FAR RESOURCES LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited)
(Expressed in Canadian Dollars)

JUNE 30, 2012

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited condensed interim financial statements for the period ended June 30, 2012.

FAR RESOURCES LTD.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian Dollars)
AS AT

	June 30, 2012	March 31, 2012 (Audited)
ASSETS		
Current assets		
Cash	$ 597,285	$ 700,515
HST receivable	29,747	18,719
Prepaids	3,599	6,190
Total current assets	630,631	725,424
Non-current assets		
Exploration and evaluation assets (Note 3)	104,168	47,473
Total assets	$ 734,799	$ 772,897
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 4)	$ 64,248	$ 58,491
Deferred premium on flow-through shares (Note 11)	27,401	40,000
Total current liabilities	91,649	98,491
Shareholders' equity		
Capital stock (Note 5)	1,257,934	1,228,534
Reserves (Note 6)	328,703	358,103
Deficit	(943,487)	(912,231)
Total shareholders' equity	643,150	674,406
Total liabilities and shareholders' equity	$ 734,799	$ 772,897

Nature and continuance of operations (Note 1)
Commitment (Note 11)
Subsequent event (Note 12)

Approved and authorized on behalf of the Board on August 29, 2012:

"Leon F. Anderson" Director ***"Keith C. Anderson"*** Director
Leon F. Anderson *Keith C. Anderson*

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

FAR RESOURCES LTD.
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited)
(Expressed in Canadian Dollars)
FOR THE THREE MONTH PERIOD ENDED JUNE 30,

	2012	2011
EXPENSES		
Consulting	$ 4,500	$ 9,000
Management fees (Note 7)	12,000	19,500
Office	4,152	27
Professional fees (Note 7)	12,540	6,000
Rent	7,500	-
Transfer agent and filing fees	3,163	-
Loss for the period before income taxes	(43,855)	(34,527)
INCOME TAXES		
Deferred income tax recovery (Note 11)	12,599	-
Comprehensive loss for the period	$ (31,256)	$ (34,527)
Basic and diluted loss per common share	$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding	18,406,667	12,741,539

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

FAR RESOURCES LTD.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)
(Expressed in Canadian Dollars)
FOR THE THREE MONTH PERIOD ENDED JUNE 30,

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (31,256)	$ (34,527)
Items not involving cash:		
Deferred income tax recovery	(12,599)	-
Changes in non-cash working capital items:		
Increase in receivables	(11,028)	-
Decrease in prepaid expenses	2,591	-
Increase in accounts payable and accrued liabilities	5,757	7,500
Net cash used in operating activities	(46,535)	(27,027)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation expenditures	(56,695)	-
Net cash used in investing activities	(56,695)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common shares	-	245,000
Deferred financing costs	-	(15,000)
Net cash provided by financing activities	-	230,000
Change in cash for the period	(103,230)	202,973
Cash, beginning of period	700,515	52,768
Cash, end of period	$ 597,285	$ 255,741
Cash paid during the period for interest	$ -	$ -
Cash paid during the period for taxes	$ -	$ -

Supplemental disclosures with respect to cash flows (Note 8)

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

FAR RESOURCES LTD.
CONDESED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited)
(Expressed in Canadian Dollars)

	Capital Stock					
	Shares	Amount	Subscriptions receivable (received)	Reserves	Deficit	Total Shareholders' Equity
Balance, April 1, 2011	8,080,001	$ 385,000	$ 5,000	$ 196,000	$ (547,550)	$ 38,450
Shares issued for:						
Private placements	5,000,000	250,000	(5,000)	-	-	245,000
Loss and comprehensive loss	-	-	-	-	(34,527)	(34,527)
Balance, June 30, 2011	13,080,001	$ 635,000	$ -	$ 196,000	$ (582,077)	$ 248,923
Balance, April 1, 2012	18,406,667	$ 1,228,534	$ -	$ 358,103	$ (912,231)	$ 674,406
Release of founder shares from escrow	-	29,400	-	(29,400)	-	-
Loss and comprehensive loss	-	-	-	-	(31,256)	(31,256)
Balance, June 30, 2012	18,406,667	$ 1,257,934	$ -	$ 328,703	$ (943,487)	$ 643,150

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Far Resources Ltd. (the "Company") is incorporated under the laws of the Province of British Columbia. The Company's head office is located at Suite 2255 William Street, Vancouver, BC, V5L 2S5. The Company's registered and records office is located at Suite 650 – 1188 West Georgia Street, Vancouver, BC, V6E 4A2. The Company is listed on the CNSX exchange under the trading symbol "FAT".

The Company is a mineral exploration company focused on acquiring, exploring and developing resource properties.

Going concern of operations

These financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at June 30, 2012 the Company has had significant losses. In addition, the Company has not generated significant revenues from operations. The Company has financed its operations primarily through the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity and/or debt. These circumstances lend doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

In order to continue as a going concern and to meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

2. BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with IAS 34, International Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"). Accordingly, they do not include all of the information required for full annual financial statements by International Financial Reporting Standards ("IFRS") for complete financial statements for year end reporting purposes. Results for the period ended June 30, 2012, are not necessarily indicative of future results.

The accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Company in its most recent annual financial statements as at and for the year ended March 31, 2012 as filed on SEDAR at www.sedar.com.

New standards not yet adopted

The following pronouncements and amendments are effective for annual periods beginning on or after January 1, 2013 unless otherwise stated. Adopting these standards is expected to have minimal or no impact on the financial statements.

IFRS 9, *Financial Instruments*
IFRS 10, *Consolidated Financial Statements*
IFRS 12, *Disclosure of Interests in Other Entities*
IFRS 13, *Fair Value Measurement*
IAS 32, *Financial Instruments*; effective for annual periods beginning on or after January 1, 2014

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS

The following exploration expenses were incurred on the exploration and evaluation assets:

	Tchentlo Lake Project
Balance, March 31, 2012	$ 47,473
Additions:	
Consulting	56,695
Balance, June 30, 2012	$ 104,168

During the period from incorporation to June 30, 2012, the Company staked various claims in the Tchentlo Lake Property located approximately 100 kilometres northwest of Fort St. James, British Columbia. The Company holds a 100% interest in the Tchentlo Lake Property comprised of six mineral tenures in two separate claim blocks.

The Company has investigated title to its mineral property and, to the best of its knowledge, title to its property is in good standing.

4. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

Payables and accrued liabilities for the Company are broken down as follows:

	June 30, 2012	March 31, 2012
Trade payables	$ 16,972	$ 7,671
Accrued liabilities	3,000	15,000
Due to related parties (Note 7)	44,276	35,820
Total	$ 64,248	$ 58,491

5. CAPITAL STOCK

a) Authorized capital stock:

As at June 30, 2012, the authorized capital stock of the Company was:
Unlimited number of common shares without par value;

b) Issued capital stock:

During the period ended June 30, 2012, there were no share activities.

During the period ended June 30, 2011, the Company issued 5,000,000 units at $0.05 for proceeds of $250,000. Each unit consists of one common share and one non-transferable common share purchase warrant which entitles the holder to purchase one common share on or before June 30, 2012 at a price of $0.15 (expired during the period – Note 6 b)).

(Expressed in Canadian Dollars)

5. CAPITAL STOCK (cont'd...)

b) Issued capital stock: (cont'd...)

As at June 30, 2012, 4,875,000 (March 31, 2012 – 5,850,000) common shares included in capital stock are held in escrow. The shares subject to escrow will be released as follows:

i) 10% (released) upon the issuance of notice of listing of the common shares for trading by the CNSX, and
ii) the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months.

6. RESERVES

a) Stock options

The Company follows the policies of the CNSX under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the policies, the exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of ten years.

A continuity of share purchase options for the period ended June 30, 2012 is as follows:

Expiry Date	Exercise Price	March 31, 2012	Granted	Expired / Forfeited	June 30, 2012	Exercisable
November 30, 2016	0.15	1,100,000	-	-	1,100,000	1,100,000
Total		1,100,000	-	-	1,100,000	1,100,000
Weighted average exercise price		$ 0.15	$ -	$ -	$ 0.15	$ 0.15
Weighted average remaining contractual life (years)					4.42	

b) Warrants

A continuity of warrants for the period ended June 30, 2012 is as follows:

Expiry Date	Exercise Price	March 31, 2012	Granted	Expired / Forfeited	June 30, 2012	Exercisable
June 30, 2012	0.15	6,100,000	-	(6,100,000)	-	-
Total		6,100,000	-	(6,100,000)	-	-
Weighted average exercise price		$ 0.15	$ -	$ (0.15)	$ -	$ -

(Expressed in Canadian Dollars)

6. RESERVES

c) Agent's warrants

A continuity of agent's warrants for the period ended June 30, 2012 is as follows:

Expiry Date	Exercise Price	March 31, 2012	Granted	Expired / Forfeited	June 30, 2012	Exercisable
December 29, 2012	0.18	70,000	-	-	70,000	70,000
December 8, 2013	0.15	400,000	-	-	400,000	400,000
Total		470,000	-	-	470,000	470,000
Weighted average exercise price		$ 0.15	$ -	$ -	$ 0.15	$ 0.15
Weighted average remaining contractual life (years)					1.30	

7. RELATED PARTY TRANSACTIONS

Related party transactions are as follows:

Paid or accrued to:	Nature of transactions	Three month period ended June 30, 2012	Three month period ended June 30, 2011
Directors	Management	$ 3,000	$ 7,500
the CEO	Management	9,000	12,000
a firm of which the CFO is a partner	Professional	12,300	-
		$ 24,300	$ 19,500

The amounts due to related parties included in accounts payable and accrued liabilities are as follows:

	As at June 30, 2012	As at March 31, 2012
Due to a firm of which the CFO is a partner	$ 23,776	$ 13,640
Due to directors of the Company	20,500	22,180
	$ 44,276	$ 35,820

8. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOW

During the period ended June 30, 2012, significant non-cash transactions included:

a) $3,213 (2011 - $8,213) of exploration and evaluation expenditures in accounts payable.
b) $29,400 (2011 - $Nil) of founder shares fair value reclassified from reserves to capital stock as they were released from escrow.

9. SEGMENTED INFORMATION

The Company operates in one industry segment, being exploration and development of mineral properties in British Columbia.

10. CAPITAL AND FINANCIAL RISK MANAGEMENT

Capital management

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. In the management of capital, the Company monitors its adjusted capital which comprises all components of equity (ie. capital stock and deficit).

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements. The Company's overall strategy remains unchanged from fiscal year 2012.

Fair value

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash, receivables and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with major Canadian financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2012, the Company had a cash balance of $597,285 (March 31, 2012 – $700,515) to settle current liabilities of $91,649 (March 31, 2012 – $98,491). All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(Expressed in Canadian Dollars)

10. CAPITAL AND FINANCIAL RISK MANAGEMENT (cont'd…)

Market risk (cont'd…)

(a) Interest rate risk

The Company has cash balance and no interest-bearing debt. The Company's cash does not have significant exposure to interest. As of June 30, 2012 and March 31, 2012 the Company did not have any investments.

(b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables and accounts payable and accrued liabilities that are denominated in a foreign currency. As at June 30, 2012, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

11. COMMITMENT

In connection with the issuance of flow-through common shares in December 2011, the Company has a commitment to incur $180,000 of qualifying flow-through expenditures by December 2012. As at June 30, 2012 the Company had approximately $123,305 remaining on its commitment.

The following is a continuity schedule of the liability portion of the flow-through shares issuances:

Flow-through shares	Issued on 29-Dec-11
Balance at March 31, 2012	$ 40,000
Settlement of flow-through share liability on incurring expenditures	(12,599)
Balance at June 30, 2012	$ 27,401

12. SUBSEQUENT EVENT

Subsequent to June 30, 2012, the Company entered into an Option Agreement with an individual and a private company ("the Optoinors") to purchase a 100% interest, subject to a 3% net smelter return royalty in the Silver Switchback property located southwest of Smithers in central British Columbia (the "Property").

Pursuant to the agreement, the Company is required to:

i) pay cash of $255,000 over a period of four years, of which $15,000 is payable upfront;
ii) issue 1,000,000 common shares of the Company over a period of four years, of which 200,000 shares are payable upfront; and
iii) incur exploration expenses of $200,000 over a period of two years, of which $100,000 must be incurred on or before December 31, 2012.

The Company is also responsible for keeping the Property in good standing and, if terminating the option, will return the Property to the Optionors with a minimum of 12 months assessment work. The Optionors will retain a 3.0% net smelter return royalty, of which the Company may reduce to 1% at anytime for $2,000,000.