FAR RESOURCES LTD.

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

DECEMBER 31, 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 December 31, 2012.

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

	Notes	December 31, 2012	March 31, 2012 (Audited)
ASSETS			
Current assets			
Cash		$ 337,623	$ 700,515
HST receivable		4,478	18,719
Prepaids		-	6,190
Total current assets		342,101	725,424
Non-current assets			
Exploration and evaluation assets	3	292,506	47,473
Total assets		$ 634,607	$ 772,897
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	4	$ 61,202	$ 58,491
Deferred premium on flow-through shares	11	-	40,000
Total current liabilities		61,202	98,491
Equity			
Capital stock	5	1,315,334	1,228,534
Reserves	6	294,871	358,103
Deficit		(1,036,800)	(912,231)
Total equity		573,405	674,406
Total liabilities and equity		$ 634,607	$ 772,897

Nature and continuance of operations (Note 1)
Commitment (Note 11)

Approved and authorized on February 25, 2013 on behalf of the Board:

"Leon F. Anderson" Director
Leon F. Anderson

"Keith C. Anderson" Director
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)

	Notes	Three Months Ended December 31, 2012	Three Months Ended December 31, 2011	Nine Months Ended December 31, 2012	Nine Months Ended December 31, 2011
EXPENSES					
Consulting		$ 4,500	$ 4,500	$ 13,500	$ 22,500
Management fees	7	13,500	12,000	40,500	45,000
Office		7,347	14,638	16,818	26,694
Professional fees	7	22,156	15,707	56,396	63,758
Rent		7,500	-	22,500	-
Transfer agent and filing fees		8,297	-	19,287	-
Share-based compensation	7	-	-	-	139,685
Loss before income taxes		(63,300)	(46,845)	(169,001)	(297,637)
INCOME TAXES					
Deferred income tax recovery	11	21,846	-	40,000	-
Loss and comprehensive loss for the period		$ (41,454)	$ (46,845)	$ (129,001)	$ (297,637)
Basic and diluted loss per common share		$ (0.00)	$ (0.00)	$ (0.01)	$ (0.02)
Weighted average number of common shares outstanding		18,606,667	14,258,407	18,498,303	13,367,322

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 NINE MONTH PERIOD ENDED DECEMBER 31,

		2012		2011
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	$	(129,001)	$	(297,637)
Items not involving cash:				
Deferred income tax recovery		(40,000)		-
Share-based compensation		-		139,685
Changes in non-cash working capital items:				
Decrease (increase) in receivables		14,241		(16,061)
Decrease in prepaid expenses		6,190		-
Increase (decrease) in accounts payable and accrued liabilities		2,711		(3,050)
Net cash flows used in operating activities		(145,859)		(177,063)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of exploration and evaluation assets		(15,000)		-
Exploration and evaluation expenditures		(202,033)		(500)
Net cash flows used in investing activities		(217,033)		(500)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of common shares		-		1,064,000
Share issuance costs		-		(143,048)
Net cash flows provided by financing activities		-		920,952
Change in cash during the period		(362,892)		743,389
Cash, beginning of period		700,515		52,768
Cash, end of period	$	337,623	$	796,157
Cash paid during the period for interest	$	-	$	-
Cash paid during the period for income 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.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited - Expressed in Canadian Dollars)

		Capital Stock					
	Notes	Number of Shares	Amount	Subscriptions Receivable (Received)	Reserves	Deficit	Total Equity
Balance at April 1, 2011		8,080,001	$ 385,000	$ 5,000	$ 196,000	$ (547,550)	$ 38,450
Shares issued for:							
Private placement	5	9,100,000	850,000	(5,000)	-	-	845,000
Flow-through private placement	5	1,000,000	180,000	-	-	-	180,000
Debt settlement	5	126,666	19,000	-	-	-	19,000
Exercise of warrants	5	100,000	5,000	-	-	-	5,000
Flow-through premium	11		(40,000)	-	-	-	(40,000)
Share issue costs - cash	5	-	(148,048)	-	-	-	(148,048)
Share issue costs - agent's warrants	5	-	(42,018)	-	42,018	-	-
Share-based compensation	6	-	-	-	139,685	-	139,685
Loss and comprehensive loss		-	-	-	-	(297,637)	(297,637)
Balance at December 31, 2011		18,406,667	$ 1,208,934	$ -	$ 377,703	$ (845,187)	$ 741,450
Balance at April 1, 2012		18,406,667	$ 1,228,534	$ -	$ 358,103	$ (912,231)	$ 674,406
Shares issued for:							
Acquisition of exploration and evaluation assets	3	200,000	28,000	-	-	-	28,000
Release of founder shares from escrow	5	-	58,800	-	(58,800)	-	-
Agent's warrants expired	6	-	-	-	(4,432)	4,432	-
Loss and comprehensive loss		-	-	-	-	(129,001)	(129,001)
Balance at December 31, 2012		18,606,667	$ 1,315,334	$ -	$ 294,871	$ (1,036,800)	$ 573,405

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.

<u>Going concern of operations</u>

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 December 31, 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

(a) Statement of Compliance

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 December 31, 2012, are not necessarily indicative of future results.

The accounting policies applied by the Company in these condensed interim financial statements other than as noted in Note 2 (b) 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.

(b) New Accounting Standards and Amendments to Existing Standards

<u>New and amended standards adopted by the Company</u>

Effective April 1, 2012, the Company adopted the following standards:

- Amendments to IFRS 7, *Financial Instruments: Disclosures* that were issued by the IASB. The application of these amendments has not had any material impact on current and prior year disclosures but may affect disclosures for future transactions or arrangements.

- Amendments to IAS 12, *Income Taxes,* which removed some subjectivity in determining on which basis an entity measures the deferred tax relating to an asset. The amendment introduced a presumption that an entity will assess whether the carrying value of an asset will be recovered through the sale of the asset. There was no impact to the Company arising from the adoption of this standard.

(Unaudited - Expressed in Canadian Dollars)

2. BASIS OF PREPARATION (cont'd…)

New Accounting Standards and Amendments to Existing Standards (cont'd…)

New or revised standards and amendments to existing standards not yet effective

The Company has not applied the following new or revised standards and amendments that have been issued but are not yet effective at December 31, 2012:

(ii) Effective for annual periods beginning on or after July 1, 2012
- Amendments to IAS 1, *Presentation of Financial Statements*

(iii) Effective for annual periods beginning on or after January 1, 2013
- New standard IFRS 10, *Consolidated Financial Statements*
- New standard IFRS 11, *Joint Arrangements*
- New standard IFRS 12, *Disclosure of Interests in Other Entities*
- New standard IFRS 13, *Fair Value Measurement*
- Reissued IAS 27, *Separate Financial Statements*
- Reissued IAS 28, *Investments in Associates and Joint Ventures*

(iv) Effective for annual periods beginning on or after January 1, 2015
- New standard IFRS 9, *Financial Instruments, Classification and Measurement*

The Company is currently assessing the impact that these standards will have on the Company's financial statements.

3. EXPLORATION AND EVALUATION ASSETS

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

	Tchentlo Lake	Silver Switchback	Total
Acquisition costs			
Balance, March 31, 2012	$ 28,260	$ -	$ 28,260
Additions – cash	-	15,000	15,000
Additions – shares	-	28,000	28,000
Balance, December 31, 2012	28,260	43,000	71,260
Exploration costs			
Balance, March 31, 2012	19,213	-	19,213
Geological and consulting	56,695	145,338	202,033
Balance, December 31, 2012	75,908	145,338	221,246
Total balance, December 31, 2012	$ 104,168	$ 188,338	$ 292,506

(Unaudited - Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Tchentlo Lake

During the period from incorporation to December 31, 2012, the Company staked various claims in the Tchentlo Lake Property located approximately 100 kilometers 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.

Silver Switchback

On August 20, 2012, the Company entered into an Option Agreement with an individual and a private company ("the Optionors") 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 "Silver Switchback 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 (paid) is payable upfront;
ii) issue 1,000,000 common shares of the Company over a period of four years, of which 200,000 shares (issued) is payable upfront; and
iii) incur exploration expenses of $200,000 over a period of two years ($145,338 incurred).

The Company is also responsible for keeping the Silver Switchback Property in good standing and, if terminating the option, will return the Silver Switchback 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.

4. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

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

	December 31, 2012	March 31, 2012
Trade payables	$ 6,403	$ 7,671
Accrued liabilities	11,000	15,000
Due to related parties (Note 7)	43,799	35,820
Total	$ 61,202	$ 58,491

5. CAPITAL STOCK

a) Authorized capital stock:

As at December 31, 2012, the authorized capital stock of the Company was:
unlimited number of common shares without par value.

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

b) Issued capital stock:

During the period ended December 31, 2012, the Company issued 200,000 shares at a fair value of $28,000 as part of the purchase price of Silver Switchback Property (Note 3).

During the period ended December 31, 2011, the Company:

i) 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)).

ii) completed its initial public offering ("IPO") by issuing 4,000,000 common shares at $0.15 per share for gross proceeds of $600,000. In connection with the IPO, the Company:

a) paid share issuance costs of $135,448,
b) issued 400,000 agent's warrants with a fair value of $37,586, and
c) issued 100,000 shares at $0.15 per share as a payment of share issuance costs.

iii) completed a non-brokered private placement, issuing 1,000,000 "flow-through" common shares at $0.18 per share for gross proceeds of $180,000. In connection with the private placement, the Company:

a) paid share issuance costs of $12,600, and
b) issued 70,000 agent's warrants with a fair value of $4,432 (expired unexercised)
c) recorded a flow-through premium of $40,000

iv) issued 100,000 shares for warrants exercised for aggregate proceeds of $5,000.

v) issued 126,666 shares at $0.15 per share for a total fair value of $19,000 to settle debt to a director.

As at December 31, 2012, 3,900,000 (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 6 equal tranches of 15% every six months thereafter for a period of 36 months (2 tranches released).

During the period ended December 31, 2012, 1,950,000 common shares had been released from escrow (2011 – Nil) with a fair value of $58,800 (2011 - $Nil).

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.

(Unaudited - Expressed in Canadian Dollars)

6. RESERVES (cont'd...)

a) Stock options (cont'd...)

A continuity of share purchase options for the period ended December 31, 2012 is as follows:

Expiry Date	Exercise Price	March 31, 2012	Granted	Expired / Forfeited	December 31, 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					3.92 years	

Share-based compensation

During the period ended December 31, 2012, the Company granted Nil (2011 - 1,100,000) stock options with a fair value calculated using the Black-Scholes options pricing model of $Nil (2011 - $139,685) of which $Nil (2011 - $139,685) was recognized as share-based compensation expense for options vested during the current period.

Option pricing models require the use of estimates and assumptions including the expected volatility. Changes in underlying assumptions can materially affect the fair value estimates. The following weighted average assumptions were used for the Black-Scholes valuation of options granted during the period:

	December 31, 2012	December 31, 2011
Risk-free interest rate	-	2.23%
Expected life of options	-	5 years
Annualized volatility	-	125%
Dividends	-	0.00%
Forfeiture rate	-	0.00%

b) Warrants

A continuity of warrants for the period ended December 31, 2012 is as follows:

Expiry Date	Exercise Price	March 31, 2012	Granted	Expired	December 31, 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	$ -	$ -

(Unaudited - Expressed in Canadian Dollars)

6. RESERVES (cont'd...)

c) Agent's warrants

A continuity of agent's warrants for the period ended December 31, 2012 is as follows:

Expiry Date	Exercise Price	March 31, 2012	Granted	Expired	December 31, 2012	Exercisable
December 29, 2012	0.18	70,000	-	(70,000)	-	-
December 8, 2013	0.15	400,000	-	-	400,000	400,000
Total		470,000	-	(70,000)	400,000	400,000
Weighted average exercise price		$ 0.15	$ -	$ 0.18	$ 0.15	$ 0.15

During the period ended December 31, 2012, the Company issued Nil (2011 – 470,000) agent's warrants with an estimated fair value calculated using the Black-Scholes option pricing model of $Nil (2011 - $42,018).

The following weighted average assumptions were used for the Black-Scholes valuation of agent's warrants granted during the period:

	December 31, 2012	December 31, 2011
Risk-free interest rate	-	0.86%
Expected life of options	-	1.85 years
Annualized volatility	-	125%
Dividends	-	0.00%
Forfeiture rate	-	0.00%

7. RELATED PARTY TRANSACTIONS

Transactions with related parties and key management personnel are as follows:

	Nature of transactions	Nine month period ended December 31, 2012	Nine month period ended December 31, 2011
Key management personnel:			
Director	Management	$ 9,000	$ 15,000
Director	Management	4,500	-
CEO	Management	27,000	30,000
Directors and officers	Share-based compensation	-	139,685
		$ 40,500	$ 184,685
Related party:			
A firm of which the CFO is a partner	Professional	$ 40,350	$ 16,000

(Unaudited - Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS (cont'd...)

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

		As at December 31, 2012		As at March 31, 2012
Due to a firm of which the CFO is a partner	$	21,799	$	13,640
Due to directors of the Company		22,000		22,180
	$	43,799	$	35,820

8. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOW

During the period ended December 31, 2012, significant non-cash transactions included:

a) $3,213 of exploration and evaluation expenditures in accounts payable;

b) fair value of $58,800 reclassified from reserves to capital stock as 1,950,000 founder shares were released from escrow;

c) fair value of $4,432 reclassified from reserves to deficit for 70,000 agent's warrants expired; and

d) issuance of 200,000 shares with a fair value of $28,000 for acquisition of exploration and evaluation assets.

During the period ended December 31, 2011, significant non-cash transactions included:

a) $8,213 of exploration and evaluation expenditures in accounts payable; and

b) $42,018 of agent's warrants fair value as part of share issuance costs.

9. SEGMENTED INFORMATION

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

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, reserves 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 during the current fiscal year.

10. CAPITAL AND FINANCIAL RISK MANAGEMENT

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 December 31, 2012, the Company had a cash balance of $337,623 (March 31, 2012 – $700,515) to settle current liabilities of $61,202 (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.

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 December 31, 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 December 31, 2012, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

c) Price risk

   The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of oil, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

(Unaudited - Expressed in Canadian Dollars)

11. DEFERRED TAXES

The Company is in a net deferred income tax asset position as at December 31, 2012 and March 31, 2012, and has not recognized the benefit of these tax assets as the Company does not have a history of taxable earnings.

In connection with the issuance of flow-through common shares in December 2011, the Company had a commitment to incur $180,000 of qualifying flow-through expenditures by December 2012. As at December 31, 2012 the Company has incurred $180,000 on qualifying flow-through expenditures.

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

	Issued on 29-Dec-11
Balance at March 31, 2012	$ 40,000
Settlement of flow-through share liability on incurring expenditures	(40,000)
Balance at December 31, 2012	$ -