 and a gain on sale of assets of $1 in 2016. In addition the Company incurred decreases in professional fees of $10,107, consulting fees of $858, general exploration expenditures of $17,162, management fees of $3,000 and increases in transfer agent fees of $ 1,516 and travel, advertising & promotion of $3,589.Office, general and administration increased by $33,079 due to a one-time charge for taxes on government benefits.

(ii) The loss for the second quarter of 2017 as compared to the same period in 2016 shows a decrease in the net loss of $26,096 was principally because there was an unrealized loss on marketable securities of $9,000 in 2015 and a gain on sale of assets of $235 in 2016. In addition the Company incurred decreases in professional fees of $9,258, consulting fees of $638, general exploration expenditures of $17,162, management fees of $1,500 and increases in transfer agent fees of $ 1,906 and travel, advertising & promotion of $3,584.

(iii)The loss for the first quarter of 2017 as compared to the same period in 2016 shows a decrease in net loss of $(30,297) is due primarily because there was an unrealized loss of $9,000 in 2016 and a gain on disposal of assets of $3,300 in 2017. In addition the Company incurred decreases in adverting & promotion of $10,647, consulting fees of $3,056, registrar & transfer agents' fees of $1,150 and management fees of $9,000 offset by an increase of professional fees of $2,099.

(iv)The loss for the fourth quarter of 2016 as compared to the same period in 2015 shows an increase in net loss of $(112,719) is due primarily principally because there was a write down of mineral properties of $37,000 an unrealized loss on short term securities of $8,568 in 2015. In addition the Company incurred increases in bank charges and interest of $6,413, general exploration expenses of $20,194 and office general and transfer agents' fees of $598. In addition the Company received an option payments of nil in 2016 and $111,000 in 2015.

(v)The loss for the third quarter of 2016 as compared to the same period in 2015 shows an increase in net loss of $(11,225) is due primarily because: The Company incurred an increase in transfer agents' fees $2,529, and office general and administration $590.

(vi)The loss for the second quarter of 2016 as compared to the same period in 2015 shows an increase in 6,000 agents' and regulatory fees decreased by $1,283. In addition the company incurred a loss on sale of temporary investments of $10,427 and an unrealized write down of temporary investments of $9,000.

(vii)The loss for the first quarter of 2016 as compared to the same period in 2015 shows an increase in the loss for the period of $24,742 which is due primarily to increases increase in legal and audit fees of $850, consulting fees $3,650. Management and consulting fees decreased by $3,400 for the three month period ended April 30, 2915 as compared to the three months ended April 30, 2014.

(viii)The Income for the fourth quarter of 2015 as compared to 2014 shows a decrease of $269,294 and is primarily due to a decrease in management and consulting fees of $6,500, an increase in legal and audit fees of $5,007 and an increase in Travel and accommodation of $12,840. In addition, the Company entered into an option agreement on October 24, 2014 and received a cash payment of $100,000 and 300,000 common shares valued at $36,000. $25,000 of the proceeds were used to reduce the cost basis of the Lucky Irish Property to nil and the balance of $111,000 which was recognize in the statement of income in the fourth quarter of 2015. In the fourth quarter of 2014 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. There were no cost recoveries in 2015.

Results of Operations: Three*e Month Period Ended October 31, 2016 as compared to October 31, 2015*:

	2016 $	2016 $
Travel, advertising & promotion	7,282	3,699
Consulting fees	-	858
General exploration expenditures	-	17,162
Management fees	12,000	15,000
Legal and audit	(849)	9,258
Office rent	3,000	3,000
Transfer agent fees	4,801	3,285
Office general & administration	32,223	856
Net Income (Loss) before other items	(63,176)	(45,016)
Write down of temporary investments	-	(9,000)
Gain (loss) on sale marketable securities	1	(10,425)
Net Income (Loss) and comprehensive Income (loss) for the period	$ (63,175)	$ (64,441)

The Company's net loss of $(63,175) for the three months ended July 31, 2016 with a basic and fully diluted income per share of $(0.001) compares with a net income for the three months ended July 31, 2015 of $(64,441) with a fully diluted income per share of $0.002. The decrease in the net loss of $1,265 was principally because there was an unrealized loss on marketable securities of $9,000 in 2015 and a gain on sale of assets of $1 in 2016. In addition the Company incurred decreases in professional fees of $10,107, consulting fees of $858, general exploration expenditures of $17,162, management fees of $3,000 and increases in transfer agent fees of $ 1,516 and travel, advertising & promotion of $3,589.Office, general and administration increased by $33,079 due to a one-time charge for taxes on government benefits.

The Company's net loss of $(64,441) for the three months ended July 31, 2015 with a basic and fully diluted income per share of $(0.004) compares with a net income for the three months ended July 31, 2014 of 17,162$(44,228) with a fully diluted income per share of ($0.005). The increase in the net loss of $20,213 was principally because: the Company incurred increases increase in legal and audit fees of $4,413, advertising and promotion of $9,075 and office rent of $2,000. Transfer Agent's and regulatory fees decreased by $1,283 for the three month period ended July 31, 2015 as compared to the three months ended July 31, 2014. In addition the company incurred a loss on sale of temporary investments of $ 10,427 and an unrealized write down of temporary investments of $9,000.

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 the fiscal 2016 year and future years.

As at ***October 31, 2016***, the Company had working capital deficiency of $233,628 and cash-in-bank of $1,020. This compares to a working capital deficiency of $123,719 and cash of $555 as ***at <u>January 31, 2016</u>***.

<u>Risks and Uncertainties</u>

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 deficiency of $123,719 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.

<u>Basis of preparation and going concern</u>

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 <u>January 31, 2016</u>*** have been applied consistently to all periods presented.

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.

- <u>IFRS 9</u> *Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2018. The Company is in the process of evaluating the impact of the new standard.*

- IAS 1 Presentation of Financial Statements (IAS 1):
  IAS 1 was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information that materiality consideration apply to all parts of the financial statement and that even when a standard requires a specific disclosure, material considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. The Company has assessed the impact of adopting the amendments to IAS 1 and it does not have any impact on the financial statements.

<u>Accounting estimates and critical judgments</u>

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 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 three month period ended ***October 31, 2016 and 2015***, the Company entered into the following transactions
with related parties not disclosed elsewhere in the financial statements:

a) Paid or accrued management fees of $9,000; (2015 - $ 9,000) to the president of the Company John Rapski.
b) Paid or accrued management fees of 3,000; (2015 - $ 3,000) to the Chief Financial Officer of the Company Wm. Andrew Campbell.
c) Paid or accrued occupancy costs space of $3,000 (2015 – $3,000) to a relative of the President, Eileen Rapski.

As at ***July 31, 2016 and January 31, 2016***, due to related parties includes the following:

	October 31, 2016	*January 31, 2016*
Amounts due to the Chief Financial Officer and director, Wm. Andrew Campbell that are unsecured, non-interest bearing and have no fixed terms of repayment.	$ 44,256	$ 36,756
Amounts due to the President and a company controlled by the president and director, John Rapski and a person related to Mr. Rapski that are unsecured, non-interest bearing and have no fix terms of repayment.	141,347	11,888
	$ 185,603	$ 102,274

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 December 15, 2016.***

Segmented Information

The Company's one reportable operating segment is the acquisition and exploration of mineral resource properties.
All assets and operations are in Canada.

Additional Disclosure for Venture Issuers without Significant Revenue

The following table sets forth a breakdown of material components of capitalized exploration and development costs:

	Lucky Irish	Afton Clement & Scholes Township.	Grenfell Township	Total
Acquisition costs				
Balance, January 31, 2014	$ -	$ -	$ 1	$ 1

Expenditures for the year:				
Option cost	25,000			25,000
Staking, camp supplies accommodation & claims renewals		12,000		12,000
Cost recoveries/ option payment receipts	(25,000)			(25,000)
Write down of mineral properties		(12,000)	(1)	(1)
Balance, January 31, 2015 and **2016 and October 31, 2016**	$ -	$ -	$ -	$ -

Disclosure of Outstanding Share Data

At **October 31, 2016,** the Company had 11,698,630 (January 31, 2016 – 11,698,630) common shares issued and outstanding and NIL (January 31, 2015 -6,580,000) warrants outstanding. Each warrant entitled the holder to acquire one common share at a price per share of $0.075 until December 15, 2015

Subsequent Events

There are no subsequent events to report up to and including December 15, 2016, the date the Board of Directors approved these financial statements.