

FARSTARCAP INVESTMENT CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following information, prepared as of January 26, 2023, should be read in conjunction with the audited consolidated financial statements of Farstarcap Investment Corp. ("the Company" or "Farstarcap") for the years ended September 30, 2022 and 2021. The referenced audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise indicated.

Additional information relating to the Company and its operations is available under the Company's profile on SEDAR at www.sedar.com.

FORWARD-LOOKING STATEMENTS

This Management Discussion and Analysis ("MD&A") contains statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators.

It is important to note that, unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of January 26, 2023.

Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeting" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions.

Forward-looking statements in this MD&A include statements regarding the Company's future plans and expenditures, the satisfaction of rights and performance of obligations under agreements to which the Company is a part, the ability of the Company to hire and retain employees and consultants and estimated administrative assessment and other expenses. The forward-looking statements that are contained in this MD&A involve a number of risks and uncertainties. As a consequence, actual results might differ materially from results forecast or suggested in these forward-looking statements. Some of these risks and uncertainties are identified under the heading "RISKS AND UNCERTAINTIES" in this MD&A.

Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. 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.

COMPANY DESCRIPTION

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 1100-1199 West Hastings Street, Vancouver, BC V6E 3T5.

On February 13, 2019, the Company completed its IPO issuing 2,500,000 common shares of the Company at a price of \$0.10 per share for gross proceeds of \$250,000. In connection with the IPO, the Company entered into an Agency Agreement with Canaccord Genuity Corp. (the "Agent"). The Company paid an aggregate of \$50,300 in cash commission, corporate finance fee, legal and other expenses incurred by the Agent. In addition, the Company granted 250,000 non-transferable warrants to the Agent entitling the Agent to purchase common shares at a price of \$0.10 per share. The warrants expired unexercised on February

Farstarcap Investment Corp.

MD&A

September 30, 2022

13, 2021. The Company's common shares were listed on the Exchange on February 13, 2019, under the symbol "FRS.P".

On February 19, 2021, the Company received final approval from the Exchange to remove the consequences of failing to complete a Qualifying Transaction within 24 months of listing, such as, requiring a transfer to the NEX Board and cancelling certain seed shares, and amended the escrow share release terms.

SELECTED ANNUAL INFORMATION

The following is a summary of certain selected audited financial information of the Company for the years ended September 30, 2022, 2021 and 2020:

	2022 \$	2021 \$	2020 \$
Total Revenues	-	-	-
Loss	(34,192)	(63,274)	(63,265)
Loss Per Share (basic and diluted) ⁽¹⁾	(0.01)	(0.02)	(0.02)
Total Assets	74,536	113,638	184,095
Long-term Liabilities	-	-	-
Dividends Declared	-	-	-

⁽¹⁾ The basic and diluted loss per share calculations result in the same amount due to the anti-dilutive effect of outstanding stock options and warrants.

RESULTS OF OPERATIONS

For the year ended September 30, 2022

The Company recorded a loss of \$34,192 (\$0.01 per share) for the year ended September 30, 2022 as compared to a loss of \$63,274 (\$0.01 per share) for the year ended September 30, 2021. The decrease in loss for the year ended September 30, 2022, is primarily due to a decrease in professional fees to \$22,329 for the year ended September 30, 2022, compared to \$49,489 for the period ended September 30, 2021. During the year ended September 30, 2021, the Company incurred additional legal and accounting fees related to a potential transaction.

Three months ended September 30, 2022

The Company recorded a loss of \$3,275 (\$0.00 per share) for the three months ended September 30, 2022 as compared to a loss of \$5,715 (\$0.00 per share) for the three months ended September 30, 2021. The decrease in loss for the period ended September 30, 2022, is primarily due to a decrease in professional fees to \$805 compared to \$3,286.

Farstarcap Investment Corp.

MD&A

September 30, 2022

SUMMARY OF QUARTERLY RESULTS

A summary of the Company's quarterly results for the past eight quarters is as follows:

	Three Months Ended (\$)			
	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
Loss and comprehensive loss	(3,275)	(6,034)	(7,823)	(17,060)
Basic and diluted loss per share ⁽¹⁾	(0.00)	(0.00)	(0.00)	(0.00)
Working capital	73,426	76,701	82,735	90,558

	Three Months Ended (\$)			
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
Loss and comprehensive loss	(5,715)	(17,466)	(19,167)	(20,926)
Basic and diluted loss per share ⁽¹⁾	(0.00)	(0.00)	(0.00)	(0.00)
Working capital	107,618	113,333	130,799	149,966

⁽¹⁾ The basic and diluted loss per share calculations result in the same amount due to the anti-dilutive effect of outstanding stock options and warrants.

LIQUIDITY AND CAPITAL RESOURCES

The Company's operations consumed \$39,102 (2021 - \$72,732) of cash for the year ended September 30, 2022. The Company's aggregate operating, investing, and financing activities during the year ended September 30, 2022, resulted in a decrease in its cash balance from \$111,363 at September 30, 2021 to \$72,261 at September 30, 2022.

The Company's working capital at September 30, 2022, was \$73,426 compared to working capital of \$107,618 at September 30, 2021.

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and to maintain a flexible capital structure that optimizes the costs of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of equity. 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, or acquire assets. 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 has no long-term debt.

FINANCING ACTIVITIES AND CAPITAL EXPENDITURES

There were no financing activities during the years ended September 30, 2022 and 2021.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

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.

Farstarcap Investment Corp.

MD&A

September 30, 2022

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 September 30, 2022, the Company had \$nil (2021 - \$nil) owing to related parties. Compensation paid or accrued to key management or companies controlled by key management personnel during the years ended September 30, 2022 and 2021 was \$nil.

FINANCIAL INSTRUMENTS

Financial Instruments Fair Value 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 and accounts payable and accrued liabilities. The Company classified its cash and accounts payable and accrued liabilities as at amortized cost. The fair values of the Company's financial instruments approximate their carrying values due to their short-terms to maturity.

There were no changes to the Company's risk exposures during the year ended September 30, 2022. The risks associated with financial assets and liabilities are as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. 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 Company's cash. The Company's cash is held with the Bank of Montreal. Accordingly, the Company believes it is not exposed to significant credit risk.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages its liquidity risk by continuously monitoring forecasted and actual cash flows, as well as anticipated investing and financing activities. As at September 30, 2022, all of the Company's liabilities are short-term and due on demand. At September 30, 2022, the Company had working capital of \$73,426 (2021 - \$107,618).

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price 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.

Farstarcap Investment Corp.

MD&A

September 30, 2022

Currency Risk

Currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's functional 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.

OUTSTANDING SHARE DATA

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

All share information is reported as of January 26, 2023 in the following table:

Type of Security	Number	Exercise Price (\$)	Expiry Date
Issued and outstanding common shares	5,610,001	N/A	N/A
Stock options	250,000	0.10	February 13, 2024
Total	5,860,001		

RISKS AND UNCERTAINTIES

The Company is currently in the process of identifying and evaluating assets or businesses in order to complete a Qualifying Transaction and has no source of revenue. The Company is not permitted to carry on any other business other than the identification and evaluation of assets or business to complete a Qualifying Transaction.

There can be no assurance the Company will successfully identify an assets or businesses to complete a Qualifying Transaction or have the necessary financial resources to complete a Qualifying Transaction. There can be no assurance that the Company will be able to successfully obtain the necessary financing in the future on terms acceptable to the Company or at all.

DISCLOSURE CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the consolidated financial statements for years ended September 30, 2022 and 2021 and this accompanying MD&A (together the "Annual Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR at www.sedar.com.