

Far Resources Ltd.

Management Discussions and Analysis

Period Ending June 30, 2021

This management's discussion and analysis of financial position and results of operations ("MD&A") is prepared as of August 23, 2021 and should be read in conjunction with the unaudited condensed interim consolidated financial statements of Far Resources Ltd. ("Far" or the "Company") for the period ended June 30, 2021 with the related notes thereto (the "Interim Financial Statements"). The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted.

Readers should also refer to the Company's audited financial statements and the accompanying notes for the year ended March 31, 2021 and the Company's accompanying annual MD&A (together the "Annual Filings").

Further information regarding the Company and its operations are filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) in Canada and can be obtained from www.sedar.com.

Forward-Looking Statements

Except for statements of historical facts relating to the Company, this MD&A contains "forward-looking statements" within the meaning of applicable securities legislation. These forward-looking statements are made as of the date of this MD&A and the Company does not intend and does not assume any obligation to update these forward-looking statements, except as required by applicable securities laws.

Forward-looking statements may include, but are not limited to, statements with respect to the future price of metals, the estimation of mineral resources, the realization of mineral resource estimates, the timing and amount of future exploration programs, capital expenditures, success of exploration activities, permitting timelines, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage, the completion of transactions and future listings and regulatory approvals. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information in this MD&A includes, among other things, disclosure regarding: the Company's mineral properties as well as its future outlook, statements with respect to the success of exploration activities, permitting timelines, costs and expenditure requirements for additional capital, regulatory approvals, as well as the information under the headings "Overall Performance", "Liquidity" and "Capital Resources".

In making the forward looking statements in this MD&A, the Company has applied certain factors and assumptions that it believes are reasonable, including that there is no material deterioration in general business and economic conditions; that the timing, costs and results of the Company's proposed exploration programs are consistent with the Company's current expectations; that the Company receives regulatory and governmental approvals and permits for its properties on a timely basis; that the Company is able to obtain financing for its properties on reasonable terms and on a timely basis; that the Company is able to procure equipment and supplies in sufficient quantities and on a timely basis; that engineering and exploration timetables and capital costs for the Company's exploration plans are not incorrectly estimated or affected by unforeseen circumstances or adverse weather conditions; that any environmental and other proceedings or disputes are satisfactorily resolved.

However, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors may include, among others, actual results of current and proposed exploration activities; actual results of reclamation activities; future metal prices; accidents, labor disputes, adverse weather conditions, unanticipated geological formations and other risks of the mining industry; delays in obtaining governmental or regulatory approvals or financing or in the completion of exploration activities, as well as those factors discussed in the section entitled "Risks and Uncertainties" in this MD&A. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.

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The technical information in this MD&A has been reviewed by Lindsay Bottomer, P. Geo, and Mark Fedikow, P. Geo. Both are qualified persons as defined by Canadian National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“NI 43-101”).

DATE

This MD&A is dated as of August 23, 2021.

DESCRIPTION OF BUSINESS

The Company owns a 100% interest in the Winston property, a gold and silver property located in New Mexico, USA, subject to certain underlying payment obligations and permitted encumbrances.

The Company also owns or holds options on a lithium exploration project, the Zoro Lithium project near Snow Lake, Manitoba, and the Hidden Lake project, located in Northwest Territories, which is optioned from 92 Resources Corp. The Company is actively exploring both projects. The Zoro Lithium project is comprised of three contiguous areas/claim groups – (i) the Zoro 1 Claim which is 100% owned by the Company, (ii) the Manitoba and (iii) the Zoro North properties optioned from Strider Resources Ltd. (“Strider”). The Hidden Lake project, located in Northwest Territories, is optioned from 92 Resources Corp.

MINERAL PROPERTIES

The Company currently has two subsidiaries, Sequoia Gold & Silver Ltd., a British Columbia Company, and Sierra Gold & Silver Ltd, a New Mexico company (“Sierra”). Sierra holds the Company’s Winston property in New Mexico, USA.

LITHIUM

The Zoro Lithium Project

The Zoro Lithium project totals approximately 3,603 hectares located near the east shore of Wekusko Lake in west-central Manitoba, approximately 25 km east of the mining town of Snow Lake, 249 km southeast of Thompson and 571 km northeast of Winnipeg and is comprised of the Zoro 1 claim, the Manitoba property and the Zoro North claims.

Zoro 1 Claim (Snow Lake, Manitoba, Canada)

The Company owns a 100% undivided interest in the Zoro 1 claim totaling approximately 52 hectares in size. The Company acquired the Zoro 1 claim in 2017 for a purchase price of 7,000,000 common shares of the Company, \$50,000 cash, and a non-interest bearing promissory note for \$100,000 (paid). In addition, the Company paid a finder’s fee of 1,000,000 common shares to an arm’s length third party in connection with the acquisition of the Zoro 1 claim. Further details of the Company’s acquisition of the Zoro 1 claim are included in the Financial Statements and Annual Filings.

Manitoba Lithium Claims (Snow Lake, Manitoba, Canada)

In August 2016, the Company entered into an option agreement with Strider to acquire a 100% interest in and to all lithium-bearing pegmatite dykes on three contiguous claims in Manitoba (the “Property”). The Option agreement sets the terms which the Company can acquire a 100% interest in the property subject to a 2% NSR (the “First Option”) and further sets out how the Company can acquire an undivided fifty percent interest in the NSR, being one-half of the NSR or a 1% Net Smelter Return from Strider (the “Second Option”).

The Company has exercised the First Option by making the following cash payments and common share issuances to Strider:

- a) Upon signing the Manitoba Option Agreement, the Company will pay to Strider \$50,000 (paid) in cash and \$50,000 in shares of Far (issued);
- b) on or before first anniversary date of the Manitoba Option Agreement the Company will pay to Strider \$50,000 in cash (paid) and \$50,000 in shares of Far (issued);

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- c) on or before second anniversary date of the Manitoba Option Agreement the Company will pay to Strider \$75,000 in cash (paid) and \$75,000 in shares of Far (issued); and
- d) on or before third anniversary date of the Manitoba Option Agreement the Company will pay to Strider \$75,000 in cash (paid) and \$75,000 in shares of Far (issued).

All shares issued under the Option Agreement were subject to a four month and one day statutory hold period from the date of issuance.

Because the Company has exercised the First Option, the Company may exercise the Second Option by making a \$1,000,000 cash payment to Strider, together with all accrued but unpaid NSR at the time, prior to the commencement of commercial production.

During the option period, the Company is solely responsible for carrying out and administering exploration, development and mining work on the property and for maintaining the Property in good standing.

Zoro North Claims (Snow Lake, Manitoba, Canada)

In September 2017, the Company entered into a second option agreement (the “Zoro North Option Agreement”) with Strider to acquire, subject to a 2% net smelter returns (the “Zoro North NSR”), a 100% undivided interest in certain highly prospective ground (the “Zoro North Claims”) contiguous with its Zoro 1 claim and the claims hosting the historic Thompson Brothers lithium-bearing pegmatite dyke near Snow Lake, Manitoba.

In order to exercise its option and acquire the Zoro North Claims, the Company is required to make the following cash payments and common share issuances to Strider and incur the following exploration expenditures:

- a) upon signing the Zoro North Option Agreement, the Company will pay to Strider \$25,000 in cash (paid) and \$25,000 in shares (81,082 shares issued);
- b) on or before September 20, 2018 the Company will pay to Strider \$50,000 in cash (paid) and \$50,000 in shares (357,143 shares issued), and incur cumulative exploration expenditure of \$50,000 (incurred);
- c) on or before September 20, 2019 the Company will pay to Strider \$50,000 in cash (paid) and \$50,000 in shares (1,119,403 shares issued), and incur cumulative exploration expenditure of \$100,000 (incurred);
- d) on or before September 20, 2020 the Company will pay to Strider \$50,000 in cash (paid) and \$50,000 in shares (515,474 shares issued), and incur cumulative exploration expenditure of \$150,000 (incurred);
- e) on or before September 20, 2021 the Company will pay to Strider \$75,000 in cash and \$75,000 in shares, and incur cumulative exploration expenditure of \$200,000 (incurred); and
- f) on or before September 20, 2024, incur cumulative exploration expenditures of \$500,000 (incurred).

All shares issued under the Zoro North Option Agreement shall be subject to a four month and one day statutory hold period from the date of issuance.

Provided the Company has exercised its option and acquired the Zoro North Claims, the Company shall have the right, prior to the commencement of commercial production, to buy-down 50% of the Zoro North NSR (or 1% NRS) by making a \$1,000,000 cash payment to Strider, together with all accrued but unpaid NSR at the time.

During the option period, the Company is solely responsible for carrying out and administering exploration, development and mining work on the claims and for maintaining the Zoro North Claims in good standing.

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Exploration at the Zoro Lithium Project, Snow Lake, Manitoba

On July 3, 2019, the Company announced assay results from the fifth drilling program at its 100% owned Zoro Lithium Project, near Snow Lake, Manitoba. 3,054 metres of drilling across 22 holes identified five new pegmatite dykes, bringing the total to thirteen. Drilling has also extended the limits of high-grade lithium-bearing pegmatite at Dyke 8, now intersected by six holes from two drilling campaigns.

Zoro includes thirteen identified pegmatite dykes. Diamond drilling, prospecting and sampling programs conducted in 2016 through 2019 confirmed the presence of lithium in the spodumene bearing pegmatites. Five drill programs have been completed to date, delivering high-grade lithium assays from all drill holes. Metallurgical studies on material collected from four 2018 drill holes at Dyke 1 are ongoing. Far Resources previously assessed the amount of high-grade lithium spodumene in Dyke 1 through a 2017/2018 winter drill program, reaching the dyke's deeper levels (>150 metres). Additionally, the winter drill program was designed to expand to Dykes 5 and 7, to test historic results and recent assay results from trench and outcrop sampling of both dykes. During the 2017/18 winter drill program, the Company also discovered a previously unknown spodumene bearing pegmatite dyke. The discovery was made during the 2,472-metre, 19-hole drill program, as described in Company's news releases on January 19 and February 13, 2018. The discovery of this additional dyke was made by drill-testing a Mobile Metal Ions (MMI) soil geochemical anomaly bringing the total of known high-grade dykes on the Zoro Lithium Project to eight. Further results from the winter drill program included narrow intercepts from shallow drill holes testing Dykes 2, 5 and 7. Of these, Dyke 5, tested by drill hole FAR18-30, intersected 1 metre of 1.2% Li₂O. Overall the results for each of these dykes were consistent with historic exploration results. The Company has posted the results of all drill programs and laboratory testing on its website at www.farresources.com.

Soil Geochemical Surveys

The successful drill testing of a Mobile Metal Ions ("MMI") soil geochemical anomaly in 2017 has provided the rationale for expanding these surveys to the remainder of the property. A helicopter-assisted crew of field technicians extended the current MMI survey coverage on the property with the collection of 784 soil samples. The new 2018 data has defined numerous extensions to anomalies identified in previous MMI surveys on the Project, thereby increasing the target size for diamond drilling. A total of 18 new targets have been delineated and will be the focus of an upcoming drill program.

Geological Mapping

A helicopter-assisted geological mapping crew has undertaken the first new mapping on the Zoro lithium Project area since the 1950s. The project was undertaken to provide an interpretation of the geological setting of the spodumene-bearing pegmatite dykes and any post-depositional structural overprints that may have affected the current location of the dykes. The mapping project was augmented by a drill core sampling program with the intent of assessing mineralogical and geochemical tools for vectoring towards additional pegmatites on the property. Both aspects of this summer's work form the basis of an M.Sc. thesis program currently being undertaken at the University of Western Ontario under the guidance of Professor Robert Linnen and Dr. Tania Martins of the Manitoba Geological Survey. A preliminary map at a scale of 1:4000 has been produced and establishes the geological setting for 8 known spodumene-bearing pegmatite dykes on the property. Mineralogical studies are ongoing.

Metallurgical Drill Core Sampling

The Company has undertaken additional drill core sampling from Dyke 1 on the Zoro Lithium Project to provide material for the previously announced metallurgical survey, which will be undertaken by SGS Mineral Services at their Lakefield facility. While additional material will be required from subsequent drilling, it is intended to provide three separate samples for metallurgical assessment. These samples will come from representative spodumene-bearing pegmatite in the northern, central and southern portions of Dyke 1.

Tantalum Potential

The 2016 intersection of 0.113% tantalum (Ta₂O₅) in drill hole DDH FAR16-001 and the presence of elevated tantalum assays on the property has encouraged the Company to further evaluate tantalum potential. The mineral tantalite (Mn,Fe)(Ta,Nb)₂O₆ is the primary source of the metal tantalum. It is a dark blue-gray, dense and very hard mineral rarely found in pegmatites and is used in the electronics industry for capacitors and high-power resistors. It is also used to make alloys to increase strength,

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ductility and corrosion resistance. The metal is used in dental and surgical instruments and implants, as it causes no immune response.

NI 43-101 Technical Report

On July 9, 2018, the Company announced that it had received the first ever resource estimate for Dyke 1 on its Zoro Lithium Property. Dyke 1 contains an inferred resource of 1,074,567 tonnes grading 0.91% Li₂O, 182 ppm Be, 198 ppm Cs, 51 ppm Ga, 1212 ppm Rb, and 43 ppm Ta (at a cut-off of 0.3% Li₂O). Dyke 1 is open at depth and to the north and south where additional exploration is ongoing. The estimate has an effective date of July 6, 2018, and was prepared by Scott Zelligan P. Geo., an independent resource geologist of Coldwater, Ontario. Dyke 1 is one of eight known spodumene- mineralized pegmatite dykes on the property. The remaining dykes are currently the object of ongoing exploration including drill-testing. Inferred Mineral Resources are not Mineral Reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability. There has been insufficient exploration to define the inferred resources as an indicated or measured mineral resource, however, it is reasonably expected that the majority of the Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration. There is no guarantee that any part of the mineral resources discussed herein will be converted into a mineral reserve in the future. Please refer to the Company's new release dated July 9, 2018 for further details regarding this resource estimate and the methodologies, procedures and assumptions used to estimate same. The Company has filed the NI 43-101 Technical Report on SEDAR.

Chain of Custody, Quality Control and Quality Assurance, and Data Verification

Drill core for assay purposes was sawn in half after logging and core mark-up by the Company's geologist. Samples were collected based on an appropriate sample interval and washed to remove mud from cutting the core with the core saw. The core sample was placed into a clear plastic bag and the sample number written on the bag. An assay tag was inserted into the sample bag, one tag was inserted into the core box marking the sample location and the third tag was retained in storage. All core samples were placed into a white vinyl pail with a sample inventory, labeled and stored in a locked facility until enough samples were available for shipping. At this point the sample pails were taken to the local shipping company and loaded into a sealed transport truck. A bill of lading was signed by the geologist after the number of sample pails were counted and the shipping address confirmed. Receipt of the sample pails was acknowledged by the assay laboratory. Blanks, duplicate samples and internal standard reference materials were included with each sample batch.

All data used to estimate the above reported mineral resource estimate, including sampling, analytical, and test data, has been verified by Scott Zelligan, P. Geo., from the original sources. This includes a site visit to the Zoro Lithium Project, review of previously drilled intervals in person, and a comparison of the drill hole database to drill logs and assay certificates.

Hidden Lake, Yellowknife, NWT

In February 2018, the Company entered into an option agreement (the "Hidden Lake Option Agreement") with 92 Resources Corp ("92 Resources") to acquire up to 90% interest in the Hidden Lake Lithium project, Northwest Territories (the "Hidden Lake Project").

The Hidden Lake Project consists of five contiguous mineral claims totaling approximately 1,659 hectares within the central parts of the Yellowknife Lithium Pegmatite Belt along Highway 4, approximately 40 km east of Yellowknife. 92 Resources' 2016 exploration results returned 1.90% Li₂O over 9 metres and grab samples up to 3.3% Li₂O. Metallurgical test work has produced a high-grade mineral concentrate of 6.16% Li₂O with an average spodumene lithium content of per cent lithium (8.2% Li₂O). 92 Resources also channel sampled four dykes extensively which range between 275 and 790 metres in length and up to about 10 metres in width which returned an average lithium concentration of 1.03% Li₂O for the 308 samples with surface samples up to 3.3% Li₂O. Due to the success of 92 Resources' programs, preliminary metallurgical test work and scoping lithium extraction tests were conducted. The scoping test work achieved an overall extraction of 97%, indicating that industry standard lithium extraction techniques applied to typical spodumene concentrates are applicable to concentrates produced from the pegmatites at Hidden Lake. The Hidden Lake Project is easily road accessible and its proximity to infrastructure provides for numerous development advantages.

Under the terms of the Hidden Lake Option Agreement, the Company can earn up to 90% interest in the Hidden Lake Project as follows:

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- a) the consideration for the initial 60% interest:
 - i. cash payment of \$50,000 upon execution of the agreement (paid).
 - ii. issuance of 555,555 common shares (issued and valued at \$225,000) upon execution of the agreement.
 - iii. exploration expenditures of \$500,000 to be incurred by January 22, 2019 (completed).
- b) the consideration for an additional 10% interest (70% total):
 - i. issuance of common shares with a fair market value of \$250,000 based on the average market price to a maximum of \$1.50 per share by January 22, 2019 (not issued as the Company decided not to add to its 60% interest as at December 31, 2018).
 - ii. additional exploration expenditures of \$500,000 to be incurred by January 22, 2020.
- c) the consideration for an additional 10% interest (80% total):
 - i. issuance of common shares with a fair market value of \$300,000 based on the average market price to a maximum of \$1.50 per share by January 22, 2020.
 - ii. additional exploration expenditures of \$600,000 to be incurred by January 22, 2021.
- d) the consideration for an additional 10% interest (90% total):
 - i. issuance of common shares with a fair market value of \$400,000 based on the average market price to a maximum of \$1.50 per share by January 22, 2021.
 - ii. additional exploration expenditures of \$700,000 to be incurred by January 22, 2022.

The Company has chosen not to accelerate the exercise of the option beyond the initial 60% interest. The Company may now opt to form a joint venture with 92 Resources on a 60:40 basis, the Company will be responsible for funding the initial \$1,000,000 in joint venture expenditures, after which costs are shares on a 60:40 basis.

During the year ended March 31, 2020, the Company wrote-off \$870,046 of the carrying value of the Hidden Lake property to \$Nil due to lack of plans for exploration as a result of limited funding.

Exploration at the Hidden Lake Project, Northwest Territories

In May 2018, the Company announced it had mobilized a drill rig to its Hidden Lake Project targeting high-grade lithium-bearing pegmatites with an initial minimum 1,100 metre diamond drilling campaign. Far signed the drill contract with Northtech Drilling for the program. Great Slave Helicopters provided helicopter support for the drill program which was managed in the field by Henry Lole of Dahrouge Consulting. Previous channel sampling at Hidden Lake conducted by 92 Resources returned grades as high as 3.3% Li₂O at surface. The Company has completed a 1,100-metre drill program, with the goal of defining continuity of mineralization at depth. A total of 197 core samples were collected and were submitted to SGS Mineral Services (Lakefield) for lithium and multi-element analysis.

Results indicate each of the targeted pegmatite dykes, HL-001 through HL-003 and D-12, is marked by high-grade Li₂O assays of 1.0% to 2.0% over widths that vary between 2.0 m and 9.2 m. The high-grade nature of these spodumene- mineralized pegmatites coupled with the demonstrated favourable metallurgical characteristics demonstrated by previous operators makes these drill results significant. Although this drill campaign targeted four dykes, the Hidden Lake Project itself hosts a swarm of at least ten lithium- bearing spodumene pegmatite dykes that have been identified by previous explorers. See News Release dated February 2, 2021. Very recent mineralogical evaluation and metallurgical testing of samples from the Hidden Lake pegmatites by SGS Mineral Services (Vancouver) indicates a lithium concentrate of >6% Li₂O with a recovery of >80% are achievable. These results indicate the Hidden Lake pegmatites can be treated using standard industry practices for spodumene beneficiation.

Reel Cesium-Lithium-Tantalum Project (Manitoba, Canada)

On March 10, 2020, the Company signed a Letter of Intent (LOI) to acquire up to 100% of the Reel Cesium-Lithium-Tantalum Project in Manitoba, Canada. Samples from the Reel Project have returned grades of up to 1.75% cesium oxide (Cs₂O), while also having significant lithium and tantalum potential.

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Jean Lake Lithium-Gold Project, Manitoba, Canada

On July 30, 2021, the Company entered into an option agreement with Mount Morgan Resources Ltd. to acquire a 100% interest in Jean Lake lithium-gold project located in Manitoba.

The option agreement provides for the Company to earn a 100% interest over 4 years by cash payments and share issuances to Mount Morgan Resources Ltd. And exploration expenditures as follows:

- a) \$25,000 cash (paid) and common shares of the Company having a value of \$25,000 (based on a 10 day VWAP calculation – which is the basis for all such share issuances under the option agreement) on or before August 1, 2021;
- b) \$50,000 cash, \$50,000 in common shares and \$50,000 exploration expenditures on or before August 1, 2022;
- c) \$50,000 cash, \$50,000 in common shares and \$50,000 (further) exploration expenditures August 1, 2023;
- d) \$50,000 cash, \$50,000 in common shares and \$50,000 (further) exploration expenditures August 1, 2024;
- e) \$75,000 cash, \$75,000 in common shares and \$50,000 (further) exploration expenditures August 1, 2025.

Once the Company earns the interest, the Company will grant a 2% NSR to Mount Morgan Resources Ltd. The NSR may be reduced to 1% by the Company's payment of \$1,000,000 to the NSR holder.

GOLD AND SILVER

Winston Property, New Mexico, USA

The Company controls, subject to certain underlying property payments and royalties, a 100% interest in the Winston property located in Sierra County, New Mexico, USA (the "Winston Property"). The Winston Property is comprised of 149 unpatented lode mining claims (the "LG Claims"), the Ivanhoe and Emporio patented mining claims (the "Ivanhoe/Emporio Claims") and four unpatented mining claims (the "Little Granite Claims") and is prospective for gold and silver.

During the year ended March 31, 2015, the Company entered into an option agreement with Redline Minerals Inc., Redline Mining Corporation and Southwest Land & Exploration Inc. (collectively, the "Optionors") to acquire up to an 80% interest in the Winston Property. In fiscal 2018, the Company amended its agreement with the Optionors and entered into a definitive purchase agreement (the "Winston Purchase Agreement") to acquire all of the Optionors' right, title and interest in and to the Winston Property on the following terms:

- a) Cash payment of \$35,000 (paid);
- b) Issuance of 2,500,000 common shares of the Company (issued and valued at \$275,000); and
- c) Issuance of a \$50,000 non-interest-bearing promissory note which is repayable on August 24, 2017 (issued and repaid).

In accordance with the terms and condition of the underlying purchase agreement in order to complete the acquisition of the Little Granite claims, the Company is required to make the following payments:

- a) Cash payments of US \$12,000 on or before July 15, 2017 (paid)
- b) Cash payments of US \$6,000 on or before March 31, 2018 (paid);
- c) Cash payments of US \$12,000 on or before July 15, 2018 (paid);
- d) Cash payments of US \$12,000 on or before July 15, 2019 (paid);
- e) Cash payments of US \$12,000 on or before July 15, 2020 (paid);
- f) Cash payment of US \$19,000 on or before October 1, 2020 (paid);
- g) Cash payment of US \$19,000 on or before October 1, 2021;
- h) Cash payments of US \$380,000 on or before October 1, 2022.

An amendment is subsequently being negotiated for the underlying purchase agreement of Little Granite claims.

In accordance with the terms and condition of the underlying purchase agreement in order to complete the acquisition of the Ivanhoe/Emporia claims, the Company is required to pay the original owner of the claims the remaining purchase price of US\$361,375 (US\$42,000 paid). Before the remaining purchase price is paid in full, the Company is subject to a minimum monthly royalty payment based on monthly average silver price. The accrued minimum monthly royalty payments outstanding

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as of March 31, 2020 totals US\$225,625 of which US\$45,000 is payable. The agreement also entitles the owner to a permanent production royalty of 2% of NSR.

The Winston Property is in good standing.

Exploration at the Winston Property, New Mexico, USA

The Company mobilized a field crew to the Winston project in early October. The crew will evaluate the best options for access and logistical support of the planned Phase 1 program focused on the Little Granite Mine area. The Phase 1 program will consist of soil and rock geochemical sampling, geological mapping with particular focus on structural controls of the silver-gold mineralisation and possibly ground geophysics and terrain mapping using a drone.

The Little Granite Mine is a high-grade epithermal silver-gold system which was last explored in the early 1980s. In addition to Little Granite, Far Resources also controls the core claims covering the nearby Ivanhoe-Emporio Mines, which may represent an attractive bulk mineable gold target.

Michael Feinstein, PhD, CPG, of Mineoro Explorations LLC is assisting Far Resources with their exploration campaign aimed at targeting the bonanza zone of the Little Granite Epithermal Vein System. Existing data will be integrated with structure, alteration, and geochemistry in a 3D model. The host volcanic stratigraphy of the Gila and dominant structural control of the Rio Grande Rift provide excellent context for the emplacement of well-developed vein systems.

On February 4, 2021, the Company reported the results of recent sampling on its wholly owned Winston Project in New Mexico. High grade gold and silver values were confirmed from three historic mines, Ivanhoe, Emporia and Little Granite, in the south part of the company's land holdings. Twenty ore characterisation samples from these three mines returned peak values of 66.5 g/t gold and 2940 g/t silver from Little Granite, 26.8 g/t gold and 1670 g/t silver from Ivanhoe and 46.1 g/t gold and 517 g/t silver from Emporia

The historic mines are hosted by north-south orientated vein systems which display characteristics typical of low sulphidation epithermal style mineralisation. This style of mineralisation hosts some of the highest-grade precious metal mines worldwide, including Sleeper (Nevada), Creede (Colorado), Fruta del Norte (Ecuador) and Hishikari (Japan). The mineralisation in the Winston area is believed to be Tertiary in age and related to the Rio Grande Rift. The Black Range District was mined extensively in the 1880s but has seen little activity since.

The company has recently expanded its land position in the area, which now covers 149 claims totalling approx. 2980 acres. Further prospecting is currently underway focused on vein extensions to the north, and initial drill testing of selected targets is planned for summer, subject to permitting and Covid requirements.

Detailed sample results are listed below. The samples were obtained as part of the initial geological evaluation of the property, during which mine environs, workings and dumps were walked and inspected to collect representative samples of the different styles of mineralisation. High grade mineralisation was confirmed at the Little Granite, Ivanhoe and Emporia minesites.

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Sample#	Comment	Mine	Au_ppm	Ag_ppm
1670958	Sugary white quartz w patches of black sulphides	Emporia	46.10	366.0
1670959	amethyst vein and breccia w minor oxides	Emporia	0.02	1.0
1670960	banded vein w some red zones and minor ginguo	Emporia	44.90	517.0
1670957	banded comb quartz w calcite, oxides, drk gray zones	Ivanhoe	0.38	563.0
1670976	sugary quartz/adularia/calcite banded vein w black sulph bands, up to 20% locally	Ivanhoe	4.82	1,670.0
1670977	layered comb amethyst w oxides and replacement textures	Ivanhoe	0.02	3.8
1670978	massive drk gray qtz w red oxide zone, some CuOx	Ivanhoe	2.91	628.0
1670979	calcite breccia w chalco, included banded vein clast	Ivanhoe	0.47	383.0
1670980	layered chalcedony w black sulphides, minor calcite	Ivanhoe	26.80	940.0
1670981	qtz/adularia vein w green mustard oxide	Ivanhoe	1.30	849.0
1670962	comb amethyst/sugary quartz w red-orange oxides	L Granite	3.33	218.0
1670963	coarse comb qtz w calcite and bright green crystalline oxide	L Granite	7.97	189.0
1670964	dark grey mucky qtz vein phase, red-orange oxides w tr CuOx	L Granite	6.43	525.0
1670990	comb qtz w red and black sulphide layers, rare variety on this dump	L Granite	0.41	690.0
1670992	Quartz with red-oxide fluff	L Granite	0.10	7.6
1670993	Qtz/adularia vein phase w minor orange oxides	L Granite	2.15	163.0
1670994	white banded coarse comb vein, dump background	L Granite	7.00	337.0
1670995	select high grade ore grab at LG haul tower	L Granite	66.50	2,940.0

These samples were collected by Dr. Michael Feinstein of Mineoro Explorations during the course of three visits to the project between October and December. Numerous samples were collected throughout the project area, and historic minesites were visited several times. Multiple, overlapping phases of alteration and mineralisation are evident throughout as illustrated in the sample photos following. The ore characterization samples were collected in an attempt to better understand which phases are of greatest economic interest. The results confirm that earlier reports of high-grade silver and gold values from historic workings have legitimacy and justify a major exploration program using modern methods to define the nature and size of mineralisation.

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Current plans for follow-up work include additional geochemical sampling, geological mapping, and claim staking. The acquisition of detailed imagery and surface terrane models are being investigated as a precursor to project and target scale geophysical surveys.

All samples were collected by Mineoro Explorations and securely maintained through to submission to the ALS Minerals laboratory in Tucson. Samples were analysed by Fire Assay and ICP-MS. Internal laboratory QA/QC protocols were followed and 5% external standards are submitted with all sample batches.

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RESULTS OF OPERATIONSExploration and Evaluation Assets

During the period ended June 30, 2021, the Company incurred exploration expenditures totaling \$20,933 (March 31, 2021 - \$397,481) in carrying out exploration work on its Zoro Lithium and Winston Projects as set out below.

	Zoro Property	Winston Property	Total
Acquisition costs			
Balance, March 31, 2021	\$ 1,764,444	\$ 889,502	\$ 2,653,946
Balance, June 30, 2021	1,764,444	889,502	2,653,946
Exploration costs			
Balance, March 31, 2021	3,203,419	174,732	3,378,151
Assay	-	1,092	1,092
Geological and consulting	1,400	18,441	19,841
Balance, June 30, 2021	3,204,819	194,265	3,399,084
Total balance, June 30, 2021	\$ 4,969,263	\$ 1,083,767	\$ 6,053,030

Expenses incurred for the period ended June 30, 2021

During the period ended June 30, 2021, the Company earned no revenue and had a comprehensive loss of \$246,757 (2020 - \$502,262).

Total expenses for the period ended June 30, 2021 were \$257,690 compared to \$499,654 for the corresponding period ended June 30, 2020.

The table below details the significant changes in major expenditures from 2021 and 2020.

Expenses	Period Ended June 30, 2021	Period Ended June 30, 2020	Explanation for Change Increase / Decrease in Expenses
Consulting	73,656	6,634	Increased due to higher consulting services incurred.
Investor Relations	70,000	29,167	Increased due to higher investor relations costs and activities.
Management Fees	50,100	63,000	Decreased due to decreased corporate and management activities.
Office	12,137	1,502	Increased due to an increase in administrative services incurred.
Professional Fees	41,753	61,443	Decrease due to a decrease in accounting fees.
Share-based payments	-	333,830	Decrease due to more share options granted and vested during the comparative period.
Transfer agent and filing fees	10,044	4,078	Increased due to more exploration and fundraising activities which resulted in more filing fees incurred.

The Company incurred \$Nil unrealized loss on long-term investments during the period ended June 30, 2021 (March 31, 2021 - \$3,000) related to the value of certain shares of Alchemist Mining Inc. being held by the Company for investment purposes. See Note 4 of the Company's Financial Statements accompanying this MD&A.

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SUMMARY OF QUARTERLY RESULTS

A summary of selected financial information for the eight most recently completed quarters is set out below and should be read in conjunction with the Company's consolidated Interim Financial Statements and related notes for such periods.

	Three Months Ended June 30, 2021	Three Months Ended Mar 31, 2021	Three Months Ended Dec 31, 2020	Three Months Ended Sep 30, 2020	Three Months Ended June 30, 2020	Three Months Ended Mar 31, 2020	Three Months Ended Dec 31, 2019	Three Months Ended Sep 30, 2019
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses	257,690	1,341,394	669,094	117,501	499,654	322,467	261,570	256,581
Total comprehensive loss	246,757	1,335,136	660,466	114,444	502,262	1,218,991	261,570	256,581
Loss per share – basic and diluted (1)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)
Total assets	6,785,400	6,693,019	6,316,151	6,118,383	6,064,889	5,936,601	6,784,001	6,932,891
Total liabilities	897,018	943,510	920,274	975,802	1,059,034	867,314	705,033	642,353
Total equity	\$ 5,888,382	\$ 5,749,509	\$ 5,395,877	\$ 5,142,581	\$ 5,045,855	\$ 5,069,287	\$ 6,078,968	\$ 6,290,538
Weighted average number of common shares outstanding (1)	157,331,247	151,617,833	137,178,870	132,100,656	131,540,368	112,335,129	110,514,396	107,387,082

(1) Based on the weighted average number of common shares outstanding during the period.

LIQUIDITY AND GOING CONCERN

These consolidated financial statements have been 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, 2021, the Company has had significant losses. In addition, the Company has not generated revenues from operations. The Company has financed its operations primarily through the issuance of common shares and short-term loans. The Company continues to seek capital through various means including the issuance of equity and/or debt. These circumstances cast significant 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. These financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

In March 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The pandemic could result in delays in the course of business, including potential delays to its business plans and activities, and continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These uncertainties raise substantial doubt upon the Company's ability to continue as a going concern and realize its assets and settle its liabilities and commitments in the normal course of business.

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.

	As at June 30, 2021	As at March 31, 2021
Working capital (deficit)	\$ (173,883)	\$ (290,608)
Deficit	\$ (15,823,360)	\$ (15,600,786)

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Net cash used in operating activities for the period ended June 30, 2021 was \$339,230 compared to \$42,427 used during the period ended June 30, 2020. The difference was primarily due to the changes in non-cash working capital items.

Net cash provided by investing activities for the period ended June 30, 2021 was \$33,307, compared to net cash used in was \$5,456 during the period ended June 30, 2020, and consisted of acquisition costs and property expenditures during the period.

Net cash provided by financing activities for the period ended June 30, 2021 was \$384,149 compared to \$195,507 during the period ended June 30, 2020. The increase was due to proceeds from private placements and from options and warrants exercised during the current period.

The Company is continuing its exploration program and will use its available working capital to continue this work. It is likely that the Company will need to obtain additional debt/equity financing in order to carry out further exploration programs on its properties depending on the results of recent exploration and to satisfy its business and property commitments for the ensuing year. The Company intends to rely on equity or debt financing from arm's length parties to fund its operations for the upcoming year. The Company may find it necessary to issue shares to settle some of its existing debt obligations. There are no assurances that the Company will be successful in raising the necessary funds to maintain its current operations and explore its properties on commercially reasonable terms or at all.

CAPITAL RESOURCES

As of the date of the MD&A, the Company is continuing its exploration programs on the Zoro Lithium Project. The Company intends to use available working capital and may issue additional common shares to cover the cost of this program.

The Company also has certain ongoing option/property payments and maintenance fees/taxes associated with its Zoro Lithium Project and the Winston Property as more particularly described in "Overall Performance" above.

During to the period from April 1, 2021 to August 23, 2021, the Company:

- issued 450,000 common shares upon exercise of options for gross proceeds of \$36,000.
- issued 500,000 common shares upon exercise of warrants for gross proceeds of \$50,000.
- closed a non-brokered private placement of 2,008,324 units at \$0.17 per unit for gross proceeds of \$341,415. Each unit consists of one common share and one share purchase warrant. The warrant entitles the holder to purchase one additional common share for a period of 18 months at a price of \$0.25 per share.

CONTRACTUAL OBLIGATIONS

Other than described in "Capital Resources" and certain stock option and consulting agreements, the Company does not presently have any other material contractual obligations. See "Transactions with Related Parties".

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

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TRANSACTIONS WITH RELATED PARTIES

For the period ended June 30, 2021				
Paid or accrued to:	Management fees or consulting fees	Share-based payments		Total
<u>Key management personnel:</u>				
CEO	\$ 25,050	-	\$	25,050
CFO	25,050	-		25,050
	\$ 50,100	\$ -	\$	50,100

For the period ended June 30, 2020				
Paid or accrued to:	Management fees or consulting fees	Share-based payments		Total
<u>Key management personnel:</u>				
Former Directors	\$ 18,000	\$ 16,089	\$	34,089
Former CEO	45,000	16,089		61,089
	\$ 63,000	\$ 32,178	\$	95,178

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

	As at June 30, 2021	As at March 31, 2021
Due to CEO	\$ 815	\$ 1,461
Due to former CEO	\$ 80,997	\$ 80,997
Due to CFO	\$ 1,936	\$ 3,808
Due to former directors of the Company	\$ 18,000	\$ 18,000
	\$ 101,748	\$ 104,266

The amounts due are unsecured, non-interest bearing, and have no specific terms of repayment.

PROPOSED TRANSACTIONS

Save as disclosed herein, there are no asset or business acquisitions or dispositions currently being proposed by the directors or senior management of the Company that will have a material effect on the financial condition, results of operations or cash flows of the Company.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Please refer to the condensed interim consolidated financial statements on www.sedar.com.

FINANCIAL AND OTHER INSTRUMENTS

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 (i.e. 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

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is not exposed to any externally imposed capital requirements.

The Company's overall strategy remains unchanged from fiscal year 2021 (see the Annual Filings).

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.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's long-term investment constitutes a Level 1 fair value measurement.

The carrying value of cash, short-term loan payable, long-term loan payable 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 a counterparty's inability to fulfil 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, 2021, the Company had a cash balance of \$470,439 (March 31, 2021 – \$392,213) to settle current liabilities of \$775,345 (March 31, 2021 – \$807,170). All the Company's financial liabilities have contractual maturities of 30 days or are 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.

Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's cash does not have significant exposure to interest.

Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities, and option agreement payments that are denominated in a foreign currency. There is a risk in the exchange rate of the Canadian dollar relative to the US dollar and a significant change in this rate could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

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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 gold and lithium, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

OTHER MD&A REQUIREMENTS

Disclosure of Outstanding Security Data

As at August 23, 2021, the following shares and options were issued and outstanding:

	Issued & Outstanding	Expiry Dates	Exercise Prices
Common shares	158,175,658		
Options	10,900,000	Ranging from June 12, 2025 to January 15, 2026	Exercise prices range from \$0.07 to \$0.145 per option
Warrants	18,933,880	Ranging from August 28, 2022 to December 15, 2022	Exercise prices range from \$0.075 to \$0.25 per warrant
Fully diluted	188,009,538		

Except as disclosed above, there are no other options, warrants or other rights to acquire common shares of the Company outstanding. However, see "Overall Performance" for details of certain optional common share payments that the Company will be required to make in order to maintain and/or exercise its existing option agreements to acquire the Manitoba Lithium Claims, the Zoro North Claims and the Hidden Lake Project.

Additional Disclosure for Junior Issuers

The Company does not have sufficient working capital to cover its estimated operating and exploration expenses for the remainder of 2021. Thereafter, the Company will require additional funds to cover its estimated general and administrative expenses. There can be no assurance that financing, whether debt or equity, will be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company. See "Risks and Uncertainties" below. Please refer to the Company's financial statements for information on the exploration expenditures on a property by property basis.

Risks and Uncertainties

Mineral exploration is subject to a high degree of risk, which even a combination of experience, knowledge and careful evaluation may fail to overcome. These risks may be even greater in the Company's case given its formative stage of development.

Exploration activities are expensive and seldom result in the discovery of a commercially viable resource. There is no assurance that the Company's exploration will result in the discovery of an economically viable mineral deposit. The Company has generated losses to date and anticipates that it will require additional funds to further explore its properties. There is no assurance such additional funding will be available to the Company on commercially reasonable terms or at all. Additional equity financing may result in substantial dilution thereby reducing the marketability of the Company's shares. The Company's activities are subject to the risks normally encountered in the mining exploration business. The economics of exploring, developing and operating resource properties are affected by many factors including the cost of exploration and development operations, variations of the grade of any ore mined and the rate of resource extraction and fluctuations in the price of resources produced, government regulations relating to royalties, taxes and environmental protection and title defects. The Company's mineral resource properties have not been surveyed and may be subject to prior unregistered agreements, interests or land claims and title may be affected by undetected defects. In addition, the Company may become subject to liability for hazards against which it is not insured. The mining industry is highly competitive in all its phases and the Company competes with other mining companies,

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many with greater financial and technical resources, in the search for, and the acquisition of, mineral resource properties and in the marketing of minerals. Additional risks include the lack of an active market for the Company's securities and the present intention of the Company not to pay dividends. Certain of the Company's directors and officers also serve as directors or officers of other public and private resource companies, and to the extent that such other companies may participate in ventures in which the Company may participate, such directors and officers of the Company may have a conflict of interest. Finally, the Company has no history of earnings, and there is no assurance that any of its current or future mineral properties will generate earnings, operate profitably or provide a return on investment in the future. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

For a more detailed discussion of the risk factors affecting the Company and its exploration activities, please refer to the Company's prospectus which can be assessed on the SEDAR website at www.sedar.com.