

# **FARSTARCAP INVESTMENT CORP.**

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited - expressed in Canadian Dollars)  
For the Three and Nine Months Ended June 30, 2024 and 2023

# **FARSTARCAP INVESTMENT CORP.**

## **NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim consolidated 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 consolidated financial statements by an entity's auditor.

**FARSTARCAP INVESTMENT CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

As at June 30, 2024 and September 30, 2023  
(Unaudited - expressed in Canadian Dollars)

|  | Notes | June 30,<br>2024<br>\$ | September 30,<br>2023<br>\$ |
|--|-------|------------------------|-----------------------------|
| <b>ASSETS</b>  |       |                        |                             |
| Current assets   |       |                        |                             |
| Cash   |       | 25,854                 | 28,937                      |
| Prepaid  |       | 3,867                  | 2,424                       |
| Deferred financing costs                                       | 8     | 219                    | -                           |
| <b>Total assets</b>  |       | <b>29,940</b>          | <b>31,361</b>               |
| <b>LIABILITIES</b>   |       |                        |                             |
| Current liabilities  |       |                        |                             |
| Accounts payable and accrued liabilities                       |       | 48,508                 | 9,045                       |
| <b>SHAREHOLDERS' (DEFICIENCY) EQUITY</b>                       |       |                        |                             |
| Share capital  | 4     | 397,468                | 397,468                     |
| Share subscriptions received                                   | 8     | 20,000                 | -                           |
| Share-based payment reserve                                    | 4     | 31,943                 | 31,943                      |
| Deficit  |       | (467,979)              | (407,095)                   |
| <b>Total shareholders' (deficiency) equity</b>                 |       | <b>(18,568)</b>        | <b>22,316</b>               |
| <b>Total liabilities and shareholders' (deficiency) equity</b> |       | <b>29,940</b>          | <b>31,361</b>               |

Organization and nature of operations and going concern (Note 1)  
Subsequent event (Note 8)

**Approved by the Board of Directors**

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"Robert McMorran" Director

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"Neil MacRae" Director

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

**FARSTARCAP INVESTMENT CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND**  
**COMPREHENSIVE LOSS**

For the Three and Nine Months Ended June 30, 2024 and 2023  
(Unaudited - expressed in Canadian Dollars)

|  | Notes | Three months ended |                  | Nine months ended |                  |
|--|-------|--------------------|------------------|-------------------|------------------|
|  |       | 2024               | June 30,<br>2023 | 2024              | June 30,<br>2023 |
|  |       | \$                 | \$               | \$                | \$               |
| Expenses   |       |                    |                  |                   |                  |
| Professional fees                                |       | 2,674              | 3,015            | 45,887            | 27,350           |
| Listing and filing fees                          |       | 2,656              | 2,292            | 14,602            | 12,950           |
| Office   |       | 117                | 114              | 395               | 473              |
| <b>Net and comprehensive loss for the period</b> |       | <b>(5,447)</b>     | <b>(5,421)</b>   | <b>(60,884)</b>   | <b>(40,773)</b>  |
| Basic and diluted loss per share                 |       | (0.00)             | (0.00)           | (0.01)            | (0.01)           |
| Weighted average number of shares outstanding    |       | 5,610,001          | 5,610,001        | 5,610,001         | 5,610,001        |

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

**FARSTARCAP INVESTMENT CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN**  
**SHAREHOLDERS' (DEFICIENCY) EQUITY**

For the Three and Nine Months Ended June 30, 2024 and 2023  
(Unaudited - expressed in Canadian Dollars)

|  | Number of<br>shares<br># | Share<br>Capital<br>\$ | Share<br>subscriptions<br>received<br>\$ | Share-<br>based<br>payment<br>reserve<br>\$ | Deficit<br>\$ | Total<br>\$ |
|--|--------------------------|------------------------|--|---|---------------|-------------|
| <b>Balance, September 30, 2022</b>           | 5,610,001                | 397,468                | -  | 31,943                                      | (355,985)     | 73,426      |
| Net and comprehensive loss<br>for the period | -                        | -                      | -  | -   | (40,773)      | (40,773)    |
| <b>Balance, June 30, 2023</b>                | 5,610,001                | 397,468                | -  | 31,943                                      | (396,758)     | 32,653      |
| Net and comprehensive loss<br>for the period | -                        | -                      | -  | -   | (10,337)      | (10,337)    |
| <b>Balance, September 30, 2023</b>           | 5,610,001                | 397,468                | -  | 31,943                                      | (407,095)     | 22,316      |
| Share subscriptions received                 | -                        | -                      | 20,000                                   | -   | -             | 20,000      |
| Net and comprehensive loss<br>for the period | -                        | -                      | -  | -   | (60,884)      | (60,884)    |
| <b>Balance, June 30, 2024</b>                | 5,610,001                | 397,468                | 20,000                                   | 31,943                                      | (467,979)     | (18,568)    |

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

**FARSTARCAP INVESTMENT CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the Nine Months Ended June 30, 2024 and 2023

(Unaudited - expressed in Canadian Dollars)

|   | 2024     | 2023     |
|---|----------|----------|
|   | \$       | \$       |
| Cash flow provided by (used in)           |          |          |
| <b>Operating activities</b>               |          |          |
| Net loss for the period                   | (60,884) | (40,773) |
| Changes in non-cash working capital items |          |          |
| Prepaid                                   | (1,443)  | (1,603)  |
| Accounts payable and accrued liabilities  | 39,244   | 3,020    |
|   | (23,083) | (39,356) |
| <b>Financing activity</b>                 |          |          |
| Share subscriptions received              | 20,000   | -        |
|   | 20,000   | -        |
| Change in cash during the period          | (3,083)  | (39,356) |
| Cash – beginning of the period            | 28,937   | 72,261   |
| Cash – end of the period                  | 25,854   | 32,905   |
| <b>Supplemental cash flow information</b> |          |          |
| Interest paid                             | -        | -        |
| Income taxes paid                         | -        | -        |

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

**FARSTARCAP INVESTMENT CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the Three and Nine Months Ended June 30, 2024 and 2023  
(Unaudited - expressed in Canadian Dollars)

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**1. ORGANIZATION AND NATURE OF OPERATIONS AND GOING CONCERN**

Farstarcap Investment Corp. (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 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 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 (Note 4).

As at June 30, 2024, 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 events and conditions 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 consolidated financial statements have been prepared in accordance with IFRS Accounting 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 consolidated financial statements should be read in conjunction with the annual financial statements for the year ended September 30, 2023, 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, 2023.

These condensed interim consolidated financial statements were approved by the Board of Directors for use on August 28, 2024.

**FARSTARCAP INVESTMENT CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the Three and Nine Months Ended June 30, 2024 and 2023  
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**3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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, 2023.

**4. SHARE CAPITAL**

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

The Company did not complete any financings or issue any shares during the nine-month period ended June 30, 2024 or year ended September 30, 2023.

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. On February 13, 2019, pursuant to the Company's IPO, 20,000 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.

At June 30, 2024, 2,020,001 (September 30, 2023 – 2,020,001) commons shares were held in escrow.

**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.

**FARSTARCAP INVESTMENT CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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The balance of stock options outstanding and exercisable as at June 30, 2024 and September 30, 2023 and the changes for the periods then ended is as follows:

|                                      | Number of<br>Options<br># | Weighted<br>Average<br>Exercise<br>Price<br>\$ |
|--------------------------------------|---------------------------|--|
| Balance, September 30, 2023 and 2022 | 250,000                   | 0.10   |
| Expired                              | (250,000)                 | 0.10   |
| <b>Balance, June 30, 2024</b>        | <b>-</b>                  | <b>-</b>                                       |

**c) Loss per share**

The calculation of basic and diluted loss per share for the three and nine months ended June 30, 2024, was based on the loss attributable to common shareholders of \$5,447 (2023 - \$5,421) and \$60,884 (2023 - \$40,773) respectively, and the weighted average common shares outstanding of 5,610,001 (2023 - 5,610,001).

During the three and nine months ended June 30, 2024, potentially dilutive common shares totaling nil (2023 - 250,000) were not included in the calculation of basic and diluted loss per share because their effect was anti-dilutive.

**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 June 30, 2024, the Company had \$nil (September 30, 2023 - \$nil) 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, 2024 was \$nil (2023 - \$nil).

**FARSTARCAP INVESTMENT CORP.**  
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## **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 shareholders' deficiency which totaled \$18,568 at June 30, 2024 (September 30, 2023 – shareholders' equity of \$22,316).

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's strategy for managing capital did not change during the period ended June 30, 2024.

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 and accounts payable and accrued liabilities. The Company classified and measured 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.

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. The Company's exposure to and management of credit risk has not changed materially from that of the year ended September 30, 2023.

**FARSTARCAP INVESTMENT CORP.**  
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**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 June 30, 2024, all of the Company's liabilities were short-term and due on demand. As at June 30, 2024, the Company had a working capital deficit of \$18,568 (September 30, 2023 – working capital of \$22,316). The Company's exposure to and management of liquidity risk has not changed materially from that of the year ended September 30, 2023.

**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: interest rate risk, foreign exchange risk and other price risk. The Company's exposure to and management of market risk has not changed materially from that of the year ended September 30, 2023.

- **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 believes it is not exposed to significant interest rate risk as the Company's cash is earning interest at market rates, and the Company has no interest bearing financial liabilities.

- **Foreign Exchange Risk**

Foreign exchange 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 believes it is not exposed to significant foreign exchange risk.

- **Other Price Risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer by factors affecting all similar financial instruments traded in the market. The Company believes it is not exposed to significant other price risk.

## **7. PROPOSED TRANSACTION**

On September 11, 2023, the Company entered into a letter of intent with HerdWhistle Technologies Inc. ("HWT") regarding a proposed transaction to acquire all the issued and outstanding securities of HWT (the "Transaction"). On October 24, 2023, the Company entered into an agreement to amend the letter of intent with HWT (the "LOI"). The Transaction was intended to constitute the Company's Qualifying Transaction pursuant to Policy 2.4.

On February 26, 2024, the Company announced that HWT has elected to terminate the Transaction. The Company will pursue and evaluate other businesses and assets with a view to complete a Qualifying Transaction.

**FARSTARCAP INVESTMENT CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the Three and Nine Months Ended June 30, 2024 and 2023

(Unaudited - expressed in Canadian Dollars)

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**8. SUBSEQUENT EVENT**

On August 27, 2024, the Company closed a non-brokered private placement and issued 1,100,000 common shares at a price of \$0.05 per share for gross proceeds of \$55,000. At June 30, 2024, the Company had received \$20,000 in share subscriptions and incurred \$219 in financing costs recorded as deferred financing costs on the condensed interim consolidated statements of financial position.