FARSTARCAP INVESTMENT CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - expressed in Canadian Dollars)
For the three months ended December 31, 2020 and 2019

FARSTARCAP INVESTMENT CORP.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim financial statements of the Company and all information contained in the report have been prepared by and are the responsibility of the Company's management.

The Audit Committee of the Board of Directors has reviewed the condensed interim financial statements and related financial reporting matters.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed interim financial statements by an entity's auditor.

FARSTARCAP INVESTMENT CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - expressed in Canadian Dollars)

	Notes	December 31, 2020 $	September 30, 2020 $
ASSETS			
Current assets			
Cash		168,782	184,095
Total assets		168,782	184,095
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		18,816	13,203
EQUITY			
Share capital	5	397,468	397,468
Contributed surplus		31,943	31,943
Deficit		(279,445)	(258,519)
Total equity		149,966	170,892
Total liabilities and equity		168,782	184,095

Organization and nature of operations and going concern (Note 1)
Subsequent events (Note 7)

Approved by the Board of Directors

“Robert McMorran” Director   “Neil MacRae” Director

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

FARSTARCAP INVESTMENT CORP.
CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
For the three months ended December 31, 2020 and 2019
(Unaudited - expressed in Canadian Dollars)

	Notes	2020 $	2019 $
Expenses			
Professional fees		17,394	19,795
Listing and filing fees		3,396	3,999
Office expenses		136	1,433
Loss before other items		(20,926)	(25,227)
Other items:			
Interest income		-	111
Net and comprehensive loss for the period		**(20,926)**	**(25,116)**
Basic and diluted loss per share		(0.01)	(0.01)
Weighted average number of shares outstanding		3,610,000	3,610,000

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

FARSTARCAP INVESTMENT CORP.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
For the three months ended December 31, 2020 and 2019
(Unaudited - expressed in Canadian Dollars)

	Number of shares #	Share Capital $	Contributed Surplus $	Deficit $	Total $
Balance, September 30, 2019	**5,610,001**	**397,468**	**31,943**	**(195,254)**	**234,157**
Net and comprehensive loss for the period	-	-	-	(25,116)	(25,116)
Balance, December 31, 2019	**5,610,001**	**397,468**	**31,943**	**(220,370)**	**209,041**
Net and comprehensive loss for the period	-	-	-	(38,149)	(38,149)
Balance, September 30, 2020	**5,610,001**	**397,468**	**31,943**	**(258,519)**	**170,892**
Net and comprehensive loss for the period	-	-	-	(20,926)	(20,926)
Balance, December 31, 2020	**5,610,001**	**397,468**	**31,943**	**(279,445)**	**149,966**

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

FARSTARCAP INVESTMENT CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
For the three months ended December 31, 2020 and 2019
(Unaudited - expressed in Canadian Dollars)

	2020 $	2019 $
Cash flow provided by (used in)		
Operating activities		
Loss for the period	(20,926)	(25,116)
Non-cash item:		
Interest income	-	(111)
Changes in non-cash working capital items		
Accounts payable and accrued liabilities	5,613	9,469
	(15,313)	(15,758)
Financing activity		
Promissory note	-	(25,000)
	-	(25,000)
Change in cash during the period	(15,313)	(40,758)
Cash – beginning of the period	184,095	242,392
Cash – end of the period	168,782	201,634

1. ORGANIZATION AND NATURE OF OPERATIONS AND GOING CONCERN

Farstarcap Investment Corp. ("Farstarcap" or the "Company") was incorporated under the Business Corporations Act of British Columbia on September 22, 2016. The Company was formed for the primary purpose of completing an Initial Public Offering ("IPO") on the TSX Venture Exchange (the "Exchange") as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the Exchange. The Company's principal business is to identify, evaluate and acquire assets, properties or businesses which would constitute a qualifying transaction ("Qualifying Transaction") in accordance with Policy 2.4 of the Exchange. The Company's head office is located at 880 – 580 Hornby Street, Vancouver, BC V6C 3B6. On February 13, 2019 the Company completed its IPO and was listed on the Exchange (Note 5).

As a CPC the Company is subject to certain cash restrictions. Proceeds raised from the issuance of common shares from the IPO may only be used to identify and evaluate assets or businesses for future investment, with the exception that no more than the lesser of 30% of the gross proceeds from the issuances of shares, or $210,000 may be used to cover prescribed costs of issuing the common shares or administrative general expenses of the Company. The restrictions apply until completion of a Qualifying Transaction by the Company in accordance with Policy 2.4 of the Exchange.

As at December 31, 2020 the Company had no business operations and its only significant asset was cash. The ability of the Company to fund potential future operations and commitments is dependent upon its ability to obtain additional financing. There is no assurance that the Company will complete a Qualifying Transaction or be able to finance such an investment or acquisition. Furthermore, there is no assurance that the business will be profitable. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended September 30, 2020, which have been prepared in accordance with IFRS as issued by the IASB.

The Company uses the same accounting policies and methods of computation as in the audited financial statements for the year ended September 30, 2020.

These condensed interim financial statements were approved by the board of directors for use on March 1, 2021.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

For full details on the critical accounting estimates and judgements affecting the Company, please refer to the Company's annual financial statements and notes for the year ended September 30, 2020.

(Unaudited - expressed in Canadian Dollars)

4. SHARE CAPITAL

a) **Authorized**: Unlimited common shares without par value.
Unlimited preferred shares issuable in series.

The Company did not complete any financings during the three-month period ended December 31, 2020 or 2019.

On February 20, 2018 the Company entered into an Escrow Agreement (the “Escrow Agreement”) in accordance with the Exchange CPC Policy, with certain shareholders and 2,000,001 common shares were placed in escrow. Subject to the said Policy, the escrowed common shares will be released from escrow as follows: 10% on the completion of Qualifying Transaction, and 15% on each of the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the initial release (Note 7).

b) Stock Options

On December 1, 2017 the Company adopted a stock option plan (the “Stock Option Plan”), whereby the maximum number of non-transferable options to purchase common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Additionally, the maximum number of non-transferable options to purchase common shares reserved for issuance to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued common shares, if the individual is a director or officer, or 2% of the issued common shares, if the individual is a technical consultant. All options granted under the Stock Option plan will expire not later than the date that is ten years from the date that such options are granted. Options may be exercised the greater of 12 months after Completion of the Qualifying Transaction and 90 days following cessation of the optionee’s position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Options granted under the Stock Option Plan are not transferable or assignable other than by will or other testamentary instrument pursuant to the laws of succession.

The balance of stock options outstanding and exercisable as at December 31 ,2019 and September 30, 2019 and the changes for the periods then ended is as follows:

	Number of Options #	Weighted Average Exercise Price $	Weighted Average Life Remaining (years)
Balance, September 30, 2019	250,000	0.10	4.38
Balance, September 30, 2020	250,000	0.10	3.36
Balance, December 31, 2020	**250,000**	**0.10**	**3.12**

(Unaudited - expressed in Canadian Dollars)

As at December 31, 2019, the Company's stock options outstanding were as follows:

Expiry Date	Exercise price $	Remaining life (years)	Options outstanding and exercisable
February 13, 2024	0.10	3.12	250,000

c) Warrants

The balance of warrants outstanding as at December 31, 2020 and September 30, 2020 and the changes for the periods then ended is as follows:

	Number of Warrants #	Weighted Average Exercise Price $	Weighted Average Life Remaining (years)
Balance, September 30, 2019	250,000	0.10	1.38
Balance, September 30, 2020	250,000	0.10	0.37
Balance, December 31, 2020	**250,000**	**0.10**	**0.12**

As at December 31, 2020 the Company had 250,000 warrants outstanding (September 30, 2020 – 250,000). Subsequent to December 31, 2020 the warrants expired unexercised.

d) Loss per share

The calculation of basic and diluted loss per share for the three months ended December 31, 2020 was based on the loss attributable to common shareholders of $20,926 (2019 - $25,116) and the weighted average common shares outstanding of 3,610,000 (2019 – 3,610,000)

Escrow shares are considered contingently returnable until the Company complete a QT. Accordingly, the 2,000,001 shares held in escrow are not considered outstanding shares for the purposes of the loss per share calculations.

5. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of the Board of Directors.

As at December 31, 2020, the Company had $nil (September 30, 2020 - $nil) in accounts payable and accrued liabilities owing to related parties. Compensation paid or accrued to key management or companies controlled by key management personnel during the three months ended December 31, 2020 and 2019 was $nil.

6. FINANCIAL INSTRUMENTS

Management of Capital

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of equity attributable to shareholders.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company is dependent on the capital markets as its primary source of operating capital and the Company's capital resources are largely determined by its ability to compete for investors and associated financings.

The Company is not subject to any externally imposed capital requirements.

Financial Instruments Hierarchy

The Company has categorized fair value measurements of its financial instruments using a fair value hierarchy that reflects the reliability of inputs used in making the measurements as follows:

- Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Valuations based on directly or indirectly observable inputs, other than Level 1 prices, in active markets for similar assets or liabilities, such as quoted interest or currency exchange rates; and
- Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The Company's financial instruments consist of cash, promissory note and accounts payable and accrued liabilities. The Company designated its cash, promissory note and accounts payable and accrued liabilities as amortized cost. The fair value of the Company's financial instruments approximates their carrying value due to their short-term to maturity.

The risks associated with financial assets and liabilities are as follows:

Credit Risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company's cash is held with the Bank of Montreal. Accordingly, the Company believes it is not exposed to significant credit risk.

Interest Rate Risk
Interest rate risk is the risk that the future cash flows or fair value of a financial instrument will fluctuate because of changes in market interest rates. The Company's management has determined that exposure to interest rate risk is limited at present as the Company's assets and liabilities are earning or incurring interest at market rates or where they are non-interest bearing or have fixed interest rates they have short terms to maturity.

Liquidity Risk
Liquidity risk is the risk that the Company is not able to meet its financial obligations as they become due. The Company manages its liquidity risk by continuously monitoring forecasted and actual cash flows, as well as anticipated investing and financing activities. As at December 31, 2020, all of the Company's liabilities are short-term and due on demand. At December 31, 2020, the Company had working capital of $149,966 (September 30, 2020 - $170,892).

Foreign exchange risk
The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign exchange risk is minimal.

7. SUBSEQUENT EVENTS

Subsequent to December 31, 2020 the Company received shareholder approval for the following:

- To remove the consequences of failing to complete a QT within 24 months of listing, such as, requiring a transfer to the NEX Board and cancelling certain seed shares, and;
- To amend the escrow share release terms as described in Note 4a) to the following:
    - 25% on the completion of Qualifying Transaction, and 25% on each of the dates 6 months, 12 months and 18 months following the initial release.

The Company has received conditional acceptance by the Exchange for the above matters.