

## 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: 18,806,667

Date: July 7, 2014

#### Report on Business

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

#### **Option Agreement with Alchemist**

In June, the Issuer entered into an option agreement (the "Agreement") with Alchemist Mining Inc. ("Alchemist"), a TSXV listed company, whereby Alchemist may acquire up to 80% undivided interest in and to the Issuer's Tchentlo Lake Property (the "Property") located in North-Central British Columbia, Canada.

Under the terms of the Agreement, Alchemist can earn a 51% interest in the Property by incurring CDN\$280,000 of expenditures in exploration activities on the Property by the end of the three year Earn-in Period and paying and issuing to Far: \$5,500 and 100,000 common shares in the capital of Alchemist upon TSX Venture Exchange ("**Exchange**") approval and completion of a non-brokered private placement financing, \$10,000 and 150,000 shares on the first anniversary of Exchange Approval, \$20,000 and 250,000 on the second anniversary of Exchange Approval and \$25,000 on the third anniversary of Exchange Approval. Far will retain a 2% NSR on the Property of which Alchemist can buy back 1% within 7 years of Exchange Approval for \$500,000.

If Alchemist completes the required expenditures and payments it can chose to exercise the Option, in which case a joint venture will be formed between Alchemist and Far, with Alchemist holding a 51% Participating Interest and Far holding a 49% Participating Interest; or it can elect to acquire an additional 29% interest in the Property (increasing its interest to 80%) (the "**Bump-Up Right**") by incurring an additional \$575,000 in expenditures on the Property over another two year period and paying and issuing to Far: \$25,000 and 250,000 shares on the fourth anniversary of Exchange Approval and \$50,000 and 250,000 shares on the fifth anniversary of Exchange Approval. In the event Alchemist exercises the Bump-Up Right, then a joint venture will be formed and Alchemist will have a 80% and Far a 20% Participating Interest in the Property respectively.

The Agreement is subject to regulatory approval. All share issuances pursuant to the Agreement will be subject to a four-month and one day statutory hold period.

### **Private Placement**

In May, the Issuer announced a non-brokered private placement to raise up to \$200,000 (the “Financing”), which Financing has not yet closed as of the date of this report. The Financing consists of up to 4 million units at a price of \$0.05 per unit (the “Units”) where each Unit will consist of one common share (the “Common Shares”) 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 company 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. The Issuer may pay a finders’ fee in connection with this Financing.

### **Medical Marihuana**

Management continues to evaluate additional opportunities that might allow Far to diversify its business interests, including opportunities in the medical marihuana industry that have arisen as a result of recent changes in Canadian legislation that now require all medical marihuana to be produced by licensed operators under the Marihuana for Medical Purposes regulations. At the time of this report, management is pursuing the possibility of obtaining a license to commercially produce marihuana in Canada and will report further as this line of inquiry develops. The Issuer continues to caution that any discussions regarding medical marihuana are still in preliminary stages and that no agreement formal, or otherwise, has been entered into by the Company.

### **Winston Property**

As previously reported, the Company holds an option to earn up to an 80% interest in the Winston Property from Redline Minerals Inc. (“Redline”). In March, the Company conducted a site visit, to the Winston Property along with representatives of Redline, the primary purpose of which was to review historic data from the Little Granite Mine, including a 1984 drill report of Christopher deWitt. This work was carried out before the introduction of National Instrument 43-101, and therefore the results were not taken under the supervision of a “qualified person,” and cannot be verified.

The site visit confirmed the presence of a well-developed steeply dipping epithermal quartz vein extending for at least 150 metres along strike which has been partially mined from underground

and more recently explored via a decline. At surface, the vein ranges from approximately 35 to 60 cm in width. Historic reports of the mining and the 1984 drilling suggest that at depth the vein widens to between 1.8 and 3.0 metres in width. However, these reports cannot be verified and are presented as historical information only and should not be relied upon.

During the visit, the Company collected a total of three composite samples from the extensive quartz dump material on the Winston Property believed to have been excavated in the early 1980s. All samples were assayed by fire assay methods at Acme Analytical Laboratories in Vancouver. Two of these samples, representative of the main style of quartz, returned values of 170 g/t silver and 2.9 g/t gold and 170 g/t silver and 6.7 g/t gold. This material shows classic boiling textures and is thought to represent material from the upper part of a well-developed epithermal system. Additionally, a composite sample of grey-finer grained quartz material found on one of the dumps returned values of 25.2 g/t gold and 1439 g/t silver. This supports reports of higher grade “bonanza” shoots being present within the vein described in accounts of both the historic mining and drilling.

Far Resources is planning a diamond drill program on the little Granite Mine of a minimum 1000 metres to confirm the extent and grade of the mineralization indicated from historic sources, and to test for possible extensions of the mineralized vein both along strike and at depth.

The Winston Property is located in the Black Range Mining District of southwestern New Mexico, and is road accessible from Interstate 25 and secondary forest access roads. The Property covers several known gold-silver occurrences and past producing mines, with mineralization typically occurring as gold and silver-bearing epithermal quartz veins cutting Tertiary volcanic rocks. This style of mineralization is similar to that in the historic Creede, Comstock and Tonopah precious metal mining districts and given the lack of documented recent exploration activity represents a very attractive target.

### **Silver Switchback Property**

In August 2012, the Issuer acquired an option on the Silver Switchback property, located in the “Stikine Terrane” in BC. It is midway between Terrace and Smithers, is readily accessible by logging roads from Terrace, is comprised of nine mineral claims covering about 3,125 hectares along the west flank of the Howson Range. The option to purchase is subject to a 3% net smelter return royalty (of which 2% can be bought back),

In May 2013, the Issuer acquired, by staking, additional contiguous ground immediately to the south and southeast of the Silver Switchback Property. The newly acquired claims comprise 5 blocks, (1,451 ha) located south and southeast of the original Silver Switchback property. The claims cover several reported (Minfile) mineral showings, with anomalous values of silver, copper and gold.

Please refer to the Issuer's public disclosure, including our website at [www.farresources.com](http://www.farresources.com) for additional information about the Silver Switchback property.

### **Tchentlo Lake Property**

Please see the first paragraph above, **Option Agreement with Alchemist**, for additional information about the Tchentlo Lake Property.

This property consists of two separate claim blocks totaling approximately 2,508 hectares; 244 soil samples were collected from the North Block and 109 soil samples from the South Block. Sampling from the North Block identified an area measuring roughly 400 x 300 metres in size with copper values of greater than 100 ppm, to a maximum of 357 ppm. This target could represent buried porphyry copper-gold mineralization, and warrants further follow-up. On the South Block, detailed sampling confirmed strong arsenic values along with scattered gold and antimony in an area previously identified as a target for shear-hosted gold-silver vein style deposits. Additional work is recommended to identify the bedrock source of this anomaly. Please refer to the Issuer's public disclosure, including our website at [www.farresources.com](http://www.farresources.com) for additional information about the Tchentlo Lake property.

For further information regarding the Issuer please visit the CNSX Disclosure Hall at [www.CNSX.ca](http://www.CNSX.ca), or view the Prospectus 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 an option agreement with Alchemist Mining Inc. as described in Item 1, above.

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.*

As noted above, under Item 1, the Issuer has entered into an option agreement with Alchemist Mining Inc.

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.*

This does not apply to the Issuer.

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

<b>Security</b>	<b>Number Issued</b>	<b>Details of Issuance</b>	<b>Use of Proceeds(1)</b>
<b>Total:</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 February 2014, the directors and officers of the Issuer were:

- Mr. Keith C. Anderson, Director, President & Chief Executive Officer
- Mr. Leon F. Anderson, Director, Secretary
- Mr. Cyrus Driver, Director, Chief Financial Officer
- Mr. Lindsay Bottomer, Director
- Mr. Derek Huston, Director

The members of the Audit Committee are:

- Mr. Keith Anderson
- Mr. Lindsay Bottomer
- Mr. Derek Huston

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 July 7, 2014

**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>June 30, 2014</b>	Date of Report YY/MM/DD <b>2014/07/07</b>
/Issuer Address <b>302- 1620 West 8<sup>th</sup> Avenue</b>		
City/Province/Postal Code <b>Vancouver, BC V6J 1V4</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>	