

FARSTARCAP INVESTMENT CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - expressed in Canadian Dollars)
For the three and nine months ended June 30, 2021 and 2020

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

Notes	June 30, 2021 \$	September 30, 2020 \$
ASSETS		
Current assets		
Cash	127,163	184,095
Prepaid	3,640	-
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Total assets	130,803	184,095
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LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	17,470	13,203
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EQUITY		
Share capital	4 397,468	397,468
Contributed surplus	31,943	31,943
Deficit	(316,078)	(258,519)
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Total equity	113,333	170,892
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Total liabilities and equity	130,803	184,095

Organization and nature of operations and going concern (Note 1)

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 and nine months ended June 30, 2021 and 2020

(Unaudited - expressed in Canadian Dollars)

	Notes	Three months ended June 30,		Nine months ended June 30,	
		2021 \$	2020 \$	2021 \$	2020 \$
Expenses					
Professional fees		14,500	15,617	46,203	40,118
Listing and filing fees		2,836	3,012	10,997	8,330
Office expenses		130	67	359	1,763
Loss before other items		(17,466)	(18,696)	(57,559)	(50,211)
Other items:					
Interest income		-	374	-	859
Net and comprehensive loss for the period		(17,466)	(18,322)	(57,559)	(49,352)
Basic and diluted loss per share		(0.00)	(0.01)	(0.02)	(0.01)
Weighted average number of shares outstanding		3,610,000	3,610,000	3,610,000	3,610,000

FARSTARCAP INVESTMENT CORP.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

For the three and nine months ended June 30, 2021 and 2020

(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	-	-	-	(49,352)	(49,352)
Balance, June 30, 2020	5,610,001	397,468	31,943	(244,606)	190,510
Net and comprehensive loss for the period	-	-	-	(13,913)	(13,913)
Balance, September 30, 2020	5,610,001	397,468	31,943	(258,519)	170,892
Net and comprehensive loss for the period	-	-	-	(57,559)	(57,559)
Balance, June 30, 2021	5,610,001	397,468	31,943	(316,078)	113,333

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 and nine months ended June 30, 2021 and 2020
(Unaudited - expressed in Canadian Dollars)

	2021 \$	2020 \$
Cash flow provided by (used in)		
Operating activities		
Net loss for the period	(57,559)	(49,352)
Non-cash item:		
Interest income	-	859
Changes in non-cash working capital items		
Prepaid	(3,640)	-
Accounts payable and accrued liabilities	4,267	(2,530)
	(56,932)	(52,741)
Financing activity		
Promissory note	-	(25,000)
	-	(25,000)
Change in cash during the period	(56,932)	(77,741)
Cash – beginning of the period	184,095	242,392
Cash – end of the period	127,163	164,651

FARSTARCAP INVESTMENT CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three and nine months ended June 30, 2021 and 2020

(Unaudited - expressed in Canadian Dollars)

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.

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. On February 19, 2021, the Company received final approval from the Exchange 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 amend the escrow share release terms (Note 4).

As at June 30, 2021 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.

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 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.

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.

FARSTARCAP INVESTMENT CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three and nine months ended June 30, 2021 and 2020
(Unaudited - expressed in Canadian Dollars)

These condensed interim financial statements were approved by the board of directors for issuance on August 30, 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 including notes for the year ended September 30, 2020.

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 nine-month period ended June 30, 2021, or 2020.

On February 20, 2018, the Company entered into an Escrow Agreement (the "Escrow Agreement") in accordance with the Exchange CPC Policy 2.4, 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.

On February 19, 2021, the Exchange approved an amendment to the escrowed share release terms to be as follows: 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.

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 June 30, 2021 and September 30, 2020 and 2019 and the changes for the periods then ended is as follows:

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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	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, June 30, 2021	250,000	0.10	2.62

As at June 30, 2021, 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	2.62	250,000

c) Warrants

The balance of warrants outstanding as at June 30, 2021 and September 30, 2020 and 2019 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
Expired	(250,000)	0.10	
Balance, June 30, 2021	-	-	-

d) Loss per share

The calculation of basic and diluted loss per share for the three and nine months ended June 30, 2021, was based on the loss attributable to common shareholders of \$17,466 (2020 - \$18,322) and \$57,559 (2020 - \$49,352) respectively, and the weighted average common shares outstanding of 3,610,000 (2020 - 3,610,000)

Escrow shares are considered contingently returnable until the Company completes a Qualifying Transaction. 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.

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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 June 30, 2021, 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 and nine months ended June 30, 2021, and 2020 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 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.

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The Company's financial instruments consist of cash and accounts payable and accrued liabilities. The Company designated its cash 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 cash 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 June 30, 2021, all of the Company's liabilities are short-term and due on demand. At June 30, 2021, the Company had working capital of \$113,333 (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. PROPOSED TRANSACTION

On April 21, 2021 the Company entered into a Merger Agreement with Antares Gaming Corp. ("Antares") and 1299840 B.C. Ltd., a newly incorporated wholly owned subsidiary of Farstarcap, pursuant to which Farstarcap will acquire all of the issued and outstanding securities of Antares in exchange for the issuance of securities of Farstarcap, which will result in Antares becoming a wholly-owned subsidiary of Farstarcap (the "Antares Transaction"). The Antares Transaction will result in a reverse take-over of Farstarcap where existing security holders of Antares will own a majority of the issued and outstanding common shares in the capital of Farstarcap and Farstarcap will be renamed "Antares Gaming Corp." or such other name as Antares may determine. Farstarcap intends that the Antares Transaction will constitute its Qualifying Transaction pursuant to Policy 2.4.

Immediately prior to the completion of the Antares Transaction, it is anticipated that Farstarcap will consolidate the issued and outstanding Farstarcap common shares on a basis of 3.2839 pre-consolidation Farstarcap common shares for one post-consolidation Farstarcap common share.

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In addition, prior to the completion of the Antares Transaction, the common shares in the capital of Antares (the "Antares Common Shares") will be subdivided (the "Subdivision") on the basis of 0.152 pre-Subdivision Antares Common Shares for 1 post-Subdivision Antares Common Share (a "Post-Subdivision Antares Common Share") such that there will be approximately 33,333,333 Post-Subdivision Antares Common Shares issued and outstanding immediately prior to the completion of the Antares Transaction (excluding securities issued by Antares in connection with the Private Placement (as defined below)). The completion of the Subdivision will also be a condition of the Antares Transaction. As consideration for the acquisition of all of the outstanding securities of Antares, shareholders of Antares will receive one (1) Post-Consolidation Farstarcap Common Share for each one (1) Post-Subdivision Antares Common Share (the "Exchange Ratio"). The final structure of the Antares Transaction is subject to the receipt of tax, corporate and securities law advice by both Farstarcap and Antares.

Antares intends to conduct, and it will be a condition of the Antares Transaction for Antares to close a concurrent non-brokered private placement (the "Private Placement") for aggregate gross proceeds of up to \$5,000,000 through the offering of securities of Antares at an issue price of \$0.60 per post-Subdivision Antares Common Share. Antares has agreed to cash finder's fees of 8% of the aggregate gross proceeds raised and issue compensation warrants to the finder equal to 8% of the aggregate number of securities raised from parties participating in the Private Placement that were introduced by the finder.

Completion of the Antares Transaction is subject to Exchange approval.