

## FORM 7

### MONTHLY PROGRESS REPORT

Name of CNSX Issuer: FAR RESOURCES LTD (the "Issuer", "Far", we" or "our").

Trading Symbol: FAT

Number of Outstanding Listed Securities: 24,402,667

Date: May 9, 2016

#### **Report on Business**

1. *Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month.*

#### **Financing**

In April, the Issuer closed the second and final tranche of its previously announced non-brokered private placement to raise up to \$60,000 (the "Financing"). The Financing consisted of an aggregate total of 2,000,000 units at \$0.03 per Unit (the "\$0.03 Units") where each \$0.03 Unit was comprised of one common share (each a "Share") and one half of one common share purchase warrant (the "Warrants"). Each whole Warrant will be exercisable into one Share of the Company at a price of \$0.10 per Share for a period of one year from date of closing of its respective tranche. All securities issued pursuant to this Financing will be subject to a 4-month and one day hold period from the date of closing. The Company has sought and obtained relief from the CSE's minimum price rule for this Financing. The proceeds of the Financing will be used for general working capital purposes.

In April, the Issuer announced a new non-brokered private placement financing to raise up to an aggregate total of \$500,000 (the "April Financing") The April Financing will consist of up to 10 million units at a price of \$0.05 per unit (the "Units") where each Unit will consist of one common share (each a "Share") and one half of one common share purchase warrant (the "Warrants"). Each whole Warrant will entitle the holder to acquire one additional Common Share at an exercise price of \$0.10 for a period of 24 months from closing of the Financing, provided that, in the event that the closing price of the outstanding Common Shares on the Canadian Securities Exchange (the "CSE") is greater than \$0.15 for a period of 20 consecutive trading days at any time following the closing of the Financing, the Issuer may, at its option accelerate the expiry date of the Warrants by giving written notice to the holders of the Warrants and in such case the Warrants will expire on the earlier of: (i) the 30<sup>th</sup> day after the date on which such notice is given by the Company; and (ii) 24 months from the closing of the Financing.

A finder's fee, in accordance with the policies of the CSE, may be payable in cash and warrants from the proceeds of the proposed Financing. All securities issued pursuant to this Financing will be subject to a 4-month and one day hold period from the date of closing. The Financing is subject to regulatory approval.

### **Zoro Option Agreement**

As announced on April 27, 2016, the Issuer has entered into the Agreement with Top Notch Marketing Ltd., R. Ross Blusson and Double-U-Em Investments Ltd. (collectively, the "Optionors") effective as of the date of this news release. Under the terms of the Agreement Far Resources can acquire a 100% interest in and to the Zoro I Claim (the "Option") upon meeting the following requirements:

1. upon the execution of the Agreement, Far Resources must pay each of the Optionors \$16,666.66 in cash and issue to each of the Optionors 333,333 Common shares;
2. on the first anniversary of the date of the Agreement, Far Resources must provide the Optionors with aggregate consideration of \$300,000 which, at the election of the Optionors, can be satisfied by either (i) paying each of the Optionors \$50,000 in cash and issuing each of the Optionors that number of Shares worth \$50,000 at the time of issuance, based on the Average Price (defined below); or (ii) issuing each of the Optionors that number of Shares worth \$100,000 at the time of issuance, based on the Average Price; and
3. on the second anniversary of the date of the Agreement, providing the Optionors with aggregate consideration of \$600,000 which, at the election of the Optionors, can be satisfied by either (i) paying each of the Optionors \$100,000 in cash and issuing each of the Optionors that number of Shares worth \$100,000 at the time of issuance, based on the Average Price; or (ii) issuing each of the Optionors that number of Shares worth \$200,000 at the time of issuance, based on the Average Price.

The Average Price means the average of the Common shares' closing prices for the 10 consecutive trading days immediately before the date in question. Far Resources must satisfy all of the condition above to be deemed to have exercised the Option.

### **The Zoro I Claim**

The Zoro I claim covers approximately 52 hectares near Wekusko Lake in western Manitoba. The Zoro I Claim covers a number of known lithium pegmatite occurrences, one of which contains an historic "reserve" based on 1956 drilling on the "Principal Dyke" of 1.727 million tonnes grading 0.94% Li<sub>2</sub>O.

The mineral reserve cited above is presented as an historical estimate and uses historical terminology which does not conform to current standards, and as such should not be relied upon. Although the historical estimates are believed to be based on reasonable assumptions, they were

calculated prior to the implementation of National Instrument 43-101. These historical estimates do not meet current standards as defined under sections 1.2 and 1.3 of NI 43-10 and therefore should not be relied upon.

### **Option Agreement with Redline Minerals**

During the past month, the Issuer has continued its work to fulfill its obligations with respect to its option agreement with Redline Minerals, and as announced on August 19, 2015, the Issuer and Redline Minerals amended such option agreement. Most recently, the Issuer and Redline Minerals further amended the agreement such that the Issuer received an extension to the \$40,000 payment that was due on October 15, 2015. A partial payment has been made and the Issuer and Redline Minerals continue to work together toward completing the full amount of such payment, including using funds from the proceeds of the Financing to make such payments. As part of the amendment, the Issuer has issued 100,000 common shares in the equity of the Issuer to Redline Minerals. Further information regarding the option agreement and amendments are available in the Issuer's news releases dated October 7, 2014, August 19, 2015, November 13 2015, and January 8, 2016 which are available on SEDAR.

### **Resignation**

Mr. Derek Huston has resigned as a director of the Issuer. The Issuer has not appointed a replacement for Mr. Huston.

For further information regarding the Issuer please visit the CSE Disclosure Hall at [www.thecse.com](http://www.thecse.com), or view the Issuer's filings posted on SEDAR, [www.SEDAR.com](http://www.SEDAR.com).

2. *Provide a general overview and discussion of the activities of management.*

Most recently, Management entered into the option agreement with respect to the Zoro 1 Lithium property (see Item 1).

3. *Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.*

This does not apply to the Issuer.

4. *Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.*

This does not apply to the Issuer.

5. *Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.*

See Item 1 – Zoro option agreement.

6. *Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.*

This does not apply to the Issuer.

7. *Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.*

This does not apply to the Issuer.

8. *Describe the acquisition of new customers or loss of customers.*

This does not apply to the Issuer.

9. *Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.*

This does not apply to the Issuer.

10. *Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.*

This does not apply to the Issuer.

11. *Report on any labour disputes and resolutions of those disputes if applicable.*

This does not apply to the Issuer.

12. *Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.*

This does not apply to the Issuer.

13. *Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.*

The Issuer has received a \$20,000 non-interest bearing demand loan with no fixed term from its CEO.

14. *Provide details of any securities issued and options or warrants granted. n/a*

<b>Security</b>	<b>Number Issued</b>	<b>Details of Issuance</b>	<b>Use of Proceeds(1)</b>
Common Shares	1,000,000	Closing of the 2 <sup>nd</sup> tranche of the Financing announced in February 2016.	General working capital, payment to Redline minerals
<b>Total:</b>	<b>1,000,000</b>		
Warrants	500,000	Issued pursuant to the Financing (see Item 1)	
<b>Total:</b>	<b>500,000</b>		

15. *Provide details of any loans to or by Related Persons.*

This does not apply to the Issuer.

16. *Provide details of any changes in directors, officers or committee members.*

In April Mr. Derek Huston resigned as a director of the Issuer. The Issuer has not appointed a replacement.

17. *Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.*

This does not apply to the Issuer.

## Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated May 9, 2016

**Keith Anderson**  
Name of Director or Senior Officer

/s/ Keith Anderson  
Signature

**Director and CEO**  
Official Capacity

<b>Issuer Details</b> Name of Issuer <b>FAR RESOURCES LTD.</b>	For Month End <b>April 30, 2016</b>	Date of Report YY/MM/DD <b>2016/05/09</b>
Issuer Address <b>114B-8988 Frasterton Court</b>		
City/Province/Postal Code <b>Burnaby, BC V5J 5H8</b>	Issuer Fax No. <b>( 604) 253-3484</b>	Issuer Telephone No. <b>( 604) 805-5035</b>
Contact Name <b>Mr. Keith Anderson</b>	Contact Position <b>Pres/CEO</b>	Contact Telephone No. <b>( 604) 805-5035</b>
Contact Email Address <a href="mailto:farresources1@hotmail.com">farresources1@hotmail.com</a>	Web Site Address <a href="http://www.farresources.com">www.farresources.com</a>	