

A copy of this preliminary prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada, other than Québec, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This preliminary prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

The securities offered hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities laws. Accordingly, these securities may not be offered or sold in the United States (as defined in Regulation S under the U.S. Securities Act), except in transactions exempt from registration requirements under the U.S. Securities Act and applicable state securities laws. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States or its territories or possessions. See “Plan of Distribution”.

PRELIMINARY PROSPECTUS

Initial Public Offering

September 7, 2021

FRNT Financial

FRNT FINANCIAL INC.

4,000,000 Common Shares

\$1.50 per Common Share

This prospectus qualifies the distribution (the “**Offering**”) of an aggregate of up to 4,000,000 Common Shares (the “**Offered Shares**”) of FRNT Financial Inc. (the “**Company**” or “**FRNT**”), at a price of \$1.50 per Offered Share (the “**Offering Price**”) for aggregate gross proceeds of up to \$6,000,000. The Offering is being completed pursuant to an agency agreement dated [●], 2021 (the “**Agency Agreement**”) among the Company and PI Financial Corp. as lead agent (the “**Lead Agent**”) and a syndicate of agents that includes [●], and [●], which together with the Lead Agent, are collectively referred to as the “**Agents**”. The Offered Shares will be offered for sale in each of the provinces of Canada, other than Québec, through the Agents in accordance with the terms and conditions of the Agency Agreement. In addition, the Agents may offer the Offered Shares outside of Canada in compliance with local securities laws and in accordance with the Agency Agreement.

The Offering Price will be \$1.50. The Company estimates the gross proceeds from the sale of Offered Shares will be up to \$6,000,000 to the Company.

	<u>Price to the Public⁽¹⁾</u>	<u>Agents' Fee</u>	<u>Net Proceeds to the Company⁽²⁾⁽³⁾</u>
Per Offered Share	\$1.50	\$0.105	\$1.395
Total Offering.....	\$6,000,000	\$420,000	\$5,580,000

Notes:

- (1) The Offering Price has been determined by arm's length negotiation between the Company and the Agents.
- (2) The Agents will receive a cash fee equal to 7% of the gross proceeds of the Offering (the "Agents' Fee"). In addition, the Agents will also receive an aggregate of 200,000 broker warrants (the "Broker Warrants") with each such Broker Warrant entitling the Agents to purchase one Common Share at an exercise price equal to the Offering Price per Common Share for a period of 36 months from the Closing Date. This prospectus also qualifies the grant of the Broker Warrants. See "Plan of Distribution".
- (3) Before deducting expenses of the Offering, estimated to be approximately \$[200,000] (not including the Agents' Fee) and a corporate finance fee of \$200,000 (plus applicable taxes). The Company has also agreed to reimburse the Agents for certain of their reasonable expenses in connection with the Offering. See "Use of Proceeds" and "Plan of Distribution".

<u>Agents' Position</u>	<u>Maximum Size or Number of Securities Available</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Broker Warrants	200,000 Broker Warrants	Up to 36 months following the Closing Date	\$1.50

The Company has applied to list the Common Shares on the TSX Venture Exchange ("TSX-V") under the symbol "FRNT". Listing is subject to approval by the TSX-V of the listing application and the fulfillment by the Company of all of the initial listing requirements and conditions of the TSX-V. The TSX-V has not conditionally approved the listing of the Common Shares on the TSX-V and there is no assurance that the TSX-V will approve the listing application. See "Plan of Distribution".

As at the date of this prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside of Canada and the United States of America.

THE OFFERED SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") NOR HAS THE SEC PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

There is currently no market through which the Offered Shares may be sold and purchasers may not be able to resell the Offered Shares purchased under this prospectus. This may affect the pricing of the Offered Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Offered Shares and the extent of issuer regulation. An investment in the Offered Shares is highly speculative and is subject to a number of risks that should be considered by a prospective purchaser. Prospective purchasers should carefully consider the risk factors described under "Risk Factors" before purchasing Offered Shares. Closing (as defined herein) is conditional on the Offered Shares being conditionally approved for listing on the TSX-V.

In connection with the Offering, the Agents may, subject to applicable laws, effect transactions intended to stabilize or maintain the market price for the Common Shares at levels above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution".

Prospective investors should rely only on the information contained or incorporated by reference in this prospectus. The Company and the Agents have not authorized anyone to provide prospective investors with information different from that contained or incorporated by reference in this prospectus. The Agents are offering to sell and seeking offers to buy the Offered Shares only in jurisdictions where, and to persons to whom, offers and sales are lawfully permitted. Readers should not assume that the information contained in this prospectus is accurate as of any date other than the date on the cover page of this prospectus.

Prospective purchasers are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding or disposing of the Offered Shares.

Subscriptions will be received subject to rejection or allocation in whole or in part and the Agents reserve the right to close the subscription books at any time without notice. The closing of the Offering (the “**Closing**”) is expected to occur on or about [●], 2021 or such other date as the Company and the Agents may agree (the “**Closing Date**”). In any event, the Offered Shares are to be taken up by the Agents, if at all, on or before a date not later than 90 days after the date of the receipt for the final prospectus. Except for certain of the Offered Shares which will be issued in physical certificated form, the Offered Shares will be deposited with CDS Clearing and Depository Services Inc. or its nominee (“**CDS**”) in electronic form on the Closing Date through the non-certificated inventory system administered by CDS. A purchaser of Offered Shares will receive only a customer confirmation from the registered dealer from or through which the Offered Shares are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Offered Shares on behalf of owners who have purchased Offered Shares in accordance with the book-based system. See “*Plan of Distribution*”.

The Company’s registered and head office is located at 77 Florence Street, Unit 107, Toronto, Ontario, Canada, M6K 1P4. The Company’s telephone number is 1-833-222-3768.

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ABOUT THIS PROSPECTUS

An investor should rely only on the information contained in this prospectus and is not entitled to rely on parts of the information contained in this prospectus to the exclusion of others. None of the Company nor any of the Agents has authorized anyone to provide investors with additional or different information. The information contained on the Company's website at <https://www.frnt.io/> is not included in or incorporated by reference into this prospectus and prospective investors should not rely on such information when deciding whether or not to invest in the Offered Shares. Any graphs, tables or other information demonstrating the Company's historical performance or that of any other entity contained in this prospectus are intended only to illustrate past performance and are not necessarily indicative of the Company's or such other entities' future performance. The information contained in this prospectus is accurate only as of the date of this prospectus or the date indicated, regardless of the time of delivery of this prospectus or of any sale of the Offered Shares.

The Company and the Agents are not offering to sell the Offered Shares in any jurisdiction where the offer or sale of such securities is not permitted. For investors outside Canada, neither the Company nor any of the Agents has done anything that would permit the Offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in Canada. Investors are required to inform themselves about, and to observe any restrictions relating to, the Offering and the possession or distribution of this prospectus.

Unless otherwise noted or the context otherwise requires: (i) information contained in this prospectus assumes that the Offering has been completed; and (ii) all references in this prospectus to the "**Company**" or "**FRNT**" refer to FRNT Financial Inc. and its subsidiary, FRNT Asset Management Inc.

Certain other terms used in this prospectus are defined under "*Glossary of Certain Terms*".

CURRENCY AND EXCHANGE RATE DATA

In this prospectus, all references to "\$" are to Canadian dollars and all references to "USD\$" are to U.S. dollars. Amounts in this prospectus are stated in Canadian dollars unless otherwise indicated.

On September 3, 2021, the daily average exchange rate posted by the Bank of Canada for conversion of U.S. dollars into Canadian dollars was USD\$1.00 = \$1.2518. The Company makes no representation that U.S. dollars could be converted into Canadian dollars at that rate or any other rate.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This prospectus contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information may relate to the Company's future financial outlook and anticipated events or results and may include information regarding the Company's business, financial position, business strategy, growth plans, the reorganization of the Company's corporate structure and strategies, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding the Company's expectations of future results, performance, achievements, prospects or opportunities or the markets in which the Company operates is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects", "is expected", "budget", "scheduled", "estimates", "outlook", "forecasts", "projection", "prospects", "strategy", "intends", "anticipates", "believes", or variations of such words and phrases or terminology which states that certain actions, events or results "may", "could", "would", "might", "will", "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding possible future events or circumstances. Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management, in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, as of the date of this prospectus.

In addition to the forward-looking information set out in the sections above, forward-looking information in this prospectus includes statements relating to:

- the Offering Price, the completion, size, and expenses of the Offering and timing of Closing;
- agreements to be entered into with third parties;
- expectations regarding industry trends, commodity prices, overall market growth rates, and the Company's growth rates and growth plans, strategies, and opportunities;
- future prices of cryptocurrencies, such as bitcoin, and the other types of digital assets;
- the Company's business plans and strategies;
- the Company's intended use of net proceeds from the sale of its securities;
- global and local changes in economic and market conditions;
- the Company's estimated future cash flows;
- the effects of the Coronavirus disease 2019 ("COVID-19") outbreak as a global pandemic;
- the expectations regarding compensation levels and plans for directors and executive officers; and
- financial performance.

In addition, the Company's assessments of, and expectations for, 2021 and beyond are considered forward-looking information. See the Annual MD&A and Interim MD&A attached hereto as Appendix D and Appendix E for additional information concerning the Company's strategies, assumptions and market outlook in relation to these assessments.

The forward-looking information included in this prospectus is based on the Company's opinions, estimates and assumptions in light of the Company's experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the Company currently believes are appropriate and reasonable in the circumstances. These assumptions include, but are not limited to, the following:

- FRNT will continue to operate as a going concern;
- the impact of COVID-19 on the Company's business will not be significantly adverse;
- the continued emergence of cryptocurrency and blockchain markets and sectors;
- the continued provision of service under each of the OTC Agreement and the Collaboration Agreement;
- no material changes will occur with respect to FRNT's existing tax treatment; and
- the absence of any other factors that could cause actions, events, or results to differ from those anticipated, estimated, intended, or implied.

Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Forward-looking information is also subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include, but are not limited to, the following:

- limited operating history and uncertainty of future revenues;
- the challenges in entering the business of over-the-counter ("OTC") derivatives may prove insurmountable;
- FRNT may not be able to develop a market for its products and services;
- FRNT may fail to keep up with market innovations in technology and offerings;
- FRNT may not be able to compete effectively with its competitors or its competitors may consolidate to acquire significantly increased market share;
- FRNT may fail to protect its intellectual property rights from competitors or others;
- third parties may claim that FRNT has infringed their intellectual property rights, whether true or not;
- the Company does not control the operations of third-party suppliers who may discontinue offering their services or products to the Company or may significantly alter the terms of their agreements;

- new regulatory requirements may be introduced by governmental authorities;
- the developers of open source software may terminate FRNT's licence to use, modify, and distribute copies of such open source software or may require FRNT to share its proprietary software combined with the open source software;
- the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources, and lack of revenues;
- the consolidation of competitors or users of competing technology with the Company's current or potential customers;
- the disruption of FRNT's information technology systems;
- the protection of sensitive data used or stored by FRNT;
- the Company has and may continue to have negative operating cash flow in future periods;
- the history and markets for cryptocurrencies is limited;
- the dependence on the Paradox Agreements;
- the potential volatility of FRNT's investment in the Paradox Fund;
- the dependence on third party market makers;
- new regulations regarding cryptocurrencies may be introduced by governmental authorities;
- the price of fully-collateralized contracts for difference ("CFDs") on cryptocurrencies may be volatile;
- cryptocurrencies may not be generally accepted by the market;
- cryptocurrencies may not be perceived as valuable by the market;
- the economic effects of COVID-19 may have adverse effects on FRNT;
- the Company's marketing strategy may prove ineffective;
- foreign exchange rates may fluctuate significantly;
- FRNT may fail to meet its obligations under applicable laws and regulations;
- the banks with which the Company does business may increase their fees;
- key personnel of FRNT may sever their relationship with FRNT;
- directors and officers of the Company may be confronted with conflicts of interest;
- FRNT may be required to pay for uninsured liabilities;
- the internet infrastructure may be unable to support the demands of significant growth in the numbers of users and the amount of traffic;
- the software used by the Company may contain undetected errors;
- FRNT may be subject to legal claims or litigation;
- employees or service providers may partake in improper conduct or make errors;
- the Company's management team has limited experience in managing a public company;
- difficulty in enforcement of judgments of foreign persons;
- the price of the Company's securities on the open market may be adversely affected if management does not apply the proceeds from the Offering effectively;
- investing in securities generally involves a high degree of risk;
- investors may lose their entire investment;
- there is no current market for the Company's securities;
- FRNT may be unable to generate operating revenues;
- the price of publicly-traded securities may be volatile;
- the Offered Shares may cease to be qualified investments under relevant Canadian tax laws;
- the Offered Shares may become diluted through subsequent offerings of Common shares;
- there may be increased expenses as a result of being a public company;
- FRNT may be unable to pay dividends to its shareholders; and
- if securities or industry analysts do not publish reports or publish unfavourable reports about the Company's business, the price of the Offered Shares and trading volume could decline.

If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information. The risks, uncertainties, opinions, estimates and assumptions referred to above and described in greater detail in "*Risk Factors*" should be considered carefully by readers. **Readers are cautioned that**

this information may not be appropriate for other purposes. Readers are cautioned that the lists of assumptions and risk factors contained herein are not exhaustive. Neither the Company nor any other person assumes responsibility for the accuracy or completeness of the forward-looking information contained herein.

Although the Company has attempted to identify important risk factors that could cause actual results or future events to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to the Company or that it presently believes are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information, which speaks only as of the date made. The forward-looking information contained in this prospectus represents the Company's expectations as of the date of this prospectus (or as of the date it is otherwise stated to be made) and is subject to change after such date. The Company disclaims any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable Canadian securities legislation.

All of the forward-looking information made in this prospectus or in documents incorporated by reference herein are expressly qualified by these cautionary statements, and there can be no assurances that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. Actual results, performance or achievements could differ materially from those expressed in, or implied by, any forward-looking information in this prospectus, and, accordingly, investors should not place undue reliance on any such forward-looking information. New factors emerge from time to time and the importance of current factors may change from time to time and it is not possible for the Company's management to predict all of such factors, or changes in such of factors, or to assess in advance the impact each such factor on the business of the Company or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking information contained in this prospectus. Investors should read this entire prospectus and consult their own professional advisors to ascertain and assess the income tax, legal, risk factors and other aspects of their investment in the Offered Shares.

CAUTIONARY NOTE REGARDING FUTURE-ORIENTED FINANCIAL INFORMATION

To the extent any forward-looking information in this prospectus constitutes "future-oriented financial information" or "financial outlooks" within the meaning of applicable Canadian securities laws, such information is being provided to demonstrate the potential benefits of the Offering described herein and the reader is cautioned that this information may not be appropriate for any other purpose and the reader should not place undue reliance on such future-oriented financial information and financial outlooks. Future-oriented financial information and financial outlooks, as with forward-looking statements generally, are, without limitation, based on the reasonable assumptions of management of the Company and subject to the risks set out above under the heading "*Cautionary Note Regarding Forward-Looking Information*".

MARKETING MATERIALS

Any "template version" of any "marketing materials" (as such terms are defined in National Instrument 41-101 – *General Prospectus Requirements*) that are utilized by the Agents in connection with the Offering will be incorporated by reference into the final prospectus. However, any such template version of marketing materials will not form part of the final prospectus to the extent that the contents of the template version of marketing materials are modified or superseded by a statement contained in the final prospectus. Any template version of marketing materials filed under the Company's profile on SEDAR after the date of the final prospectus and before the termination of the distribution under the Offering (including any amendments to, or an amended version of, any template version of any marketing materials) will be deemed to be incorporated by reference into the final prospectus.

MARKET AND INDUSTRY DATA

Market and industry data presented throughout this prospectus was obtained from third-party sources, industry reports and publications, websites and other publicly available information, as well as industry and other data prepared by the Company or on its behalf, on the basis of the Company's knowledge of the markets in which it operates, including

information provided by other industry participants. The Company believes that the market and industry data presented throughout this prospectus are accurate and, with respect to data prepared by the Company or on its behalf, that its opinions, estimates and assumptions are currently appropriate and reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market and industry data presented throughout this prospectus are not guaranteed and none of the Company nor any of the Agents makes any representation as to the accuracy of such data. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Although the Company believes it to be reliable, none of the Company nor any of the Agents has independently verified any of the data from third-party sources referred to in this prospectus, analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying market, economic and other assumptions relied upon by such sources. Market and industry data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. For the avoidance of doubt, nothing stated in this paragraph operates to relieve the Company or the Agents from liability for any misrepresentation contained in this prospectus under applicable Canadian securities laws.

ELIGIBILITY FOR INVESTMENT

In the opinion of Cassels Brock & Blackwell LLP, counsel to the Company, and Fasken Martineau DuMoulin LLP, counsel to the Agents, based on the current provisions of the Tax Act and the regulations thereunder (the “**Regulations**”), in force as of the date hereof, the Common Shares, if issued on the date hereof, would be “qualified investments” for trusts governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan, registered disability savings plan, tax-free savings account, (collectively, referred to as “**Registered Plans**”) or a deferred profit sharing plan (“**DPSP**”), each as defined in the Tax Act, provided that the Common Shares are listed on a “designated stock exchange” for the purposes of the Tax Act (which currently includes Tiers 1 and 2 of the TSX-V).

Notwithstanding the foregoing, the holder or subscriber of, or an annuitant under, a Registered Plan, as the case may be (the “**Controlling Individual**”), will be subject to a penalty tax if the Common Shares held in the Registered Plan are a “prohibited investment” (as defined in the Tax Act) for the particular Registered Plan. The Common Shares will generally not be a “prohibited investment” for a Registered Plan provided that the Controlling Individual deals at arm’s length with the Company for the purposes of the Tax Act and does not have a “significant interest” (as defined in subsection 207.01(4) of the Tax Act) in the Company. In addition, the Common Shares will generally not be a “prohibited investment” if such shares are “excluded property” (as defined in the Tax Act) for the Registered Plan.

Persons who intend to hold Common Shares in a Registered Plan, should consult their own tax advisors in regard to their particular circumstances.

PROSPECTUS SUMMARY

This summary highlights principal features of the Offering and certain information contained elsewhere in this prospectus. This summary does not contain all of the information investors should consider before investing in the Offered Shares. Investors should read this entire prospectus carefully, especially the “Risk Factors” section of this prospectus and the Company’s financial statements and related notes appearing elsewhere in this prospectus before making an investment decision. References to the Company also include the Company’s subsidiary, as the context requires. Capitalized terms used but not defined in this prospectus summary are defined elsewhere in this prospectus.

Overview

FRNT is a next generation capital markets platform targeting institutional investors as clients. FRNT’s focus is to deliver these clients expertise and products which allow them to effectively access alternative trade opportunities, such as those available in cryptocurrency. FRNT’s client-facing business lines are: (i) OTC derivatives; (ii) technology licensing around ‘deliverable’ services and (iii) research and consulting.

Business of FRNT Asset Management Inc.

FRNT operates a wholly owned subsidiary called FRNT Asset Management Inc. (“**FRNT AM**”). FRNT AM is in the process of applying to be a registered portfolio manager with the Ontario Securities Commission (the “**OSC**”). If the licence is successfully acquired, FRNT AM would attempt to solicit asset managers to sub-advise funds on their behalf.

FRNT’s Business Model

FRNT is a next generation institutional sales and trading platform. The Company intends to present a new set of opportunities targeted to permitted clients and institutional investors (non-retail) while maintaining a lean, technology-forward operation. FRNT further believes that synthetic products (such as OTC derivatives) offer a more operationally efficient method of exposure in many circumstances, as opposed to direct ownership of the underlying assets.

The FRNT business model has been designed to operate in an agency-only capacity for permitted clients and institutional investors. The Company therefore relies on market makers who stream prices using automated Application Programming Interface integrations with the FRNT interface. FRNT’s role in the process is primarily as a technology provider, to manage a group of clients and build associated user interfaces, to design attractive trading opportunities, and to define an OTC synthetic product that simplifies exposure and work with market makers and the incumbent trading structure to create bilateral counterparty liquidity. The permitted investors must deposit collateral with FRNT to provide for obligations under the OTC transaction. FRNT will not offer or provide credit or margin to any of its permitted investors for the purposes of any transaction.

FRNT offers fully-collateralized contracts for difference (“**CFDs**”) to permitted investors, providing exposure to indices that may be bespoke and of interest to this market for hedging and investment purposes. The CFDs encompass a variety of underlying assets and sectors, including cryptocurrency. FRNT primarily plans to generate revenue on CFD transactions by applying spreads (product dependent basis points) when market makers and clients successfully transact in FRNT products using the FRNT platform.

Competitive Strengths

FRNT’s primary competitive advantage is expertise in “alternative markets” (being those markets which have emerged recently and are widely considered novel, such markets being differentiated from “emerging markets” which have historically been associated with different geographies). As a result, FRNT produces research and has specialized insights into market structure, specific assets and trading dynamics within cryptocurrency and alternative markets. While FRNT has positioned its business to meet the emerging demands of clients, FRNT’s expertise makes the Company a unique resource for institutional clients and it will be the Company’s job to dynamically adjust business lines to meet those client demands over time.

FRNT’s secondary competitive advantage is general technological expertise. FRNT’s team and partners to date consist of experienced software engineers at the intersection of traditional finance, alternative markets and software development. FRNT anticipates that its seasoned team of engineers will be able to effectively adapt to changing market dynamics in the emerging cryptocurrency industry.

See “*Description of the Business*”.

OVERVIEW OF MANAGEMENT

The Company has assembled a management team and Board of Directors with extensive experience in the financial sector having worked in sales and trading, investment banking, portfolio management and corporate development.

Name and Title at the Company	Experience
Stéphane Ouellette, Chief Executive Officer and Director	<ul style="list-style-type: none"> • 8 years as a cash equity sales trader at BMO Capital Markets covering a wide range of account types (hedge funds, pension funds, mutual funds) and geographies (Canada, US, Europe, Asia). • Elected Chairman of the Canadian Security Traders Association (CSTA) in August 2019 following his role as Vice Chairman.
Alex McAulay, Chief Financial Officer and Corporate Secretary	<ul style="list-style-type: none"> • Holds a Bachelor of Business Administration from the University of the Fraser Valley, and is the CEO of ACM Management Inc., a private firm providing accounting and financial services to developing and mature stage companies in diverse industries and sectors and by working as their chief financial officer. • Held roles as CFO and Director of several public companies listed in Canada and the US.
Adam Rabie, Director	<ul style="list-style-type: none"> • Experienced software engineer and asset manager, focused on financial technology, analytics, machine learning and big data.
Eric Richmond, Director	<ul style="list-style-type: none"> • Chief Operating Officer at Coinsquare Ltd., a leading Canadian digital asset trading platform. • Extensive experience working with and advising startup and blockchain companies, including experience as a corporate/securities lawyer at Blake, Cassels & Graydon LLP.
Dan Cristall, Director	<ul style="list-style-type: none"> • Served as CEO of Macquarie Capital Markets Canada Ltd from 2013 until May 2021. Formerly Head, Global Oil and Gas for Macquarie Capital and Chairman of the Board of Orion Securities. • Significant mergers and acquisitions and capital markets experience having advised on over \$40 billion of transactions.
Geoffrey Browne, Director	<ul style="list-style-type: none"> • Served as Chairman and Chief Executive Officer of Bunker Hill Mining Corp. (formerly, Liberty Silver Corp.) from 2012 to 2014 • Served as head of private equity for Merrill Lynch Canada from 2001 to 2002, and is a founder and Managing Partner of MWI & Partners, a private equity firm. Mr. Browne was also a senior executive with Canadian Imperial Bank of Commerce and CIBC Wood Gundy Inc. for over 20 years.

See “*Directors and Executive Officers*”.

SUMMARY OF THE OFFERING

The Offering

Issuer	FRNT Financial Inc.
Gross Proceeds	Up to \$6,000,000.
Offering Price per Offered Share	\$1.50 per Offered Share.
Common Shares Offered	4,000,000 Common Shares from the treasury of the Company. See “ <i>Plan of Distribution</i> .”
Common Shares Outstanding	<p>Prior to the Offering: 20,341,209 Common Shares and 10,808,120 Class A Common Shares.</p> <p>Following the completion of the Offering: 24,341,209 Common Shares and 10,808,120 Class A Common Shares.</p> <p>See “<i>Capitalization</i>” and “<i>Plan of Distribution</i>”.</p>
Broker Warrants	The Agents will receive an aggregate of 200,000 Broker Warrants with each such Broker Warrant entitling the Agents to purchase one Common Share at an exercise price equal to the Offering Price per Broker Warrant for a period of 36 months from the Closing Date. This prospectus also qualifies the grant of the Broker Warrants. See “ <i>Plan of Distribution</i> ”.
Lock-Up Agreements	<p>Each of the officers and directors of the Company, along with all shareholders of the Company holding at least [●]% of the Common Shares of the Company at Closing, will agree, in a lock-up agreement to be executed concurrently with Closing, that for a period of 180 days from the Closing Date, each will not, will not, directly or indirectly, offer, sell, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of, reduce its financial exposure to, or deal with the securities of the Company held by such person, whether through the facilities of a stock exchange, by private placement or otherwise, and further will not publicly announce any intention to undertake any of the foregoing.</p> <p>In addition, purchasers under the Offering who acquire, directly or indirectly, beneficial ownership or control of 10,000 Common Shares or more in the Offering, shall have their Offered Shares made subject to a contractual hold period and may not be sold, transferred, pledged, hypothecated or otherwise assigned or traded until a date which is four (4) months following the Closing Date.</p> <p>See “<i>Plan of Distribution - Lock-up Agreements</i>”.</p>
Use of Proceeds	The Company expects to use the net proceeds of the Offering for the purposes of scaling the operations of the Company, building-out the Company’s capital base, assessing and pursuing potential investment opportunities and for general corporate purposes. See “ <i>Use of Proceeds</i> ”.
Risk Factors	An investment in the Offered Shares is highly speculative and is subject to a number of risks that should be considered by a prospective purchaser. Prospective purchasers of the Offered Shares should carefully consider the information set forth under the heading “ <i>Risk Factors</i> ” and the other information included in this prospectus before deciding to invest. See “ <i>Risk Factors</i> ”.

SELECTED FINANCIAL INFORMATION

Summary of Financial Information

The following table sets out selected financial information of the Company for the fiscal years ended June 30, 2020 and 2019, audited by MNP LLP, Chartered Professional Accountants (“MNP LLP”), the period from the date of incorporation on April 24, 2018 to June 30, 2018 (unaudited), and each of the three and nine-month periods ended March 31, 2021, which has been derived from the Company’s Annual Financial Statements (as defined herein) and Interim Financial Statements (as defined herein), respectively, and prepared in accordance with IFRS. Prospective investors should review this information in conjunction with the financial statements attached hereto.

	Three Months Ended March 31, 2021	Nine Months Ended March 31, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Period from Incorporation on April 24, 2018 to June 30, 2018
	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Unaudited)
Operations Data					
Net Revenue	41,581	82,159	104,063	233,588	Nil
Total Operating Expenses	1,048,611	1,508,683	586,149	278,972	24,832
Income (Loss) for the Period	(249,917)	(460,299)	(358,963)	(58,232)	(24,832)
Total Comprehensive Income (Loss) for the Period	(249,917)	(460,299)	(358,963)	(58,232)	(24,832)
Balance Sheet Data					
Current Assets	5,987,280	5,987,280	1,933,120	152,354	170,992
Non-Current Assets	7,657	7,657	Nil	Nil	Nil
Total Assets	5,994,937	5,994,937	1,933,120	152,354	170,992
Current Liabilities	269,345	269,345	138,250	33,143	2,496
Total Liabilities	521,286	521,286	350,765	235,318	195,724
Share Capital	5,286,716	5,286,716	2,000,100	100	100
Retained Earnings (Deficit)	(1,090,054)	(1,090,054)	(464,944)	(83,064)	(24,832)
Total Shareholders’ Equity	5,473,651	5,473,651	1,582,355	(82,964)	(24,732)

See “Selected Financial Information”.

CORPORATE STRUCTURE

Name, Address, and Incorporation

The Company was incorporated under the *Canada Business Corporations Act* (the “**CBCA**”) on April 24, 2018 under the name “FRNT Financial Inc.” On February 16, 2021, the Company amended its articles to:

- (i) effect a stock split (the “**Stock Split**”) of its Common Shares and Class A Common Shares (collectively, the “**FRNT Shares**”) pursuant to which the FRNT Shares were split on the basis of one (1) pre-Stock Split FRNT Share to 19.65112699 post-Stock Split FRNT Shares;
- (ii) add optional and mandatory conversion terms to the Class A Common Shares such that the holder may, or may be required to, convert their Class A Common Shares into Common Shares; and
- (iii) increase in the maximum number of directors from three (3) to ten (10).

On September 1, 2021, the Company amended its articles to provide the Board the right to appoint one or more additional directors to serve until the next annual and general meeting provided that the number of additional directors shall not at any time exceed one-third of the number of directors who held office at the expiration of the last annual and general meeting.

The Company’s registered office is located at 77 Florence Street, Unit 107, Toronto, Ontario, Canada, M6K 1P4. FRNT’s head office is located at 77 Florence Street, Unit 107, Toronto, Ontario, Canada, M6K 1P4. The Company’s telephone number is 1-833-222-3768.

Intercorporate Relationships

The Company has one wholly-owned subsidiary, FRNT Asset Management Inc., as depicted in the diagram below.



DESCRIPTION OF THE BUSINESS

Overview

FRNT is a next generation institutional sales and trading platform. The Company intends to present a new set of opportunities targeted to permitted clients and institutional investors (non-retail) while maintaining a lean, technology-forward operation. FRNT further believes that synthetic products (such as OTC derivatives) offer a more operationally efficient method of exposure in many circumstances, as opposed to direct ownership of the underlying assets.

The FRNT business model has been designed to operate in an agency-only capacity for permitted clients and institutional investors. The Company therefore relies on market makers who stream prices using automated Application Programming Interface integrations with the FRNT interface. FRNT's role in the process is primarily as a technology provider, to manage a group of clients and build associated user interfaces, to design attractive trading opportunities, and to define an OTC synthetic product that simplifies exposure and work with market makers and the incumbent trading structure to create bilateral counterparty liquidity. The permitted investors must deposit collateral with FRNT to provide for obligations under the OTC transaction. FRNT currently does not offer or provide credit or margin to any of its permitted investors for the purposes of any transaction.

FRNT believes that by focusing on underfollowed opportunities such as cryptocurrency, it can present investors with products for which investors have previously not received proper guidance or been able to access easily. FRNT management's unique blend of experience in technology, institutional trading, academia, and disruptive technologies aims to come together to create a unique platform with few peers globally. While the Canadian institutional financial service industry has contracted in terms of jobs and revenue opportunities in recent years, FRNT is optimistic that the Company can grow and be a home for top domestic talent in technology and finance.

History

The Company was formed in late April of 2018 by Adam Rabie and Stéphane Ouellette. The Company's CEO, Stéphane Ouellette, left BMO Capital Markets in May 2018 to pursue the venture full-time. Following its formation, in an effort to procure services necessary to grow the business of the Company, the Company accepted an investment from Coinsquare Ltd. ("**Coinsquare**"), a Toronto-based Cryptocurrency Trading Platform, whereby Coinsquare was issued Warrants convertible at \$0.01 per Common Share in exchange for Coinsquare agreeing to provide \$300,000 of additional services and resources for the Company to conduct its business, including: (a) office space, (b) development support, (c) internal legal support, (d) customer services support, (d) project management services and (e) advice and consulting services, as well as a loan in the amount of \$200,000.

The summer of 2018 primarily involved administrative and corporate set-up. The Company began generating revenue in September 2018, after partnering and supplying trading technology to a Toronto-based technology company operating in a variety of capital markets to facilitate OTC transactions. During 2018 and the first half of 2019, FRNT generated revenue from its deliverable trading technology business line and created relationships with institutional clients, which involved, inter alia, phone calls, meetings and distributing market letters. Throughout the period, FRNT was also preparing to launch its core offering of OTC derivatives.

In the summer of 2019, FRNT began a capital raise plan to fund the next phase of development and build its capital base. The closing of the capital raise took place between October 2019 and April 2020, with the largest subscriber closing an aggregate subscription of \$1,500,040 over three tranches on October 28, 2019, January 14, 2020 and April 8, 2020. An aggregate of approximately \$2,000,000 was raised in exchange for the issuance of 2,781,538 Common Shares, in the capital of FRNT, to subscribers (reflected on a post-Stock Split basis). The Company used over 50% of its proceeds in principal trading strategies which has become a material source of revenue for the firm. The balance of the capital was used for hiring, legal fees in procurement of licensing and other such expenses.

On October 13, 2020, the OSC, acting as lead regulator under National Policy 11-203: *Process for Exemptive Relieve Applications in Multiple Jurisdictions*, granted the Company exemptions from the dealer registration requirements and the prospectus requirements of securities laws in Ontario, New Brunswick, Newfoundland and Labrador, Yukon and Nunavut otherwise applicable to a trade in or distribution of an OTC derivative. The types of transactions covered by the exemptions are already exempt under local orders in Alberta, British Columbia, Manitoba, Nova Scotia, and Saskatchewan and under section 7 of the Derivatives Act (Québec). The exemption covers the regulations in New Brunswick to the extent they are not already exempt under Local Rule 90-501 *Derivatives*.

The exemptions are limited to brokering or intermediating OTC derivative transactions between "permitted clients", as that term is defined in section 1.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. The exemptions granted are time-limited, terminating on the date that is the earlier of (a) October 13, 2024, being the date that is four year after the date of the decision, and (b) the coming into force of legislation or a rule that specifically governs dealer, advisor or other registration requirements applicable to market participants in connection with OTC derivative transactions.

In the first quarter of 2021, the Company began onboarding ‘permitted clients’ to trade such derivatives for the first time. The exemptions granted substantially address the regulatory uncertainty and fragmentation that is currently associated with the regulation of OTC derivative transactions in Canada.

Business Model

FRNT offers fully-collateralized CFDs to permitted investors, providing exposure to indices that may be bespoke and of interest to this market for hedging and investment purposes. The CFDs may encompass a variety of underlying assets and sectors, including cryptocurrency. FRNT primarily plans to generate revenue on CFD transactions by applying spreads (product dependent basis points) when market makers and clients successfully transact in FRNT products using the FRNT platform.

As further detailed below, FRNT operates, apart from CFDs: (i) licensing of deliverable trading technology and (ii) research licensing. In each business line, clients are provided with the institutional knowledge and experience in the crypto asset and alternative investment space that is unique to FRNT’s team and may have access to the technology created and developed by FRNT’s team.

FRNT’s business model currently involves several services provided to and by the Paradox Fund (“**Paradox**” or the “**Paradox Fund**”). Paradox is a hedge fund registered in the Cayman Islands and has assets of approximately US\$25,000,000 as at March 31, 2021, the mandate of which is total return via capital gains. First, FRNT has invested in Paradox pursuant to two subscription agreements (the “**Paradox Subscription Agreements**”) in which the Company holds an investment of 12.52% (being USD\$4,033,028) as at March 31, 2021. The Paradox Subscription Agreements state that FRNT has the right to redeem its shares, but it must do so in accordance with the Confidential Offering Memorandum of the Fund, dated July 2020 (as the same may be amended or supplemented from time to time) (the “**Memorandum**”). The Memorandum would require FRNT, if it were to redeem all or part of its shares, to do so by providing ninety (90) days prior written notice to the Paradox Fund. FRNT would be subject to a certain redemption fee if the redemption request is made within twelve (12) months of the date of subscribing for the shares being redeemed. Thereafter, subject to certain conditions as set forth in the Memorandum, the Paradox Fund would endeavour to pay the redemption proceeds within thirty (30) days, or if the redemption request is submitted within twelve (12) months of the date of subscribing for the shares being redeemed, the Paradox Fund shall make the redemption payments within ninety (90) days. The Memorandum contains further provisions relating to the redemption of shares, including the ability of the Paradox Fund to suspend or postpone redemptions and/or the payments of any redemption proceeds in certain circumstances, and the ability of the Paradox Fund to compulsorily redeem or require the transfer of some or all participating shares of any participating shareholder at the net asset value per share of the relevant class or series of shares.

Second, pursuant to the terms of an OTC services agreement dated March 14, 2020 (the “**OTC Agreement**”), the Company provides client procurement and management and KYC/AML diligence services to Paradox to facilitate Paradox’s back-end operations in trading and settling cryptocurrency and fiat, other specified treasury management services and other business development activities. The commissions earned by the Company and commissions rebates paid to the Paradox Fund pursuant to the OTC Agreement are determined between the parties on an ad hoc basis, being agreed to in advance of the performance of any particular services to be performed. The term of the OTC Agreement is indefinite, and shall continue unless terminated by FRNT or Paradox in accordance with the termination provision provided for therein.

Lastly, Paradox also serves as a primary market maker to FRNT pursuant to a collaboration agreement between FRNT and Paradox dated April 15, 2020 (the “**Collaboration Agreement**” and, together with the Paradox Subscription Agreements and OTC Agreement, the “**Paradox Agreements**”) whereby Paradox provides market making services to FRNT and FRNT provides the platform which facilitates trading. The Collaboration Agreement does not restrict FRNT from working with any other market makers, and also allows FRNT to retain all intellectual property rights used to create or otherwise relating to the platform which facilitates the trading. The fees paid to Paradox, pursuant to the Collaboration Agreement, are embedded in the price of the market making services for the financial contracts, provided to FRNT, unless otherwise agreed to by FRNT and Paradox. The term of the Collaboration Agreement is indefinite, and shall continue unless terminated by FRNT or Paradox in accordance with the termination provision provided for therein.

The success of FRNT's trading platform is dependent on having market makers available to respond to customer trading interest. Through its relationship to and agreements with Paradox, FRNT has a market maker available and willing to respond to that interest while it recruits and considers additional market makers.

In 2020, the Company earned commissions of \$297,992 (2019 - \$418,648) from trading activity by the Paradox Fund. The Company paid commission rebates to the Paradox Fund of \$193,929 in 2020 (2019 - \$185,060).

Target Market

FRNT aims to offer OTC derivatives to institutional investors on a variety of indices covering different assets or sectors. FRNT aims to engage permitted investors (who are institutional investors) in participating in new markets and alpha opportunities.

Planned products are generally focused around macro risks and opportunities, an area FRNT believes will be a major focus for investors in the coming decade. The indices are likely to reflect energy, metals, foreign exchange, cryptocurrency, major fixed income benchmarks, and other macro opportunities.

FRNT's primary target market is active North American and European asset managers and hedge funds. Of that group, FRNT's more specific targets are mid-sized managers in the North American and European regions that would generally have assets under management ("AUM") between \$50,000,000 and \$5,000,000,000 per firm. Most estimates suggest that such funds represent approximately \$1,000,000,000,000 in assets in North America alone.¹

In Canada, while the data is sparse, the Company estimates that the cumulative AUM of customers meeting the above qualifications is in the range of \$50,000,000,000 and \$100,000,000,000. Such investors will primarily be solicited through deep relationships held by FRNT's management. Many initially targeted customers will have had years of experience dealing or trading with FRNT's senior managers.

Clients for the Company's other business lines include a mix of traditional financial service companies, similar to those described above, and crypto native companies, such as OTC desks, exchanges, and blockchain developers.

The Company can currently operate in all provincial and territorial jurisdictions of Canada by virtue of the exemptions described under the section entitled "*Description of the Business – History*". While the Company is considering expansion into several jurisdictions, assessments are still in the preliminary stage. The Company intends to assess these jurisdictions, including the United States, the UK and Europe, from a business development perspective initially in the coming months, including developing contacts and reviewing the regulatory landscape of each jurisdiction.

Products and Services

The Company offers the following products/services: (i) OTC derivatives; (ii) technology licensing around 'deliverable' services and (iii) research and consulting.

OTC Derivatives

FRNT intends to offer bilateral OTC contracts and trading services to institutional investors, currently in the form of CFDs on specific indices. A CFD is an accepted derivatives product that allows clients to become economically exposed to the price movement of an underlying instrument, asset, or sector (such as a share, index, market sector, currency pair, treasury, or commodity) without the need for ownership and physical settlement of the underlying instrument or asset. The Company anticipates that it may expand its offering into additional forms of OTC contracts subject to sufficient demand.

The CFDs and OTC contracts to be offered will not confer the right or obligation to acquire or deliver the underlying security or instrument itself and do not confer any other rights of holders of the underlying security, instrument, or

¹ Desjardins, Jeff. "Chart: The Trillion Dollar Club of Asset Managers." *Visual Capitalist*, 12 Mar. 2019, www.visualcapitalist.com/chart-trillion-dollar-club.

asset, such as voting rights. Rather, a CFD is a derivative instrument which is represented by an agreement between a client and a counterparty to exchange the difference between the opening price of a CFD position and the closing price of the CFD position.

In the example below, an OTC contract settles against a specific index associated with an expiry date.

XBTM20-SEM: Contract Specification

Description

XBTM20-SEM is a cash settled Synthetic Exposure Mechanism (SEM) settling on .BXBT30M Index. Contracts are quoted and settled in USD.

Full Contract Details

Index	.BXBT30M Index
Expiry Date	Jun 26, 8:00am EDT
Initial Margin	Fully Collateralized / 100% Margin
Type	SEM, cash settled in USD
Settlement	This contract settles on the .BXBT30M Index price as of Jun 26, 8:00am EDT

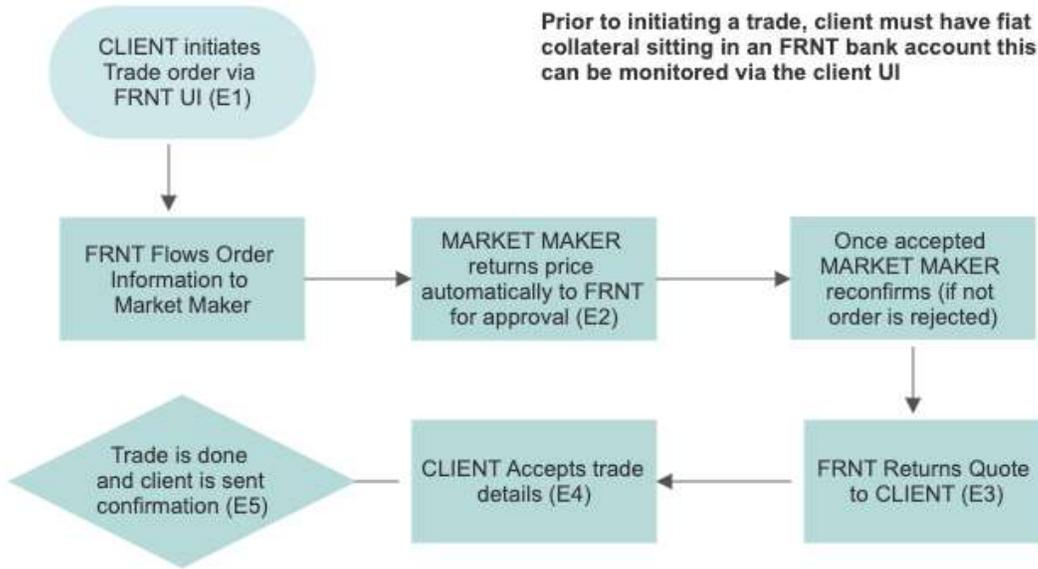
Calculations

	Contract Calculations
Contract Value on Entry (Size)	1 USD
Contract Value on Exit	Sale Price / Entry Price x # Contracts Sold
Mark Amount	Mark Price / Entry Price x Size
Unrealized PnL	Mark Amount - Size
Unrealized RoE	Unrealized PnL / Size x 100

There are two primary interfaces clients use to interact with FRNT: the client SEM Trade (“**SEM Trade**”) user interface (“**UI**”) (shown below in Figure 1) and a chat interface that automatically delivers quotes to clients and where clients interact with FRNT representatives (shown below in Figure 3).

FRNT captures all trade information and relays trade and price information to both clients and market makers through a back-end order monitoring system called the FRNT Console (shown below in Figure 2).

The diagram below is a trade flow diagram and what follows is a more detailed explanation of the process at each stage.



E1: Client Initiates Order via FRNT UI

A client can submit a request for quote (“**RFQ**”) using FRNT’s SEM Trade UI, which reflects an available balance held by FRNT as collateral, as depicted below in Figure 1.



Figure 1: SEM Trade UI

E2: Market Maker Returns Price Automatically to FRNT for Approval

Figure 2 below depicts the back-end system (the “**FRNT Console**”) where prices can be approved. The approval process can also be fully-automated.

The market maker is required by contract to provide FRNT with information on how it has hedged the contract so as to fully collateralize it as soon as possible and in any case no more than five days after a contract is entered into. The market maker is also required to provide FRNT with information on how all contracts it has entered into are hedged as soon as possible but in any case, no more than five days after each month end.

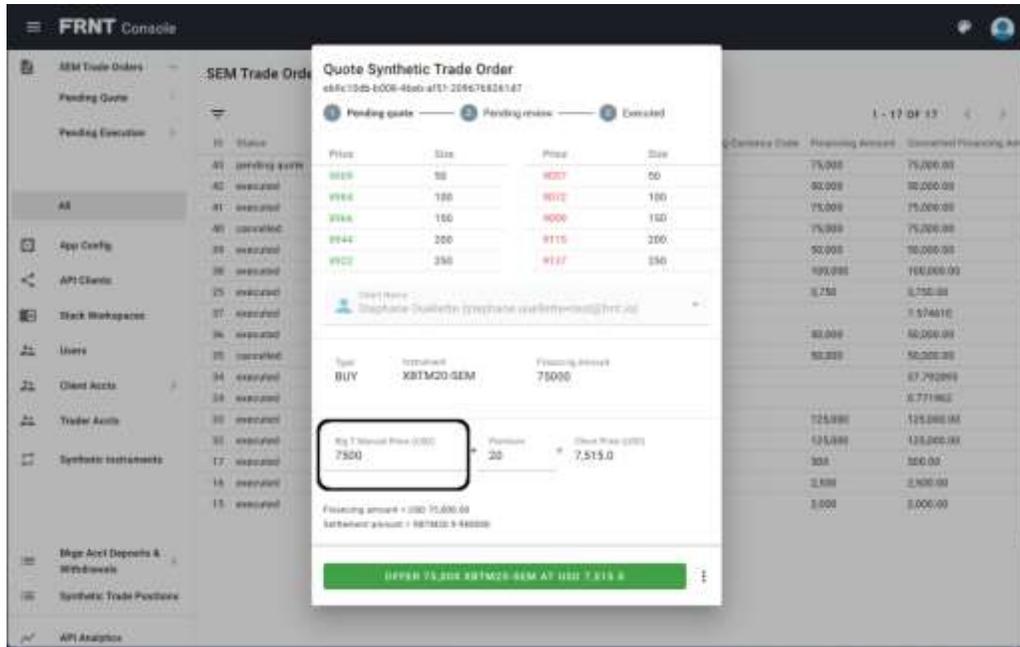


Figure 2: FRNT Console

E3: FRNT Returns Quote to Client

A client receives a quote automatically in the chat channel which is the method of interaction with FRNT and FRNT's representatives. This is typical of institutional broker-client interactions. The client is presented with "Accept" or "Reject" buttons.

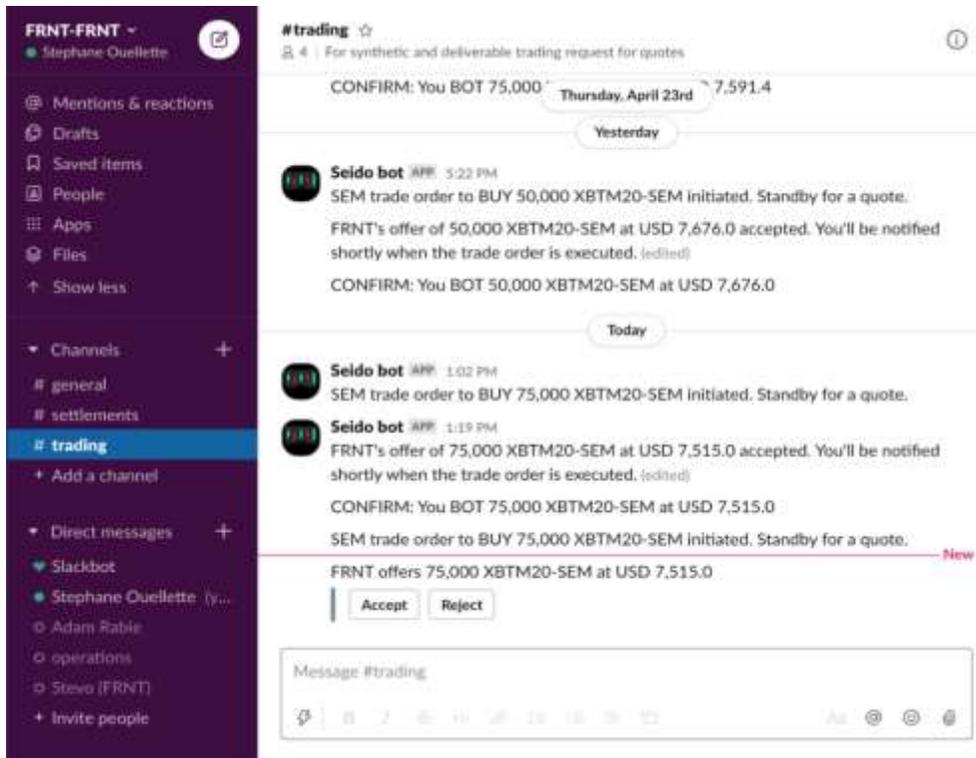
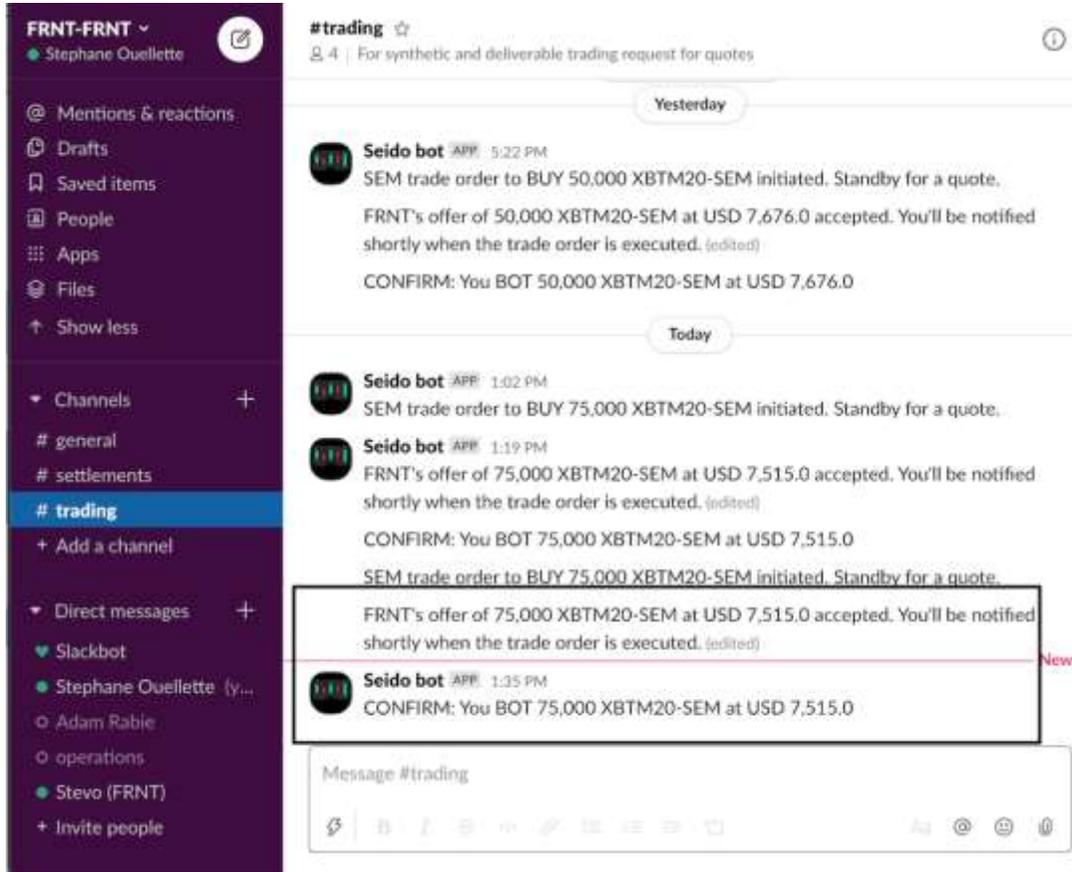


Figure 3: Chat Interface

E4: Client Accepts Trade Details

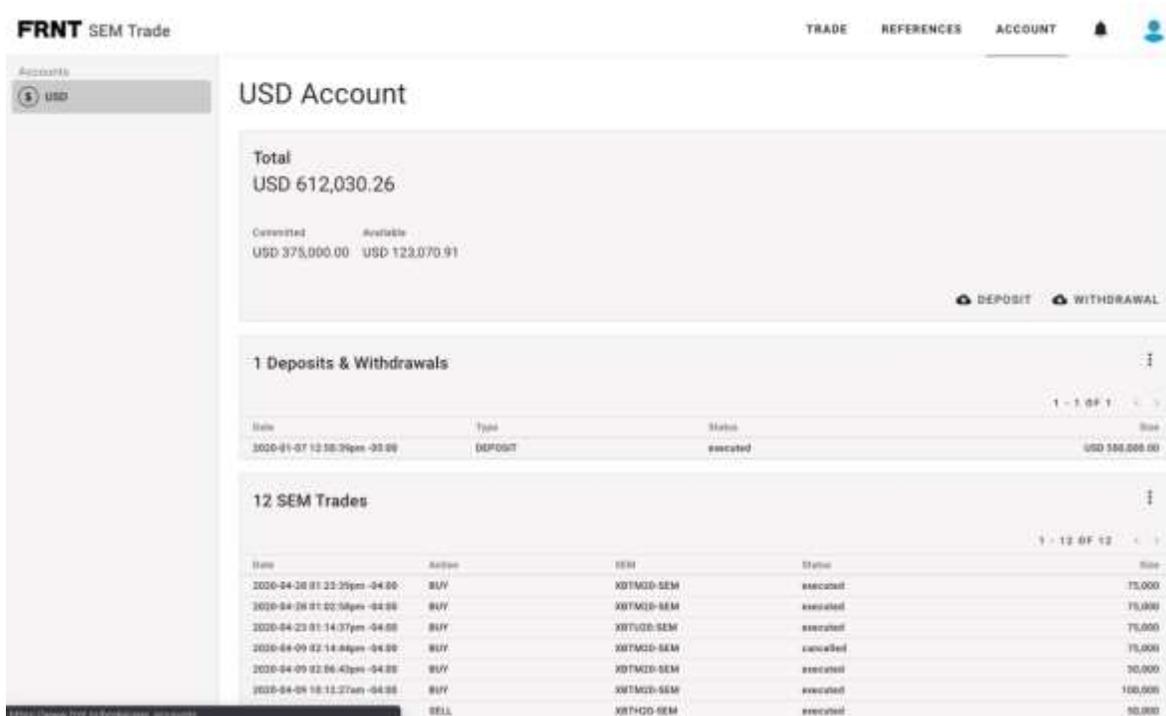
Once the trade details are reconfirmed with market makers, the client receives instantaneous notification of either a confirmation or a response that a quote is no longer available and that the RFQ must be resubmitted. The notification is received in the chat channel. The image below depicts the confirmation notification.



Settlement Process

Prior to a transaction being conducted, institutional clients wire funds to a FRNT segregated client bank account. These wires are tagged to client records and balances are updated using the UI (Figure 1). Clients also have access to an accounts page, as depicted below. Once a balance is received, clients can use the funds for trade activity within the

various OTC derivative and CFD products offered through FRNT. When withdrawals are requested, the funds are returned to clients. Clients have fully-collateralized positions in current product offering.



E5: Trade is Complete and Client is Sent Additional Email Confirmation

In addition to the chat channel confirmations, the client is also sent an email confirmation typical of the dealer/client process. The client also receives an updated account balance along with, among other things, open positions in the SEM Trade UI.

Licensing of Deliverable Trading Technology

FRNT enters into licensing agreements with a variety of different trading firms to license front and back-end trading technology. Trading firms then utilize the technology to operate their trading desks and FRNT typically receives a fixed or floating rate based on the amount of notional trading volume transacted through such platforms.

Research and Consulting

The Company engages in agreements where it allows firms to reproduce and distribute FRNT research. Currently this is immaterial revenue for the Company, however, the Company remains in discussions to grow this business line to include an institutional data offering and broaden its existing customer base.

Revenue Generation

OTC Derivatives

The Company currently utilizes a spread based model where it takes a spread on the difference of the price between the market maker and the client. In the future FRNT will investigate additional opportunities to earn revenue from use of the platform such as implementing rates for holding assets on the platform and different types of transaction fees.

FRNT AM (inclusive of research & consulting)

FRNT intends to develop partnerships with asset managers and split revenue on sub-advised portfolio mandates. This is expected to be a split of standard fee structures such as performance and management fees.

Technology Licensing

The Company uses/intends to use both fixed and variable cost models. Fixed fees can be paid in some cases for up front work and integration with the client. Variable fees result from compensation based on transaction volume metrics utilizing FRNT technology and services. Variable fee structures are expected to be the primary source of technology licensing revenue.

Communication and Technology

The FRNT technology platform comprises front-end React.js web applications that communicate with a back-end Node.js API via REST and WebSockets. User interaction is also facilitated via enterprise-grade messaging platforms. The back-end API follows a microservice architecture where each microservice communicates with each other via HTTP or a message queue. Data is stored in a relational database and time series database and cached in a key-value database. Logs and technical analytics are stored in a search engine database. Business analytics are stored in web analytics service. All tech resources are containerized and hosted on a global distributed cloud computing provider. Software code is deployed using a continuous integration (CI) and continuous delivery (CD) platform. All software code written by FRNT employees is proprietary (excluding open source). There are no patents over the software at this time but we will continue to monitor the development of our technology stack to consider whether patents are appropriate.

FRNT has developed a highly competitive next-generation institutional trading platform. Communication over public networks (such as the internet) and transmission of sensitive data may occur. All incoming and outgoing data to and from FRNT servers are transmitted via Hypertext Transfer Protocol over Secure Sockets Layer (“SSL”) or WebSockets over SSL.

Employees are only permitted to use approved hardware devices. Access to the systems is limited to a small number of full-time employees. The systems include fail-safe overrides only accessible by the Company’s CEO. The Company has also established a process with a Toronto-based law firm who would share the override details with the Company’s directors in the event the CEO was unable to perform their duties as a result of removal, injury, or death. Employees are also required to sign comprehensive non-disclosure agreements protecting client information and proprietary trading technology.

In addition, below is a brief overview of additional technology security protocols for dealing with sensitive information and services.

Level 1

This includes highly-sensitive corporate or user data. Loss or modification of this information could have a catastrophic effect on the Company’s operations, assets, and individuals. Highly-sensitive corporate data (*i.e.* corporate information technology passwords) are stored in a secure information technology (“IT”) service, which is only accessible by permitted employees.

Highly-sensitive user messages are stored on encrypted enterprise-level communication channels.

Highly-sensitive user data (*i.e.* banking information) are encrypted and stored on a state-of-the-art cloud-computing storage system.

Level 2

This includes sensitive corporate or user data. Loss of this information may adversely affect FRNT users or FRNT's business. Sensitive corporate data (*i.e.* corporate documents) are stored on a secure IT service, which is only accessible by permitted employees.

Sensitive user data and documents are stored on similar secure IT services, which is only accessible by FRNT administrators.

Level 3

This includes public data. This is information that may be disclosed to any person, regardless of their affiliation with FRNT.

Marketing

FRNT will market its offerings through existing institutional client relationships and as the business develops, through targeting new relationships with fund managers that trade these types of assets and derivatives. Marketing and sales efforts will be solely targeted at these permitted institutions by registered dealing representatives. In conjunction with the public listing, FRNT intends to incur a variety of marketing-related expenses to broaden the reach of its client base and story.

Recruitment Strategy

FRNT recruits, and will continue to recruit, through the following three primary means.

- (i) Senior Management Relationships. After over 50 years of cumulative capital markets experience, the Company's senior management has curated broad and talented networks in finance and technology development. The Company's management was formed through prior relationships and FRNT will continue to aggressively pursue this avenue to recruit talent. FRNT believes this strategy is especially well-timed due to the current wave of downsizing among Bay Street trading firms.
- (ii) Employee Referrals. FRNT believes that leveraging trust and prior effective working relationships is a valuable strategy for any corporation. To date, the Company has hired two people based on such referrals and will continue to pursue these avenues.
- (iii) Corporate Recruiting Firms. Through prior experience and current filtering techniques, FRNT has established relationships with a network of recruiting firms.

Sources, pricing and availability of equipment used by the Issuer

The Company's primary equipment used is general computer software and hardware. This includes equipment made by large multi-nationals and is not specialized beyond being high quality. Sources, pricing and availability of such equipment is not forecast to be a material risk for FRNT as pricing remains fairly consistent and equipment is readily available.

Reliance on Third Parties

The Company's business model necessitates the reliance on several partnerships in its various business lines, the most notable of which are operations with the Paradox Fund, which acts as an investment manager, client and market maker. In the future, FRNT intends to diversify and create redundancies around all of the functions currently provided by Paradox Fund. FRNT is actively pursuing the addition of market makers to its infrastructure while remaining mindful

of the firm's OSC exemption and existing processes. The Company otherwise relies on a variety of third-party services, such as global cloud computing companies, for various components of its technology infrastructure.

Competitive Conditions

The Company is predominantly a capital markets platform for institutional investors to access alternative trade opportunities, such as cryptocurrency. The Company competes with other trading platforms that focus on cryptocurrency as well as other providers of OTC derivatives who may or may not offer derivatives with cryptocurrency as an underlying asset and other providers of financial instruments generally.

FRNT's primary competitive advantage is expertise in alternative markets. As a result, FRNT produces research and has specialized insights into market structure, specific assets and trading dynamics within cryptocurrency and alternative markets. The Company's expertise makes it a unique resource for institutional clients and it will be the Company's job to dynamically adjust business lines to meet those client demands over time.

FRNT's secondary competitive advantage is general technological expertise. FRNT's team and partners to date are experienced software engineers at the intersection of traditional finance, alternative markets and software development. FRNT anticipates that its seasoned team of engineers will be able to effectively adapt to changing market dynamics in the emerging cryptocurrency industry.

The Company seeks to position itself as a "next generation capital markets firm" which introduces institutional investors to new trading opportunities. By definition, it is competing within the institutional dealer market. Within this industry, the number of companies which have launched recently that intend to compete with such firms in new sectors is modest. It is the belief of the Company that there are only a handful of independent capital markets platforms that are directly competing with the firm globally. Despite the opportunities, the Company acknowledges the threat of large, established firms entering the sub-sectors where FRNT competes and continues to deliberate as to how to prepare itself for any such entrants.

Office and Employees

FRNT currently leases office space and plans to maintain headquarters in downtown Toronto indefinitely.

FRNT currently has nine staff members made up of contractors, full-time employees, executives, and directors. The Company has entered into employment agreements with four members. FRNT AM has one independent contractor.

INDUSTRY INFORMATION

Cryptocurrency

FRNT intends to include cryptocurrency-related products as a major component of its near-term offering of services. Were interest in cryptocurrency to become reduced, the safety of such investments be impaired or the reputation of the industry suffers, FRNT's near term roadmap may need to be reassessed.

A cryptocurrency is a form of encrypted and decentralized digital currency, transferred directly between peers across the internet, with transactions being settled, confirmed and recorded in a distributed public ledger by a process known as "mining". A cryptocurrency is generated in one of two ways: (i) they are either newly created or "minted" through an initial coin offering; or (ii) they are "mined" which results in a new coin generated as a reward to incentivize miners for verifying transactions on the blockchain. Examples of some of the largest cryptocurrencies in terms of market capitalization today include Bitcoin, Ethereum, XRP, Stellar, Cardano and Tether.²

Units of a cryptocurrency exist only as data on the internet, and are not issued or controlled by any single institution, authority, or government. Whereas most of the world's money currently exists in the form of paper and metal managed by central authorities such as banks, units of a cryptocurrency exist as electronic records in a decentralized tamper-

² "CoinDesk: Bitcoin, Ethereum, Crypto News and Price Data." *CoinDesk*, www.coindesk.com/coindesk20.

proof transaction database called a blockchain. The ledger is publicly available to anyone and secured with public key encryption.

Cryptocurrencies are decentralized digital currencies that enable instant transfers to anyone, anywhere in the world. Transactions occur via an open source, cryptographic protocol platform which uses peer-to-peer technology to operate with no central authority, known as the blockchain. Each cryptocurrency uses a source code that comprises the basis for the cryptographic and algorithmic protocols governing the blockchain. No single entity owns or operates the network, the infrastructure of which is collectively maintained by a decentralized user base. As the network is decentralized, it does not rely on either governmental authorities or financial institutions to create, transmit or determine the value of the coins. Rather, the value of a coin is determined by the market supply of and demand for the coins, the prices set in transfers by mutual agreement or barter as well as the number of merchants that accept the coins. Because coins are digital files that can be transferred without the involvement of intermediaries or third parties, there are little or no transaction costs in direct peer-to-peer transactions. Coins can be used to pay for goods and services or can be converted to fiat currencies, such as the U.S. dollar, at rates determined by various Cryptocurrency Trading Platforms. There are a number of Cryptocurrency Trading Platforms established to facilitate conversion of one digital currency to another, or to fiat currencies. Additionally, third-party service providers are also used for transfers but they may charge significant fees for processing transactions.

In a cryptocurrency network, every peer has their own copy of the blockchain, which contains records of every historical coin transaction - effectively containing records of all account balances. Each account is identified solely by its unique public key (making it effectively anonymous), and is secured with its associated private key (kept secret, like a password). The combination of private and public cryptographic keys constitutes a secure digital identity in the form of a digital signature, providing strong control of ownership.

Assuming, for example, that Party A is sending some quantity of Litecoin to Party B, the amount of Litecoin to send is combined with Party B's public key and some information from the previous transaction(s) that Party A's Litecoin came from, into a message that Party A signs with his private key. The transaction message is then broadcasted out into the wider Litecoin network, where it is received by Litecoin miners who (with high-performance computers running specialized automatic Litecoin mining software) verify the transaction, group it with others into a transaction block, and work to solve the proof-of-work cryptographic puzzle that links the new block to the blockchain.

Each time a new block of transactions is created, data from that block is used to create a hash that is stored along with the block. One piece of data used is the hash from the most recent block in the blockchain. Each block's hash is created using the hash of the block before it, acting as a form of tamper-evident seal that confirms the validity of the new block and all earlier blocks. Alterations made to any earlier block would make the hashes of all subsequent blocks invalid, the discrepancy would be easily detected by future miners, and that broadcast would be discarded in favour of one from a different peer.

Miners compete to solve new blocks; a miner that verifies and solves a new block is awarded some quantity of newly-generated coins, in an amount which is usually proportional to the miner's contributed hash rate/work, (plus a small transaction fee) as an incentive to invest their computer power, as mining is critical to the continuing functioning and security of the cryptocurrency network. The difficulty of the proof-of-work puzzles is automatically adjusted so that a new block is mined on a specified basis, adapting as the total mining power active on the network increases over time.

Blockchain safety is ensured by a number of different protocols, such as proof-of-work and proof-of-stake. Proof-of-work is currently the most widely used, including for currencies such as Bitcoin and Ether. Proof-of-work functions on the basis of a distributed consensus system dependent on the participation of 'miners' who through their computing work verify the blockchain transactions.

Cryptocurrency Market

Cryptocurrencies first emerged in 2009 with the debut of Bitcoin as the world's first decentralized cryptocurrency. In early 2010, the initial exchange rate for Bitcoin (or BTC) was 1 BTC = US\$0.003. As of September 3, 2021, the

trading price of one Bitcoin was approximately US\$49,893.30. The market for cryptocurrencies has grown substantially, reaching a market capitalization of approximately US\$2.2 trillion in May 2021.³

OTC Derivatives

Derivatives activities over cryptocurrencies saw a significant increase in trading volume in the past few years as brokers have started competing to obtain the institutional equity entering the cryptocurrency markets. According to a study conducted by TokenInsight, the total futures trading volume in this crypto industry exceeded US\$2.1trn in Q1 2020. This represents a 314% increase from the preceding quarter average.

Similar to the traditional financial market, cryptocurrency derivatives are valued on the future price of the cryptocurrency as the underlying asset. Cryptocurrency derivatives range in size serving various functions. This has opened up a wide range of possibilities by introducing a new asset class to the next generation of investors.

Crypto traders use derivatives primarily for risk management and hedging purposes. Since derivatives are commonly used to speculate future prices in a volatile market, traders usually use them to protect their portfolios against any price fluctuations. For example, a crypto trader would hedge with perpetual swaps that involve betting in the opposite direction to mitigate potential risks of a severe loss, especially from a substantial market sell-off. Another common use for derivatives in crypto trading is for price speculation of assets without purchasing the underlying asset. Traders can buy a futures contract instead of buying actual cryptocurrency, meaning a trader only needs to spend a minimal amount to gain exposure in the market. So, as the price of the underlying asset fluctuates, the trader can adjust his or her position accordingly.

SELECTED FINANCIAL INFORMATION

The following table sets out certain selected financial information of the Company in summary form for the year ended June 30, 2020 and 2019, the period from the date of incorporation on April 24, 2018 to June 30, 2018 (unaudited), and each of the three and nine-month periods ended March 31, 2021. This selected financial information has been derived from the Company’s audited annual financial statements for the years ended June 30, 2020 and 2019 (the “**Annual Financial Statements**”) and the unaudited condensed interim consolidated financial statements for the three and nine months ended March 31, 2021 (the “**Interim Financial Statements**”), which are attached to this prospectus as Appendix B and Appendix C, respectively, and should be read in conjunction with those financial statements and the Annual MD&A and Interim MD&A (each as defined herein).

	Three Months Ended March 31, 2021	Nine Months Ended March 31, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Period from Incorporation on April 24, 2018 to June 30, 2018
	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Unaudited)
Operations Data					
Net Revenue	41,581	82,159	104,063	233,588	Nil
Total Operating Expenses	1,048,611	1,508,683	586,149	278,972	24,832
Income (Loss) for the Period	(249,917)	(460,299)	(358,963)	(58,232)	(24,832)
Total Comprehensive Income (Loss) for the Period	(249,917)	(460,299)	(358,963)	(58,232)	(24,832)
Balance Sheet Data					

³ “Global Cryptocurrency Market Charts.” *CoinMarketCap*, coinmarketcap.com/charts/; “Crypto Market Cap and Dominance Charts.” *TradingView*, www.tradingview.com/markets/cryptocurrencies/global-charts/; Ponciano, Jonathan. “Ethereum, Dogecoin And These Other Surging Cryptocurrencies Are Propelling The Market To \$2.5 Trillion.” *Forbes*, 10 May 2021, www.forbes.com/sites/jonathanponciano/2021/05/10/ethereum-dogecoin-cardano-cryptocurrencies-propelling-the-market-to-25-trillion/?sh=220f10de1127.

Current Assets	5,987,280	5,987,280	1,933,120	152,354	170,992
Non-Current Assets	7,657	7,657	Nil	Nil	Nil
Total Assets	5,994,937	5,994,937	1,933,120	152,354	170,992
Current Liabilities	269,345	269,345	138,250	33,143	2,496
Total Liabilities	521,286	521,286	350,765	235,318	195,724
Share Capital	5,286,716	5,286,716	2,000,100	100	100
Retained Earnings (Deficit)	(1,090,054)	(1,090,054)	(464,944)	(83,064)	(24,832)
Total Shareholders' Equity	5,473,651	5,473,651	1,582,355	(82,964)	(24,732)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management's discussion and analysis ("MD&A") of the Company for the years ended June 30, 2020 and 2019 (the "Annual MD&A") is attached to this prospectus as Appendix D. The Annual MD&A should be read in conjunction with the Audited Financial Statements and the related notes thereto included in this prospectus.

The MD&A of the Company for the three and nine months ended March 31, 2021 (the "Interim MD&A") is attached to this prospectus as Appendix E. The Interim MD&A should be read in conjunction with the Interim Financial Statements and the related notes thereto included in this prospectus.

USE OF PROCEEDS

The Company estimates the net proceeds to be received by the Company in respect of the Offering, at an Offering Price of \$1.50, will be approximately \$5,180,000, after deducting the Agents' Fee, the expenses of the Offering which are estimated to be \$[200,000] and a corporate finance fee of \$200,000 (plus applicable taxes). As of August 31, 2021, the Company has a working capital of \$5,392,993 which, together with the net proceeds in respect of the Offering provide the Company with aggregate total available funds of \$10,572,993.

The following table illustrates the intended use of the Company's available funds after completion of the Offering:

Use of Proceeds	Approximate Amounts
Scaling initiatives	\$960,000
Build-out of the Company's capital base and investment in current mandate	\$5,400,000
Regulatory and legal requirements review	\$4,200,000
General corporate purposes	\$12,993
Total	\$10,572,993

The Company's management has broad discretion over the use of the net proceeds of the Offering. Although the Company intends to spend the net proceeds of the Offering as stated above, the Company's actual use of the net proceeds may vary depending on the Company's operating and capital needs from time to time. There may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary, and may vary materially from that set forth above, as the amounts actually allocated and spent will depend on a number of factors.

The Company had negative operating cash flow for its most recent financial year ended June 30, 2020 and there is no assurance that revenues will be generated in the near future. Because the Company continues to incur expenditures related to its operations and general and administrative expenses, the Company may continue to experience negative cash flow until it is in a position to generate sufficient revenue to cover such expenses. An inability to generate positive cash flow until the Company is in a position to generate sufficient revenue or raise additional capital on reasonable terms will adversely affect the Company's viability as an operating business. To the extent that the

Company has negative cash flow in any future period, certain of the proceeds from an offering may be used to fund such negative cash flow from operating activities in these periods. See “*Risk Factors*”.

Business Objectives and Milestones

The primary business objectives for the Company over the next twelve months relate primarily to the scaling initiatives and build-out of the capital base as follows:

Business Objective / Milestone	Timeline	Expected Cost
<i>Scaling Initiatives</i>		
Hiring of new staff.	1 – 6 months	\$600,000
Scaling of systems for launching of services in the U.S., U.K. and Europe.	1 – 12 months	\$360,000
Total		\$960,000
<i>Regulatory and legal obligations and discovery</i>		
Resolution of regulatory and legal obligations associated with offering of services in potential U.S. U.K. and Europe jurisdictions. Performance of regulatory and legal discovery procedures with respect to new business lines, including offering custody, equity, foreign exchange and commodity services.	1 – 12 months	\$2,950,000
Marketing of the Company’s business lines.	1 – 12 months	\$1,000,000
Development and establishment of FRNT Asset Management’s sub-advisory business.	1 – 12 months	\$250,000
Total		\$4,200,000
<i>Build-out of the Company’s capital base to increase attractiveness as a counterparty</i>		
Investment in the Paradox Fund ⁽¹⁾	1 – 12 months	\$5,000,000
Acquisition of liquid and strategic investments	1 – 12 months	\$400,000
Total		\$5,400,000

Notes:

(1) The Paradox Fund and other investments made to build-out the Company’s capital base are not to be financed with proceeds received from the Offering.

OTC Derivatives

FRNT is focusing on several primary metrics to characterize milestones in the OTC Derivatives business. The Company’s intention is to onboard an average of at least five permitted customers per month over the course of the next six months. Furthermore, FRNT intends to continue to grow its product suite to over 50 unique derivatives by the end of 2021. The Company will continue to respond to demand for the derivative products but expects to be in a position to offer over 80 products by early-2022 before reassessing their roadmap. FRNT’s derivative roll-outs also

consider risk limits, as scaling improves and risk limits increase. FRNT intends to permit for USD\$20M of derivatives originated and purchased by clients by the end of September 2021 and increase those limits to USD\$200M for the end of 2021. The Company expects this growth to primarily be achieved through a sales effort which includes marketing spend.

FRNT AM (inclusive of research & consulting)

FRNT AM's objectives involve adding strategic partners and supporting their launch of funds through various sub-advising mandates. Milestones will include signing strategic mandates with partners and the subsequent growth of such mandates.

Technology Licensing

Milestones in respect of the Company's technology license initiative involve growing FRNT's client base and supporting such clients to deliver a best-in-class product to end consumers. FRNT intends to add at least one more client partnership over the next six months. The Company intends to achieve this growth through continued feature development and ongoing quality improvements to the firm's technology platform.

Cash Requirements

In addition to the above costs, the Company expects to be subject to the following cash requirements over the following 12-month period:

<u>Cash flow</u>	<u>Approximate Amounts</u>
Commissions	\$1,400,000
Salary expenses	\$1,316,000
Professional and regulatory fees	\$846,000
General and administrative expenses	\$290,000
Regulatory and legal obligations and discovery	\$4,200,000
Scaling of business as part of potential expansion into new geographies	\$360,000
Total	\$8,412,000

DESCRIPTION OF THE SECURITIES DISTRIBUTED

Common Shares

The following describes material terms of the Common Shares. The following description may not be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of the Company's articles of incorporation ("**Articles**"). Currently, the Company's authorized share capital consists of an unlimited number of Common Shares.

Dividend Rights

Subject to the prior rights of the holders of any class of shares ranking senior to the Common Shares with respect to the priority in the payment of dividends, the holders of Common Shares ("**Shareholders**") are entitled to receive dividends as and when declared by the Board out of monies properly applicable to the payment of dividends, in such amount and in such form as the Board may from time to time determine. See "*Dividend Policy*".

Voting Rights

Shareholders are entitled to one vote in respect of each Common Share held at meetings of Shareholders.

Meetings of Shareholders

Shareholders will be entitled to receive notice of any meeting of Shareholders and may attend and vote at such meetings. A quorum for the transaction of business at a meeting of Shareholders is present if two Shareholders representing at least 20% of the of the shares entitled to vote at the meeting is present in person or represented by proxy.

Redemption/Retraction Rights

The Company will have no redemption or mandatory purchase for cancellation rights in respect of the Common Shares, nor will Shareholders have retraction rights.

Liquidation Rights

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company among the Shareholders for the purpose of winding up its affairs, the Shareholders shall be entitled to receive the remaining property and assets of the Company.

Class A Common Shares

In addition to the Common Shares, the Company is authorized to issue an unlimited number of Class A Common Shares without nominal or par value. The Class A Common Shares provide the same rights as the Common Shares along with an optional conversion right for the holder(s) thereof to, at any time, have all or any such Class A Common Shares converted into Common Shares on the basis of one Common Share for each Class A Common Share and are subject to a mandatory conversion upon the date and time, or the occurrence of an event, specified by a vote or written consent of the Board, on the same basis as the optional conversion right upon receipt of not less than ten (10) days' prior written notice.

Broker Warrants

The Company has also agreed to grant an aggregate of 200,000 Broker Warrants with each such Broker Warrant entitling the Agents to purchase one Common Share at an exercise price equal to the Offering Price per Broker Warrant for a period of 36 months from the Closing Date.

DIVIDEND POLICY

Since its incorporation, the Company has declared dividends in the aggregate amount of \$55,000 to the holder of its Class A Common Shares paid in monthly installments from February 2020 to December 2020. For the 2021 year, dividends in an aggregate amount of \$75,000 were authorized to be declared to the Class A Common Shares in monthly installments.

Following the completion of the Offering, it is the current intention of the Board to consider the implementation of a policy of declaring a dividend, subject to the availability of cash flow. Any determination to pay dividends in the future will be at the discretion of the Board and will depend on many factors, including, among others, the Company's financial condition, current and anticipated cash requirements, contractual restrictions and financing agreement covenants, solvency tests imposed by applicable corporate law and other factors that the Board may deem relevant. Dividends are not guaranteed. It is currently anticipated that cash dividends will be funded by the cash flows from operations generated by the Company but will ultimately depend on the Company's financial position at the relevant time.

CONSOLIDATED CAPITALIZATION

Except as otherwise disclosed herein, there have been no material changes in the share and loan capital of the Company since March 31, 2021, the date of the Interim Financial Statements. After giving effect to the Offering, an additional 4,000,000 Common Shares will be issued and outstanding. Please refer to the section entitled “*Prior Sales*” with respect to issuances of securities of the Company following March 31, 2021, the date of the Interim Financial Statements.

The following table sets forth the capitalization of the Company as at the date hereof, before and after giving effect to the Offering.

Designation	As at March 31, 2021 ⁽¹⁾	As at the date hereof, before giving effect to the Offering ⁽¹⁾	As at the date hereof, after giving effect to the Offering ⁽¹⁾⁽²⁾
Loan Capital (Indebtedness)	Nil	Nil	Nil
Share Capital (Equity)			
Common Shares	20,341,209	20,341,209	24,341,209
Class A Common Shares	10,808,120	10,808,120	10,808,120
Warrants	2,000,000	2,000,000	2,000,000
Options	1,619,015	1,933,453	1,933,453
Compensation Options	2,500,000	2,500,000	2,500,000
Broker Warrants	Nil	Nil	200,000
Fully Diluted Issued and Outstanding	37,268,344	37,582,782	41,782,782

Notes:

- (1) The FRNT Shares and Options as at the date hereof are on the basis of one (1) pre-Stock Split FRNT Share or Option to 19.65112699 post-Stock Split FRNT Share or Option. See “*Corporate Structure*” for further details on the Stock Split.
- (2) Does not include any Common Shares issuable upon exercise of the Broker Warrants.

OPTIONS TO PURCHASE SECURITIES

As at the date hereof, other than in respect of 6,433,453 Options and Warrants as disclosed in the table below, there are no options, warrants, or other securities outstanding that are convertible into securities of the Company. Upon completion of the Offering, it is expected that a total of 1,933,453 Options will be issued and outstanding pursuant to the Stock Option Plan and 2,000,000 Warrants, 2,500,000 Compensation Options and 200,000 Broker Warrants will be issued and outstanding.

Category ⁽¹⁾⁽²⁾		Number of Securities	Exercise Price of Securities	Date of Grant
Options	All executive officers and past executive officers of the issuer, as a group, and all directors and past directors of the issuer who are not also executive officers, as a group (consisting of one director holding securities)	90,000	\$1.50	May 10, 2021
		15,000	\$1.50	April 30, 2021
		90,000	\$1.50	September 1, 2021
	All other employees and past employees of the Company	52,500	\$1.50	April 30, 2021
		31,088	\$0.78	November 9, 2020
		155,401	\$0.78	May 1, 2020
		500,671	\$0.16	January 1, 2019
	All consultants of the Company	125,000	\$1.50	April 19, 2021
		100,000	\$2.00	April 19, 2021
		75,000	\$2.50	April 19, 2021
	465,731	\$1.17		

Category ⁽¹⁾⁽²⁾	Number of Securities	Exercise Price of Securities	Date of Grant
	233,062	\$0.72	January 14, 2021 December 4, 2019
Compensation Options ⁽³⁾	1,000,000	\$1.00	February 1, 2021
	1,000,000	\$1.50	February 1, 2021
	500,000	\$2.00	February 1, 2021
Broker Warrants	200,000	\$1.50	To be issued upon completion of the Offering
Warrants ⁽³⁾	2,000,000	\$1.50	March 17, 2021
Total	6,433,453		

Notes:

- (1) See “*Executive and Director Compensation*” under the heading “Stock Option Plan” for further details on the Stock Option Plan.
- (2) No executive officers of the Company or its subsidiary, past executive officers of the Company or its subsidiary, directors of the Company or its subsidiary, past directors of the Company or its subsidiary, or any other person or company owns Options who is not captured in the categories set out in the table.
- (3) See “*Prior Sales*” below for further details with respect to the Compensation Options and the Warrants.

PRIOR SALES

The securities issued by the Company during the 12 months prior to the date of this prospectus are set out in the table below.

Date of Issuance	Type of Security	Number of Securities	Issue/Exercise Price per Security
September 1, 2021	Options	90,000	\$1.50
May 10, 2021	Options	90,000	\$1.50
April 30, 2021	Options	67,500	\$1.50
April 19, 2021	Options	125,000	\$1.50
April 19, 2021	Options	100,000	\$2.00
April 19, 2021	Options	75,000	\$2.50
March 17, 2021	Units ⁽¹⁾	4,000,000	\$1.00
February 1, 2021	Compensation Options ⁽²⁾	1,000,000	\$1.00
February 1, 2021	Compensation Options ⁽²⁾	1,000,000	\$1.50
February 1, 2021	Compensation Options ⁽²⁾	500,000	\$2.00
January 14, 2021	Options	465,731	\$1.17
November 9, 2020	Options	264,150	\$0.78

Notes:

- (1) Each unit (a “**Unit**”) comprised one Common Share (a “**Unit Share**”) and one-half of a Common Share purchase warrant of FRNT (two halves collectively, a “**Warrant**”). Each Warrant entitles the holder to acquire one Common Share (a “**Warrant Share**”) at a price of \$1.50 per Common Share for a period expiring on the earlier of: (i) 40 months following the closing date of the offering of the Units; or (ii) 36 months following the completion of a Liquidity Event (the “**Expiry Date**”). The Expiry Date may be accelerated by the Company, at its sole option, in the event that the volume weighted average trading price of the Common Shares (or the common shares or equivalent of the resulting issuer following a Liquidity Event, as applicable) on a Recognized Stock Exchange, occurring no earlier than the date that is four months and one day following the completion of a Liquidity Event, is equal to or greater than \$2.25, subject to applicable adjustment thereof, for a period of ten (10) consecutive trading days or more by disseminating a press release in Canada and concurrently providing notice to the holder that the Expiry Date is being accelerated, reduce the Expiry Date to not less than thirty (30) days from the date of such notice (the “**Accelerated Expiry Date**”) and any Warrants that remain unexercised by the holder shall expire on the Accelerated Expiry Date with no further notice to the holder.
- (2) Each Compensation Option entitles the holder to acquire one Common Share at the applicable exercise price per Common Share for a period expiring on the earlier of: (i) June 1, 2024; or (ii) 36 months following the completion of a Liquidity Event.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

Escrowed Securities

Securities Subject to Escrow Pursuant to NP 46-201

In accordance with National Policy 46-201 (“**NP 46-201**”), all securities owned or controlled by the principals of the Company will be escrowed at the time of the Offering, unless the securities held by the principals, collectively, represent less than 1% of the total issued and outstanding securities of the Company after giving effect to the Offering.

Uniform terms of automatic timed-release escrow apply to principals of the Company, differing only according to the classification of the issuer. As it is expected that the Company will be listed on Tier 2 of the TSX-V on Closing, the automatic timed-release to be included in the Escrow Agreement (as defined herein) and set out in the table below will apply to the Shares held by applicable principals of the Company.

<u>Release time</u>	<u>Calculation of escrowed securities release</u>
On the listing date	10% of the escrow securities
6 months following the listing date	15% of the escrow securities
12 months following the listing date	15% of the escrow securities
18 months following the listing date	15% of the escrow securities
24 months following the listing date	15% of the escrow securities
30 months following the listing date	15% of the escrow securities
36 months following the listing date	The remaining escrow securities

To the knowledge of the Company as of the date of this prospectus, a total of 7,986,269 Common Shares, 10,808,120 Class A Common Shares, 100,000 Warrants and 90,000 Options will be deposited into escrow pursuant to the terms of an escrow agreement (the “**Escrow Agreement**”) to be entered into among Odyssey Trust Company, as escrow agent, the Company, TTS Capital Corp., Alliswell Corporation and Dan Cristall effective on the date of the Offering.

Securities Subject to Escrow Pursuant to TSX-V Seed Share Resale Restrictions

An aggregate of 12,334,229 Common Shares and 10,808,120 Class A Shares issued by the Company between May 4, 2018 and July 14, 2019 at prices ranging from \$0.00001 to \$0.001 per Common Share are additionally subject to escrow requirements pursuant to TSX-V Policy 5.4 – *Escrow, Vendor Consideration and Resale Restrictions* (“**Policy 5.4**”). Such shares must be deposited with Odyssey Trust Company under a Tier 2 value escrow agreement (in the form of Exchange Form 5D – Escrow Agreement) to be entered into among holders of such shares, FRNT and Odyssey Trust Company.

Further, an aggregate of 1,225,441 Common Shares issued by the Company on November 25, 2020 at a price of \$0.72 per Common Share will be subject to a four-month hold pursuant to Policy 5.4.

Securities Subject to Other Contractual Restrictions on Transfer

Existing Contractual Arrangements

Pursuant to certain existing contractual arrangements in effect as at the date hereof: (i) all existing shareholders of the Company, excluding the shareholders who subscribed for Units on March 17, 2021 (the “**Unit Holders**”), are subject to a lock-up period whereby the Common Shares held by such existing shareholders will only become freely-tradeable 180 days following the Closing Date; and (ii) the Unit Holders are subject to a lock-up period whereby the Unit Shares, Warrants and Warrant Shares will only become freely-tradeable 120 days following the completion of a Liquidity Event.

In addition, purchasers under the Offering who acquire, directly or indirectly, beneficial ownership or control of 10,000 Common Shares or more in the Offering, shall have their Offered Shares made subject to a contractual hold period and may not be sold, transferred, pledged, hypothecated or otherwise assigned or traded until a date which is four (4) months following the Closing Date. The 200,000 Broker Warrants will be locked up in accordance with the same terms of such Offered Shares.

Lock-Up Agreements

Each of the officers and directors of the Company, along with all shareholders of the Company holding at least [●]% of the Common Shares of the Company at Closing, will agree, in a lock-up agreement to be executed concurrently with Closing, that for a period of 180 days from the Closing Date, each will not, directly or indirectly, offer, sell, contract to sell, grant any option to purchase, make any short sale, or otherwise dispose of, or transfer, or announce any intention to do so, any Common Shares, whether now owned (or hereinafter acquired) directly or indirectly, or under their control or direction, or with respect to which each has beneficial ownership, or enter into any transaction

or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of Common Shares, whether such transaction is settled by the delivery of Common Shares, other securities, cash or otherwise, other than pursuant to a take-over bid or any other similar transaction made generally to all Shareholders.

See “Plan of Distribution”.

Summary of Escrowed Securities and Securities Subject to Other Contractual Restrictions on Transfer

The following table sets forth the total number of Common Shares to be held in escrow or subject to a contractual restriction on transfer upon closing of the Offering.

Class of Security	Number of Securities Held in Escrow or Subject to a Contractual Restriction on Transfer	Percentage of Class after Giving Effect to the Offering
Class A Common Shares	10,808,120 ⁽¹⁾	100% ⁽²⁾
Common Shares	20,341,209 ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	83.57% ⁽²⁾
Warrants	2,000,000 ⁽⁷⁾	100%
Broker Warrants	200,000	100%
Options	428,062 ⁽⁸⁾	22.14%

Notes:

- (1) The 10,808,120 Class A Common Shares are held by TTS Capital Corp. (which Mr. Ouellette beneficially owns and controls) and are subject to escrow in accordance with NP 46-201 as well as a lock-up agreement entered into pursuant to the Agency Agreement.
- (2) On a non-diluted basis.
- (3) Of the noted Common Shares, 200,000 are held by Dan Cristall (director) and 7,786,269 are held by Alliswell Corporation (which Mr. Rabie, a director, beneficially owns and controls) and are subject to escrow in accordance with NP 46-201 and, together with 4,017,378 held by Coinsquare, are also subject to a lock-up agreement entered into pursuant to the Agency Agreement.
- (4) Of the noted Common Shares, 16,341,209 are expected to be subject to a lock-up period expiring 180 days after the completion of a Liquidity Event.
- (5) Of the noted Common Shares, 4,000,000 are expected to be subject to a lock-up period expiring 120 days after the completion of a Liquidity Event.
- (6) Of the noted Common Shares, [●] are expected to be subject to a lock-up period expiring four months (4) days after the Closing Date.
- (7) Each of the Warrants are expected to be subject to a lock-up period expiring 120 days after the completion of a Liquidity Event. Of the noted Warrants, 100,000 are held by Dan Cristall (director) and are subject to escrow in accordance with NP 46-201.
- (8) Of the noted Options, 90,000 are held by Dan Cristall (director) and are subject to escrow in accordance with NP 46-201 while the remainder are expected to be subject to a lock-up period expiring 180 days after the completion of a Liquidity Event.

PRINCIPAL SECURITYHOLDERS

To the best of the Company’s knowledge and based on existing information, as of the date hereof, there are no persons who own, directly or indirectly, or exercise control or direction over, more than 10% of the outstanding securities of the Company, other than: (a) Stéphane Ouellette (through TTS Capital Corp. which Mr. Ouellette beneficially owns and controls), the Chief Executive Officer of the Company; (b) Adam Rabie (through Alliswell Corporation which Mr. Rabie beneficially owns and controls); and (c) Coinsquare Ltd. The security holdings of each of the foregoing both prior to and upon completion of the Offering are as follows:

Name	Ownership (Beneficial/Of Record)	Number of FRNT Shares owned before completion of the Offering	% of Class prior to the Offering ⁽¹⁾	Upon Completion of the Offering	
				Anticipated number of Common Shares	% of Class ⁽²⁾
Stéphane Ouellette	Beneficial	10,808,120 Class A Common Shares	34.70% ⁽³⁾	10,808,120 Class A Common Shares	30.75% ⁽³⁾
Adam Rabie	Of record and beneficially	7,786,269 Common Shares	25.00%	7,786,269 Common Shares	22.15%
Coinsquare Ltd. ⁽¹⁾	Of record and beneficially	4,017,378 Common Shares	12.90%	4,017,378 Common Shares	11.43%

Notes:

- (1) 28.76%, 20.72% and 10.69% on a fully-diluted basis.
- (2) 25.87%, 18.64% and 9.61% on a fully-diluted basis.
- (3) Calculation includes both Common Shares and Class A Common Shares.

DIRECTORS AND EXECUTIVE OFFICERS

Directors and Executive Officer Information

The Board and management of the Company reflect a broad range of experience, with significant expertise in the financial industry. Additional information in respect of the nomination, election and service terms of directors and the appointment of members of management is provided below under “*Directors and Executive Officers – Corporate Governance*”. The following table sets forth the names, residences, positions with the Company, the date first appointed as a director or executive officer, the principal occupation for the past five years, and the number and percentage of Common Shares beneficially owned or controlled, for each of the directors and executive officers of the Company. Additional biographical information for each individual is provided below under “*Biographical Information Regarding the Company’s Directors and Executive Officers*”. The current directors of the Company are set out below.

Name and Place of Residence	Position(s) with the Company	Date First Appointed as Director/Executive Officer	Principal Occupation(s) for the Past Five Years	Number and Percentage of Class of Shares Beneficially Owned or Controlled After Giving Effect to the Offering
Stéphane Ouellette Ontario, Canada	Chief Executive Officer Director	April 24, 2018	Chief Executive Officer of FRNT (April 2018 to present); Partner at BigTerminal.com Inc. (May 2018 to September 2019); Vice-President of BMO Capital Markets (May 2016 to May 2018)	10,808,120 Class A Common Shares; 30.75% (including both Common Shares and Class A Common Shares)
Alex McAulay Vancouver, British Columbia	Chief Financial Officer Corporate Secretary	March 3, 2021	Chief Executive Officer and Owner of ACM Management Inc. (December 2016 to present); Chief Financial Officer and Chief Operating Officer at Garmatex Technologies Inc. (December 2013 to June 2017)	Nil
Adam Rabie⁽¹⁾ Nassau, Bahamas	Director Senior Technology Partner	April 1, 2018	Director of OSF Management (December 2019 to present); Chief Executive Officer of BigTerminal.com Inc. (June 2013 to June 2019)	7,786,269 Common Shares; 22.15%
Eric Richmond⁽¹⁾⁽²⁾ Ontario, Canada	Director	June 4, 2020	Chief Operating Officer and VP, Legal of Coinsquare (January 2018 to present); Associate at Blake, Cassels & Graydon LLP (August 2013 to December 2017)	Nil
Dan Cristall⁽¹⁾⁽²⁾ Alberta, Canada	Director	May 10, 2021	Chief Executive Officer of Macquarie Capital Markets Canada Ltd. (September 2013 to present)	200,000 Common Shares; 0.57%
Geoffrey Browne⁽²⁾ Toronto, Ontario	Director	September 1, 2021	Retired (January 2018 to present); Managing Partner of MWI & Partners (January 2015 to December 2018)	Nil

Notes:

- (1) Member of the Compensation Committee. Dan Cristall is the chair of the Compensation Committee.
 (2) Member of the Audit Committee. Eric Richmond is the chair of the Audit Committee.

Biographical Information Regarding the Company’s Directors and Executive Officers

Stéphane Ouellette (Age: 32) — Chief Executive Officer and Director. Mr. Ouellette began his capital markets career working in the Equity Products group on the trading floor at BMO Capital Markets in 2010. At BMO, Mr. Ouellette began as a Cash Equity Sales Trader covering a wide range of account types (hedge funds, pension funds, mutual funds) and geographies (Canada, U.S., Europe, Asia). Throughout his time at BMO, Mr. Ouellette would continue in the cash equity sales trading role. As time went on, his mandate expanded to include equity options and equity swaps. He would ultimately be referred to as a “hybrid trader” by the time he left the firm as a Vice-President. In 2018, Mr. Ouellette retired from BMO to start FRNT. He continues to be active in industry groups. In August 2019, Mr. Ouellette was elected Chairman of the Canadian Security Traders Association (CSTA) following a term as Vice Chairman. Mr. Ouellette is a Chartered Financial Analyst (CFA) charterholder and has successfully completed the

following Canadian Securities Institute designations: Canadian Securities Course, Conduct and Practices Handbook Course, Derivatives Fundamentals, Options Licensing, and Trader Training Course. Mr. Ouellette will devote 100% of his time to FRNT. Mr. Ouellette is not an employee of the Company. Mr. Ouellette has not entered into a non-competition or non-disclosure agreement with FRNT.

Alex McAulay (Age: 37) — Chief Financial Officer. Mr. McAulay serves as Chief Financial Officer and Corporate Secretary of FRNT. Mr. McAulay holds a Bachelor of Business Administration from the University of the Fraser Valley, and is the CEO of ACM Management Inc., a private firm providing accounting and financial services to developing and mature stage companies in all industries and sectors and by working as their chief financial officer. It is anticipated that Mr. McAulay will devote 20% of his time to FRNT and is not an employee of the Company as part of his engagement, Mr. McAulay, through his wholly-owned company ACM Management Inc., Mr. McAulay is not to disclose confidential information about the Company indefinitely.

Adam Rabie (Age: 35) — Director. Mr. Rabie serves as Director to FRNT. Mr. Rabie is an experienced software engineer and asset manager, focused on financial technology, analytics, machine learning, and big data. Mr. Rabie has traded billions in volume generating positive yields for investors. It is anticipated that Mr. Rabie will devote 20% of his time to FRNT. Mr. Rabie is not an employee of the Company and has not entered into a non-competition or non-disclosure agreement with FRNT.

Eric Richmond (Age: 31) — Director. Mr. Richmond serves as Director to FRNT. Mr. Richmond is the Chief Operating Officer and VP of Legal at Coinsquare, a leading Canadian digital asset trading platform. He played a key leadership role in Coinsquare's strategic direction and led the execution and negotiation of multiple financings, acquisitions and strategic partnerships. He has in-depth knowledge of the principles, applications and current developments relating to blockchain technologies, and the regulators' approaches to these technologies across multiple jurisdictions. Prior to joining Coinsquare, Eric was a lawyer at Blake, Cassels & Graydon LLP, where he advised clients on a variety of corporate and capital markets transactions, as well as corporate governance and securities regulatory matters. Mr. Richmond holds his Juris Doctor from Western University and Honors Business Administration from the Ivey Business School. During his time at the Ivey Business School, Mr. Richmond enrolled in various courses which provided him with the skills and knowledge required to analyse accounting records, financial statements and how to apply accounting principles for estimates, accruals and provisions. Through his work experience, Mr. Richmond has also been involved in the preparing, auditing, and analyzing of financial statements. Mr. Richmond successfully completed the Partners Directors and Senior Officers course with the Canadian Securities Institute and is a lawyer in good standing with the Law Society of Ontario. In his current and previous roles, he has reviewed and advised on the preparation of audited financial statements and analysis of company projections. It is anticipated that Mr. Richmond will devote 5% of his time to FRNT. Mr. Richmond is not an employee of the Company and has not entered into a non-competition or non-disclosure agreement with FRNT.

Dan Cristall (Age: 55) — Director. Mr. Cristall serves as Director to FRNT. He is currently President of the Olexa group of companies, a real estate development enterprise which he founded. Olexa's activities are primarily focussed in Winnipeg, Manitoba and the companies control assets with a gross value of approximately \$100 million. Mr. Cristall most recently served as CEO of Macquarie Capital Markets Canada Ltd, a position he held from September 2013 to June 2021. In addition to CEO, Dan was appointed to senior roles of multiple MGL subsidiary companies which were incorporated in Canada and international jurisdictions. These positions included President, Chairman of the Board, Head-Global Oil & Gas, Executive Director, Risk Committee member and UDP (Ultimate Designated Person). Dan received and approved AML (anti-money laundering), compliance and audit reports and approved financial statements along with numerous other responsibilities. Prior to that, Dan was Chairman of the Board at Orion Securities before its acquisition by Macquarie Group in 2005. Dan's career in investment banking spanned over 25 years where he focussed on mergers and acquisitions and capital raisings. Mr. Cristall began his professional career at Midland Walwyn Capital Inc. and was subsequently employed by Merrill Lynch Canada Inc. Mr. Cristall has an MBA from the Ivey School of Business and an undergraduate degree in economics (honours specialization) from Western University. It is anticipated that Mr. Cristall will devote 10% of his time to FRNT. Mr. Cristall is not an employee of the Company and has not entered into a non-competition or non-disclosure agreement with FRNT.

Geoffrey Browne (Age: 68) — Director. Mr. Browne serves as Director to FRNT. Mr. Browne has over 30 years of experience in the financial services industry in Canada, the U.S and London, England. He was head of private equity for Merrill Lynch Canada and he is a founder and Managing Partner of MWI & Partners, a private equity firm. Prior

to founding MWI, Mr. Browne was a senior executive with Canadian Imperial Bank of Commerce and CIBC Wood Gundy Inc. for over 20 years. The last position he held at CIBC was Chief of Staff for CIBC World Markets. Mr. Browne is active on numerous other corporate and not-for-profit Boards, including serving as Chair of the Investment Committee of The Branksome Hall Foundation. Mr. Browne holds a B.A. in economics from the University of Western Ontario. He has also completed the Canadian Securities Course and Partners and Directors Exam. It is anticipated that Mr. Browne will devote 7.5% of his time to FRNT. Mr. Browne is not an employee of the Company and has not entered into a non-competition or non-disclosure agreement with FRNT.

Public Company Board Memberships

The following table identifies other public companies for which members of the Board currently serve as directors:

<u>Director</u>	<u>Other Current Board Appointments</u>
Stéphane Ouellette	None
Adam Rabie	None
Eric Richmond	None
Dan Cristall	None
Geoffrey Browne	None

Corporate Cease Trade Orders

Other than as described below, none of the directors or executive officers of the Company is, or within the 10 years prior to the date of this prospectus has been, a Director, Chief Executive Officer or Chief Financial Officer of any company (including the Company) that:

- (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Geoffrey Browne served as Chairman and Chief Executive Officer of Bunker Hill Mining Corp. (formerly, Liberty Silver Corp.) (“**Bunker Hill**”) from December 2012 to December 2014. On October 5, 2012, Bunker Hill was named in an Order of Suspension of Trading (the “**Order**”) from the US Securities and Exchange Commission (the “**SEC**”). Pursuant to the Order, trading in Bunker Hill’s securities was suspended from October 5, 2012 through to October 18, 2012. Furthermore, effective October 11, 2012, Bunker Hill had its stock quotation under the symbol “LBSV” removed from the OTC Bulletin Board (the “**OTCBB**”) as it became ineligible for quotation on OTCBB due to quoting inactivity under SEC Rule 15c2-11. On October 12, 2012, the Ontario Securities Commission (the “**OSC**”) issued a cease trade order which provided that trading in the securities of Bunker Hill (excepting issuances from treasury) on the Toronto Stock Exchange cease until 11:59 p.m. EST on October 18, 2012 (the “**OSC Order**”). The OSC Order was effective for the same time frame as the Order of Suspension of Trading imposed by the SEC. On October 19, 2012, the cease trade orders imposed by the SEC and the OSC expired. Trading in the common shares of Bunker Hill on the Toronto Stock Exchange in Canada resumed on Monday, October 22, 2012. The common shares were not immediately listed, traded or quoted on any of the OTC Markets.

Bankruptcies

None of the directors, officers or promoters of the Company, or any securityholder anticipated to hold sufficient securities of the Company to affect materially the control of the Company, has, within the past 10 years, been a director or officer of any other issuer that, while that person was acting in the capacity of a director or officer of that issuer, was the subject of a cease trade order or similar order or an order that denied that issuer access to any statutory exemptions for a period of more than 30 consecutive days, was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or

instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold the assets of that issuer or appointed to hold the assets of that director or officer.

Penalties or Sanctions

Other than as disclosed below, none of the directors, officers or promoters of the Company has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Eric Richmond is the COO of Coinsquare. Prior to Mr. Richmond's appointment as COO, Coinsquare reached a settlement agreement (the "**Settlement Agreement**") with the OSC in July 2020 pursuant to which Coinsquare agreed to pay \$200,000 to the OSC, create an independent board of directors and a whistleblower program, and appoint a new CEO and a new Chief Compliance Officer. The Settlement Agreement was entered into as a result of proceedings brought by the OSC where Coinsquare admitted to engaging in market manipulation, misleading clients about trade volumes, and taking a reprisal against an internal whistleblower.

Conflicts of Interest

There are no existing potential conflicts of interest among the Company and the directors or officers of the Company as a result of their outside business interests as at the date of this prospectus. The Board has not adopted a director interlock policy, but will keep informed of other public directorships held by its members (see "*Directors and Executive Officers - Biographical Information Regarding the Company's Directors and Executive Officers*"). Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Company. See "*Risk Factors*".

The Company's directors and officers are required by law to act honestly and in good faith with a view to the best interests of the Company, and are also required to comply with the conflict of interest provisions of the CBCA. A director who has a material interest in a matter before the Board or any committee on which he or she serves is required to disclose such interest as soon as the director becomes aware of it. In situations where a director has a material interest in a matter to be considered by the Board or any committee on which he or she serves, such director may be required to recuse himself or herself from the meeting while discussions and voting with respect to the matter are taking place. The contract or transaction resulting from the matter is not invalid, and the director is not accountable to the Company or its Shareholders for any profits realized from the contract or transaction, because of the director's interest in the contract or transaction or because the director was present or was counted to determine whether a quorum existed at the meeting of directors that considered the contract or transaction, if the interest was properly disclosed as detailed above, the directors approved the contract or transaction, and the contract or transaction was reasonable and fair to the Company when it was approved. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which several directors or management may have a conflict of interest.

The directors and officers of the Company have been advised of their obligations to act at all times in good faith and in the interests of the Company and to disclose any conflicts to the Company if and when they arise. Persons considering the purchase of Offered Shares pursuant to the Offering under this prospectus must appreciate that they will be required to rely on the judgment and good faith of these persons in resolving any such conflicts of interest that may arise. Further, the Company's directors and executive officers are prohibited from purchasing financial instruments designed to hedge or offset a decrease in the market value of the Company's Common Shares.

Corporate Governance

The Company recognizes that exemplary corporate governance plays an important role in the Company's overall success and in enhancing Shareholder value and, accordingly, upon Closing, the Company will be adopting certain corporate governance policies and practices. The disclosure set out below describes the Company's approach to

corporate governance in accordance with National Instrument 58-101 — *Disclosure of Corporate Governance Practices* (“**NI 58-101**”).

Composition of the Board and Board Committees

Under the Company’s Articles, the Board consists of a minimum of two and a maximum of ten directors as determined from time to time by the directors. The Board consists of four directors, two of whom are considered to be independent under Canadian securities laws. Under the CBCA, a director may be removed with or without cause by a resolution passed by an ordinary majority of the votes cast by shareholders present in person or by proxy at a meeting of shareholders and who are entitled to vote. The directors will be elected by shareholders at each annual meeting of shareholders, and all directors will hold office for a term expiring at the close of the next annual meeting or until their respective successors are elected or appointed. The Company’s Articles will provide that, between annual general meetings of Shareholders, the directors may appoint one or more additional directors, but the number of additional directors may not at any time exceed one-third of the number of directors elected at the previous annual meeting of Shareholders.

The Board is responsible for recruiting new directors, proposing new director nominees to the Board and reviewing the performance and qualifications of existing directors. The current members of the Board were selected for their technical and financial expertise to ensure a high level of corporate governance. The existing directors have the knowledge and contacts necessary to search out additional directors.

Director Independence

Under NI 58-101, a director is considered to be independent if he or she is independent within the meaning of section 1.4 of National Instrument 52-110 — *Audit Committees* (“**NI 52-110**”). Pursuant to section 1.4 of NI 52-110, an independent director is a director who is free from any direct or indirect material relationship which could, in the view of the Company’s Board, be reasonably expected to interfere with a director’s exercise of independent judgment. Based on information provided by each director concerning his or her background, employment and affiliations, the Board has determined that, of the five directors on the Board, three are “independent” and two will not be considered “independent” within the meaning of applicable securities laws as a result of their respective relationships with the Company. Mr. Ouellette is not considered to be independent by the Board, as he is the Chief Executive Officer of the Company. Mr. Richmond, Mr. Cristall and Mr. Browne are considered to be independent by the Board.

Meetings of Independent Directors

The Board believes that given its size and structure, including the fact that a majority of the Company’s directors are independent, it is able to facilitate independent judgment in carrying out its responsibilities and will continue to do so following Closing. To enhance such independent judgment, it is anticipated that the independent members of the Board will hold *in camera* meetings with members of management and non-independent directors not in attendance, as part of regularly scheduled Board meetings. Open and candid discussion among the independent directors is facilitated by the relatively small size of the Board.

Advance Notice Provisions

FRNT’s by-laws include certain advance notice provisions with respect to the election of the Company’s directors (the “**Advance Notice Provisions**”). The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general meetings or, where the need arises, special meetings; (ii) ensure that all Shareholders receive adequate notice of Board nominations and sufficient information with respect to all nominees; and (iii) allow Shareholders to register an informed vote. Only persons who are nominated by Shareholders in accordance with the Advance Notice Provisions will be eligible for election as directors at any annual meeting of Shareholders, or at any special meeting of Shareholders if one of the purposes for which the special meeting was called was the election of directors. Under the Advance Notice Provisions, a Shareholder wishing to nominate a director would be required to provide the Company notice, in the prescribed form, within the prescribed time periods. These time periods include, (i) in the case of an annual meeting of Shareholders (including annual and special meetings), not less than 30 days prior to the date of the annual meeting of Shareholders; provided, that if the first public announcement of the date of the annual meeting

of Shareholders (the “**Notice Date**”) is less than 50 days before the meeting date, not later than the close of business on the 10th day following the Notice Date; and (ii) in the case of a special meeting (which is not also an annual meeting) of Shareholders called for any purpose which includes electing directors, not later than the close of business on the 15th day following the date on which the first public announcement of the date of the special meeting of Shareholders was made.

Mandate of the Board of Directors

The Board is responsible for supervising the management of the Company’s business and affairs, including providing guidance and strategic oversight to management. The duties and obligations of the Board include the following:

- appointing the Chief Executive Officer and Executive Chairman;
- adopting a strategic planning process and implementing risk management policies and procedures;
- appointment, supervision, evaluation and development of senior management and succession planning;
- monitoring the adequacy and effectiveness of the Company’s system of internal controls over financial reporting and disclosure controls and procedures;
- approving certain regulatory filings; and
- adopting and periodically reviewing policies and procedures designed to (i) ensure compliance with applicable laws, (ii) ensure that the Company’s business is conducted ethically and with honesty, and (iii) permit Shareholder feedback on material issues.

Orientation and Continuing Education

Following Closing, the Company will implement an orientation program for new directors under which a new director will meet with the Chair, members of senior management and the Company’s secretary. It is anticipated that new directors will be provided with a comprehensive orientation and education as to the nature and operation of the Company and the Company’s business, the role of the Board and its committees, and the contribution that an individual director is expected to make. The Board will be responsible for overseeing director continuing education designed to maintain or enhance the skills and abilities of the directors and to ensure that their knowledge and understanding of the Company’s business remains current. The chair of each committee will be responsible for coordinating orientation and continuing director development programs relating to the committee’s mandate.

Committees of the Board

The Board will establish two committees, the Audit Committee and the Compensation Committee.

Audit Committee

FRNT’s Audit Committee will consist of three directors, two of whom are persons determined by the Board to be “independent” within the meaning of NI 52-110. Each member of the Audit Committee is a person determined by the Board to be “financially literate” within the meaning of NI 52-110. The Company’s Audit Committee will comprise Eric Richmond, who acts as chair of this committee, Geoffrey Browne and Dan Cristall. Each of the Company’s Audit Committee members has an understanding of the accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting. For additional details regarding the relevant education and experience of each member of the Company’s Audit Committee, see “*Directors and Executive Officers - Biographical Information Regarding the Company’s Directors and Executive Officers*”.

The Board will adopt a written charter, in the form set forth in Appendix A, setting forth the purpose, composition, authority and responsibility of the Company’s Audit Committee, consistent with NI 52-110. The Audit Committee will assist the Board in fulfilling its oversight of:

- FRNT’s financial statements and financial reporting processes;
- FRNT’s risk management initiatives;
- FRNT’s systems of internal controls over financial reporting and disclosure controls and procedures;
- the annual independent audit of the Company’s financial statements;
- legal and regulatory compliance;
- related party transactions; and
- public disclosure of financial information extracted or derived from the Company’s financial statements.

It is the responsibility of the Audit Committee to maintain free and open means of communication between the Audit Committee, the external auditors and management of the Company. The Audit Committee will be given full access to the Company’s management and records and external auditors as necessary to carry out these responsibilities. The Audit Committee will have the authority to carry out such special investigations as it sees fit in respect of any matters within its various roles and responsibilities. The Company will provide appropriate funding, as determined by the Audit Committee, for the payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report and to any advisors employed by the Audit Committee.

External Auditor Service Fees

For the fiscal year-ended 2020 and fiscal year-ended 2019, the Company incurred the following fees by the Company’s external auditor, MNP LLP:

	<u>Fiscal 2020</u>	<u>Fiscal 2019</u>
Audit fees ⁽¹⁾	75,000	15,000
Tax fees ⁽²⁾	Nil	Nil
Audit-Related fees ⁽³⁾	Nil	Nil
All other fees	Nil	Nil

Notes:

- (1) Audit fees include the audit of the year-end financial statements.
- (2) Tax fees related to tax compliance services.
- (3) Audit-Related fees include fees for assurance and related services.

Pursuant to Section 6.1 of NI 52-110, the Company is exempt from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

Compensation Committee

FRNT’s Compensation Committee (the “**Compensation Committee**”) will comprise three directors, two of whom are persons determined by the Board to be an independent director within the meaning of NI 58-101. The Compensation Committee will initially comprise Dan Cristall, who will act as chair of this committee, Eric Richmond and Adam Rabie. The Board believes that the Compensation Committee will be able to conduct its activities in an objective manner.

The Board believes that the members of the Compensation Committee individually and collectively possess the requisite knowledge, skill and experience in governance and compensation matters, including human resource

management, executive compensation matters and general business leadership, to fulfill the committee's mandate. All members of the Compensation Committee have substantial knowledge and experience as current and former senior executives of large and complex organizations and on the boards of other publicly traded entities. For additional details regarding the relevant education and experience of each member of the Compensation Committee, including the direct experience that is relevant to each committee member's responsibilities in executive compensation, see "*Directors and Executive Officers - Biographical Information Regarding the Company's Directors and Executive Officers*".

The Compensation Committee's purpose will be to assist the Board in:

- the performance, evaluation and compensation of the Company's senior executives;
- developing a compensation structure for the Company's senior executives including salaries, annual and long-term incentive plans including plans involving share issuances and other share-based awards;
- establishing policies and procedures designed to identify and mitigate risks associated with the Company's compensation policies and practices;
- reviewing and, if appropriate, recommending to the Board the approval of any adoption, amendment or termination of the Company's incentive or equity-based compensation arrangements (and the aggregate number of Common Shares to be reserved for issuance thereunder), and overseeing their administration and discharging any duties imposed on the committee by any such arrangements; and
- assessing the compensation of the Company's directors.

The Board will be responsible for approving the compensation of the Company's Chief Executive Officer, as well as, based on the recommendations of the Chief Executive Officer, the compensation of the Company's other executive officers, including the NEOs (as defined herein). The compensation expected to be paid to NEOs for the Company's first fiscal year as a public company is set forth below under "*Executive and Director Compensation*".

Further particulars of the process by which compensation for the Company's executive officers will be determined is provided under "*Executive and Director Compensation*".

Diversity

The Company believes that having a diverse Board can offer a breadth and depth of perspectives that enhance the Board's performance. The Company values diversity of abilities, experience, perspective, education, gender, background, race and national origin. Recommendations concerning director nominees are expected to be based on merit and past performance as well as expected contribution to the Board's performance and, accordingly, diversity is taken into consideration. The Company has and will continue to recruit and select senior management candidates that represent a diversity of business understanding, personal attributes, abilities and experience.

The Company is committed to a merit-based system for Board composition and as such, has not adopted any quotas, target numbers or percentages respecting the representation of women, Indigenous peoples (First Nations, Inuit, and Métis), persons with disabilities, or members of visible minorities (collectively, "members of designated groups") on the Board or in executive officer positions. All Board appointments are made on merit, in the context of the skills, experience, independence, knowledge and other qualities which the Board as a whole requires to be effective, with due regard for the benefits of diversity, including the level representation of members of designated groups on the Board. With respect to executive officer appointments, the Company recruits, manages and promotes on the basis of an individual's competence, qualification, experience and performance, also with due regard for the benefits of diversity, including the level of representation of members of designated groups in executive officer positions.

The Board assesses the expertise, experience, skills and backgrounds of its directors in light of the needs of the Board, including the extent to which the current composition of the Board reflects a diverse mix of knowledge, experience, skills and backgrounds.

Directors' and Officers' Liability Insurance

The Company maintains director and officer liability insurance, with Relm Insurance Ltd., to limit the Company's exposure to claims against, and to protect, its directors and officers. The coverage amount under the insurance policy is \$1,000,000, at a premium of \$30,000 per year. The policy will cover all loss for which the directors and officers are not indemnified by the Company and the directors and officers are legally obligated to pay during the policy period for any actual or alleged error, misstatement, misleading statement, neglect, breach of duty, omission or act in their capacity as such director or officer, as further described in the insurance policy.

EXECUTIVE AND DIRECTOR COMPENSATION

Introduction

The following discussion describes the significant elements of the compensation program for the “named executive officers” (“NEOs”) of the Company, as such term is defined in NI 51-102F6. The discussion below also reflects certain contemplated changes to the Company’s compensation program that would be implemented in connection with, and contingent upon, the completion of this Offering. The anticipated NEOs for fiscal 2021 are:

- Stéphane Ouellette, Chief Executive Officer and Director; and
- Alex McAulay, Chief Financial Officer and Corporate Secretary.

To achieve FRNT’s strategic business and financial objectives, the Company needs to attract, retain and motivate a highly talented executive team.

The Company intends to design the Company’s executive compensation program to achieve the following objectives:

- provide competitive compensation opportunities in order to attract and retain talented, high-performing and experienced executive officers, whose knowledge, skills and performance are critical to the Company’s success;
- motivate the Company’s executive team to achieve the Company’s strategic business and financial objectives, including growing the Company’s asset base, and maintaining strong financial capacity to fund asset growth;
- align the interests of the Company’s executive officers with those of the Company’s Shareholders by tying a significant portion of compensation directly to the long-term value and growth of the Company’s business;
- create a strong pay for performance relationship; and
- provide incentives that encourage appropriate levels of risk-taking by the Company’s executive team.

FRNT offers its executive officers cash compensation in the form of a base salary and bonus. Additionally, the Company intends to grant long-term incentives to the Company’s executive officers which may consist of stock options, under the Company’s new stock option plan adopted as of [●], 2021 (the “**Stock Option Plan**”). The Company believes that equity-based compensation awards motivate the Company’s executive officers to achieve the Company’s strategic business and financial objectives, and also align their interests with the long-term interests of the Company’s Shareholders. While the Company anticipates that the Company’s proposed executive officer compensation program will be effective at attracting and maintaining executive officer talent, the Company intends to continue evaluating the Company’s compensation practices on an ongoing basis to ensure that it is providing competitive compensation opportunities for the Company’s executive team. The Company intends to review the compensation of its executive team on an annual basis. As part of this review process, the Company expects to be

guided by the philosophy and objectives outlined above, as well as other factors that may become relevant as the Company competes in the market.

Compensation-Setting Process

FRNT's Compensation Committee will be responsible for assisting the Board in fulfilling its governance and supervisory responsibilities, and overseeing the Company's human resources, succession planning, and compensation policies, processes and practices. The Compensation Committee will also be responsible for ensuring that the Company's compensation policies and practices provide an appropriate balance of risk and reward consistent with the Company's risk profile.

The Compensation Committee's oversight will include reviewing objectives, evaluating performance and ensuring that total compensation paid to the Company's executive officers, personnel who report directly to the Company's Chief Executive Officer and various other key officers and managers is fair, reasonable and consistent with the objectives and philosophy of the Company's compensation program.

It is anticipated that the Company's Board will make recommendations to the Compensation Committee each year with respect to the compensation for each of the other NEOs. Following which, the Compensation Committee will review the compensation for the NEOs and make recommendations for any changes to the Board, as appropriate. As part of this annual review, the Compensation Committee may engage an independent compensation consultant to evaluate the Company's executive compensation program against market practice. Additionally, the Compensation Committee may consider compensation programs in relevant sectors of the financial industry as well as the compensation programs of its competitors and may engage in benchmarking with specific peer groups for purposes of setting levels of compensation, evaluating relative performance or other relevant competitive analysis.

The Company's executive compensation is intended to be consistent with the Company's business plans, strategies and goals while taking into account various factors and criteria, including competitive factors and the Company's performance. The Company's executive compensation is intended to provide an appropriate overall compensation package that permits the Company's to attract and retain highly qualified and experienced senior executives and to encourage superior performance by the Company. The Company's compensation policies are intended to motivate individuals to achieve and to award compensation based on corporate and individual results. Compensation for the NEOs is intended to reflect a fair evaluation of overall performance.

The Compensation Committee considered the following objectives when reviewing annual compensation: (i) retaining individuals critical to the growth and overall success of the Company; (ii) rewarding achievements of individuals; (iii) providing fair and competitive compensation; and (iv) compensating individuals based on their performance.

The Compensation Committee would consider the foregoing compensation philosophy, as well as the financial performance of the Company as a whole, in any review of base salaries. The base salary review for the NEOs is based on an assessment of factors such as current market conditions and particular skills, including leadership ability and management effectiveness, experience, responsibility and proven or expected performance.

The Company is aware that compensation practices can have unintended risk consequences. At the present time, the Board is satisfied that the current executive compensation program does not encourage the executives to expose the business to inappropriate risk.

The Company has adopted the Stock Option Plan to assist the Company in attracting, retaining and motivating directors, officers, employees, consultants and contractors of the Company and of its affiliates and to closely align the personal interests of such service providers with the interests of the Company and its Shareholders. See "*Options to Purchase Securities*".

Risk and Executive Compensation

In reviewing the Company's compensation policies and practices each year, the Compensation Committee will seek to ensure the executive compensation program provides an appropriate balance of risk and reward consistent with the

risk profile of the Company. The Compensation Committee will also seek to ensure the Company's compensation practices do not encourage excessive risk-taking behavior by the executive team. The key risk-mitigating practices that the Company intends to incorporate into its compensation program are discussed below.

Trading Restrictions

All of the Company's directors, officers, employees, consultants, contractors and agents will be subject to the Company's securities trading policy (as a result of the Company's compact team size and cohesive work practices). This policy will prohibit trading in the Company's securities while in possession of material undisclosed information about the Company. Further, the Company's securities trading policy will prohibit the communication of material non-public information, from insiders to any person, including family or friends. The insiders will also be prohibited from making any recommendations or express opinions on the basis of material non-public information for the purpose of or in the context of trading in the Company's securities of any other public company when having knowledge has not been generally disclosed.

The Company will observe blackout periods prior to quarterly and annual financial statements announcements. Regular blackout periods will commence (a) two calendar weeks before the scheduled release of the Company's quarterly financial statements; or (b) four calendar weeks before the scheduled release of the Company's annual financial statements, and end at the opening of the market on the second full trading day following the date of the public disclosure of the applicable financial statements. In addition, the Company may deem it appropriate to apply an extraordinary blackout period by issuing notice instructing specified individuals not to trade in the securities of the Company or any other publicly-owned company under special circumstances and until otherwise notified.

Components of Compensation

Upon completion of the Offering, the compensation of the majority of the Company's executive officers is expected to include three main components: (i) base salary; (ii) bonus; and (iii) long-term equity incentives, initially consisting of stock options granted from time to time under the Stock Option Plan. Perquisites and benefits are not expected to be a significant element of compensation for the Company's executive officers.

Base Salaries

The base salary of each particular executive officer will be determined based on the Board's compensation review process, as discussed above.

The Board believes that it is appropriate to establish compensation levels based in large part on benchmarking against comparable companies, both in terms of compensation practices as well as levels of compensation. In this way, the Company can gauge if its compensation is competitive in the marketplace for its talent, as well as ensure that the Company's compensation is reasonable. Accordingly, the Board will review the compensation levels for the executive officers against compensation levels of comparable companies.

In determining the base salary and bonus to be paid to the Chief Executive Officer and the Chief Financial Officer, the Board considered the particular responsibilities related to the position, the experience level of the executive officer and the necessary compensation required to retain the executive officer involved. Going forward, in determining the base salaries and bonuses for the Chief Executive Officer and the Chief Financial Officer, the Board intends to select an appropriate group of peer companies and review information on the compensation practices for executive compensation using published survey data from both the technology industry and all industries (where appropriate).

Bonus

Bonuses are performance based, short-term financial incentives. Bonuses are determined based on the compensation review process. In the future, as the Company grows, it is expected that an annual incentive award program will be formalized that will clearly articulate performance objectives and link specific, measurable goals with individual measurable performance criteria set for senior executives, including the NEOs.

Stock Option Plan

The Stock Option Plan will come into effect in connection with the completion of the Offering. The material features of the Stock Option Plan are summarized below.

Administration and Eligibility

The Stock Option Plan will be administered by the Board, provided that the Board may, in its discretion, delegate its administrative powers under the Stock Option Plan to the Compensation Committee. Employees and consultants of the Company and its designated affiliates will be eligible to participate in the Stock Option Plan.

Common Shares Subject to the Stock Option Plan and Participation Limits

The maximum number of Common Shares that will be available for issuance under the Stock Option Plan is 10% of the issued and outstanding Common Shares from time to time, provided that, no more than 10% of the outstanding Common Shares may be issued under the Stock Option Plan or pursuant to any other security-based compensation arrangements of the Company to any one person. The maximum number of Common Shares for which awards may be issued to any one participant in any 12-month period shall not exceed 5% of the outstanding Common Shares unless disinterested Shareholder approval as required by the policies of the TSX-V is obtained, or 2% of the outstanding Common Shares in the case of a grant of awards to any one consultant of the Company and in the case of a grant of awards to all persons (in the aggregate) retained to provide Investor Relations Activities (as defined by the TSX-V), calculated on the date an award is granted to the participant. Further, unless disinterested Shareholder approval as required by the policies of the TSX-V is obtained: (i) the maximum number of Common Shares for which awards may be issued to insiders of the Company (as a group) at any point in time shall not exceed 10% of the outstanding Common Shares; and (ii) the aggregate number of awards granted to insiders of the Company (as a group), within any 12-month period, shall not exceed 10% of the outstanding Common Shares, calculated at the date an award is granted to any insider. Upon completion of the Offering, the Company expects that there will be 3,514,932 Common Shares available for issuance under the Stock Option Plan.

Stock Options

Subject to the terms and conditions of the Stock Option Plan, the Board may grant stock options to participants in such amounts and upon such terms (including the exercise price, duration of the options, the number of Common Shares to which the Option pertains, and the conditions, if any, upon which an Option shall become vested and exercisable) as the Board shall determine (“**Options**”).

The exercise price for stock options will be determined by the Board, which may not be less than the market value of a Common Share on the date the stock option is granted, being the greater of (i) the volume weighted average trading price for the last five trading days immediately preceding such date and (ii) the closing price of a Common Share on the TSX-V on the last trading day immediately prior to the applicable date (the “**Market Value**”).

Unless otherwise specified in an award agreement granting Options, Options shall vest subject to Exchange policies, and the Board may, in its sole discretion, determine the time during which an Option shall vest and the method of vesting, or that no vesting restriction shall exist.

Stock options must be exercised within a period fixed by the Board that may not exceed 10 years from the date of grant, provided that if the expiry date falls during a blackout period, the expiry date will be automatically extended until 10 business days after the end of the blackout period. The Stock Option Plan will also provide for earlier expiration of stock options upon the occurrence of certain events, including the termination of a participant’s employment.

Termination of Employment

Unless otherwise specified in an award agreement granting such award, any award shall vest at the discretion of the Board, subject to the policies of the TSX-V, provided that, and subject to the Board’s discretion, if the terms of the

award, the Stock Option Plan or any resolution of the Board does not specify the effect of a termination, cessation or resignation of a participant, then the following default rules will apply:

Voluntary Termination:

Resignation - At the discretion of the Board, provided that any Options that have not been exercised (whether vested or not) within 12 months after the termination date shall automatically and immediately expire and be forfeited on such date.

Death - Remain and continue to vest for a period of 12 months after the termination date⁽¹⁾

Disability - Remain and continue to vest for a period of 12 months after the termination date⁽¹⁾

Involuntary Termination:

Not for Cause - Remain and continue to vest for a period of 12 months after the termination date⁽¹⁾

For Cause - Any Award (vested or not) outstanding at the time of such termination shall wholly and completely terminate automatically and be immediately forfeited⁽²⁾

Change of Control - Possible acceleration of vesting

Notes:

- (1) All unvested Options as of such termination date shall remain and continue to vest (and are exercisable) in accordance with the terms of the Stock Option Plan for a period of 12 months after the termination date provided that any Options that have not been exercised (whether vested or not) within 12 months after the termination date shall automatically and immediately expire and be forfeited on such date.
- (2) Subject to ensuring that any rights under the Stock Option Plan continue for the statutory notice period, if any.

Unless otherwise determined by the Board, (i) if a consultant participant's service is terminated for cause, all awards held by the participant on the participant's termination date, whether vested or unvested, will automatically terminate and be of no further force or effect; and (ii) if a consultant participant's service is terminated for any other reason, any awarded stock options shall remain and continue to vest for a period of 12 months after the termination date.

Changes of Control

In the event of an actual or potential Change of Control (as is customarily defined in the Stock Option Plan) of the Company, the Board shall have discretion as to the treatment of awards, including whether to (i) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any awards; (ii) permit the conditional redemption or exercise of any awards, on such terms as it sees fit; (iii) otherwise amend or modify the terms of any awards; and (iv) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the awards not exercised prior to the successful completion of such Change of Control.

Adjustments

The Stock Option Plan will provide for customary adjustments or substitutions, as applicable, in the number of Common Shares that may be issued under the Stock Option Plan in the event of a merger, arrangement, amalgamation, consolidation, reorganization, recapitalization, separation, stock dividend, extraordinary dividend, stock split, reverse stock split, split up, spin-off or other distribution of stock or property of the Company, combination of securities, exchange of securities, dividend in kind, or other similar change in capital structure or distribution (other than normal cash dividends) to Shareholders of the Company, or any similar corporate event or transaction.

Amendment and Termination

The Board will be able to amend, suspend or terminate the Stock Option Plan or any Award, subject to applicable law and stock exchange rules that requires the approval of Shareholders or any governmental or regulatory body, provided

that no such action may be taken that materially adversely alters or impairs any rights of a participant under any award previously granted without the consent of such affected participant.

Assignment

Except as required by law, the rights of a participant under the Stock Option Plan are not transferable or assignable subject to certain exceptions set forth in the Stock Option Plan.

Benefit Plans

The Company does not presently have a pension plan or defined benefit plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

Perquisites

The Company does not offer significant perquisites as part of the compensation program.

Director Compensation

The Company also has a compensation program for the Company's members of the Board and its committees. The compensation of the directors is designed to attract and retain committed and qualified directors and to align their compensation with the long-term interests of the Company's Shareholders.

The Board, on the recommendation of the Compensation Committee, will be responsible for reviewing and approving any changes to the directors' compensation arrangements. In consideration for serving on the Board, each director will be paid an annual retainer consisting of stock options. All directors will be reimbursed for their reasonable out-of-pocket expenses incurred while serving as directors.

Summary Compensation Table

The following table sets out the compensation expected to be paid to each of the current NEOs and directors for the fiscal year ended 2021.

Table of Compensation (Excluding Compensation Securities)							
Name, Position(s)	Year	Salary (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Stéphane Ouellette, Chief Executive Officer and Director	2021	150,000	Nil	Nil	Nil	75,000 ⁽¹⁾	225,000
Alex McAulay, Chief Financial Officer and Corporate Secretary	2021	Nil	Nil	Nil	Nil	75,000 ⁽²⁾	75,000 ⁽²⁾
Adam Rabie, Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
Eric Richmond, Independent Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
Dan Cristall, Independent Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
Geoffrey Browne, Independent Director	2021	Nil	Nil	Nil	Nil	Nil	Nil

Note:

- (1) TTS Capital Corp. (which Mr. Ouellette beneficially owns and controls or directs) is expected to receive aggregate dividends of \$75,000 during the fiscal year ended 2021 on the Class A Common Shares held.

- (2) During the fiscal year ending June 30, 2021, the Company has paid professional fees and disbursements to ACM Management Inc. (which Mr. McAuley beneficially owns and controls or directs) for Mr. McAuley to serve as the Chief Financial Officer of FRNT and for general bookkeeping services and related matters. During this period, Mr. McAuley is anticipated to receive compensation of approximately \$75,000, in respect of the services he provided to FRNT.

Compensation Securities

The following table sets out the expected compensation securities to be issued to the current NEOs and directors for the fiscal year 2021.

Compensation Securities							
Name and position(s)	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Stéphane Ouellette, Chief Executive Officer and Director	N/A	Nil	Nil	Nil	N/A	N/A	N/A
Alex McAulay, Chief Financial Officer and Corporate Secretary	N/A	Nil	Nil	Nil	N/A	N/A	N/A
Adam Rabie, Director	N/A	Nil	Nil	Nil	N/A	N/A	N/A
Eric Richmond, Independent Director	Options	15,000 (0.78%)	April 30, 2021	\$1.50	N/A	N/A	5 years from date of issuance
Dan Cristall, Independent Director	Options	90,000 (4.65%)	May 10, 2021	\$1.50	N/A	N/A	5 years from date of issuance
Geoffrey Browne, Independent Director	N/A	90,000 (4.65%)	September 1, 2021	\$1.50	N/A	N/A	5 years from date of issuance

Employment Agreements

As the date of this prospectus, the Company does not have any agreements that contain termination or change of control provisions other than: (a) an engagement letter the Company and ACM Management Inc. (which Mr. McAuley beneficially owns and controls or directs). The engagement letter provides that the term of ACM Management Inc.'s engagement shall commence March 3, 2021 and continue until March 2, 2022 unless otherwise terminated in advance or extended. The Company may terminate Mr. McAuley at any time by providing ten (10) days' notice in writing and either party may terminate the engagement immediately for failure of the other party to meet its obligations pursuant to the engagement letter.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No current or former directors, executive officers or employees of the Company or any of its subsidiaries are or were indebted to the Company and no current or proposed director or executive officer or any associate of the foregoing is or was indebted to the Company or any of its subsidiary or has any indebtedness to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiary.

PLAN OF DISTRIBUTION

General

This prospectus qualifies the distribution of the Offered Shares under the Offering. Pursuant to the Agency Agreement, the Agents have agreed to sell, on a best efforts basis, an aggregate of up to 4,000,000 Offered Shares at a price of \$1.50 per Offered Share for aggregate gross proceeds of up to \$6,000,000 payable in cash to the Company, against delivery of the Offered Shares on the Closing Date, subject to and in compliance with all of the necessary legal requirements and conditions contained in the Agency Agreement.

No minimum amount of funds must be raised under the Offering. This means that the Company could complete the Offering after raising only a small proportion of the Offering amount set out above.

It is anticipated that the Offering Price will be \$1.50. The Company estimates the gross proceeds from the sale of Offered Shares will be up to \$6,000,000 to the Company.

In consideration for their services in connection with the Offering, the Company has agreed to pay the Agents' Fee, which is equal to \$0.105 per Offered Share (being 7% of the Offering Price) and a corporate finance fee of \$200,000 (plus applicable taxes). It is estimated that the total expenses of the Offering, not including the Agents' Fee, will be approximately \$[●], which will be paid by the Company. In addition, the Agents will also receive an aggregate of 200,000 Broker Warrants with each such Broker Warrant entitling the Agents to purchase one Common Share at an exercise price equal to the Offering Price per Broker Warrant for a period of 36 months from the Closing Date. This prospectus also qualifies the grant of the Broker Warrants.

The Offering Price of \$1.50 was determined by arm's length negotiation among the Company and the Agents, and the Agents propose to offer the Offered Shares initially at the Offering Price. After the Agents have made a reasonable effort to sell all of the Offered Shares at the Offering Price, the price may be decreased and may be further changed from time to time to an amount not greater than that set out on the cover page of this prospectus, and the compensation realized by the Agents will be decreased by the amount that the aggregate price paid by the purchasers for the Offered Shares is less than the price paid by the Agents to the Company. Any such reduction will not affect the net proceeds received by the Company.

Under the terms of the Agency Agreement, the Agents may, at their discretion, terminate the Agency Agreement upon the occurrence of certain events, including "material change out", "disaster out", "breach out", "market out", and "diligence out" clauses.

The Company has agreed to indemnify the Agents and their respective subsidiaries and affiliates, and each of their respective directors, officers, employees, partners, agents and shareholders against certain liabilities, including, without restriction, civil liabilities under securities legislation in Canada, and to contribute to any payments that the Agents may be required to make in respect thereof.

There is currently no market through which the Offered Shares may be sold. This may affect the pricing of the Offered Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Offered Shares and the extent of issuer regulation. See "*Risk Factors*". Subscriptions for Offered Shares will be received subject to rejection or allocation in whole or in part and the right is reserved to close the subscription books at any time without notice. The Closing is expected to occur on [●], 2021 or such other date as the Company and the Agents may agree. In any event, the Offered Shares are to be taken up by the Agents, if at all, on or before a date not later than 42 days after the date of the receipt for the final prospectus.

The Company has applied to list the Common Shares on the TSX-V under the symbol "FRNT". Listing is subject to approval by the TSX-V of the listing application and the fulfillment by the Company of all of the initial listing requirements and conditions of the TSX-V. The TSX-V has not conditionally approved the listing of the Common Shares on the TSX-V and there is no assurance that the TSX-V will approve the listing application.

As at the date of this prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside of Canada and the United States.

Selling Jurisdictions

Canada

The Offering is being made concurrently in each of the provinces of Canada, except Québec. The Offered Shares will be offered in Canada through the Agents either directly or through their agents and/or affiliates, as applicable. Offers and sales of Offered Shares outside of Canada will be made in accordance with applicable laws in such jurisdictions. The Agents may offer selling group participation, in the normal course of the brokerage business, to selling groups of other licensed broker dealers, brokers and investment dealers, who may or may not be offered part of the commission or other compensation derived from the Offering.

Price Stabilization, Short Positions and Passive Market Making

In connection with the Offering, the Agents may, subject to applicable law, over-allocate or effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market, including: stabilizing transactions; short sales; purchases to cover positions created by short sales; the imposition of penalty bids; and syndicate covering transactions.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or slowing a decline in the market price of the Common Shares while the Offering is in progress. These transactions may also include over-allocating or making short sales of the Common Shares, which involves the sale by the Agents of a greater number of Common Shares than they are required to purchase in the Offering.

The Agents may close out any covered short position by purchasing Common Shares in the open market. In making this determination, the Agents will consider, among other things, the price of Common Shares available for purchase in the open market.

The Agents must close out any naked short position by purchasing Common Shares in the open market. A naked short position is more likely to be created if the Agents are concerned that there may be downward pressure on the price of the Common Shares in the open market.

In addition, in accordance with rules and policy statements of certain Canadian securities regulatory authorities and the Universal Market Integrity Rules for Canadian Marketplaces (“**UMIR**”), the Agents may not, at any time during the period of distribution, bid for or purchase Common Shares. The foregoing restriction is, however, subject to exceptions where the bid or purchase is not made for the purpose of creating actual or apparent active trading in, or raising the price of, the Common Shares. These exceptions include a bid or purchase permitted under the by-laws and rules of applicable regulatory authorities and the TSX-V, including UMIR, relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution.

As a result of these activities, the price of the Common Shares may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Agents at any time. The Agents may carry out these transactions on any stock exchange on which the Common Shares are listed, in the over-the-counter market, or otherwise.

Non-Certificated Inventory System

Except for Offered Shares sold in the United States, which may in some cases be represented by individual certificates, and Offered Shares sold to purchasers under the Offering who acquire, directly or indirectly, beneficial ownership or control of 10,000 Common Shares or more in the Offering (which Offered Shares shall be subject to a 4-month hold

period evidenced by a legend imprinted on the certificates representing such Offered Shares), no certificates representing the Offered Shares to be sold in the Offering will be issued to purchasers under this prospectus.

Registration will be made in the depository service of CDS, or to its nominee, and electronically deposited with CDS on the Closing Date. Each purchaser of Offered Shares will receive only a customer confirmation of purchase from the participants in the CDS depository service (“**CDS Participants**”) from or through which such Offered Shares are purchased, in accordance with the practices and procedures of such CDS Participant. Transfers of ownership of Common Shares in Canada will be effected through records maintained by the CDS Participants, which include securities brokers and dealers, banks and trust companies. Indirect access to the CDS book entry system is also available to other institutions that maintain custodial relationships with a CDS Participant, either directly or indirectly. Other than Offered Shares described in the preceding paragraph, which may in some cases be represented by individual certificates, certificates evidencing the Offered Shares will not be issued.

Lock-up Agreements

Pursuant to the Agency Agreement, each of the officers and directors, along with all shareholders of the Company holding at least [●]% of the Common Shares of the Company at Closing, will agree, in a lock-up agreement to be executed concurrently with Closing, that for a period of 180 days from the Closing Date, each will not, will not, directly or indirectly, offer, sell, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of, reduce its financial exposure to, or deal with the securities of the Company held by such person, whether through the facilities of a stock exchange, by private placement or otherwise, and further will not publicly announce any intention to undertake any of the foregoing, other than pursuant to a take-over bid or any other similar transaction made generally to all Shareholders.

Additionally, certain principal Shareholders of the Company shall enter into lock-up agreements, as agreed upon between the Company and the Agents.

Standstill

Pursuant to the Agency Agreement, the Company has agreed to not to issue any Common Shares or securities convertible into Common Shares for a period of 180 days from the Closing Date, without the prior written consent of the Lead Agent, such consent not to be unreasonably withheld, except in conjunction with: (i) the grant or exercise of Options and other similar issuances pursuant to the Stock Option Plan or the sale of any Common Shares issued thereunder; (ii) the exercise or conversion of outstanding convertible securities; (iii) obligations of the Company in respect of existing agreements; and (iv) the issuance of securities by the Company in connection with asset or share acquisitions in the normal course of business.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Cassels Brock & Blackwell LLP, counsel to the Company, and Fasken Martineau DuMoulin LLP, counsel to the Agents, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to a person who acquires Common Shares as beneficial owner pursuant to this Offering and who, for the purposes of the Tax Act, and at all relevant times: (i) deals at arm’s length with the Company and the Agents; (ii) is not affiliated with the Company or the Agents; and (iii) acquires and holds the Common Shares as capital property (a “**Holder**”).

Common Shares will generally be considered to be capital property to a Holder unless the Holder holds or uses the Common Shares or is deemed to hold or use the Common Shares in the course of carrying on a business of trading or dealing in securities or has acquired them or is deemed to have acquired them in a transaction or transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Holder: (i) that is a “financial institution” within the meaning of section 142.2 of the Tax Act; (ii) that is a “specified financial institution” as defined in the Tax Act; (iii) that has made a “functional currency” reporting election under section 261 of the Tax Act; (iv) an interest in which is a “tax shelter investment”

for the purposes of the Tax Act; (v) that has entered into or will enter into a “derivative forward agreement” or “synthetic disposition arrangement”, each as defined in the Tax Act, in respect of Common Shares; or (vi) that receives dividends on the Common Shares under or as part of a “dividend rental arrangement”, as defined in the Tax Act. Such Holders should consult their own tax advisors with respect to an investment in Common Shares.

Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada, and is, or becomes, or does not deal at arm’s length for purposes of the Tax Act with a corporation resident in Canada that is or becomes, as part of a transaction or event or series of transactions or events that includes the acquisition of the Common Shares, controlled by a non-resident person, or group of non-resident persons not dealing with each other at arm’s length, for purposes of the foreign affiliate dumping rules in section 212.3 of the Tax Act. Such Holders should consult their own tax advisors.

This summary is based upon: (i) the current provisions of the Tax Act and the Regulations in force as of the date hereof; (ii) except as described below, all specific proposals (“**Proposed Amendments**”) to amend the Tax Act or the Regulations that have been publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof; and (iii) counsel’s understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (“**CRA**”). No assurance can be given that the Proposed Amendments will be enacted or otherwise implemented in their current form, if at all. If the Proposed Amendments are not enacted or otherwise implemented as presently proposed, the tax consequences may not be as described below in all cases. Other than the Proposed Amendments, this summary does not take into account or anticipate any changes in law, the CRA’s administrative policies or assessing practices, whether by legislative, regulatory, administrative, governmental or judicial decision or action, nor does it take into account any provincial, territorial or foreign income tax legislation or considerations, which considerations may differ significantly from the Canadian federal income tax considerations discussed in this summary.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Accordingly, Holders should consult their own tax advisors with respect to their particular circumstances.

Holders Resident in Canada

This section of the summary is generally applicable to a Holder who, at all relevant times, is, or is deemed to be, resident in Canada for the purposes of the Tax Act (“**Resident Holder**”). A Resident Holder whose Common Shares might not otherwise qualify as capital property may be entitled to make an irrevocable election pursuant to subsection 39(4) of the Tax Act to deem the Common Shares, and every other “Canadian security” (as defined in the Tax Act), held by such Resident Holder in the taxation year of the election and in all subsequent taxation years to be capital property. Resident Holders should consult with their own tax advisors regarding this election.

Dividends on Common Shares

A Resident Holder will be required to include in computing its income for a taxation year any taxable dividends received or deemed to be received on the Common Shares.

In the case of a Resident Holder who is an individual (including certain trusts), such dividends (including deemed dividends) received on the Common Shares will be subject to the gross-up and dividend tax credit rules in the Tax Act normally applicable to “taxable dividends” received from a “taxable Canadian corporation” (each as defined in the Tax Act). An enhanced gross-up and dividend tax credit will be available to individuals in respect of “eligible dividends” designated by the Company to the Resident Holder in accordance with the provisions of the Tax Act. There may be limitations on the ability of the Company to designate dividends as eligible dividends.

In the case of a Resident Holder that is a corporation, the amount of any such taxable dividend (including a deemed dividend) that is included in its income for a taxation year will generally be deductible in computing its taxable income for that taxation year. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received

(or deemed to be received) by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations should consult their own tax advisors in this regard.

A Resident Holder that is a “private corporation” or a “subject corporation” (as defined in the Tax Act) may be liable to pay a refundable tax under Part IV of the Tax Act on dividends received on the Common Shares to the extent such dividends are deductible in computing the Resident Holder’s taxable income for the year. A “subject corporation” is generally a corporation (other than a private corporation) resident in Canada and controlled directly or indirectly by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts).

Dispositions of Common Shares

A Resident Holder who disposes of or is deemed to have disposed of a Common Share (other than a disposition to the Company that is not a sale in the open market in the manner in which shares would normally be purchased by any member of the public in an open market) will generally realize a capital gain (or capital loss) in the taxation year of the disposition equal to the amount by which the proceeds of disposition of the Common Share net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base to the Resident Holder of the Common Share immediately before the disposition or deemed disposition. The adjusted cost base to a Resident Holder of a Common Share will be determined by averaging the cost of that Common Share with the adjusted cost base (determined immediately before the acquisition of the Common Share) of all other Common Shares held as capital property at that time by the Resident Holder. Such capital gain (or capital loss) will be subject to the tax treatment described below under “*Holders Resident in Canada - Taxation of Capital Gains and Capital Losses*”.

Taxation of Capital Gains and Capital Losses

A Resident Holder will generally be required to include in computing its income for the taxation year of disposition, one-half of the amount of any capital gain (a “**taxable capital gain**”) realized in such year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder will generally be required to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) against taxable capital gains realized in the taxation year of disposition. Allowable capital losses in excess of taxable capital gains for the taxation year of disposition may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances specified in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of a Common Share by a Resident Holder that is a corporation may, in certain circumstances, be reduced by the amount of dividends received or deemed to have been received by it on such Common Shares to the extent and under the circumstances specified in the Tax Act. Similar rules may apply where a Resident Holder that is a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares, directly or indirectly, through a partnership or trust. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

Other Income Taxes

A Resident Holder that is, throughout the relevant taxation year, a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay an additional refundable tax on its “aggregate investment income” (as defined in the Tax Act) for the year, including any dividends or deemed dividends that are not deductible in computing the Resident Holder’s taxable income and taxable capital gains.

Generally, a Resident Holder that is an individual (other than certain trusts) that receives or is deemed to have received taxable dividends on the Common Shares or realizes a capital gain on the disposition or deemed disposition of Common Shares may be liable for minimum tax under the Tax Act. Resident Holders that are individuals should consult their own tax advisors in this regard.

Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act: (i) is not, and is not deemed to be, resident in Canada; and (ii) does not use or hold and is not and will not be deemed to use or hold the Common Shares in connection with carrying on a business in Canada (“**Non-Resident Holder**”). This summary does not apply to a Non-Resident Holder that carries on, or is deemed to carry on, an insurance business in Canada and elsewhere or that is an “authorized foreign bank” (as defined in the Tax Act). Such Non-Resident Holders should consult their own tax advisors.

Dividends on Common Shares

Dividends paid or credited or deemed under the Tax Act to be paid or credited by the Company to a Non-Resident Holder on the Common Shares will generally be subject to Canadian withholding tax at the rate of 25% on the gross amount of the dividend, unless such rate is reduced by the terms of an applicable income tax treaty or convention. Under the Canada-United States Income Tax Convention (1980), as amended (the “**US Treaty**”), the rate of withholding tax on dividends paid or credited to a Non-Resident Holder who is resident in the U.S. for purposes of the US Treaty, is the beneficial owner of the dividends, and is fully entitled to benefits under the US Treaty (a “**U.S. Holder**”) is generally limited to 15% of the gross amount of the dividend. The rate of withholding tax is further reduced to 5% if the beneficial owner of such dividend is a U.S. Holder that is a company that owns, directly or indirectly, at least 10% of the voting stock of the Company.

Dispositions of Common Shares

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on a disposition or deemed disposition of a Common Share, unless the Common Share is, or is deemed to be, “taxable Canadian property” of the Non-Resident Holder for the purposes of the Tax Act and the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident.

Provided that the Common Shares are listed on a “designated stock exchange” for the purposes of the Tax Act (which currently includes Tiers 1 and 2 of the TSX-V) at the time of disposition, the Common Shares generally will not constitute taxable Canadian property of a Non-Resident Holder, unless at any time during the 60 month period immediately preceding the disposition, (i) 25% or more of the issued shares of any class or series of the capital stock of the Company were owned by, or belonged to, any combination of (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder did not deal at arm’s length, and (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships; and (ii) at such time, more than 50% of the fair market value of such shares was derived, directly or indirectly, from any combination of real or immovable property situated in Canada, “Canadian resource property” (as defined in the Tax Act), “timber resource property” (as defined in the Tax Act), or options in respect of, interests in, or for civil law rights in such properties, whether or not such property exists. Notwithstanding the foregoing, a Common Share may also be deemed to be taxable Canadian property to a Non-Resident Holder for purposes of the Tax Act in certain other circumstances. Non-Resident Holders should consult their own tax advisors as to whether their Common Shares constitute “taxable Canadian property” in their own particular circumstances.

A Non-Resident Holder’s capital gain (or capital loss) in respect of Common Shares that constitute or are deemed to constitute taxable Canadian property (and are not “treaty-protected property” as defined in the Tax Act) will generally be computed in the manner described above under the headings “Holders Resident in Canada — Dispositions of Common Shares” and “*Holders Resident in Canada — Taxation of Capital Gains and Capital Losses*”. Such Non-Resident Holders should consult their own tax advisors.

RISK FACTORS

An investment in the Offered Shares involves a high degree of risk. Before making an investment decision, prospective purchasers should carefully consider the risks and uncertainties described below, as well as the other information contained in or incorporated by reference in this prospectus.

Prior to making an investment decision, investors should consider the investment risks set out below and those described elsewhere in this document, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of the Company consider the risks set out below to be the most significant to potential investors of the Company, but not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not to be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business, and business prospects, are likely to be materially and adversely affected.

An investment in the Company is speculative and involves a high degree of risk due to the nature of the Company's business. The risk factors noted below do not necessarily comprise all risks faced by FRNT. Additional risks and uncertainties not presently known to FRNT or that are currently considered immaterial may also impair FRNT's business, operations, and future prospects. If any of the known or unknown risks and uncertainties actually occur, FRNT's future business may be harmed and FRNT's financial condition and results of operations may suffer significantly.

Risks Related to FRNT's Business and Industry

The Company is an early stage financial technology company with limited operating history and, in addition to facing all of the competitive risks, it will also face all the risks inherent in developing a business including: access to capital, the ability to attract and retain qualified employees, the ability to attract and maintain clients, and the ability to implement the appropriate operating and control procedures routines.

Entry into the Business

The business of OTC derivatives is highly competitive and is populated with many companies, large and small, with the capital and expertise to evaluate, purchase, and exploit new innovative opportunities. Even with capital and experience, industry risks are significant. Regulatory compliance is an increasingly complex and costly obstacle to many new projects, and often, and even if compliance is met, they may be sufficiently restrictive or stifle innovation of start-up opportunities. The Company may not be able to finance its potential growth as demand on human resources increases. There is no assurance that its entry into this business activity will be successful.

Early Market Development Stage

FRNT is currently in an early development stage and its growth and success is heavily dependent upon FRNT's ability to develop a market for its products and services. FRNT has currently developed and targeted its products and services for, and substantially all of FRNT's revenues for the foreseeable future will be derived from, its current identified market, being institutional investors. Should this market cease to exist, fail to grow, or grow more slowly than anticipated or become saturated with competitors, FRNT's business, financial condition, and results of operations could be adversely affected.

Failure to Innovate

FRNT's success depends upon its ability to enhance current products on a timely basis in response to both competitive threats and marketplace demands. Often, FRNT must integrate software licensed or acquired from third parties with its proprietary software to create or improve its products. If FRNT is unable to successfully integrate third party software to develop enhancements to existing products its operating results will materially suffer. In addition, if the integrated enhancements do not achieve acceptance by the marketplace, FRNT's operating results will materially suffer. Also, if new industry standards emerge that FRNT does not anticipate or adapt to, its software products could be rendered obsolete and, as a result, its business and operating results, as well as its ability to compete in the marketplace, would be materially harmed.

Competition

FRNT is engaged in an industry that is highly competitive. FRNT competes with other cryptocurrency and distributed ledger technology businesses and other potential financial vehicles. Market and financial conditions, and other conditions beyond the Company's control, may make it more attractive for investors to invest in other financial vehicles, or to invest in cryptocurrencies directly which could adversely impact FRNT's business.

Because its industry is evolving and characterized by technological change, it is difficult for FRNT to predict whether, when, and by whom new competing technologies may be introduced or when new competitors may enter the market. FRNT faces increased competition from companies with strong positions in markets FRNT intends to serve and in new markets and regions it may enter. Many of FRNT's competitors have significantly greater financial and other resources than FRNT currently possesses and may spend significant amounts of resources to gain market share. FRNT cannot assure investors that it will be able to compete effectively against current and future competitors. In addition, increased competition or other competitive pressures may result in price reductions, reduced margins, or loss of market share, any of which could have a material adverse effect on FRNT's business, financial condition, or results of operations. Competitors may be able to respond to new or emerging technologies and changes in customer requirements more effectively than FRNT can, or devote greater resources to the development, promotion, and sale of products than FRNT can.

Current and potential competitors may establish cooperative relationships among themselves or with third parties, including through mergers or acquisitions, to increase the ability of their products to address the needs of FRNT's prospective customers. If these competitors were to acquire significantly increased market share, it could have a material adverse effect on FRNT's business, financial condition, or results of operations. FRNT's competitors may also establish or strengthen cooperative relationships with systems integrators, third-party consulting firms, or other parties with whom FRNT has relationships, thereby limiting its ability to promote its products.

Failure to Protect Intellectual Property

Failure to protect FRNT's intellectual property could harm its ability to compete effectively. FRNT is highly dependent on its ability to protect its proprietary technology. FRNT intends to rely on a combination of copyright, trademark, and trade secret laws, as well as non-disclosure agreements and other contractual provisions to establish and maintain its proprietary rights. FRNT intends to protect its rights vigorously. However, there can be no assurance that these measures will, in all cases, be successful. Enforcement of FRNT's intellectual property rights may be difficult, particularly in some nations outside of North America in which FRNT seeks to market its products. While U.S. and Canadian copyright laws, international conventions, and international treaties may provide meaningful protection against unauthorized duplication of software, the laws of some foreign jurisdictions may not protect proprietary rights to the same extent as the laws of Canada or of the United States. The absence of internationally harmonized intellectual property laws makes it more difficult to ensure consistent protection of FRNT's proprietary rights. Software piracy has been, and is expected to be, a persistent problem for the software industry, and piracy of FRNT's products represents a loss of revenue to FRNT. Despite the precautions FRNT may take, unauthorized third parties, including its competitors, may be able to: (i) copy certain portions of its products; or (ii) reverse engineer or obtain and use information that FRNT regards as proprietary. Also, FRNT's competitors could independently develop technologies that are perceived to be substantially equivalent or superior to FRNT's technologies. FRNT's competitive position may be materially adversely affected by its possible inability to effectively protect its intellectual property.

Intellectual Property Infringement

Other companies may claim that FRNT has infringed their intellectual property, which could materially increase costs and materially harm FRNT's ability to generate future revenue and profits.

Claims of infringement are becoming increasingly common as the software industry develops and as related legal protections, including patents, are applied to software products. Although FRNT does not believe that its products infringe on the rights of third parties, third parties may assert infringement claims against FRNT in the future. FRNT includes significant amounts of third-party software in its products. In these cases, this software is licensed from the entity holding the intellectual property rights. Although FRNT believes that it has secured proper licences for all third-party software that is integrated into its products, third parties may assert infringement claims against FRNT in the

future. Any such assertion may result in litigation or may require FRNT to obtain a licence for the intellectual property rights of third parties. Such licences may not be available, or they may not be available on reasonable terms. In addition, such litigation could be disruptive to FRNT's ability to generate revenue or enter into new market opportunities and may result in significantly increased costs as a result of FRNT's efforts to defend against those claims or its attempt to licence the patents or rework its products to ensure they comply with judicial decisions. Any of the foregoing could have a significant adverse impact on FRNT's business and operating results as well as its ability to generate future revenue and profits. The loss of licences to use third-party software or the lack of support or enhancement of such software could materially adversely affect FRNT's business. FRNT could also be forced to do one or more of the following: (i) stop selling, incorporating, or using its products that use the challenged intellectual property; (ii) obtain from the owner of the infringed intellectual property right a licence to sell or use the relevant technology, which licence may not be available on reasonable terms, or at all; (iii) redesign those products that use allegedly infringing technology which may be costly or time-consuming; or (iv) refund amounts received from clients and make payments of additional amounts in damages or settlement payments, for allegedly infringing technology or products.

Risks Associated with the Paradox Agreements

The business of the Company may be significantly impacted if the Paradox Agreements are subject to change or termination. In addition, in the event that Paradox breaches the terms of the Paradox Agreements, the Company may be unable to enforce such agreement, and if the Company does take steps to enforce the agreement, it may be time-consuming and costly. The failure to obtain, maintain or enforce the Paradox Agreements could have a material adverse effect on the business, operating results and financial condition of the Company. The Company is currently in good standing under the Paradox Agreements and does not expect any aspect of its business to be affected in the current financial year by the renegotiation or termination of such agreements. However, there can be no assurance that circumstances will not arise which give either party to the Paradox Agreements the right to terminate, which termination may adversely affect the Company.

Risks Related to Investment in the Paradox Fund

FRNT has invested in the Paradox Fund pursuant to the Paradox Subscription Agreements in which the Company holds an investment of 12.52% (being USD\$4,033,028) representing approximately 73.68% of the Company's net equity as at March 31, 2021. There is no assurance that the Paradox Fund will be able to achieve its investment objectives, including being able to pay distributions to investors or to provide short or long-term total returns. The value of the Paradox Fund may from time to time fluctuate in accordance with changes in the financial condition of the securities underlying the Paradox Fund, the condition of markets generally and other factors. Further, the value and success of the of the Paradox Fund is dependent upon its investment and trading strategies. FRNT may suffer financial losses and may encounter liquidity issues in respect of its investment if the Paradox Fund does not provide short or long-term gains and/or if the Paradox Fund collapses.

Reliance on Third Parties

FRNT currently depends upon third-party software products to develop its products. If in the future such software is no longer available, FRNT might experience delays or increased costs in the development of its products. The loss of FRNT's rights to use software licensed to it by third parties could increase its operating expenses by forcing FRNT to seek alternative technology and materially adversely affect its ability to compete. In addition, FRNT's web-based software applications depend on the stability, functionality, and scalability of the underlying infrastructure software, including application servers, databases, java platform software, and operating systems produced by IBM, Microsoft, and others. If weaknesses in such infrastructure software exist, FRNT may not be able to correct or compensate for such weaknesses. If FRNT is unable to address the weaknesses resulting from problems in the infrastructure software such that its products do not meet customer needs or expectations, its reputation, and consequently, its business may be significantly harmed.

Furthermore, the Company depends on other third-party service providers in many aspects of the business, including payment processors, banks and payment gateways to process transactions; and cloud computing services and data centres that provide facilities, infrastructure, website functionality and access, components and services, including databases and data centre facilities and cloud computing. Because FRNT relies on third parties to provide these

services and to facilitate certain of its business activities, FRNT faces increased operational risks. The Company does not control the operation of any of these third parties. These third parties may be subject to financial, legal, regulatory and labour issues, cybersecurity incidents, break-ins, computer viruses, denial-of-service attacks, sabotage, acts of vandalism, privacy breaches, service terminations, disruptions, interruptions and other misconduct. They are also vulnerable to damage or interruption from human error, power loss, telecommunications failures, fires, floods, earthquakes, hurricanes, tornadoes, pandemics (including the COVID-19 pandemic) and similar events. In addition, these third parties may breach their agreements with the Company, disagree with the Company's interpretation of contract terms or applicable laws and regulations, refuse to continue or renew these agreements on commercially reasonable terms or at all, fail or refuse to process transactions or provide other services adequately, take actions that degrade the functionality of the Company's services, impose additional costs or requirements on FRNT or its customers or give preferential treatment to competitors. There can be no assurance that third parties that provide services to the Company or to its customers on the Company's behalf will continue to do so on acceptable terms, or at all. If any third parties do not adequately or appropriately provide their services or perform their responsibilities to FRNT or its customers on its behalf, FRNT may be unable to procure alternatives in a timely and efficient manner and on acceptable terms, or at all, and FRNT may be subject to business disruptions, losses or costs to remediate any of the deficiencies, customer dissatisfaction, reputational damage, legal or regulatory proceedings or other adverse consequences which could harm the business.

Regulatory Risks

FRNT's activities will be subject to regulation by governmental authorities. Achievement of FRNT's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. FRNT cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations, and financial condition of FRNT.

FRNT's trading platform currently operates under registration and prospectus exemptions. The exemptions granted by the OSC in respect of Ontario, New Brunswick, Newfoundland and Labrador, Yukon and Nunavut expire on the earlier of October 13, 2024 or the coming into force in each jurisdiction of legislation or a rule that specifically governs registration requirements in respect of FRNT OTC derivative transactions. There is no certainty that FRNT will be able to obtain another exemption if there is no change in the laws and regulations governing its OTC derivatives transactions. In the event new laws or regulations are implemented governing FRNT's OTC derivatives business, there is no certainty that FRNT will be able to obtain registration under such laws or regulations.

There is no certainty whether any changes to laws or regulations governing OTC derivatives transactions will occur or be consistent in all jurisdictions of Canada. FRNT could be required to expend resources complying with different regulations in different jurisdictions, or to withdraw from doing business in specific jurisdictions if compliance with regulatory changes is not cost-effective in relation to its business in those jurisdictions.

The regulation of some instruments underlying FRNT's OTC derivatives such as cryptocurrencies are currently subject to regulatory developments, including a requirement for cryptocurrency dealers and marketplaces to obtain registration or exemptions from registration by the provincial Securities Regulatory Authorities. It is likely that there will be further regulatory developments regarding those instruments. There is no certainty how such developments will affect FRNT's products or the market for those products.

Use of Open Source Software

FRNT's software makes use of and incorporates open source software components. These components are developed by third parties over whom FRNT has no control. There are no assurances that those components do not infringe upon the intellectual property rights of others. FRNT could be exposed to infringement claims and liability in connection with the use of those open source software components, and FRNT may be forced to replace those components with internally-developed software or software obtained from another supplier, which may increase its expenses. The developers of open source software are usually under no obligation to maintain or update that software, and FRNT may be forced to maintain or update such software itself or replace such software with internally-developed software

or software obtained from another supplier, which may increase its expenses. Making such replacements could also delay enhancements to its products. Certain open source software licences provide that the licensed software may be freely used, modified, and distributed to others, provided that any modifications made to such software, including the source code to such modifications, are also made available under the same terms and conditions. As a result, any modifications FRNT makes to such software will be available to all downstream users of the software, including its competitors. In addition, certain open source licences provide that if FRNT wishes to combine the licensed software, in whole or in part, with its proprietary software, and distribute copies of the resulting combined work, FRNT may only do so if such copies are distributed under the same terms and conditions as the open source software component of the work that was licensed to FRNT, including the requirement to make the source code to the entire work available to recipients of such copies. The types of combinations of open source software and proprietary code that are covered by the requirement to release the source code to the entire combined work are uncertain and debated by users of open source software. An incorrect determination as to whether a combination is governed by such provisions will result in non-compliance with the terms of the open source licence. Such non-compliance could result in the termination of FRNT's licence to use, modify, and distribute copies of the affected open source software and FRNT may be forced to replace such open source software with internally developed software or software obtained from another supplier, which may increase its expenses. In addition to terminating the affected open source licence, the licensor of such open source software may seek to have a court order that the proprietary software that was combined with the open source software be made available to others, including its competitors, under the terms and conditions of the applicable open source licence.

Lack of Operating History

FRNT has only recently started to carry on its business. FRNT is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources, and lack of revenues. These risks could have a materially adverse effect on FRNT and may force it to reduce, curtail, or discontinue operations. There is no assurance that FRNT will be successful in achieving a return on Shareholders' investment and the likelihood of success must be considered in light of the early stage of operations. FRNT may not successfully address all of the risks and uncertainties or successfully implement its existing products and services. If that is the case, FRNT could materially harm its business and impair the value of its common stock, resulting in a loss to Shareholders.

Even if FRNT does successfully address its risks and successfully implement its products and services, FRNT may not generate the anticipated positive cash flows or profits. No assurance can be given that FRNT can or will ever be successful in its operations and operate profitably.

Growth and Consolidation in the Industry

Acquisitions or other consolidating transactions could have adverse effects on FRNT. FRNT could lose strategic relationships if its partners are acquired by or enter into agreements with a competitor, causing FRNT to lose access to distribution, content, and other resources. The relationships between FRNT and its strategic partners may deteriorate and cause an adverse effect on the business. FRNT could lose customers if competitors or users of competing technology consolidate with FRNT's current or potential customers. Furthermore, FRNT's current competitors could become larger players in the market or new competitors could form from consolidations. Any of the foregoing events could put FRNT at a competitive disadvantage, which could cause FRNT to lose customers, revenue, and market share. Consolidation in the industry could also force FRNT to divert greater resources to meet new or additional competitive threats, which could harm FRNT's operating results.

Disruption of its Information Technology Systems

FRNT relies on IT in virtually all aspects of its business. A significant disruption or failure of FRNT's IT systems could result in service interruptions, safety failures, security violations, regulatory compliance failures, the inability to protect information and assets against intruders, and other operational difficulties. Attacks perpetrated against its information systems could result in loss of assets and critical information and exposes FRNT to remediation costs and reputational damage. Although FRNT has taken steps intended to mitigate these risks, including business continuity planning, disaster recovery planning, and business impact analysis, a significant disruption or cyber intrusion could lead to misappropriation of assets or data corruption and could adversely affect its results of operations, financial

condition, and liquidity. Additionally, if FRNT is unable to acquire or implement new technology, it may suffer a competitive disadvantage, which could also have an adverse effect on its results of operations, financial condition, and liquidity.

Cyber-attacks could further adversely affect FRNT's ability to operate facilities, information technology, and business systems, or compromise confidential customer and employee information.

Further, any actual or perceived breach or cybersecurity attack directed at other financial institutions or crypto companies, whether or not the Company is directly impacted, could lead to a general loss of customer confidence in the cryptoeconomy or in the use of technology to conduct financial transactions, which could negatively impact FRNT, including the market perception of the effectiveness of the Company's security measures and technology infrastructure.

An increasing number of organizations, including large merchants, businesses, technology companies and financial institutions, as well as government institutions, have disclosed breaches of their information security systems, some of which have involved sophisticated and highly targeted attacks, including on their websites, mobile applications and infrastructure.

Attacks upon systems across a variety of industries, including the crypto industry, are increasing in their frequency, persistence and sophistication, and, in many cases, are being conducted by sophisticated, well-funded and organized groups and individuals, including state actors. The techniques used to obtain unauthorized, improper, or illegal access to systems and information (including customers' personal data and crypto assets), disable or degrade services, or sabotage systems are constantly evolving, may be difficult to detect quickly and often are not recognized or detected until after they have been launched against a target. These attacks may occur on the Company's systems or those of the Company's third-party service providers or partners. Certain types of cyberattacks could harm FRNT even if its systems are left undisturbed. For example, attacks may be designed to deceive employees and service providers into releasing control of the Company's systems to a hacker, while others may aim to introduce computer viruses or malware into the Company's systems with a view to stealing confidential or proprietary data. Additionally, certain threats are designed to remain dormant or undetectable until launched against a target and FRNT may not be able to implement adequate preventative measures.

Although the Company has developed systems and processes designed to protect the data the Company manages, prevent data loss and other security breaches, effectively respond to known and potential risks and expect to continue to expend significant resources to bolster these protections, there can be no assurance that these security measures will provide absolute security or prevent breaches or attacks. Threats can come from a variety of sources, including criminal hackers, hackers, state-sponsored intrusions, industrial espionage or insiders. Certain threat actors may be supported by significant financial and technological resources, making them even more sophisticated and difficult to detect. Further, there has been an increase in such activities as a result of COVID-19. As a result, FRNT's costs and the resources devoted to protecting against these advanced threats and their consequences may continue to increase over time.

Political, economic, social, or financial market instability or damage to or interference with its operation assets, or its customers or suppliers may result in business interruptions, lost revenue, higher commodity prices, disruption in fuel supplies, lower energy consumption, unstable markets, and increased security and repair or other costs, any of which may materially affect its consolidated financial results. Furthermore, instability in the financial markets as a result of terrorism, sustained or significant cyber-attacks, or war could also materially adversely affect FRNT's ability to raise capital.

Protection of Sensitive Data

The ordinary course of the Company's business involves the receipt, collection, storage and transmission of sensitive data, including its proprietary business information and that of its users, as well as personally identifiable information on its users, whether in its systems, infrastructure, networks, or processes, or those of its third-party

service providers or partners. The secure processing, maintenance and transmission of this information is critical to the Company's operations and strategy.

Limited History and Markets for Cryptocurrencies

Cryptocurrency and the related blockchain technology are a young and rapidly growing business area. Although cryptocurrencies have the potential to become a leading means of digital payment, there can be no assurance that this will occur. Currently, blockchain software is dependent on the widespread acceptance of cryptocurrency as a means of payment within the digital economy. For a number of reasons, including, for example, the lack of recognized security technologies, inefficient processing of payment transactions, problems in the handling of warranty claims, limited user-friendliness, inconsistent quality, lack of availability of cost-efficient high-speed services, and lack of clear universally applicable regulations as well as uncertainties regarding proprietary rights and other legal issues, it cannot be ruled out that such cryptocurrency activities may prove in the long-run to be unprofitable.

In particular, factors affecting the further development of the cryptocurrency industry include:

- worldwide adoption and usage of cryptocurrencies;
- regulations by governments regarding the use and operation of and access to cryptocurrencies;
- changes in consumer demographics and public behavior, tastes, and preferences;
- redirection and liberalization of using fiat currencies as well as the development of other forms of publicly acceptable means of buying and selling goods and services; and
- general economic conditions and the regulatory environment relating to cryptocurrencies.

Changes in Cryptocurrency Regulations

As digital assets have grown in popularity and in market size, governments, regulators and self-regulators (including law enforcement and national security agencies) around the world are examining the operations of digital asset issuers, users and platforms. To the extent that any government or quasi-governmental agency exerts regulatory authority over the digital asset industry in general, the issuance of digital assets, and trading and ownership of, and transactions involving the purchase and sale or pledge of, such assets, may be adversely affected, which could adversely affect the Company's businesses and investments. The effect of any future regulatory change on digital asset issuers and participants in general is impossible to predict, but such change could materially and adversely affect FRNT's investment and trading strategies, the value of its assets and the value of any investment in the Company.

The legal status of digital assets varies substantially from jurisdiction to jurisdiction and is still undefined and changing in many of them. Likewise, various government agencies, departments, and courts have classified and continue to classify digital assets differently. Changes in laws, regulations, policies and practices could have an adverse effect on FRNT, its strategies, business and investments. For example, regulatory agencies could shut down or restrict the use of platforms using digital assets or otherwise limit the use of digital assets. This, and any other changes in laws, regulations, policies and practices, could lead to a loss of any investment made by or in FRNT and may trigger regulatory action by securities or other regulators.

Furthermore, various jurisdictions may, in the near future, adopt laws, regulations or directives that affect digital assets, the related markets and exchanges and the ability to use, trade and hold digital assets. Such laws, regulations or directives may conflict with one another and may negatively affect the acceptance of digital assets by users, merchants and service providers and may therefore impede the growth or sustainability of the bitcoin economy globally, or otherwise negatively affect the value of digital assets. Although there continues to be uncertainty about the full impact of these and other regulatory changes, FRNT may become subject to a more complex regulatory framework in the near future and incur additional costs to comply with new requirements as well as to monitor for compliance with any new requirements in the future.

Volatility of Cryptocurrencies

Cryptocurrencies are highly speculative in nature and unexpected volatilities may continue to hamper their use as viable currencies.

There can be no assurances that cryptocurrency prices will not show erratic swings in the future, which could be related not only to reduced spreads involving cryptocurrencies, but also regulations by law makers in various countries. Furthermore, cryptocurrencies have not been widely adopted as a means of payments for goods and services by the majority of retail and commercial outlets. Due to the highly volatile nature of the cryptoeconomy and the prices of crypto assets, FRNT's operating results have, and will continue to, fluctuate significantly from quarter to quarter in accordance with market sentiments and movements in the broader cryptoeconomy.

Several factors may affect the price and the volatility of cryptocurrencies, including, but not limited to:

- global cryptocurrency demand depending on the acceptance of cryptocurrency by retail merchants and commercial businesses, the perception that the use and holding of cryptocurrency is safe and secure, as well as the lack of regulatory restrictions;
- investor's expectations with respect to the rate of inflation;
- interest rates;
- currency exchange rates, including exchange rates between cryptocurrencies and fiat currency;
- fiat currency withdrawal and deposit policies on Cryptocurrency Trading Platforms and liquidity on such Cryptocurrency Trading Platforms;
- interruption of services or failures of major Cryptocurrency Trading Platforms;
- large investment and trading activities in cryptocurrencies;
- monetary policies of governments, trade restrictions, currency de- and revaluations;
- regulatory measures restricting the use of cryptocurrency as a form of payment or the purchase of cryptocurrencies;
- global or regional political, economic, or financial events and situations, including increased threat of terrorist activities; and
- self-fulfilling expectations of changes in the cryptocurrency market.

As a result of these factors, it is difficult for the Company to forecast growth trends accurately and FRNT's business and future prospects are difficult to evaluate, particularly in the short term. In view of the rapidly evolving nature of the Company's business and the cryptoeconomy, period-to-period comparisons of FRNT's operating results may not be meaningful and may not be reliable as an indication of future performance. Quarterly and annual expenses reflected in the Company's financial statements may be significantly different from historical or projected rates. FRNT's operating results in one or more future quarters may fall below the expectations of securities analysts and investors. As a result, the trading price of the Common Shares may increase or decrease significantly.

Acceptance of Cryptocurrencies

Cryptocurrencies may not receive general acceptance by market participants and the market for such currencies is largely unregulated.

Although the Company believes that the usage of cryptocurrencies will be focused on the technology to transmit and clear fiat currencies, their usage as virtual currency will be an important factor as well.

It is feasible that blockchain validators will cease to record transactions in solved transaction blocks. In particular, transactions that do not include the payment of transaction fees will not be recorded on the blockchain until a transaction block is solved by validators who are not required to pay such transaction fees. Any widespread delays in the recording of transactions could result in a loss of confidence in the blockchain network which could adversely affect any perceived attractiveness to the cryptocurrency CFDs offered by FRNT.

Liquidity of Cryptocurrencies

Cryptocurrency liquidity and market prices depend, directly or indirectly, on the prices set on trading platforms and other trading venues, which are new and, in most cases, largely unregulated as compared to established, regulated exchanges for securities, derivatives, and other currencies. Bitcoin trading platforms have been closed due to fraud, business failure, or security breaches. In many of these instances, the customers of the closed trading platforms were not compensated or made whole for the partial or complete losses of their account balances in such trading platforms. The lack of regulation and stability with respect to Bitcoin trading platforms could lead to a loss of perceived value in any cryptocurrency CFDs offered by FRNT.

Fraudulent Use of Cryptocurrencies

Cryptocurrencies are subject to instability due to investments for speculation purposes and manipulations by hackers who use cryptocurrencies for malicious purposes. Although law makers increasingly regulate the use and applications of cryptocurrencies and software is being developed to curtail malicious activities, as well as misuses by speculators, no assurances can be given that those measures will sufficiently deter those malicious activities in the future. If businesses and individuals perceive cryptocurrencies as unreliable or insecure, any CFDs offered by FRNT on the platforms could be seen as outdated or unattractive or may become obsolete.

Further, if a malicious actor, including a state-sponsored actor, is able to hack or otherwise exert unilateral control over a particular blockchain network, the digital assets on such a network, or smart contract, that actor could attempt to divert assets from that blockchain or otherwise prevent the confirmation of transactions recorded in that digital asset on that blockchain. Such an event could materially and adversely affect the value of FRNT's assets. Digital assets have been the subject of attempted manipulation by hackers to use them for malicious purposes, several trading platforms of which have been closed due to fraud, business failure or security breaches in the past few years. In many of these instances, the customers of the closed cryptocurrency trading platforms were not compensated or made whole for the partial or complete losses of their account balances in such cryptocurrency trading platforms.

Misuses could occur if a malicious actor obtains a majority of the processing power controlling the cryptocurrency validating activities and altering the blockchain on which cryptocurrency transactions rely. Moreover, if the award for solving transaction blocks for a particular digital asset declines, and transaction fees are not sufficiently high, the incentive to continue validating blockchain transactions would decrease and could lead to a stoppage of validation activities. The collective processing power of that blockchain network would be reduced, which would adversely affect the confirmation process for transactions by decreasing the speed of the adaptation and adjustment in the difficulty for transaction block solutions. Such slower adjustments would make the blockchain network more vulnerable to malicious actors' obtaining control of the blockchain network processing power.

The OTC Derivatives Market

The OTC derivatives market is used by market participants for obtaining bespoke contracts tailored to mitigating their risks and for speculating in the underlying interests. Such contracts are bilateral, therefore each OTC derivative in some cases has counterparty risk, the risk that one party to the contract fail to honor the contract. Any failure of a significant market participant that is a counterparty in OTC derivatives contracts can create disruption in the marketplace and cause losses to other financial institutions. Such disruptions could reduce the market for OTC derivatives, affecting FRNT's business.

OTC derivatives often involve large transaction sizes in volatile markets using complex instruments and, accordingly, the threat of loss due to a human, operational or other form of error is elevated. Further, the volatility and risks of cryptocurrencies described above could affect the market for OTC derivatives based on cryptocurrencies, and thus affect FRNT's business.

COVID-19 Global Pandemic

In March 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, have adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The extent and duration of the COVID-19 pandemic, the reactions of governments, private sector participants, and the public to the pandemic, and the associated disruption to business and commerce generally, and the extent to which these will continue to affect the Company's business, financial condition, and results of operation will all depend on future developments which are highly uncertain and many of which are outside FRNT's control and cannot be predicted with confidence. Such developments include the ultimate geographic spread, intensity, and duration of the pandemic (including the possibility of further waves), new information which may emerge concerning the severity of COVID-19, the effectiveness and intensity of measures to contain COVID-19 or address its impact (including any potential increase in the duration or intensity of restrictions on public gatherings, restrictions on the operation of non-essential businesses), short and longer-term changes to travel patterns or travel restrictions imposed by governments, and the other economic impacts of the pandemic and the reactions to it. Given the uncertainties, the Company cannot predict the extent or duration of the COVID-19 pandemic and the reactions to it, including the possibility that it may result in a prolonged global recession and may also have the effect of exacerbating the potential impact of the other risks disclosed in this Risk Factors section. Furthermore, the Company cannot predict the efficacy of vaccine distribution by governments or the acceptance of any vaccines by the general population.

The health and safety of the Company's employees, their families, and the communities in which the Company operates is management's first priority. The Company is adopting the advice of public health authorities and adhering to government regulations with respect to COVID-19 in the jurisdictions in which it operates. The Company has effected an indefinite closure of its corporate offices, having implemented remote work measures for its employees in order to prevent the potential spread of the virus.

While the extent and duration of the COVID-19 pandemic on the global economy and the Company's business in particular is difficult to assess or predict, the pandemic has resulted in, and may continue to result in, significant disruption of global financial markets, which may reduce FRNT's ability to access capital, which could negatively affect liquidity. A recession or financial market correction resulting from the lack of containment and spread of COVID-19 could impact overall technology spending, adversely affecting demand for FRNT's services and the value of the Company's Common Shares. The ultimate impact of the COVID-19 pandemic or a similar health epidemic is highly uncertain and subject to change. The extent of the impact of the COVID-19 pandemic on FRNT's operational and financial performance, including FRNT's ability to execute its business strategies and initiatives in the expected time frame, will depend on future developments, including, but not limited to, the duration and continued spread of the pandemic, its severity, the actions to contain the disease or treat its impact, further related restrictions on travel, and the duration, timing and severity of the impact on customer spending, including any recession resulting from the pandemic, all of which are uncertain and cannot be predicted. An extended period of economic disruption as a result of the COVID-19 pandemic could have a material negative impact on the business of the Company, results of operations, access to sources of liquidity and financial condition, though the full extent and duration is uncertain.

Marketing Effectiveness

The Company's future growth and profitability will depend on the effectiveness and efficiency of the marketing strategy, namely FRNT's ability to establish relationships with institutional clients. See "*Marketing and Recruitment Strategy*". There can be no assurance that this marketing strategy will result in revenues in the future or will generate awareness of the Company's services. In addition, no assurance can be given that the Company will be able to manage marketing expenditures cost-effectively.

The Company believes that maintaining existing client relationships and fostering new client relationships is critical to expanding FRNT's client base. Maintaining and fostering these relationships will depend largely on the Company's

ability to continue to provide useful, reliable, and innovate services, which the Company may not do successfully. The Company may introduce new features, products, services, or terms of service that clients do not appreciate, which may negatively affect the Company's brands and reputation. Maintaining and fostering client relationships may require the Company to make substantial investments, and these investments may not achieve the desired goals. If the Company fails to successfully promote and maintain client relationships or if the Company incurs excessive expenses in this effort, FRNT's business and operating results could be adversely affected.

Fluctuations in Foreign Currency Exchange Rates

As the Company continues to expand internationally, the Company will be subject to foreign currency risk. The strengthening or weakening of the Canadian dollar against other currencies will impact the translation of both the Company's net revenues generated and any customer deposits held in these foreign currencies into Canadian dollars. The Company may face financial exposure if FRNT incorrectly sets foreign exchange rates at the time of the transaction or if there are significant fluctuations in foreign exchange rates.

Laws and Regulations

The Company is subject to regulations related to data privacy, data use, and data security in the jurisdictions in which it does business. In Canada, the Company is subject to the *Personal Information Protection and Electronic Documents Act* and in Ontario the Company is subject to the *Freedom of Information and Protection of Privacy Act*. Businesses must, among other things, limit the collection of personal information to that which is necessary for their purposes, protect the privacy of any personal information under their control, designate a privacy officer for the company, establish procedures to handle privacy complaints or inquiries, and only use or disclose personal information for reasonable purposes that are appropriate in the circumstances and for the purposes according to which the personal information was collected.

In recent years, there has been heightened legislative and regulatory focus on data security, including requiring consumer notification in the event of a data breach. Regulation of privacy, data use, and security may materially increase the Company's costs and adversely affect profitability. The Company's failure to comply with privacy, data use, and security laws and regulations, and any other regulations to which the Company is or becomes subject to, could result in fines, sanctions, and damage to the Company's reputation and brand.

Key Personnel Risk

The success of the Company's operations and future growth will depend, to a large degree, on the continued efforts of its directors and officers to develop the business and manage operations and on the ability to attract and retain key technical and support staff or consultants. The loss of any key person or the inability to find and retain new key persons could have a material adverse effect on the business. Competition for qualified technical and support staff as well as officers and directors can be intense and no assurance can be provided that the Company will be able to attract or retain key personnel in the future. The Company's inability to retain and attract necessary personnel could adversely affect its business and operations. The Company does not have any key person insurance policies with respect to any of its directors, officers, or key employees and have no current plans to do so.

Conflicts of Interest

As disclosed in this prospectus, certain of the Company's directors and officers are, and may continue to be, involved in other business ventures in the technology industry, or other industries, through their direct and indirect participation in corporations, partnerships, joint ventures, etc. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers diverge from the Company's interests. The Company expects that any decision made by any of such directors and officers relating to the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and its Shareholders, but there can be no assurance in this regard. In accordance with the CBCA, directors must disclose their conflicting interests to the Board and abstain from voting on any resolution involving their conflicting interests. In conflict of interest situations, directors and officers may owe the same duty to another company and will need to balance their competing interests

with their duties to FRNT. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavourable to the Company.

Uninsured or Uninsurable Risks

Although the Company maintains insurance to protect against certain risks in such amounts considered reasonable by the Company, insurance will not cover all the potential risks associated with FRNT's operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. It is not always possible to obtain insurance against all risks and the Company may become subject to liability for risks which are uninsurable or against which the Company may opt out of insuring due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for usual business activities. Payment of liabilities for which the Company does not carry insurance may have a material adverse effect on its financial position and operations.

Reliance on the Internet Infrastructure

The success of the Company's services will depend largely on the development and maintenance of the internet infrastructure. This includes the maintenance of a reliable network backbone with the necessary speed, data capacity, and security, as well as the timely development of complementary products, for providing reliable internet access and services. The internet has experienced, and is likely to continue to experience, significant growth in the numbers of users and amount of traffic. The internet infrastructure may be unable to support such demands. In addition, increasing numbers of users, increasing bandwidth requirements, or problems caused by "viruses", "worms", and similar programs may harm the performance of the internet. The backbone computers of the internet have been the targets of such programs.

Undetected Errors in Software

The Company's software applications and products could contain undetected errors or "bugs", vulnerabilities, or defects that could adversely affect their performance. The Company regularly updates and enhances applications and other online systems, introducing new versions of software applications and products. The occurrence of errors in any of these may cause the Company to lose market share, damage its reputation and brand name, and reduce the Company's revenues.

Litigation

All industries are subject to legal claims, with and without merit. The Company may be, from time to time, involved in various claims, legal proceedings and complaints, or dispute resolution arising in the ordinary course of business. Defence and settlement costs can be substantial, even for claims that are without merit. Due to the inherent uncertainty of the litigation process, the litigation or dispute resolution process could take away from management time and effort and the resolution of any particular legal proceeding to which the Company may become subject could have a material adverse effect on its business, results of operations, and financial position.

Employee or Service Provider Misconduct

Employee or service provider misconduct or error could subject the Company to legal liability, financial losses and regulatory sanctions and could seriously harm the Company's reputation and negatively affect the business. Such misconduct could include engaging in improper or unauthorized transactions or activities, misappropriation of customer funds, insider trading and misappropriation of information, failing to supervise other employees or service providers, improperly using confidential information, as well as improper trading activity such as spoofing, layering, wash trading, manipulation and front-running. Employee or service provider errors, including mistakes in executing, recording or processing transactions for customers, could expose FRNT to the risk of material losses, even if the errors are detected. Although the Company has implemented processes and procedures and provide training to its employees and service providers to reduce the likelihood of misconduct and error, these efforts may not be successful. Moreover, the risk of employee or service provider error or misconduct may be even greater for novel products and services and is compounded by the fact that many of the Company's employees and service providers are accustomed to working

at tech companies which generally do not maintain the same compliance customs and rules as financial services firms. This can lead to high risk of confusion among employees and service providers, particularly in a fast growth company like FRNT, with respect to compliance obligations, particularly confidentiality, data access, trading and conflicts. It is not always possible to deter misconduct and the precautions the Company takes to prevent and detect this activity may not be effective in all cases. If FRNT were found to have not met its regulatory oversight and compliance and other obligations, FRNT could be subject to regulatory sanctions, financial penalties, restrictions on activities for failure to properly identify, monitor and respond to potentially problematic activity and seriously damage FRNT's reputation. The Company's employees, contractors and agents could also commit errors that subject the Company to financial claims for negligence, as well as regulatory actions, or result in financial liability. Further, allegations by regulatory or criminal authorities of improper trading activities could affect FRNT's brand and reputation.

Limited Experience in Managing a Public Company

The Company's management team has limited experience managing a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws pertaining to public companies. FRNT's management team may not successfully or efficiently manage its transition to existing as a public company subject to significant regulatory oversight and reporting obligations under the applicable securities laws and the continuous scrutiny of securities analysts and investors. These new obligations and constituents will require significant attention from the Company's senior management which could divert their attention away from the day-to-day management of the business and could adversely affect the business, operating results and financial condition.

Difficulty in Enforcement of Judgements against Foreign Persons

One of the Company's directors, Adam Rabie, resides outside of Canada and substantially all of the assets of Mr. Rabie are located outside of Canada. It may not be possible for Shareholders to effect service of process against Mr. Rabie who is not resident in Canada. In the event a judgment is obtained in a Canadian court against Mr. Rabie for violations of Canadian securities laws or otherwise, it may not be possible to enforce such judgment against him. Courts in other jurisdictions may refuse to hear a claim based on a violation of Canadian securities laws or otherwise on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the local law, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by foreign law.

Negative Cash Flow from Operations

The Company had negative operating cash flow for the financial year ended June 30, 2020. Although the Company anticipates it will have positive cash flow from operating activities in future periods, the Company cannot guarantee that it will attain or maintain positive cash flow status into the future. To the extent that the Company has negative cash flow in any future period, certain of the proceeds from an offering may be used to fund such negative cash flow from operating activities in these periods, see "*Use of Proceeds*".

Risks Related to the Offering

Risk of Investment

Investing in the securities of the Company involves a high degree of risk. Prospective investors should carefully consider the risks, as well as the other information contained in this prospectus (including, without limitation, the documents incorporated by reference) before investing in the Offered Shares. In addition, investors should appreciate that the value of the Offered Shares may rise or fall depending on a range of factors beyond the control of the Company.

No Guarantee of Positive Return on an Investment

There is no guarantee that an investment in the Offered Shares will earn any positive return in the short-term or long-term. An investment in the Offered Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate

liquidity in their investment. An investment in the Offered Shares is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

There is no established market for the Company's Securities

There is currently no market through which the Company's securities may be sold and purchasers may not be able to resell the Company's securities. An active public market for the Common Shares might not develop or be sustained following the filing of this prospectus. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited, and the Common Share price may decline below the shareholder's initial investment.

Price Volatility of Publicly-Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values, or prospects of such companies. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Offered Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows, or earnings. The value of the Offered Shares issued pursuant to the Offering will be affected by such volatility.

The market price of the Offered Shares is affected by many other variables which may be unrelated to the Company's success and are, therefore, not within the Company's control. These include other developments that affect the market for all cryptocurrency sector-related securities, the breadth of the public market for the Offered Shares, and the attractiveness of alternative investments. Other factors unrelated to FRNT's performance include: the extent of analytical coverage available to investors concerning FRNT's business may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the Offered Shares may affect an investor's ability to trade significant numbers of the Offered Shares; the size of FRNT's public float may limit the ability of some institutions to invest in the Offered Shares; and a substantial decline in the price of the Offered Shares that persists for a significant period of time could cause the Offered Shares to be delisted from the TSX-V, further reducing market liquidity. As a result of any of these factors, the market price of the Offered Shares at any given point in time may not accurately reflect FRNT's long-term value. Securities class action litigation has often been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources. The effect of these and other factors on the market price of the Offered Shares is expected to make the price of the Offered Shares volatile in the future, which may result in losses to investors.

Potential Dilution

The Company's Articles allow it to issue an unlimited number of Common Shares for such consideration and on such terms and conditions as established by the Board of Directors of the Company, in many cases, without the approval of the Company's Shareholders. The Company may issue additional Common Shares in subsequent offerings (including through the sale of securities convertible into or exchangeable for Common Shares) and on the exercise of stock options or other securities exercisable for Common Shares. The Company cannot predict the size of future issuances of Common Shares or the effect that future issuances and sales of Common Shares will have on the market price of the Offered Shares. Issuances of a substantial number of additional Common Shares, or the perception that such issuances could occur, may adversely affect prevailing market prices for the Common Shares. With any additional issuance of Common Shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per share.

Discretion in the Use of Proceeds

The Company currently intends to allocate the net proceeds received from the Offering as described under “*Use of Proceeds*” in this prospectus. However, management will have discretion concerning the use of the proceeds of the Offering as well as the timing of expenditures. As a result, an investor will be relying on the judgment of management for the application of the proceeds of the Offering. Management may use the net proceeds of the Offering in ways that an investor may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Company’s results of operations and financial condition may suffer and, consequently, could adversely affect the price of the Company’s securities on the open market.

Resale of Offered Shares

The continued operation of the Company will be dependent upon its ability to generate operating revenues, and to a lesser degree to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Company is unable to generate such revenues or obtain such additional financing, any investment in the Company may be lost. In such event, the probability of resale of the Offered Shares purchased would be diminished.

Investment Eligibility

There can be no assurance that the Offered Shares will continue to be qualified investments under relevant Canadian tax laws for trusts governed by RRSPs, RRIFs, DPSPs, RESPs, RDSPs, and TFSAs. The Tax Act imposes penalties for the acquisition or holding of nonqualified or prohibited investments. See “*Eligibility for Investment*”.

Increased Expenses as a Public Company

The Company expects to incur significant legal, accounting, insurance, and other expenses as a result of being a public company, which may negatively impact the Company’s performance and could cause the results of operations and the Company’s financial condition to suffer. Compliance with applicable Canadian securities legislation and the rules of the TSX-V substantially increases the Company’s expenses, including legal and accounting costs, and results in certain activities becoming more time-consuming and costlier. Future changes to such Canadian securities legislation and the rules of the TSX-V could increase such expenses. Reporting obligations as a public company and the Company’s anticipated growth may place a strain on the Company’s financial and management systems, processes, and controls, as well as on personnel.

The Company also expects these laws, rules, and regulations to make it more expensive to obtain director and officer liability insurance, and the Company may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may become more difficult for the Company to attract and retain qualified persons to serve on the Board or as officers. As a result of the foregoing, the Company expects a substantial increase in legal, accounting, insurance, and certain other expenses in the future, which will negatively impact financial performance and could cause the Company’s results of operations and financial condition to suffer.

The Company does not expect that disclosure controls and procedures and internal controls over financial reporting will prevent all error or fraud. A control system, no matter how well-designed and implemented, can provide only reasonable, not absolute, assurance that the control system’s objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within an organization are detected. The inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of certain persons, by collusion of two or more people, or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all. If the Company cannot provide reliable financial reports or prevent fraud, the Company’s reputation and operating results could be materially adversely affected, which could also cause investors to lose confidence in FRNT’s reported financial information,

which in turn could have a material adverse effect on the Company's profitability, results of operations, and financial condition and the trading price of its securities.

Dividends

The declaration, timing, amount, and payment of dividends are at the discretion of the Board and will depend upon FRNT's future earnings, cash flows, acquisition capital requirements, and financial condition, and other relevant factors. There can be no assurance that FRNT will declare a dividend on a quarterly, annual, or other basis. See "*Dividend Policy*".

Lack of Reports or Unfavourable Reports

The trading market for the Offered Shares will depend on the research and reports that securities or industry analysts publish about the Company and its business. The Company does not have any control over these analysts. The Company cannot assure that analysts will cover it or provide favourable coverage. If one or more of the analysts who cover the Company downgrade its stock or change their opinion of the Offered Shares, the price of the Offered Shares could decline. If one or more of these analysts cease coverage of the Company or fail to regularly publish reports, the Company could lose visibility in the financial markets, which could cause the price and trading volume of the Offered Shares to decline.

PROMOTERS

Stéphane Ouellette and Adam Rabie have taken the initiative in founding and organizing the Company, and may therefore be considered to be promoters within the meaning of Canadian securities laws. After giving effect to the Offering, it is expected that Stéphane Ouellette and Adam Rabie will beneficially own, or control or direct, directly or indirectly: (i) 10,808,120 Class A Common Shares (held by TTS Capital Corp. of which Mr. Ouellette beneficially owns and controls or directs) and 7,786,269 Common Shares, respectively, representing approximately 30.75% and 22.15%, respectively, of the issued and outstanding Common Shares (on an as-converted basis in respect of the Class A Common Shares) following completion of the Offering.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not involved nor has it been involved in any legal proceedings and regulatory actions. Similarly, no legal proceedings or regulatory actions are known to be contemplated by the Company. Similarly, no legal proceedings or regulatory actions are known to be contemplated by the Company.

INTEREST OF EXPERTS

As of September 7, 2021, the partners and associates of Cassels Brock & Blackwell LLP and the partners and associates of Fasken Martineau DuMoulin LLP, own less than 1% of the issued and outstanding Common Shares. In addition, none of the partners of Cassels Brock & Blackwell LLP or Fasken Martineau DuMoulin LLP are currently expected to be elected, appointed or employed as a director, officer or employee of the Company or any of its associates or affiliates.

The Company's auditor is MNP LLP and they have issued a report of an independent auditors' report dated [●], 2021. They have advised the Company that they are independent of the Company in accordance with the Chartered Professional Accountants of Ontario Code of Professional Conduct.

LEGAL MATTERS

The matters referred to under "*Eligibility for Investment*" and "*Certain Canadian Federal Income Tax Considerations*", as well as certain other legal matters relating to the issue and sale of the Offered Shares, will be passed upon on the Company's behalf by Cassels Brock & Blackwell LLP and on behalf of the Agents by Fasken Martineau DuMoulin LLP. As at the date of this prospectus, the partners and associates of each of Cassels Brock &

Blackwell LLP and Fasken Martineau DuMoulin LLP beneficially own, directly or indirectly, less than 1% of the Company's outstanding securities or other property, or of the Company's associates or affiliates.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

FRNT is party to the Paradox Agreements with Paradox. Paradox is managed, but not owned, by a company of which Adam Rabie is the Chief Executive Officer and Stéphane Ouellette is a director. The nature of the agreements will give Mr. Rabie and Mr. Ouellette direct access to hedging and collateralization information outside of the contractual agreement noted above. Mr. Rabie also holds an 85.67% interest of the manager of the Paradox Fund.

FRNT is also a party to an Investment Agreement between FRNT and Coinsquare dated May 9, 2018, as amended and restated on October 28, 2019 (the "**A&R Investment Agreement**"). Cole Diamond signed the agreement on behalf of Coinsquare as the company's Chief Executive Officer. At the time of entering into the A&R Investment Agreement, Mr. Diamond was serving as a director of FRNT. Mr. Diamond remained a director until his resignation on May 26, 2020. Further, the A&R Investment Agreement contains a profit sharing arrangement, pursuant to which upon the Company reaching profitability, Coinsquare is entitled to share in the profits of the Company. The provision contemplates a profit sharing agreement to be entered into between Coinsquare and the Company, which shall provide for Coinsquare to receive 50% of the Company's "net profits" (as defined in the A&R Investment Agreement) and that the profits shall be applied first to the repayment in full of the \$200,000 loan, which was granted to the Company by Coinsquare, and then towards payment in full of the fees owing for services provided by Coinsquare pursuant to the A&R Investment Agreement. Upon repayment in full of the loan and the service fees, the profit sharing agreement shall automatically terminate without further action on the part of the Company or Coinsquare.

Other than the Paradox Agreements and the A&R Investment Agreement, there are no material interests, direct or indirect, of any of the Company's directors or executive officers, any Shareholder that beneficially owns, or controls or directs (directly or indirectly), more than 10% of the aggregate votes attached to the Common Shares, or any associate or affiliate of any of the foregoing persons, in any transaction within the three years before the date hereof that has materially affected or is reasonably expected to materially affect the Company.

AUDITOR, TRANSFER AGENT AND REGISTRAR

MNP LLP, located at its principal office in Toronto, Ontario, is the Company's auditor and has confirmed that they are independent of the Company in accordance with the Chartered Professional Accountants of Ontario Code of Professional Conduct.

The transfer agent and registrar for the Common Shares will be Odyssey Trust Company at its principal office in Toronto Ontario.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS

One of the Company's directors, Adam Rabie, resides outside of Canada. The Company's aforementioned director who resides outside of Canada has appointed the Company as their agent for service of process in Canada. Purchasers are advised that it may not be possible for them to enforce judgments obtained in Canada against any person or company that is incorporated, continued, or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the person has appointed an agent for service of process.

MATERIAL CONTRACTS

This prospectus includes a summary description of certain of the Company's material agreements. The summary description discloses all attributes material to an investor in the Offered Shares but is not complete and is qualified by reference to the terms of the material agreements, which will be filed with the Canadian securities regulatory authorities and available on SEDAR at www.sedar.com, under the Company's profile. Investors are encouraged to read the full text of such material agreements.

The following are the Company's only material contracts that will be in effect on Closing (other than certain agreements entered into in the ordinary course of business):

- (a) the Agency Agreement;
- (b) the Paradox Subscription Agreements;
- (c) the OTC Agreement; and
- (d) the Collaboration Agreement.

Copies of the foregoing documents will be available following Closing on SEDAR at www.sedar.com.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

GLOSSARY OF CERTAIN TERMS

The following is a glossary of certain defined terms used throughout this prospectus. This is not an exhaustive list of defined terms used in this prospectus and additional terms are defined throughout. Terms and abbreviations used in the Company's financial statements are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa, and words importing any gender include all genders.

"A&R Investment Agreement" has the meaning ascribed thereto under the heading "*Interests Of Management And Others In Material Transactions*" in this prospectus.

"Additional Offered Shares" has the meaning ascribed thereto on the cover page of this prospectus.

"Advanced Notice Provisions" has the meaning ascribed thereto under the heading "*Advanced Notice Provisions*".

"Agency Agreement" has the meaning ascribed thereto on the cover page of this prospectus.

"Agents" means, collectively, the Lead Agent, [●] and [●].

"Agents' Fee" has the meaning ascribed thereto on the cover page of this prospectus.

"Annual Financial Statements" has the meaning ascribed thereto under the heading "*Selected Financial Information*" in this prospectus.

"Annual MD&A" has the meaning ascribed thereto under the heading "*Management's Discussion and Analysis*" in this prospectus.

"Articles" has the meaning ascribed thereto under the heading "*Common Shares*" in this prospectus.

"AUM" means assets under management.

"Broker Warrants" has the meaning ascribed thereto on the cover page of this prospectus.

"CBCA" means the *Canada Business Corporations Act*.

"CDS" means CDS Clearing and Depository Services Inc. or its nominee.

"CDS Participants" has the meaning ascribed thereto under the heading "*Non-Certificated Inventory System*" in this prospectus.

"CFD" means contract for difference.

"Class A Common Shares" means the class A common shares in the capital of FRNT.

"Closing" has the meaning ascribed thereto on the cover page of this prospectus.

"Closing Date" has the meaning ascribed thereto on the cover page of this prospectus.

"Collaboration Agreement" has the meaning ascribed thereto under the heading "*Types of Products and Services to be Offered*" in this prospectus.

"Common Shares" means the common shares in the capital of FRNT.

"COVID-19" means the Coronavirus disease 2019.

“**Coinsquare**” means Coinsquare Ltd.

“**Cryptocurrency Trading Platforms**” means centralized or decentralized marketplaces that unite and match buyers and sellers of cryptocurrencies.

“**DPSP**” has the meaning ascribed thereto under the heading “*Eligibility for Investment*” in this prospectus.

“**Escrow Agreement**” has the meaning ascribed thereto under the heading “*Securities Subject to Escrow Pursuant to NP 46-201*” in this prospectus.

“**FRNT**” or the “**Company**” means FRNT Financial Inc.

“**FRNT AM**” means FRNT Asset Management Inc.

“**FRNT Console**” has the meaning ascribed thereto under the heading “*Types of Products and Services to be Offered*” in this prospectus.

“**FRNT Shares**” means, collectively, the Common Shares and the Class A Common Shares.

“**IASB**” means the International Accounting Standards Board.

“**IFRS**” means International Financial Reporting Standards.

“**Institutional Investors**” means, when used in relation to Canadian investors, “permitted clients” as defined in National Instrument 31-103: *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

“**Interim Financial Statements**” has the meaning ascribed thereto under the heading “*Selected Financial Information*” in this prospectus.

“**Interim MD&A**” has the meaning ascribed thereto under the heading “*Management’s Discussion and Analysis*” in this prospectus.

“**Lead Agent**” means PI Financial Corp.

“**Liquidity Event**” means the occurrence of any of the following, which results in the Common Shares (or the common shares or equivalent of a resulting issuer) being listed on an Exchange:

- (a) the Company completing a bona fide public offering of Common Shares under a prospectus filed with one or more of the securities regulatory authorities in Canada, or under a registration statement filed with securities regulatory authorities in the United States which results in the common shares in the capital of the Company being listed on an Exchange; or
- (b) the consummation of any transaction including, without limitation, any consolidation, amalgamation, merger, plan of arrangement, reverse take-over, qualifying transaction or any other business combination or similar transaction which results in the common shares in the capital of the Company (or the common shares or equivalent of the resulting issuer) being listed on an Exchange;

“**Market Value**” has the meaning ascribed thereto under the heading “*Stock Options*” in this prospectus.

“**Named Executive Officer**” or “**NEO**” means: (1) the Chief Executive Officer of FRNT; (2) the Chief Financial Officer of FRNT; (3) the three most highly compensated Officers of FRNT, whose total compensation was more than \$150,000 for the most recently completed financial year; and (4) each individual who would be an NEO under (3) but for the fact that the individual was neither an Officer of FRNT, nor acting in a similar capacity, at the end of that financial year.

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees*.

“**NI 58-101**” means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

“**Notice Date**” has the meaning ascribed thereto under the heading “*Advanced Notice Provisions*”.

“**NP 46-201**” means National Policy 46-201 – *Escrow for Initial Public Offerings*.

“**Offering**” has the meaning ascribed thereto on the cover page of this prospectus.

“**Offering Price**” has the meaning ascribed thereto on the cover page of this prospectus.

“**Offered Shares**” has the meaning ascribed thereto on the cover page of this prospectus.

“**Option**” has the meaning ascribed thereto under the heading “*Stock Options*” in this prospectus.

“**OSC**” means the Ontario Securities Commission.

“**OTC**” means over-the-counter.

“**OTC Agreement**” has the meaning ascribed thereto under the heading “*Types of Products and Services to be Offered*” in this prospectus.

“**Paradox**” or the “**Paradox Fund**” has the meaning ascribed thereto under the heading “*Types of Products and Services to be Offered*” in this prospectus.

“**Paradox Agreements**” means, collectively, the Paradox Subscription Agreements, the OTC Agreement and the Collaboration Agreement.

“**Paradox Subscription Agreements**” has the meaning ascribed thereto under the heading “*Types of Products and Services to be Offered*” in this prospectus.

“**permitted client**” or “**permitted clients**”, as used throughout this Prospectus, shall have the meaning ascribed to such term in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

“**Policy 5.4**” means TSX-V Policy 5.4 – *Escrow, Vendor Consideration and Resale Restrictions*.

“**RDSP**” has the meaning ascribed thereto under the heading “*Eligibility for Investment*” in this prospectus.

“**Recognized Stock Exchange**” means the recognized Canadian stock exchange on which the Company’s Common Shares are listed, as applicable.

“**RESP**” has the meaning ascribed thereto under the heading “*Eligibility for Investment*” in this prospectus.

“**RFQ**” means request for quote.

“**RRIF**” has the meaning ascribed thereto under the heading “*Eligibility for Investment*” in this prospectus.

“**RRSP**” has the meaning ascribed thereto under the heading “*Eligibility for Investment*” in this prospectus.

“**SEC**” means the United States Securities and Exchange Commission.

“**SEM Trade**” has the meaning ascribed thereto under the heading “*Types of Products and Services to be Offered*” in this prospectus.

“**Shareholders**” has the meaning ascribed thereto under the heading “*Dividend Rights*” in this prospectus.

“**Settlement Agreement**” has the meaning ascribed thereto under the heading “*Penalties or Sanctions*” in this prospectus.

“**Stock Option Plan**” has the meaning ascribed thereto under the heading “*Executive and Director Compensation – Introduction*” in this prospectus.

“**Stock Split**” has the meaning ascribed thereto under the heading “*Corporate Structure*” in this prospectus.

“**Tax Act**” means the *Income Tax Act* (Canada).

“**TFSA**” has the meaning ascribed thereto under the heading “*Eligibility for Investment*” in this prospectus.

“**TSX-V**” means the TSX Venture Exchange.

“**UMIR**” means the Universal Market Integrity Rules for Canadian Marketplaces.

“**Unit**” has the meaning ascribed thereto under the heading “*Prior Sales*” in this prospectus.

“**Unit Holder**” has the meaning ascribed thereto under the heading “*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer*” in this prospectus.

“**Unit Share**” has the meaning ascribed thereto under the heading “*Prior Sales*” in this prospectus.

“**U.S. Securities Act**” has the meaning ascribed thereto on the cover page of this prospectus.

“**United States**” or “**U.S.**” means the United States of America and any territory or possession thereof, any state of the United States, and the District of Columbia.

“**Warrant**” has the meaning ascribed thereto under the heading “*Prior Sales*” in this prospectus.

“**Warrant Share**” has the meaning ascribed thereto under the heading “*Prior Sales*” in this prospectus.

APPENDIX A

AUDIT COMMITTEE CHARTER

I. INTRODUCTION

- A. This Charter sets forth the purpose, composition, responsibilities and authority of the Audit Committee (the “**Committee**”) of the board of directors (the “**Board**”) of FRNT Financial Inc. (the “**Company**”).

II. STATEMENT OF PURPOSE

- A. The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:
- financial reporting and related financial disclosure;
 - risk management;
 - internal control over financial reporting and disclosure controls and procedures;
 - the annual independent audit of the Company’s financial statements;
 - legal and regulatory compliance;
 - related party transactions; and
 - compliance with public disclosure requirements.

III. COMMITTEE MEMBERSHIP

- A. The Committee shall consist of as many directors of the Board as the Board may determine (the “**Members**”), but in any event, not less than three (3) Members. Subject to applicable securities laws, at least a majority of the Members of the Committee, at any time, shall be “independent” and each Member shall be “financially literate”, each within the meaning of National Instrument 52-110 - Audit Committees (“**NI 52-110**”) and any other applicable securities laws and the rules of any stock exchanges upon which the Company’s securities are listed. NI 52-110 requires, among other things, that to be independent, a Member be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member’s independent judgment.
- B. Members shall be appointed by the Board. Any Member may be removed and replaced at any time by the Board, and will automatically cease to be a Member if he or she ceases to meet the qualifications required of Members. The Board will fill vacancies on the Committee by appointment from among qualified directors of the Board. If a vacancy exists on the Committee, the remaining Members may exercise all of the Committee’s powers so long as there is a quorum in accordance with Section 3 below.
- a. *Chair.* The Board will designate one of the independent directors of the Board to be the chair of the Committee (the “**Chair**”) and the Chair may be removed or replaced at any time by the Board, in both cases.

- b. *Qualifications:* All Members must be financially literate. Members must have suitable experience and must be familiar with auditing and financial matters.
- c. *Attendance of Management and other Persons:* The Committee may invite, at its discretion, senior executives of the Company or such persons as it sees fit to attend meetings of the Committee and to take part in the discussion and consideration of the affairs of the Committee. The Committee may also require senior executives or other employees of the Company to produce such information and reports as the Committee may deem appropriate in the proper exercise of its duties. Senior executives and other employees of the Company shall attend a Committee meeting if invited by the Committee. The Committee may meet without senior executives in attendance for a portion of any meeting of the Committee.
- d. *Delegation:* Subject to applicable law, the Committee may delegate any or all of its functions to any of its Members or any subset thereof, or other persons, from time to time as it sees fit.

IV. COMMITTEE OPERATIONS

- a. *Meetings:* The Chair, in consultation with the other Members, shall determine the schedule and frequency of meetings of the Committee. Meetings of the Committee shall be held at such times and places as the Chair may determine. To the extent possible, advance notice of each meeting will be given to each Member unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings of the Committee either in person or by telephone, video or other electronic means. Powers of the Committee may also be exercised by written resolutions signed by all Members.

At the request of the external auditors of the Company, the Chief Executive Officer or the Chief Financial Officer of the Company or any Member, the Chair shall convene a meeting of the Committee. Any such request shall set out in reasonable detail the business proposed to be conducted at the meeting so requested.

- b. *Agenda and Reporting:* To the extent possible, in advance of every regular meeting of the Committee, the Chair shall prepare and distribute, or cause to be prepared and distributed, to the Members and others as deemed appropriate by the Chair, an agenda of matters to be addressed at the meeting together with appropriate briefing materials.

The Chair shall report to the Board on the Committee's activities since the last Board meeting. However, the Chair may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board. Minutes of each meeting of the Committee shall be circulated to the Board following approval of the minutes by the Members. The Committee shall oversee the preparation of, review and approve the applicable disclosure for inclusion in the Company's annual information form.

- c. *Secretary and Minutes:* The Corporate Secretary of the Company may act as secretary of the Committee unless an alternative secretary is appointed by the Committee. The secretary of the Committee shall keep regular minutes of Committee proceedings and shall circulate such minutes to all Members and to the chair of the Board (and to any other director of the Board that requests that they be sent to him or her) on a timely basis.
- d. *Quorum and Procedure:* A quorum for any meeting of the Committee will be a simple majority of the Members in office. The procedure at meetings will be determined by the Committee. The powers of the Committee may be exercised by a simple majority of Members at a meeting where a quorum is present or by resolution in writing signed by all Members. In the absence of the Chair, the Committee may appoint one of its other Members to act as Chair of any meeting.
- e. *Exercise of Power between Meetings:* Between meetings, the Chair, or any Member designated for such purpose by the Committee, may, if required in the circumstance, exercise any power delegated by the Committee on an interim basis. The Chair or other designated Member will promptly report to the other Members in any case in which this interim power is exercised.

V. DUTIES AND RESPONSIBILITIES

- A. The Committee is responsible for performing the duties set out below and any other duties that may be assigned to it by the Board, as well as any other functions that may be necessary or appropriate for the performance of its duties.
 - a. *Financial Reporting and Disclosure:* Review and recommend to the Board for approval, the interim and audited annual financial statements, including the auditors' report thereon, management's discussion and analysis, financial reports, press releases related to such financial statements and reports, and other applicable financial disclosure, prior to the public disclosure of such information.

Review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms, annual reports to shareholders, management proxy circulars, material change disclosures of a financial nature and similar disclosure documents, prior to the public disclosure of such documents or information.

Review with senior executives of the Company, and with external auditors, significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards ("IFRS"), with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly the Company's financial position and the results of its operations in accordance with IFRS, as applicable.

Seek to ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, the Company's disclosure controls and procedures and periodically assess the adequacy

of those procedures and recommend any proposed changes to the Board for consideration.

- b. *Risk Management.* Review the Company's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities.

Review and make recommendations to the Board regarding the adequacy of the Company's risk management policies and procedures with regard to identification of the Company's principal risks and implementation of appropriate systems and controls to manage such risks including an assessment of the adequacy of insurance coverage maintained by the Company.

- c. *Internal Controls and Internal Audit.* Review the adequacy and effectiveness of the Company's internal control and management information systems through discussions with senior executives of the Company and the external auditor relating to the maintenance of (i) necessary books, records and accounts in sufficient detail to accurately and fairly reflect the Company's transactions; (ii) effective internal control over financial reporting; and (iii) adequate processes for assessing the risk of material misstatements in the financial statements and for detecting control weaknesses or fraud. From time to time the Committee shall assess any requirements or changes with respect to the establishment or operations of the internal audit function having regard to the size and stage of development of the Company at any particular time.

Satisfy itself, through discussions with senior executives of the Company that the adequacy of internal controls, systems and procedures has been periodically assessed in accordance with regulatory requirements and recommendations.

Periodically review the Company's policies and procedures for reviewing and approving or ratifying related- party transactions.

- d. *External Audit.* Recommend to the Board a firm of external auditors to be nominated for appointment as the external auditors of the Company.

Ensure the external auditors report directly to the Committee on a regular basis. Review the independence of the external auditors.

Review and recommend to the Board the fee, scope and timing of the audit and other related services rendered by the external auditors.

Review and approve the audit plan of the external auditors, including the scope and staffing of the audit, prior to the commencement of the audit. Establish and maintain a direct line of communication with the Company's external auditors.

At each meeting, the Committee shall meet in private session, if required, and may meet with the external auditors, with management, and with the Committee members only.

Review and assess the compensation and oversight of the work of the external auditors of the Company with respect to preparing and issuing an audit report or performing other audit or review services for the Company, including the resolution of issues between senior executives of the Company and the external auditors regarding financial reporting. The external auditor shall report directly to the Committee.

Review the results of the external audit and the external auditors' report thereon, including discussions with the external auditors as to the quality of accounting principles used and any alternative treatments of financial information that have been discussed with senior executives of the Company and any other matters.

Review any material written communications between senior executives of the Company and the external auditors and any significant disagreements between the senior executives and the external auditors regarding financial reporting.

Discuss with the external auditors their perception of the Company's financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of their review and availability of records, data and other requested information and any recommendations with respect thereto.

Discuss with the external auditors their perception of the Company's identification and management of risks, including the adequacy or effectiveness of policies and procedures implemented to mitigate such risks.

Recommend to the Board any change of the external auditors and oversee any such change to ensure compliance with NI 52-110 and other applicable securities laws.

Review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board.

Review and assess, at least annually, the performance of the external auditors, including (i) reviewing and evaluating the lead partner on the external auditor's engagement with the Company, and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services are compatible with maintaining the auditor's independence.

- e. *Associated Responsibilities:* Monitor and periodically review the Whistleblower Policy of the Company and associated procedures for:
- the receipt, retention and treatment of complaints received by the Company regarding accounting and internal accounting controls or auditing matters;

- the confidential, anonymous submission by directors, officers and employees of the Company of concerns regarding questionable accounting or auditing matters; and
- any violations of applicable law, rules or regulations that relate to corporate reporting and disclosure.

Review and approve the Company's hiring policies regarding employees and partners, and former employees and partners, of the present and former external auditors of the Company.

- f. *Non-Audit Services:* Pre-approve all non-audit services to be provided to the Company or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities, in accordance with NI 52-110 and other applicable securities laws, if any. The Committee may delegate to one or more of its Members the authority to pre-approve non-audit services but pre-approval by such Member or Members so delegated shall be presented to the full Committee at its first scheduled meeting following such pre-approval.
- g. *Other Duties:* Direct and supervise the investigation into any matter brought to its attention within the scope of the Committee's duties. Perform such other duties as may be assigned to it by the Board from time to time or as may be required by applicable law.

VI. THE COMMITTEE CHAIR

In addition to the responsibilities of the Chair described above, the Chair has the primary responsibility for overseeing and reporting on the evaluations to be conducted by the Committee, as well as monitoring developments with respect to accounting and auditing matters in general and reporting to the Committee on any related significant developments.

VII. COMMITTEE EVALUATION

The performance of the Committee shall be evaluated by the Board as part of its regular evaluation of the Board committees.

VIII. ACCESS TO INFORMATION AND AUTHORITY TO RETAIN INDEPENDENT ADVISORS

- A. The Committee shall be granted unrestricted access to all information regarding the Company that is necessary or desirable to fulfill its duties and all directors, officers and employees of the Company will be directed to cooperate as requested by Members. The Committee has the authority to retain, at the Company's expense, independent legal, financial, and other advisors, consultants and experts to assist the Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve their fees. In selecting such advisors, consultants and experts, the Committee shall take into account factors relevant to their independence from the Company's management and other relevant considerations.
- B. The Committee shall discharge its responsibilities, and shall assess the information provided by the Company's management and the external advisors, in accordance with its business judgment. Members are entitled to rely, absent

knowledge to the contrary, on the integrity of the persons and organizations from whom they receive information, and on the accuracy and completeness of the information provided. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee or the Board a standard of care or diligence that is in any way more onerous or extensive than the standard to which the directors of the Board are subject under applicable law.

- C. The Committee also has the authority to communicate directly with internal and external auditors. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate or comply with IFRS and other applicable requirements. These are the responsibilities of the senior executives of the Company responsible for such matters and the external auditors. The Committee, the Chair and any Members identified as having accounting or related financial expertise are directors of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Company, and are specifically not accountable or responsible for the day-to-day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and the Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of the Company's financial information or public disclosure. This Charter is not intended to change or interpret the constating documents of the Company or applicable law or stock exchange rule to which the Company is subject, and this Charter should be interpreted in a manner consistent with the constating documents of the Company and all applicable laws and rules.
- D. The Board may, from time to time, permit departures from the terms of this Charter, either prospectively or retrospectively. This Charter is not intended to give rise to civil liability on the part of the Company or its directors or officers, to shareholders, security holders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part.

IX. REVIEW OF CHARTER

The Committee shall periodically review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.

APPENDIX B
FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

[See attached.]

FRNT Financial Inc.

FINANCIAL STATEMENTS

For the years ended June 30, 2020 and 2019

(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report

To the Directors of FRNT Financial Inc.:

Opinion

We have audited the financial statements of FRNT Financial Inc. (the "Company"), which comprise the statements of financial position as at June 30, 2020, June 30, 2019 and July 1, 2018 and the statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years ended June 30, 2020 and June 30, 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2020, June 30, 2019 and July 1, 2018, and its financial performance and its cash flows for the years ended June 30, 2020 and June 30, 2019 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

Toronto, Ontario

Chartered Professional Accountants

Licensed Public Accountants

FRNT Financial Inc.
 Statements of Financial Position
 (Expressed in Canadian dollars)

As at	Notes	June 30, 2020	June 30, 2019	July 1, 2018
ASSETS				
Current assets				
Cash		\$ 642,325	68,767	170,992
Trade and other receivables	5	201,610	83,587	-
Prepaid expenses		2,769	-	-
Investment	6	1,086,416	-	-
		1,933,120	152,354	170,992
Total assets		\$ 1,933,120	152,354	170,992
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)				
Current liabilities				
Accounts payable and accrued liabilities		\$ 138,250	33,143	2,496
		138,250	33,143	2,496
Promissory note payable	7	212,515	202,175	193,228
Total liabilities		350,765	235,318	195,724
SHAREHOLDERS' EQUITY (DEFICIENCY)				
Share capital	8	2,000,100	100	100
Stock option reserve	8	47,199	-	-
Retained earnings (deficit)		(464,944)	(83,064)	(24,832)
Total shareholders' equity (deficiency)		1,582,355	(82,964)	(24,732)
Total liabilities and shareholders' equity (deficiency)		\$ 1,933,120	152,354	170,992

Nature of operations 1
 Subsequent events 14

APPROVED BY THE BOARD OF DIRECTORS:

Stéphane Ouellette Director

Adam Rabie Director

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

FRNT Financial Inc.

Statements of loss and comprehensive loss

(Expressed in Canadian dollars)

Year ended June 30,	Notes	2020	2019
Revenue			
Commissions		\$ 297,992	\$ 418,648
Less: commission rebates		(193,929)	(185,060)
		104,063	233,588
Expenses			
General and administrative expenses		80,008	56,139
Professional fees		196,263	22,869
Salaries and benefits		262,679	199,964
Share-based compensation	8	47,199	-
		586,149	278,972
Operating loss		(482,086)	(45,384)
Other income (expense)			
Interest expense	7	(14,787)	(12,848)
Unrealized appreciation of investment	6	17,736	-
SR&ED tax credits	5	120,174	-
		123,123	(12,848)
Loss before income taxes		(358,963)	(58,232)
Income tax – deferred	12	-	-
Net loss and comprehensive loss		\$ (358,963)	\$ (58,232)
Loss per share – Basic and diluted		\$ (0.015)	\$ (0.003)
Weighted average shares outstanding – Basic and diluted		24,492,864	19,651,127

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

FRNT Financial Inc.

Statements of changes in shareholders' equity (deficiency)

(Expressed in Canadian dollars)

	Class A common shares #	Common shares #	Share capital	Stock option reserve	Retained earnings (deficit)	Total shareholders' equity (deficiency)
Balance, July 1, 2018	10,808,120	8,843,007	\$ 100	-	\$ (24,832)	\$ (24,732)
Net loss and comprehensive loss	-	-	-	-	(58,232)	(58,232)
Balance, June 30, 2019	10,808,120	8,843,007	\$ 100	-	\$ (83,064)	\$ (82,964)
Shares issued for cash	-	2,781,538	2,000,000	-	-	2,000,000
Exercise of warrants	-	4,882,126	-	-	-	-
Share-based compensation	-	-	-	47,199	-	47,199
Dividends paid	-	-	-	-	(22,917)	(22,917)
Net loss and comprehensive loss	-	-	-	-	(358,963)	(358,963)
Balance, June 30, 2020	10,808,120	16,506,671	\$ 2,000,100	47,199	\$ (464,944)	\$ 1,582,355

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

FRNT Financial Inc.
 Statements of cash flows
 (Expressed in Canadian dollars)

Year ended June 30,	2020	2019
Cash flows from operating activities		
Net loss and comprehensive loss	\$ (358,963)	\$ (58,232)
Adjustments for non-cash items:		
Unrealized appreciation of investment	(39,727)	-
Foreign exchange loss	21,991	-
Share-based compensation expense	47,199	-
Accretion of interest expense	10,340	8,947
Changes in non-cash working capital items:		
Trade and other receivables	(118,023)	(83,587)
Prepaid expenses and deposits	(2,769)	-
Accounts payable and accrued liabilities	105,107	30,647
Net cash used in operating activities	(334,845)	(102,225)
Cash flows from investing activities		
Purchase of investment	(1,068,680)	-
Net cash used in investing activities	(1,068,680)	-
Cash flows from financing activities		
Proceeds from share issuance	2,000,000	-
Dividend paid	(22,917)	-
Net cash provided by financing activities	1,977,083	-
Net change in cash	573,558	(102,225)
Cash, beginning	68,767	170,992
Cash, ending	\$ 642,325	\$ 68,767

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

FRNT Financial Inc.

Notes to the Financial Statements

For the years ended June 30, 2020 and 2019

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS

FRNT Financial Inc. (the “Company”) was incorporated under the Canada Business Corporations Act on April 24, 2018. The Company’s head office and registered records office is located at 77 Florence Street, Unit 107, Toronto, Ontario, M6K 1P4. The Company is a financial technology company that provides a capital markets trading platform for institutional investors to access alternative trade opportunities.

The global pandemic related to an outbreak of COVID-19 has cast additional uncertainty on the assumptions used by management in making its judgements and estimates. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods. Given that the full extent of the impact that COVID-19, including government and/or regulatory responses to the outbreak, will have on the global economy and the Company’s business is highly uncertain and difficult to predict at this time, there is a higher level of uncertainty with respect to management’s judgements and estimates.

2. BASIS OF PRESENTATION**a) Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

These financial statements were authorized for issue by the Board of Directors on September XX, 2021.

b) Basis of measurement

These financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. The financial statements are presented in Canadian dollars, unless otherwise noted.

FRNT Financial Inc.

Notes to the Financial Statements

For the years ended June 30, 2020 and 2019

(Expressed in Canadian dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated.

a) Foreign currency transactions

Functional and presentation currency

The functional currency of the Company is determined based on the currency of the primary economic environment in which the Company operates. The functional currency of the Company is the Canadian dollar. The presentation currency of the Company is the Canadian dollar.

Transactions and balances

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into the relevant functional currency using the exchange rate in effect at that date. At the reporting period end date, monetary assets and liabilities are translated into the relevant functional currency using the exchange rate in effect at that date and the related translation differences are recognized in profit or loss.

Non-monetary assets and liabilities that are measured at historical cost are translated into the relevant functional currency by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated.

b) Accounts receivable

Accounts receivable, net of allowances, are stated at the amount the Company expects to collect. The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than financial assets measured at fair value through profit or loss. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

The Company applies the simplified approach for trade and other receivables. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets contractual lifetime.

The Company assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts. For financial assets assessed as credit-impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses.

For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the statement of financial position as a deduction from the gross carrying amount of the financial asset.

FRNT Financial Inc.

Notes to the Financial Statements

For the years ended June 30, 2020 and 2019

(Expressed in Canadian dollars)

Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**c) Earnings (loss) per share**

Basic earnings (loss) per share is calculated by dividing the Company's net income (loss) by the weighted average number of shares outstanding and reduced by any shares held in escrow during the reporting period. Diluted earnings (loss) per share is calculated by dividing the Company's net income (loss) by the sum of the weighted average number of shares issued and outstanding assuming all additional shares that would have been outstanding if potentially dilutive instruments were converted and reduced by any shares held in escrow, unless the escrow shares are issuable dependent only on the passage of time with all other conditions having been satisfied.

d) Revenue recognition*Commissions*

Commission fees earned on customer agency transactions are recorded on the trade date. The Company believes that the performance obligation is satisfied on the trade date because that is when their client deploys their funds, the pricing is agreed upon, and collection is reasonably assured.

Interest

Interest revenue represents interest earned on fixed income securities, and cash and cash equivalents. Interest revenue is recognized in the period earned based upon average or daily asset balances, contractual cash flows, and interest rates.

e) Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control an identified asset for a period of time in exchange for consideration.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

FRNT Financial Inc.

Notes to the Financial Statements

For the years ended June 30, 2020 and 2019

(Expressed in Canadian dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

For the period from January 1, 2019 to June 30, 2020, the Company has applied the short-term lease exemption for its office lease which has no fixed term, and accordingly, is expensed as incurred.

f) Financial assets and liabilities***Recognition, classification and measurement***

Financial assets are classified and measured based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. IFRS 9 contains three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit and loss ("FVTPL"). Financial assets are recognized in the statements of financial position if the Company has a contractual right to receive cash or other financial assets from another entity. Financial assets are derecognized when the rights to receive cash flows from the asset have expired or were transferred and the Company has transferred substantially all risks and rewards of ownership.

All financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instruments. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial instruments are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company has classified its trade and other receivables, accounts payable and accrued liabilities, and promissory note payable as financial assets and financial liabilities measured at amortized cost. Such assets and liabilities are recognized initially at fair value inclusive of any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses.

The Company has classified its cash and investment in Paradox Fund as FVTPL.

FRNT Financial Inc.

Notes to the Financial Statements

For the years ended June 30, 2020 and 2019

(Expressed in Canadian dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting guidance for the fair value measurement of financial assets, defines fair value, establishes a framework for measuring fair value, establishes a fair value measurement hierarchy, and expands fair value measure disclosures. Fair value, as defined by the accounting guidance, is the price that would be received in the sale of an asset or paid to transfer a liability in an orderly transaction between market part participants at the measurement date. The fair value hierarchy established by this accounting guidance prioritizes the inputs used in valuation techniques into the following three categories (highest to lowest priority):

Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable marker data (unobservable inputs).

The Company's financial instruments that are recorded at fair value generally are classified within Level 1 or Level 2 within the fair value hierarchy using quoted market prices or quotes from market makers or broker-dealers. Such financial instruments include investments in hedge funds where the Company is general partner. Financial instruments classified within Level 1 are valued based on quoted market prices in active markets. Financial instruments classified as Level 2 are valued using inputs other quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly. Financial instruments classified as Level 3 are valued using unobservable inputs. If inputs of different levels are used to measure an asset or liabilities fair value, the classification within the fair value hierarchy is based on the lowest level input that is significant to the fair value measurement.

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

FRNT Financial Inc.

Notes to the Financial Statements

For the years ended June 30, 2020 and 2019

(Expressed in Canadian dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**g) Government assistance**

The Company is entitled to certain Canadian investment refundable tax credits for qualifying research and development activities performed in Canada (“SR&ED”). SR&ED are recorded as SR&ED income on the statement of income (loss) and comprehensive income (loss). The benefits are recognized when the Company has complied with the terms and conditions of the applicable tax legislation provided there is reasonable assurance of realization. The SR&ED tax credits as defined by the Canadian income tax legislation are refundable to the Company and are recorded as a receivable SR&ED.

In response to the negative economic impact of COVID-19, the Government of Canada announced the Temporary Wage Subsidy (“TWS”) program on February 26, 2020. The 10% Temporary Wage Subsidy is a 3-month measure that allows eligible employers to reduce the amount of payroll deductions they need to remit to the Canada Revenue Agency.

The Company recognizes government grants when there is reasonable assurance that it complies with the conditions required to qualify for the grant, and that the grant will be received. The Company recognizes government grants as a reduction to the related expense that the grant is intended to offset. The Company has recognized a total subsidy of \$4,125 (2019 - \$nil) which has been recorded as a reduction to salaries and benefits.

h) Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balance relate to the same taxation authority. Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

FRNT Financial Inc.

Notes to the Financial Statements

For the years ended June 30, 2020 and 2019

(Expressed in Canadian dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**i) Share-based payments**

Equity-settled share-based payments to employees are measured at the fair value of the instruments at the grant date and recognized in expense over the vesting periods. Equity-settled share-based payments to nonemployees are measured at the fair value of goods or services received or the fair value of the equity instruments issued if it is determined that the fair value of the goods or services received cannot be reliably measured. Nonemployee share-based payments are recognized in expense at the date the goods or services are received. The corresponding amount is recorded to reserves. Upon the exercise of stock options, consideration received on the exercise is recorded as share capital and the related amount in reserves is transferred to share capital.

j) Accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective.

4. MANAGEMENT USE OF JUDGMENTS AND ESTIMATES

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Judgments

Judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements are outlined below.

Research and development

The Company must exercise judgment on assessing the qualification of research and development expenditures for determining SR&ED tax credits receivable.

Estimates

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods are outlined below.

Valuation of private investments

Investments for which reliable quotations are not readily available, or for which there is no closing bid price, including securities of private issuers, are valued at fair value using management's best estimates. A number of valuation methodologies may be considered in arriving at fair value, including the price of a recent investment and net asset values. During the initial period after an investment has been made, cost translated using the period end foreign currency exchange rate may represent the

FRNT Financial Inc.

Notes to the Financial Statements

For the years ended June 30, 2020 and 2019

(Expressed in Canadian dollars)

4. MANAGEMENT USE OF JUDGMENTS AND ESTIMATES (continued)

most reasonable estimate of fair value. Unrealized gains and losses on investments are recognized in the statements of loss and comprehensive loss.

Share-based payments

The Company measures the cost of equity-settled transactions with employees and directors by reference to the fair value of the equity instruments at the date on which they are granted. Estimating fair value for share-based payment transactions require determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield of the share option and forfeiture rate. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Income taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

5. TRADE AND OTHER RECEIVABLES

	June 30, 2020	June 30, 2019
Trade receivables	\$ 81,436	\$ 83,587
SR&ED tax credits receivable	120,174	-
	\$ 201,610	\$ 83,587

During the year ended June 30, 2020, the Company filed its SR&ED refund application for its fiscal 2020 and 2019 expenditures. Accordingly, the Company recorded a receivable related to the refund of \$72,471 and \$47,703 respectively, which is presented as SR&ED income. Subsequent to year-end, the SR&ED claims were approved by the Canada Revenue Agency and the full amount of the claim was received.

6. INVESTMENT

The Company owns a 9.95% interest in the non-voting, participating, redeemable Class A shares of the Paradox Fund, a fund registered in the Cayman Islands.

	June 30, 2020	June 30, 2019
Balance, beginning of year	\$ -	\$ -
Purchase of shares	1,068,680	-
Unrealized appreciation	17,736	-
Balance, end of year	\$ 1,086,416	\$ -

FRNT Financial Inc.

Notes to the Financial Statements

For the years ended June 30, 2020 and 2019

(Expressed in Canadian dollars)

6. INVESTMENT (Continued)

The following is a summary of the Company's investments categorized in the fair value hierarchy as at June 30, 2020:

	Level 1	Level 2	Level 3	Total
Investment in Paradox Fund	-	-	\$ 1,086,416	\$ 1,086,416
Balance, June 30, 2020	-	-	\$ 1,086,416	\$ 1,086,416

Level 3 valuation methods – June 30, 2020

Description	Fair value	Primary Valuation technique used	Significant unobservable inputs	Input/Range
Investment in Paradox Fund	\$ 1,086,416	Net asset value per share	Net asset value per share	N/A
Balance, June 30, 2020	\$ 1,086,416			

During the year ended June 30, 2020 the reconciliations of investments measured at fair value using unobservable inputs (Level 3) are presented as follows:

	June 30, 2020
Beginning balance	\$ -
Purchases	1,068,680
Change in unrealized appreciation	17,736
Sales	-
Balance, June 30, 2020	\$ 1,086,416

FRNT Financial Inc.

Notes to the Financial Statements

For the years ended June 30, 2020 and 2019

(Expressed in Canadian dollars)

6. INVESTMENT (Continued)**Sensitivity analysis to significant changes in unobservable inputs within the Level 3 hierarchy**

The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at June 30, 2020 are shown below:

Description	Input	Sensitivity used	Effect on fair value
Investment in Paradox Fund	Net asset value	10%	\$ 108,642
Balance, June 30, 2020			\$ 108,642

During 2020 and 2019, there were no transfers into or out of Level 1, Level 2 or Level 3 investments.

7. PROMISSORY NOTE PAYABLE

On May 9, 2018, the Company issued a promissory note for \$200,000 to a company with a common director. The note bears an interest rate equal to that of the Canadian Prime Rate per annum, as reported by the Royal Bank of Canada. The principal and all accrued interest are payable on the maturity date of May 1, 2022. The note is secured under a general security agreement. The Company incurred \$8,000 in professional fees related to the issuance of the note. The note was initially recorded at its amortized cost of \$192,000.

On October 28, 2019, the Company entered into an agreement to amend the terms of the promissory note. The lender agreed to provide professional services to the Company, the payment for which would be accrued. Upon achieving profitability, the Company will enter into a profit-sharing arrangement with the lender, whereby the lender will receive 50% of the Company's net profits. The net profits will be first applied to the repayment of the promissory note in full, and second, towards payment in full of the fees owing for any services accrued. There were no amounts payable for services as at June 30, 2020.

As at June 30, 2020, the principal balance of \$200,000 (2019: \$200,000) and interest of \$16,486 (2019: \$9,069) was outstanding.

	Face Value	Carrying Value
Issuance	\$ 200,000	\$ 192,000
Interest expense	1,152	1,228
Balance, June 30, 2018	201,152	193,228
Interest expense	7,917	-
Accretion expense	-	8,947
Balance, June 30, 2019	209,069	202,175
Interest expense	7,417	-
Accretion expense	-	10,340
Balance, June 30, 2020	\$ 216,486	\$ 212,515

FRNT Financial Inc.

Notes to the Financial Statements

For the years ended June 30, 2020 and 2019

(Expressed in Canadian dollars)

8. SHAREHOLDERS' EQUITY**Share capital**

Authorized share capital of the Company consists of:

- an unlimited number of Class A common shares, non-cumulative discretionary dividends, voting, no par value
- an unlimited number of common shares, non-cumulative discretionary dividends, voting, no par value.

The Class A common shares and common shares rank equally as the most subordinate classes of shares and accordingly, are classified as equity. Effective February 16, 2021, the Company effected a share split on a 19.65112699 for one basis. As such, the Company's issued and outstanding shares of Class A common shares and common shares were increased on the basis of one old share for 19.65112699 new shares. Changes to outstanding shares and per share amounts, have been applied and presented retrospectively within these financial statements.

Issued and outstanding share capital:

	Class A common shares #	Common shares #	Class A Common shares \$	Common shares \$	Total share capital
Balance, July 1, 2018	10,808,120	8,843,007	\$ 55	\$ 45	\$ 100
Balance, June 30, 2019	10,808,120	8,843,007	\$ 55	\$ 45	\$ 100
Shares issued for cash	-	2,781,538	-	2,000,000	2,000,000
Exercise of warrants		4,882,126	-	-	-
Balance, June 30, 2020	10,808,120	16,506,671	\$ 55	\$ 2,000,045	\$ 2,000,100

During the year ended June 30, 2020

On October 28, 2019, the Company completed a private placement financing issuing 1,738,456 common shares for gross proceeds of \$1,250,000.

On October 28, 2019, the Company issued 4,882,126 common shares related to the exercise of warrants for nominal consideration.

On January 14, 2020, the Company completed a private placement financing issuing 521,541 common shares for gross proceeds of \$375,000.

On April 8, 2020, the Company completed a private placement financing issuing 521,541 common shares for gross proceeds of \$375,000.

FRNT Financial Inc.

Notes to the Financial Statements

For the years ended June 30, 2020 and 2019

(Expressed in Canadian dollars)

8. SHAREHOLDERS' EQUITY (continued)**Options**

The Company has adopted an equity incentive plan (the "Plan") under which the aggregate number of securities reserved for issuance will be 10.5% of the number of common shares of the Company issued and outstanding. The Plan is administered by the Board of Directors (the "Board"), which has full and final authority with respect to the granting of all options thereunder. Options may be granted under the Plan to such service providers of the Company and its affiliates, if any, as the Board may from time to time designate. Prior to an Initial Public Offering the exercise prices will be determined by the Board. After the completion of the IPO, the Board will establish the exercise price which, in no event, be less than the closing market price of Common Shares on (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options. All options granted under the Plan will expire not later than the date that is ten years from the date that such options are granted. Options granted under the Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

Continuity of the Company's stock options is as follows:

	Number of options		Weighted average exercise price
Outstanding, July 1 2018	-	\$	-
Granted	500,671		0.16
Outstanding, June 30, 2019	500,671		0.16
Granted	388,463		0.74
Outstanding, June 30, 2020	889,134	\$	0.42
Exercisable, June 30, 2020	168,867	\$	0.30

On January 14, 2019, the Company granted 500,671 stock options of the Company. The options are exercisable at a price of \$0.16 per option for a period of five years after vesting. These options had a fair value of \$0.59 per option using the Black Scholes model with the following inputs: i) exercise price: \$0.16; ii) share price: \$0.001; iii) term: 5 years after vesting; iv) volatility: 42%; v) discount rate: 1.90%. The options vest one-sixteenth on September 1, 2019, and vests one-sixteenth every quarter for the next fifteen periods.

On December 4, 2019, the Company granted 233,062 stock options of the Company. The options are exercisable at a price of \$0.72 per option for a period of five years after vesting. These options had a fair value of \$0.31 per option using the Black Scholes model with the following inputs: i) exercise price: \$0.72; ii) share price: \$0.72; iii) term: 5 years after vesting; iv) volatility: 40%; v) discount rate: 1.56%. The options vest one-sixteenth on December 4, 2019, and vests one-sixteenth every quarter for the next fifteen periods.

On May 1, 2020, the Company granted 155,401 stock options of the Company. The options are exercisable at a price of \$0.78 per option for a period of five years after vesting. These options had a fair value of \$0.31 per option using the Black Scholes model with the following inputs: i) exercise price: \$0.78; ii) share price: \$0.72; iii) term: 5 years after vesting; iv) volatility: 42%; v) discount rate: 0.38%. The options vest one-sixteenth on May 1, 2021, and vests one-sixteenth every quarter for the next fifteen periods.

FRNT Financial Inc.

Notes to the Financial Statements

For the years ended June 30, 2020 and 2019

(Expressed in Canadian dollars)

8. SHAREHOLDERS' EQUITY (continued)**Warrants**

Continuity of the Company's warrants is as follows:

	Number of warrants	Weighted average exercise price
Outstanding, July 1, 2018 and June 30, 2019	4,882,126	\$ 0.0005
Exercised	(4,882,126)	0.0005
Outstanding, June 30, 2020	-	\$ -

The warrants were issued on May 9, 2018 and exercised on October 28, 2019 for nominal consideration.

9. RELATED PARTY TRANSACTIONS*Key management compensation*

Key management includes members of the Board of Directors and executive officers of the Company. During the year ended June 30, 2020, remuneration of the Company's key management consisted of salaries and subcontractor payments in the amount of \$101,851 (2019 - \$96,633) included in salaries and wages.

Other related party transactions

On May 9, 2018, the Company issued a promissory note for \$200,000 to a company with a common director (Note 7). As at June 30, 2020, the principal balance of \$200,000 (2019: \$200,000) remains outstanding.

During the year, the Company earned commissions of \$297,992 (2019 - \$418,648) from customer agency trades with the Paradox Fund. The Company paid commission rebates to the Paradox Fund of \$193,929 (2019 - \$185,060).

10. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue its operations and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. The Company considers its capital for this purpose to be its equity and promissory note payable.

The Company's primary source of capital is through the issuance of common shares and debt. The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek additional funding. The Company may require additional capital resources to meet its operating expenses and technology investments. The Company believes it will be able to raise capital as required but recognizes there will be risks involved that may be beyond its control. There are no external restrictions on the management of capital.

FRNT Financial Inc.

Notes to the Financial Statements

For the years ended June 30, 2020 and 2019

(Expressed in Canadian dollars)

11. FINANCIAL RISK MANAGEMENT

The Company is exposed to varying degrees to a variety of financial instrument related risks. Significant risks that are relevant to the Company, as well as different methods to measure and manage the various types of risk to which it is exposed, are discussed below:

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. Foreign exchange risks are closely monitored and attempts are made to match foreign cash inflows and outflows. As at June 30, 2020, the Company is exposed to foreign exchange risk through its investment in Paradox Fund and cash which are denominated in US dollars. The Company mitigates foreign exchange risk by monitoring foreign exchange rate trends and evaluating reinvestment opportunities when possible. The Company does not currently hedge its foreign exchange risk. Based on current exposures as at June 30, 2020 and assuming that all other variables remain constant, a 10% depreciation or appreciation of the United States dollar against the Canadian dollar would result in a gain or loss of approximately \$112,830 (2019 - \$2,386) in the Company's statements of loss and comprehensive loss.

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. The Company's cash and trade and other are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. The Company mitigates credit risk by evaluating the creditworthiness of customers prior to conducting business with them and monitoring its exposure for credit losses with existing customers. Trade and other receivables also include refundable SR&ED tax credits which bears minimal credit risk as it is receivable from the Canadian government. The Company has determined that no allowance is required as all amounts outstanding are considered collectible.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's outstanding promissory note payable bears interest equal to the prime rate.

FRNT Financial Inc.

Notes to the Financial Statements

For the years ended June 30, 2020 and 2019

(Expressed in Canadian dollars)

11. FINANCIAL RISK MANAGEMENT (continued)*Liquidity Risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The Company addresses its liquidity by raising capital through the issuance of debt and equity. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

The table below summarized the maturity profile of the Company's financial liabilities based on the remaining period to the contractual maturity date as at June 30, 2020, 2019 and July 1, 2018.

June 30, 2020

Financial liabilities	On demand	Less than 1 year	1-3 years	Total
Accounts payable and accrued liabilities	\$ 138,250	\$ -	\$ -	\$ 138,250
Promissory note payable	-	-	212,515	212,515

June 30, 2019

Financial liabilities	On demand	Less than 1 year	1-3 years	Total
Accounts payable and accrued liabilities	\$ 33,143	\$ -	\$ -	\$ 33,143
Promissory note payable	-	-	202,175	202,175

July 1, 2018

Financial liabilities	On demand	Less than 1 year	1-3 years	Total
Accounts payable and accrued liabilities	\$ 2,496	\$ -	\$ -	\$ 2,496
Promissory note payable	-	-	193,228	193,228

Market risk

Market risk is the risk that the fair value of investments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). All investments represent a risk of loss of capital. When participating in investing activities, the Company may incur losses if it is unable to resell the investments at more than the purchase price. The Company mitigates its market risk exposure through regular price monitoring of investments. Based on current exposures as at June 30, 2020 and 2019 and assuming that all other variables remain constant, a 10% depreciation or appreciation of investments would result in a gain or loss of approximately \$108,642 (2019 - \$nil) in the Company's statements loss and comprehensive loss.

FRNT Financial Inc.

Notes to the Financial Statements

For the years ended June 30, 2020 and 2019

(Expressed in Canadian dollars)

12. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2019 - 26.5%) to the effective tax rate is as follows:

	June 30, 2020	June 30, 2019
Net loss before taxes	\$ (358,963)	\$ (58,232)
Expected income tax (recovery) expense	(95,126)	(15,432)
Accretion expense	2,740	2,371
Non-deductible expenses and other adjustments	543	525
Share-based compensation	12,508	-
SR&ED adjustment	41,921	7,727
Change in tax benefits not recognized	37,414	4,808
Total income tax expense	\$ -	\$ -

The following table summarizes the components of deferred tax:

	June 30, 2020	June 30, 2019
Deferred tax assets		
Operating tax losses carried forward	\$ 7,201	\$ 608
	7,201	608
Deferred tax liabilities		
SR&ED tax credits receivable	(7,201)	(608)
	(7,201)	(608)
Net deferred tax asset	\$ -	\$ -

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

Unrecognized deferred tax asset

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	June 30, 2020	June 30, 2019
Operating tax losses carried forward	\$ 276,040	\$ 43,549
	\$ 276,040	\$ 43,549

The company's Canadian non-capital income tax losses expiring in the year 2040 are \$ 276,040.

FRNT Financial Inc.

Notes to the Financial Statements

For the years ended June 30, 2020 and 2019

(Expressed in Canadian dollars)

13. OPERATING SEGMENTS

The Company has one operating segment focused around developing and offering its capital market trading platform to institutional investors. All of the Company's operations are located in Canada

14. SUBSEQUENT EVENTS

- a) On November 9, 2020, the Company issued 264,150 stock options. The options are exercisable at a price of \$0.78 per share for a period of five years after vesting. The options will vest 1/16 on February 1, 2021 and thereafter quarterly over the next fifteen periods.
- b) On November 25, 2020, the Company repurchased 165,462 common shares for \$118,975.
- c) A wholly owned subsidiary, FRNT Asset Management Inc., was incorporated on December 7, 2020. FRNT Asset Management Inc. has made an application to the Ontario Securities Commission for registration as a Portfolio Manager.
- d) On January 14, 2021, the Company issued 465,731 stock options. The options are exercisable at a price of \$1.17 per share for a period of five years after vesting. The options will vest 1/16 on March 1, 2021 and thereafter quarterly over the next fifteen periods.
- e) On February 1, 2021, the Company issued 1,000,000, 1,000,000 and 500,000 compensation options. The compensation options are exercisable at a price of \$1.00, \$1.50 and \$2.00 per share, respectively. The options vested immediately upon issuance. The options expire on the date that is the earlier of: (a) forty months from the issuance date and (b) thirty-six months from the effective date of the completion of a transaction which results in the common shares of the Company being listed on a recognized Canadian stock exchange.
- f) On March 17, 2021, the Company closed a brokered private placement issuing 4,000,000 units at a price of \$1.00 per unit for gross proceeds of \$4,000,000. Each unit is comprised of one Class B common share and one half of one warrant. Each warrant is exercisable into one Class B common share at a price of \$1.50 per share until the date that is earlier of:
 - 40 months from the date of issuance; or
 - 36 months following the date the shares are listed on a recognized Canadian stock exchange.

In connection with the financing, the Company incurred \$225,000 in professional fees and \$8,400 in finders' fees.

On March 19, 2021, the Company has invested an additional \$1,999,360 in non-voting, redeemable, participating Class A shares of the Paradox Fund.

- g) On April 19, 2021, the Company issued 125,000, 100,000 and 75,000 stock options. The options are exercisable at a price of \$1.50, \$2.00 and \$2.50 per share, respectively, for a period of five years after vesting. The options will vest 1/12 on May 19, 2021 and thereafter monthly over the next eleven periods.

FRNT Financial Inc.

Notes to the Financial Statements

For the years ended June 30, 2020 and 2019

(Expressed in Canadian dollars)

14. SUBSEQUENT EVENTS (continued)

- h) On May 10, 2021, the Company issued 90,000 stock options. The options are exercisable at a price of \$1.50 per share for a period of five years after vesting. The options will vest 1/8 on September 30, 2021 and thereafter quarterly over the next seven periods.

APPENDIX C
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE-MONTH PERIODS ENDED MARCH 31, 2021

[See attached.]

FRNT Financial Inc.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended March 31, 2021 and 2020

(Expressed in Canadian dollars)

(Unaudited)

FRNT Financial Inc.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

(Unaudited)

As at	Notes	March 31, 2021		June 30, 2020	
ASSETS					
Current assets					
Cash		\$	1,686,256	\$	642,325
Trade and other receivables	3		195,227		201,610
Prepaid expenses			72,769		2,769
Investment, fair value	4		4,033,028		1,086,416
			5,987,280		1,933,120
Equipment			7,657		-
Total assets		\$	5,994,937	\$	1,933,120
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)					
Current liabilities					
Accounts payable and accrued liabilities		\$	269,345	\$	138,250
			269,345		138,250
Loans payable	5		33,844		-
Promissory note payable	6		218,097		212,515
Total liabilities			521,286		350,765
SHAREHOLDERS' EQUITY					
Share capital	7		5,286,716		2,000,100
Stock option reserve	7		796,989		47,199
Warrant reserve	7		480,000		-
Accumulated deficit			(1,090,054)		(464,944)
Total shareholders' equity			5,473,651		1,582,355
Total liabilities and shareholders' equity (deficiency)		\$	5,994,937	\$	1,933,120
Nature of operations	1				
Subsequent events	12				

APPROVED BY THE BOARD OF DIRECTORS:

Stéphane Ouellette

Director

Adam Rabie

Director

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

FRNT Financial Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

(Unaudited)

	Notes	Three months ended March 31,		Nine months ended March 31,	
		2021	2020	2021	2020
Commission revenue		\$ 78,037	\$ 18,369	\$ 283,936	\$ 171,102
Less: commission rebates		36,456	12,594	201,777	164,002
		41,581	5,775	82,159	7,100
Advertising and promotion		114,100	70	136,700	1,266
Amortization		745	-	1,504	-
General and administrative expenses		16,344	33,916	66,746	58,453
Professional fees		71,013	24,154	209,939	80,795
Salaries and wages		117,485	55,433	344,004	164,206
Share based payments	7	728,924	10,352	749,790	32,696
		(1,048,611)	(123,925)	(1,508,683)	(337,416)
Loss before the undernoted		(1,007,030)	(118,150)	(1,426,524)	(330,316)
Interest expense	5,6	(2,664)	(2,676)	(7,452)	(7,926)
Unrealized appreciation of investments	4	759,777	26,960	945,652	26,960
Gain on debt forgiveness	5	-	-	28,025	-
		757,113	24,284	966,225	19,034
Net loss and comprehensive loss for the period		\$ (249,917)	\$ (93,866)	\$ (460,299)	\$ (311,282)
Loss per share – Basic and diluted		\$ (0.01)	\$ (0.00)	\$ (0.02)	\$ (0.01)
Weighted average shares outstanding – Basic and diluted		27,593,774	26,713,014	27,239,606	23,528,760

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

FRNT Financial Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

(Expressed in Canadian dollars)

(Unaudited)

	Number of Class A common shares	Number of common shares	Share capital	Stock option reserve	Warrant reserve	Accumulated income (deficit)	Total shareholders' equity (deficiency)
Balance, June 30, 2019	10,808,120	8,843,007	\$ 100	\$ -	\$ -	\$ (83,064)	\$ (82,964)
Shares issued for cash	-	2,259,997	1,625,000	-	-	-	1,625,000
Exercise of warrants	-	4,882,126	-	-	-	-	-
Share based payments	-	-	-	32,696	-	-	32,696
Dividends paid	-	-	-	-	-	(9,166)	(9,166)
Net loss for the period	-	-	-	-	-	(311,282)	(311,282)
Balance, March 31, 2020	10,808,120	15,985,130	\$ 1,625,100	\$ 32,696	\$ -	\$ (403,512)	\$ 1,254,284
Balance, June 30, 2020	10,808,120	16,506,671	\$ 2,000,100	\$ 47,199	\$ -	\$ (464,944)	\$ 1,582,355
Share buyback	-	(165,462)	(3)	-	-	(119,106)	(119,109)
Private placement	-	4,000,000	3,520,000	-	480,000	-	4,000,000
Share issuance costs	-	-	(233,381)	-	-	-	(233,381)
Share based payments	-	-	-	749,790	-	-	749,790
Dividends paid	-	-	-	-	-	(45,705)	(45,705)
Net loss for the period	-	-	-	-	-	(460,299)	(460,299)
Balance, March 31, 2021	10,808,120	20,341,209	\$ 5,286,716	\$ 796,989	\$ 480,000	\$ (1,090,054)	\$ 5,473,651

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

FRNT Financial Inc.

Condensed Interim Consolidated Statements of cash flows

(Expressed in Canadian dollars)

(Unaudited)

	Nine months ended March 31,	
	2021	2020
Cash flows from operating activities		
Loss for the period	\$ (460,299)	\$ (311,282)
Adjustments for non-cash items:		
Unrealized appreciation of investments	(945,652)	(26,960)
Stock based compensation	749,790	32,696
Accretion of interest expense	7,452	7,925
Amortization	1,504	-
Gain on debt forgiveness	(28,025)	-
Changes in non-cash working capital items:		
Trade and other receivables	6,383	9,119
Prepaid expenses and deposits	(70,000)	(2,769)
Accounts payable and accrued liabilities	131,094	145,360
Net cash provided by (used in) operating activities	(607,753)	(145,911)
Cash flows from investing activities		
Purchase of investments	(2,000,960)	(1,068,680)
Purchase of equipment	(9,161)	-
Net cash used in investing activities	(2,010,121)	(1,068,680)
Cash flows from financing activities		
Repurchase of shares	(119,109)	-
Proceeds from issuance of shares	3,766,619	1,625,000
Dividends paid	(45,705)	(9,166)
Proceeds from government loans	60,000	-
Net cash provided by financing activities	3,661,805	1,615,834
Net change in cash	1,043,931	401,243
Cash , beginning	642,325	68,767
Cash, ending	\$ 1,686,256	\$ 470,010

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

FRNT Financial Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended March 31, 2021 and 2020

(Expressed in Canadian dollars)

(Unaudited)

1. NATURE OF OPERATIONS

FRNT Financial Inc. (the “Company”) was incorporated under the Canada Business Corporations Act on April 24, 2018. The Company’s head office and registered records office is located at 77 Florence Street, Unit 107, Toronto, Ontario, M6K 1P4. The Company is a financial technology company that provides a capital markets trading platform for institutional investors to access alternative trading opportunities.

The global pandemic related to an outbreak of COVID-19 has cast additional uncertainty on the assumptions used by management in making its judgements and estimates. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods. Given that the full extent of the impact that COVID-19, including government and/or regulatory responses to the outbreak, will have on the global economy and the Company’s business is highly uncertain and difficult to predict at this time, there is a higher level of uncertainty with respect to management’s judgements and estimates.

2. BASIS OF PRESENTATION**a) Statement of compliance**

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), including International Accounting Standards (“IAS”) 34 - Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Issues Committee (“IFRIC”). They have been prepared in accordance with the same accounting policies and methods of application as the most recent audited financial statements for the year ended June 30, 2020, except that they do not include all the disclosures required for the annual audited financial statements. These condensed interim consolidated financial statements should be read in conjunction with the audited financial statements for the Company for year ended June 30, 2020.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on September XX, 2021.

b) Basis of measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. The condensed interim consolidated financial statements are presented in Canadian dollars, unless otherwise noted.

The preparation of these condensed interim consolidated financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at

FRNT Financial Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended March 31, 2021 and 2020

(Expressed in Canadian dollars)

(Unaudited)

2. BASIS OF PREPARATION (continued)**b) Basis of measurement (continued)**

the date of the financial statements and the reported amount of expenses during the period. Actual results could differ from these estimates.

These condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impact of such estimates is pervasive throughout these condensed interim consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods are outlined below.

Valuation of private investments

Investments for which reliable quotations are not readily available, or for which there is no closing bid price, including securities of private issuers, are valued at fair value using management's best estimates. A number of valuation methodologies may be considered in arriving at fair value, including the price of a recent investment and net asset values. During the initial period after an investment has been made, cost translated using the period end foreign currency exchange rate may represent the most reasonable estimate of fair value. Unrealized gains and losses on investments are recognized in the condensed interim consolidated statements of loss and comprehensive loss.

Valuation of warrants

The Company measures the value of warrants issued in private placements based on the Black Scholes option pricing model. This model requires management to estimate and make assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield of the share warrant and forfeiture rate. Such judgments and assumptions are inherently uncertain and can materially affect the fair value estimate of the warrants issued.

Share-based payments

The Company measures the cost of equity-settled transactions with employees and directors by reference to the fair value of the equity instruments at the date on which they are granted. Estimating fair value for share-based payment transactions require determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield of the share option and forfeiture rate. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

FRNT Financial Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended March 31, 2021 and 2020

(Expressed in Canadian dollars)

(Unaudited)

2. BASIS OF PREPARATION (continued)**c) Consolidation**

These condensed interim consolidated financial statements are presented on a consolidated basis and include the accounts of the Company and its wholly owned subsidiary, FRNT Asset Management Inc. Control occurs when the Company is exposed to, or has right to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Details of controlled entities are as follows:

Entity	Principal activities	Country of incorporation	Percentage Owned	
			March 31, 2021	June 30, 2020
FRNT Asset Management Inc.	Financial technology services	Canada	100%	N/A

3. TRADE AND OTHER RECEIVABLES

	March 31, 2021	June 30, 2020
Trade receivables	\$ 75,053	\$ 81,436
SR&ED credits	120,174	120,174
	\$ 195,227	\$ 201,610

4. INVESTMENT

The Company owns a 12.52% (June 30, 2020: 9.95%) interest in the non-voting, participating, redeemable Class A shares of the Paradox Fund, a fund registered in the Cayman Islands.

	March 31, 2021	June 30, 2020
Balance, beginning of period	\$ 1,086,416	\$ -
Purchase of shares	2,000,960	1,068,680
Unrealized appreciation	945,652	17,736
Balance, end of period	\$ 4,033,028	\$ 1,086,416

The following is a summary of the Company's investments categorized in the fair value hierarchy as at March 31, 2021:

	Level 1	Level 2	Level 3	Total
Investment in Paradox Fund	-	-	\$ 4,033,028	\$ 4,033,028
Balance, March 31, 2021	-	-	\$ 4,033,028	\$ 4,033,028

FRNT Financial Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended March 31, 2021 and 2020

(Expressed in Canadian dollars)

(Unaudited)

4. INVESTMENT (continued)

Level 3 valuation methods – March 31, 2021

Description	Fair value	Primary Valuation technique used	Significant unobservable inputs	Input/Range
Investment in Paradox Fund	\$ 4,033,028	Net asset value per share	Net asset value per share	N/A
Balance, March 31, 2021	\$ 4,033,028			

The following is a summary of the Company's investments categorized in the fair value hierarchy as at June 30, 2020:

	Level 1	Level 2	Level 3	Total
Investment in Paradox Fund	-	-	\$ 1,086,416	\$ 1,086,416
Balance, June 30, 2020	-	-	\$ 1,086,416	\$ 1,086,416

Level 3 valuation methods – June 30, 2020

Description	Fair value	Primary Valuation technique used	Significant unobservable inputs	Input/Range
Investment in Paradox Fund	\$ 1,086,416	Net asset value per share	Net asset value per share	N/A
Balance, June 30, 2020	\$ 1,086,416			

The reconciliations of investments measured at fair value using unobservable inputs (Level 3) are presented as follows:

	March 31, 2021	June 30, 2020
Beginning balance	\$ 1,086,416	\$ -
Purchases	2,000,960	1,068,680
Change in unrealized appreciation	945,652	17,736
Balance, June 30, 2020	\$ 4,033,028	\$ 1,086,416

FRNT Financial Inc.

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For the three and nine months ended March 31, 2021 and 2020

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4. INVESTMENT (continued)**Sensitivity analysis to significant changes in unobservable inputs within the Level 3 hierarchy**

The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2021 and June 30, 2020 are shown below:

Description	Input	Sensitivity used	March 31, 2021	June 30, 2020
Investment in Paradox Fund	Net asset value	10%	\$ 403,303	\$ 108,642

During 2021 and 2020, there were no transfers into or out of Level 1, Level 2 or Level 3 investments.

5. LOANS PAYABLE

The Company entered into interest free Canada Emergency Business Account “CEBA” loans of \$40,000 and \$20,000. If the Government of Canada is repaid by December 31, 2022, 25% being \$10,000 will be forgiven of the \$40,000 and 50% being \$10,000 of the \$20,000 loan will be forgiven. If repayment is not made, the loans will convert into regular loans with a three-year term at 5% per annum. The \$40,000 loan was recorded at a fair value of \$23,711 using an effective rate of 10%, considering the grant, the interest-free loan and the forgivable portion. The \$20,000 loan was recorded at a fair value of \$8,264 using an effective rate of 10%, considering the grant, the interest-free loan and the forgivable portion. The residual values of \$6,289 and \$1,735 were recorded as other income. During the nine months ended March 31, 2021, the Company recorded accretion expense of \$1,869 (2020: \$Nil) on these loans.

6. PROMISSORY NOTE PAYABLE

On May 9, 2018, the Company issued a promissory note for \$200,000 to a company with a common director. The note bears an interest rate equal to that of the Canadian Prime Rate per annum, as reported by the Royal Bank of Canada. Interest is payable on the maturity date of May 1, 2022. The note is secured against all of the existing assets of the Company. The Company incurred \$8,000 in professional fees related to the issuance of the note. The note was recorded at amortized cost of \$192,000.

On October 28, 2019, the Company entered into an agreement to amend the terms of the promissory note. The lender agreed to provide certain professional services (“Services”) to the Company, the payment for which would be accrued. Upon achieving profitability, the Company will enter into a profit-sharing arrangement with the lender, whereby the lender will receive 50% of the Company’s net profits. The net profits will be first applied to the repayment of the promissory note in full, and second, towards payment in full the fees owing for any Services accrued.

As at March 31, 2021, the principal balance of \$200,000 (June 30, 2020: \$200,000) and interest of \$20,497 (June 30, 2020: \$16,486) was outstanding.

FRNT Financial Inc.

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(Unaudited)

6. PROMISSORY NOTE PAYABLE (continued)

	Face Value	Carrying Value
Balance, June 30, 2019	\$ 209,069	\$ 202,175
Interest expense	7,417	-
Accretion expense	-	10,340
Balance, June 30, 2020	216,486	212,515
Interest expense	4,011	-
Accretion expense	-	5,582
Balance, March 31, 2021	\$ 220,497	\$ 218,097

7. SHAREHOLDERS' EQUITY**Share capital**

Authorized share capital of the Company consists of:

- an unlimited number of Class A common shares, non-cumulative discretionary dividends, voting, no par value
- an unlimited number of common shares, non-cumulative discretionary dividends, voting, no par value.

The Class A common shares and common shares rank equally as the most subordinate classes of shares and accordingly, are classified as equity. The Class A common shares may be converted into common shares on the basis of one common share for each Class A common shares. On February 16, 2021, the Company effected a share split on a 19.65112699 for one basis. As such, the Company's issued and outstanding shares of common stock were increased on the basis of one old share for 19.65112699 new shares. Changes to outstanding shares and per share amounts, have been applied and presented retroactively within these condensed interim consolidated financial statements.

	Class A common shares #	Common shares #	Class A Common shares \$	Common shares \$	Total share capital
Balance, June 30, 2019	10,808,120	8,843,007	\$ 55	\$ 45	\$ 100
Shares issued for cash	-	2,259,997	-	1,625,000	1,625,000
Exercise of warrants	-	4,882,126	-	-	-
Balance, March 31, 2020	10,808,120	15,985,130	\$ 55	\$ 1,625,045	\$1,625,100
Balance, July 1, 2020	10,808,120	16,506,671	\$ 55	\$ 2,000,045	\$2,000,100
Repurchase of shares	-	(165,462)	-	(3)	(3)
Private placement	-	4,000,000	-	3,520,000	3,520,000
Share issuance costs	-	-	-	(233,381)	(233,381)
Balance, March 31, 2021	10,808,120	20,341,209	\$ 55	\$ 5,286,661	\$5,286,716

FRNT Financial Inc.

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7. SHAREHOLDERS' EQUITY (continued)*During the nine months ended March 31, 2021*

On November 25, 2020, the Company repurchased 165,462 of its common shares for \$119,109.

On March 21, 2021, the Company completed a private placement to issue 4,000,000 subscription units. The units were comprised of one share and one-half of one warrant. Each warrant was exercisable at a price of \$1.50 per unit until the date that is the earlier of 40 months from the date of issuance and 36 months following the date the Company's shares are listed on a recognized Canadian stock exchange. \$233,381 in share issuance costs were incurred in conjunction with this private placement.

During the nine months ended March 31, 2020

On October 28, 2019, the Company completed a private placement financing issuing 1,738,456 common shares for gross proceeds of \$1,250,000.

On October 28, 2019, the Company issued 4,882,126 common shares related to the exercise of warrants for nominal consideration.

On January 14, 2020, the Company completed a private placement financing issuing 521,541 common shares for gross proceeds of \$375,000.

Options

The Company has adopted an equity incentive plan (the "Plan") under which the aggregate number of securities reserved for issuance will be 10.5% of the number of common shares of the Company issued and outstanding. The Plan is administered by the Board of Directors (the "Board"), which has full and final authority with respect to the granting of all options thereunder. Options may be granted under the Plan to such service providers of the Company and its affiliates, if any, as the Board may from time to time designate. Prior to an Initial Public Offering the exercise prices will be determined by the Board. After the completion of the IPO, the Board will establish the exercise price which, in no event, be less than the closing market price of Common Shares on (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options. All options granted under the Plan will expire not later than the date that is ten years from the date that such options are granted. Options granted under the Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

FRNT Financial Inc.

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7. SHAREHOLDERS' EQUITY (continued)

Continuity of the Company's stock options is as follows:

	Number of options		Weighted average exercise price
Outstanding, June 30, 2019	500,671	\$	0.16
Granted	233,062		0.72
Outstanding, March 31, 2020	733,733		0.33
Outstanding, June 30, 2020	889,134	\$	0.42
Granted	3,229,881		1.32
Outstanding, March 31, 2021	4,119,015	\$	1.12
Exercisable, March 31, 2021	2,726,711	\$	1.35

During the nine months ended March 31, 2021

On November 9, 2020, the Company granted 264,150 stock options of the Company. The options are exercisable at a price of \$0.78 per option for a period of five years following the vesting commencement date. These options had a grant date fair value of \$0.33 per option using the Black Scholes model with the following inputs: i) exercise price: \$0.78; ii) share price: \$0.72; iii) term: 5.23 years; iv) volatility: 55%; v) discount rate: 0.41%. One-sixteenth of the options vest on February 1, 2021, and every quarter thereafter for the next fifteen periods.

On January 14, 2021, the Company granted 465,731 stock options of the Company. The options are exercisable at a price of \$1.17 per option for a period of five years following the vesting commencement date. These options had a fair value of \$0.38 per option using the Black Scholes model with the following inputs: i) exercise price: \$1.17; ii) share price: \$0.93; iii) term: 5.13 years; iv) volatility: 55%; v) discount rate: 0.37%. One-sixteenth of the options vest on March 1, 2021, and every quarter thereafter for the next fifteen periods.

On February 1, 2021, the Company granted 2,500,000 compensation stock options of the Company. 1,000,000 of the options are exercisable at a price of \$1.00 per option, 1,000,000 are exercisable at a price of \$1.50 per option and 500,000 are exercisable at a price of \$2.00 per option. The options are exercisable for the lesser of 40 months following the grant date or 36 months after the grant date in the event the Company's shares are listed on a Canadian stock exchange.

During the nine months ended March 31, 2020

On December 4, 2019, the Company granted 233,062 stock options of the Company. The options are exercisable at a price of \$0.72 per option for a period of five years after vesting. These options had a fair value of \$0.31 per option using the Black Scholes model with the following inputs: i) exercise price: \$0.72; ii) share price: \$0.72; iii) term: 5 years after vesting; iv) volatility: 40%; v) discount rate: 1.56%. One-sixteenth of the options vest on December 4, 2019, and every quarter thereafter for the next fifteen periods.

FRNT Financial Inc.

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7. SHAREHOLDERS' EQUITY (continued)**Warrants**

Continuity of the Company's warrants is as follows:

	Number of warrants	Weighted average exercise price
Outstanding, June 30, 2019	4,882,126	\$ 0.0005
Exercised	(4,882,126)	0.0005
Outstanding, March 31, 2020 and June 30, 2020	-	-
Granted	2,000,000	1.50
Outstanding, March 31, 2021	2,000,000	\$ 1.50

8. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the condensed interim consolidated financial statements not disclosed elsewhere in these condensed interim consolidated financial statements are summarized below and include transactions with key management personnel of the Company.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. Key management personnel comprise officers and directors of the Company.

Remuneration attributed to key management personnel are summarized as follows:

	Three months ended March 31,		Nine months ended March 31,	
	2021	2020	2021	2020
Salaries and wages	\$ 53,308	\$ 80,916	\$ 16,962	\$ 22,765

Other related party transactions

On May 9, 2018, the Company issued a promissory note for \$200,000 to a company with a common director (Note 6). As at March 31, 2021, the principal balance of \$200,000 (June 30, 2020: \$200,000) remains outstanding.

During the nine months ended March 31, 2021, the Company earned commissions of \$276,026 (2020: 171,102) from customer agency trades with Paradox Fund. The Company paid commission rebates to the Paradox Fund of \$201,777 (2020: \$164,002).

9. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue its operations and to maintain a flexible capital structure, which optimizes

FRNT Financial Inc.

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9. CAPITAL MANAGEMENT (continued)

the costs of capital at an acceptable risk. The Company considers its capital for this purpose to be its equity and promissory note payable.

The Company's primary source of capital is through the issuance of common shares and debt. The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek additional funding. The Company may require additional capital resources to meet its operating expenses and technology investments. The Company believes it will be able to raise capital as required but recognizes there will be risks involved that may be beyond its control. There are no external restrictions on the management of capital.

10. FINANCIAL RISK MANAGEMENT

The Company is exposed to varying degrees to a variety of financial instrument related risks. Significant risks that are relevant to the Company, as well as different methods to measure and manage the various types of risk to which it is exposed, are discussed below:

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. Foreign exchange risks are closely monitored and attempts are made to match foreign cash inflows and outflows. As at March 31, 2021, the Company is exposed to foreign exchange risk through its investment in Paradox Fund, accounts receivable and cash which are denominated in US dollars. The Company mitigates foreign exchange risk by monitoring foreign exchange rate trends and evaluating reinvestment opportunities when possible. The Company does not currently hedge its foreign exchange risk. Based on current exposures as at March 31, 2021 and assuming that all other variables remain constant, a 10% depreciation or appreciation of the United States dollar against the Canadian dollar would result in a gain or loss of approximately \$376,000 in the Company's statements of loss and comprehensive loss.

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. The Company's cash and trade and other receivables are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. The Company mitigates credit risk by evaluating the creditworthiness of customers prior to conducting business with them and monitoring its exposure for credit losses with existing customers. Trade and other receivables also include refundable SR&ED tax credits which bears minimal credit risk as it is receivable from the Canadian government. The Company has determined that no allowance is required as all amounts outstanding are considered collectible.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's outstanding promissory note payable bears interest equal to the prime rate.

FRNT Financial Inc.

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10. FINANCIAL RISK MANAGEMENT (continued)*Liquidity Risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The Company addresses its liquidity by raising capital through the issuance of debt and equity. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

The table below summarized the maturity profile of the Company's financial liabilities based on the remaining period to the contractual maturity date as at March 31, 2021 and June 30, 2020.

March 31, 2021	On demand	Less than 1 year	1-3 years	Total
Accounts payable and accrued liabilities	\$ 269,345	\$ -	\$ -	\$ 269,345
Loans payable	-	-	33,844	33,844
Promissory note payable	-	-	218,097	218,097

June 30, 2020	On demand	Less than 1 year	1-3 years	Total
Accounts payable and accrued liabilities	\$ 138,250	\$ -	\$ -	\$ 138,250
Promissory note payable	-	-	212,515	212,515

Market risk

Market risk is the risk that the fair value of investments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). All investments represent a risk of loss of capital. When participating in investing activities, the Company may incur losses if it is unable to resell the investments at more than the purchase price. The Company mitigates its market risk exposure through regular price monitoring of investments. Based on current exposures as at March 31, 2021 and assuming that all other variables remain constant, a 10% depreciation or appreciation of investments would result in a gain or loss of approximately \$403,000 in the Company's statements of loss and comprehensive loss.

Digital asset risk

The Company's investment in Paradox Fund is impacted by the fund's investments in digital assets as well as private companies, both of which may be subject to changes in value. The Company seeks to minimize potential adverse effects of these risks on performance by ensuring that its risk management practices appropriately address these risks by, for example, employing experienced personnel, daily monitoring of the Paradox Fund's investments and digital assets and review of the Paradox Fund's investment objectives.

FRNT Financial Inc.

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11. OPERATING SEGMENTS

The Company has one operating segment focused around developing and offering its capital market trading platform to institutional investors. All of the Company's operations and fixed assets are located in Canada.

12. SUBSEQUENT EVENTS

- a) On April 19, 2021, the Company granted 300,000 stock options. 125,000 of the options are exercisable at a price of \$1.50, 100,000 are exercisable at a price of \$2.00 and 75,000 of the options are exercisable at a price of \$2.50. The options expire five years after their vesting commencement date. One-twelfth of the options vest on May 19, 2021, and every month thereafter for the next eleven months.
- b) On April 30, 2021, the Company granted 67,500 stock options. The options are exercisable at a price of \$1.50 and expire five years after their vesting commencement date. One-twelfth of 52,500 of these options vest on April 30, 2022, and every month thereafter for the next eleven months. One-eighth of 15,000 of these options vest on June 30, 2021, and every month thereafter for the next seven months.
- c) On May 10, 2021, the Company granted 90,000 stock options. The options are exercisable at a price of \$1.50 and expire five years after their vesting commencement date. One-eighth of these options vest on June 30, 2021, and every month thereafter for the next seven months.

APPENDIX D
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

[See attached.]

FRNT Financial Inc.

(also referred to as “FRNT”, the “Corporation”, or the “Company”)

Management’s Discussion & Analysis

The following management discussion and analysis should be read in conjunction with the financial statements for the years ended June 30, 2020 and 2019 prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

All dollar figures included therein and in the following discussion analysis are quoted in Canadian dollars unless otherwise noted.

Date

This management’s discussion and analysis (“MD&A”) is dated May 13, 2021 and is in respect of the year ended June 30, 2020. The discussion in this management’s discussion and analysis focuses on this period. Estimates and forward-looking information are based on assumptions of future events and actual results may vary from these estimates. This MD&A is prepared in conformity with National Instrument 51-102F1 and has been approved by the Board of Directors.

Disclaimer for Forward-Looking Statements

This MD&A contains forward-looking statements relating to future events. In some cases, forward-looking statements can be identified by such words as “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “believe” or similar expressions. These statements represent management’s best projections, but under reliance should not be placed upon them as they are derived from numerous assumptions. These assumptions are subject to known and unknown risks and uncertainties, including the business risks discussed in the MD&A which may cause actual performance and financial results to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted.

Description of the Business

FRNT Financial Inc. (the “Company”) was incorporated under the Canada Business Corporations Act on April 24, 2018. The Company’s head office and registered records office is located at 77 Florence Street, Unit 107, Toronto, Ontario, M6K 1P4. The Company is a financial technology company that provides a capital markets trading platform for institutional investors to access alternative trade opportunities.

FRNT is a next generation institutional sales and trading platform. The Company intends to present a new set of opportunities, primarily through synthetic exposure to cryptocurrency, targeted to institutional investors (non-retail) while maintaining a lean, technology-forward operation. FRNT further believes that synthetic products (such as over-the-counter derivatives) offer a more operationally efficient method of exposure in many circumstances, as opposed to direct ownership of the underlying assets.

FRNT leverages different technologies in its business, including: (i) its SEM Trade user interface and chat interface to interact with clients and automatically deliver quotes for OTC derivatives; and (ii) front-end and back-end trading technology developed by FRNT and licensed to different trading firms.

FRNT is a next generation capital markets platform targeting institutional investors as clients. FRNT’s focus is to deliver these clients expertise and products which allow them to effectively access alternative trade opportunities, such as those available in cryptocurrency. FRNT’s client-facing business lines are: (i) OTC derivatives; (ii) technology licensing around ‘deliverable’ services; (iii) treasury management; and (iv) research licensing.

Selected Annual Financial Information

The following table sets out selected annual financial information for our company, which has been prepared in accordance with IFRS:

Year ended June 30,	2020	2019
Total revenue	\$297,992	\$418,648
Total operating expenses	\$586,149	\$278,972
Net loss and comprehensive loss for the period	\$(358,963)	\$(58,232)
Basic and diluted loss per share for the period	\$(0.02)	\$(0.00)
Weighted average number outstanding	24,492,864	19,651,127

As at June 30,	2020	2019
Cash	\$642,325	\$68,767
Current assets	\$1,933,120	\$152,354
Total assets	\$1,933,120	\$152,354
Total liabilities	\$350,765	\$235,318
Shareholders' equity (deficiency)	\$1,582,355	(\$82,964)

Results of Operations for the year ended June 30, 2020

For the year ended June 30, 2020, the net loss increased by \$300,731 compared to the 2019 comparative period. Commissions decreased by \$120,656 as compared to the prior year due to the Company recognizing \$150,000 in non-recurring revenues in association with a settlement of a significant trade with a major customer. Commission rebates increased by \$8,869 during the year ended June 30, 2020 due to a rise in trade activity in relation to the 2019 comparative period. Professional fees increased by \$173,394 and includes increases of \$67,800 in audit related fees, and \$68,818 related to regulatory consulting. Salaries and benefits increased by \$62,715 as the Company hired several employees to support growing operations. The Company incurred \$47,199 in share-based compensation relating to the issuance of stock options in the year, there were no stock options issued in the prior year.

The Company recognized \$17,736 in income pertaining to the unrealized appreciation of its investment in the Paradox Fund that was acquired during the year ended June 30, 2020.

Results of Operations for the three months ended June 30, 2020

For the three months ended June 30, 2020, net loss increased by \$18,596 compared to the same three month period ended June 30, 2019. Revenues decreased by \$43,832 during the three months ended June 30, 2020 due to a decline in trading activity in comparison to the 2019 comparative period. Commission rebates decreased during the three months ended June 30, 2020 in accordance with this decrease in commission revenues. The increase in net loss includes an increase of \$67,800 in audit fees incurred in June 30, 2020, non-cash share-based payments of \$47,199 related to the issuance of stock options. The Company incurred an increase in legal and accounting fees of \$93,080 as compared to the prior period mostly in relation to regulatory support. Net loss also increased due to the Company incurring an additional \$58,353 in payroll expenses relating to hiring new employees to support growing operations.

The net loss increase during the three months ended June 30, 2020 was increased by \$9,224 pertaining to the unrealized depreciation of the Company's investment in the Paradox Fund that was acquired during the year ended June 30, 2020.

Summary of Quarterly Results

The following table provides selected quarterly financial data for the eight most recently completed quarters:

	Three months ended							
	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018
Revenue	126,890	18,369	129,315	23,418	170,722	164,721	65,711	17,494
Net income (loss) for the period	(47,681)	(93,866)	(106,144)	(111,272)	(29,085)	77,379	(68,511)	(38,015)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	0.00	(0.00)	(0.00)

Net loss increased during the quarter ended June 30, 2020 by \$18,596 compared to the quarter ended June 30, 2019 due to the incurrence of an additional \$97,319 in professional fees related to fees accrued for the 2020 audit and regulatory consulting fees. This increase was also caused by \$58,353 in payroll expenses incurred as a result of the Company hiring new employees to support growing operations.

Net loss increased for the quarter ended March 31, 2020 by \$171,245 compared to the 2019 comparative quarter. The increase is mainly due to the Company only recognizing \$5,775 in net commission revenues during the three months ended March 31, 2020 compared to \$142,248 in the 2019 comparative period. The Company also recognized \$10,352 in share-based compensation on options granted during the three months ended March 31, 2020. Audit fees of \$21,188 were accrued during the three months ended March 31, 2020 for the 2020 audit as well.

Net loss increased for the quarter ended December 31, 2019 by \$37,633 compared to the comparative quarter in 2020. The increase mainly relates to increased legal fees in the period related to the Company's capital raise as well as accrued audit fees. The Company also recognized \$22,344 in stock-based compensation during the three months ended December 31, 2019 whereas no similar expenses were incurred during the 2020 comparative period.

Net loss increased for the quarter ended September 30, 2019 by \$73,257 compared to the quarter ended September 30, 2018. The increase was mainly due to significantly higher payroll expenses due to the Company hiring new employees to support growing operations. The Company also accrued fees during the three months ended September 30, 2019 in relation to its 2020 audit.

Disclosure of Outstanding Share Data

Authorized share capital of the Company consists of:

- an unlimited number of Class A common shares, non-cumulative discretionary dividends, voting, no par value
- an unlimited number of common shares, non-cumulative discretionary dividends, voting, no par value.

As of March 31, 2021, the Company had 10,808,120 Class A common shares and 20,341,209 common shares issued and outstanding. In addition, there are 2,000,000 warrants and 4,119,015 stock options outstanding.

Liquidity and Capital Resources

In the summer of 2019, FRNT began a capital raise plan to fund the next phase of development and build its capital base. In October 2019, \$2,000,000 was raised and the Company used over 50% of its proceeds in principal trading strategies which has become a material source of revenue for the firm. The balance of the capital was used for hiring, legal fees in procurement of licensing and other such expenses.

As at June 30, 2020, the Company had a working capital of \$1,794,870 (2019: \$119,211). Working capital increased due to equity financing for proceeds of \$2,000,000. As at June 30, 2020, the Company had cash

on hand of \$642,325 (2019: \$68,767) to cover accounts payable and accrued liabilities of \$138,250 (2019: \$33,143).

Net cash used in operating activities for the year ended June 30, 2020 was \$334,845 compared to \$102,225 in the prior fiscal year. The Company continues to generate net losses and negative cash flows from operating activities due to the net commission revenues still being insufficient in size to cover its operating expenses. The Company expects to have sufficient working capital to meet any operating cash outflow or working capital requirements for the immediate future.

Net cash used in investing activities for the year ended June 30, 2020 was \$1,068,680 compared to \$nil in the prior year-end. The Company purchased its Paradox Fund investment during the year ended June 30, 2020.

Net cash from financing activities was \$1,977,083 compared to \$nil in the 2019 comparative period. This cash inflow was due to proceeds received from the issuance of shares.

The Company does not have any commitments to make capital expenditures in future fiscal periods.

Off-Balance Sheet Arrangements

The Corporation has no off-balance sheet arrangements.

Transactions with Related Parties

Key management compensation

Key management includes members of the Board of Directors and executive officers of the Company. During the year ended June 30, 2020, remuneration of the Company's key management consisted of salaries and subcontractor payments in the amount of \$101,851 (2019 - \$96,633) included in salaries and wages.

Other related party transactions

On May 9, 2018, the Company issued a promissory note for \$200,000 to Coinsquare Ltd. with common former director, Cole Diamond. As at June 30, 2020, the principal balance of \$200,000 (2019: \$200,000) remains outstanding.

During the year, the Company earned commissions of \$297,992 (2019 - \$418,648) from customer agency trades with the Paradox Fund. The Company paid commission rebates to the Paradox Fund of \$193,929 (2019 - \$185,060).

Financial Instruments

The Corporation's financial instruments consist of cash and cash equivalents, investments, trade and other payables and loans payable. It is management's opinion that the Corporation is not exposed to significant interest rate, currency or credit risks arising from the financial instruments and that the fair values of these instruments approximate their carrying values due to their short term nature.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. Foreign exchange risks are closely monitored and attempts are made to match foreign cash inflows and outflows. As at June 30, 2020, the Company is exposed to foreign exchange risk through its investment in Paradox Fund and cash which are denominated in US dollars. The Company mitigates foreign exchange risk by monitoring foreign exchange rate trends and evaluating reinvestment

opportunities when possible. The Company does not currently hedge its foreign exchange risk. Based on current exposures as at June 30, 2020 and assuming that all other variables remain constant, a 10% depreciation or appreciation of the United States dollar against the Canadian dollar would result in a gain or loss of approximately \$112,830 (2019 - \$2,386) in the Company's statements of income (loss) and comprehensive income (loss).

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. The Company's cash, trade and other receivables and subscription receivable are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. The Company mitigates credit risk by evaluating the creditworthiness of customers prior to conducting business with them and monitoring its exposure for credit losses with existing customers. Trade and other receivables also include refundable SR&ED tax credits which bears minimal credit risk as it is receivable from the Canadian government. The Company has determined that no allowance is required as all amounts outstanding are considered collectible.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's outstanding promissory note payable bears interest equal to the prime rate.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The Company addresses its liquidity by raising capital through the issuance of debt and equity. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. The table below summarizes the maturity profile of the Company's financial liabilities based on the remaining period to the contractual maturity date as at June 30, 2020, 2019 and July 1, 2018.

June 30, 2020

	On demand	Less than 1 year	1-3 years	Total
Financial liabilities				
Accounts payable and accrued liabilities	\$ 138,250	\$ -	\$ -	\$ 138,250
Promissory note payable	-	-	212,515	212,515

June 30, 2019

	On demand	Less than 1 year	1-3 years	Total
Financial liabilities				
Accounts payable and accrued liabilities	\$ 33,143	\$ -	\$ -	\$ 33,143
Promissory note payable	-	-	202,175	202,175

July 1, 2018

	On demand	Less than 1 year	1-3 years	Total
Financial liabilities				
Accounts payable and accrued liabilities	\$ 2,496	\$ -	\$ -	\$ 2,496
Promissory note payable	-	-	193,228	193,228

Market risk

Market risk is the risk that the fair value of investments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). All investments represent a risk of loss of capital. When participating in investing activities, the Company may incur losses if it is unable to resell the investments at more than the purchase price. The Company mitigates its market risk exposure through regular price monitoring of investments. Based on current exposures as at June 30, 2020 and 2019 and assuming that all other variables remain constant, a 10% depreciation or appreciation of investments would result in a gain or loss of approximately \$108,642 (2019 - \$nil) in the Company's statements income (loss) and comprehensive income (loss).

Digital asset risk

The Company's investment in Paradox Fund is impacted by the fund's investments in digital assets as well as private companies, both of which may be subject to changes in value. The Company seeks to minimize potential adverse effects of these risks on performance by ensuring that its risk management practices appropriately address these risks by, for example, employing experienced personnel, daily monitoring of the Paradox Fund's investments and digital assets and review of the Paradox Fund's investment objectives.

Capital Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue its operations and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. The Company considers its capital for this purpose to be its equity and promissory note payable. The Company's primary source of capital is through the issuance of common shares and debt. The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek additional funding. The Company may require additional capital resources to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required in the long term but recognizes there will be risks involved that may be beyond its control. There are no external restrictions on the management of capital.

Recently Adopted Accounting Standards

Adoption of new accounting standards have been disclosed in Note 3 of the Company's Financial Statements for the years ended June 30, 2020 and 2019.

Critical Accounting Estimates

This MD&A is based on the financial statements which have been prepared in accordance with IFRS. The preparation of the financial statements requires that certain estimates and judgments are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods are outlined below.

Valuation of private investments

Investments for which reliable quotations are not readily available, or for which there is no closing bid price, including securities of private issuers, are valued at fair value using management's best estimates. A number of valuation methodologies may be considered in arriving at fair value, including the price of a recent investment and net asset values. During the initial period after an investment has been made, cost translated using the period end foreign currency exchange rate may represent the most reasonable estimate of fair value. Unrealized gains and losses on investments are recognized in the statements of loss and comprehensive loss.

Share-based payments

The Company measures the cost of equity-settled transactions with employees and directors by reference to the fair value of the equity instruments at the date on which they are granted. Estimating fair value for share-based payment transactions require determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield

of the share option and forfeiture rate. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Income taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Subsequent Events

- a) On November 9, 2020, the Company issued 264,150 stock options. The options are exercisable at a price of \$0.78 per share for a period of five years after vesting. The options will vest 1/16 on February 1, 2021 and thereafter quarterly over the next fifteen periods.
- b) On November 25, 2020, the Company repurchased 165,462 common shares for \$118,975.
- c) A wholly owned subsidiary, FRNT Asset Management Inc., was incorporated on December 7, 2020. FRNT Asset Management Inc. has made an application to the Ontario Securities Commission for registration as a Portfolio Manager.
- d) On January 14, 2021, the Company issued 465,731 stock options. The options are exercisable at a price of \$1.17 per share for a period of five years after vesting. The options will vest 1/16 on March 1, 2021 and thereafter quarterly over the next fifteen periods.
- e) On February 1, 2021, the Company issued 1,000,000, 1,000,000 and 500,000 compensation options. The compensation options are exercisable at a price of \$1.00, \$1.50 and \$2.00 per share, respectively. The options vested immediately upon issuance. The options expire on the date that is the earlier of: (a) forty months from the issuance date and (b) thirty-six months from the effective date of the completion of a transaction which results in the common shares of the Company being listed on a recognized Canadian stock exchange.
- f) On March 17, 2021, the Company closed a brokered private placement issuing 4,000,000 units at a price of \$1.00 per unit for gross proceeds of \$4,000,000. Each unit is comprised of one Class B common share and one half of one warrant. Each warrant is exercisable into one Class B common share at a price of \$1.50 per share until the date that is earlier of:
 - 40 months from the date of issuance; or
 - 36 months following the date the shares are listed on a recognized Canadian stock exchange.In connection with the financing, the Company incurred \$225,000 in professional fees and \$8,400 in finders' fees.
- g) During March, the company has invested an additional \$1,999,360 in non-vesting, redeemable, participating Class A shares of the Paradox fund.
- h) On April 19, 2021, the Company issued 125,000, 100,000 and 75,000 stock options. The options are exercisable at a price of \$1.50, \$2.00 and \$2.50 per share, respectively, for a period of five years after vesting. The options will vest 1/12 on May 19, 2021 and thereafter monthly over the next eleven periods.
- i) On May 10, 2021, the Company issued 90,000 stock options. The options are exercisable at a price of \$1.50 per share for a period of five years after vesting. The options will vest 1/8 on September 30, 2021 and thereafter quarterly over the next seven periods.

Management's Responsibility for Financial Statements

Management of the Company, under the supervision of the Chief Executive Officer and the Chief Financial Officer, is responsible for the design and operations of internal controls over financial reporting. There have been no changes in the Company's disclosure controls and procedures during the period ended March 31, 2021.

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

There have been no changes in the Company's internal control over financial reporting during the period ended March 31, 2021, that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

APPENDIX E
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2021

[See attached.]

FRNT Financial Inc.

(also referred to as “FRNT”, the “Corporation”, or the “Company”)

Management’s Discussion & Analysis

The following management discussion and analysis should be read in conjunction with the condensed interim consolidated financial statements for the three and nine-month period ended March 31, 2021 prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

All dollar figures included therein and in the following discussion analysis are quoted in Canadian dollars unless otherwise noted.

Date

This management’s discussion and analysis (“MD&A”) is dated June 30, 2021 and is in respect of the three and nine-month period ended March 31, 2021. The discussion in this management's discussion and analysis focuses on this period. Estimates and forward-looking information are based on assumptions of future events and actual results may vary from these estimates. This MD&A is prepared in conformity with National Instrument 51- 102F1 and has been approved by the Board of Directors.

Disclaimer for Forward-Looking Statements

This MD&A contains forward-looking statements relating to future events. In some cases, forward-looking statements can be identified by such words as “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “believe” or similar expressions. These statements represent management’s best projections, but under reliance should not be placed upon them as they are derived from numerous assumptions. These assumptions are subject to known and unknown risks and uncertainties, including the business risks discussed in the MD&A which may cause actual performance and financial results to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted.

Description of the Business

FRNT Financial Inc. (the “Company”) was incorporated under the Canada Business Corporations Act on April 24, 2018. The Company’s head office and registered records office is located at 77 Florence Street, Unit 107, Toronto, Ontario, M6K 1P4. The Company is a financial technology company that provides a capital markets trading platform for institutional investors to access alternative trade opportunities.

FRNT is a next generation institutional sales and trading platform. The Company intends to present a new set of opportunities, primarily through synthetic exposure to cryptocurrency, targeted to institutional investors (non-retail) while maintaining a lean, technology-forward operation. FRNT further believes that synthetic products (such as over-the-counter derivatives) offer a more operationally efficient method of exposure in many circumstances, as opposed to direct ownership of the underlying assets.

FRNT leverages different technologies in its business, including: (i) its SEM Trade user interface and chat interface to interact with clients and automatically deliver quotes for OTC derivatives; and (ii) front-end and back-end trading technology developed by FRNT and licensed to different trading firms.

FRNT is a next generation capital markets platform targeting institutional investors as clients. FRNT’s focus is to deliver these clients expertise and products which allow them to effectively access alternative trade opportunities, such as those available in cryptocurrency. FRNT’s client-facing business lines are: (i) OTC derivatives; (ii) technology licensing around ‘deliverable’ services; (iii) treasury management; and (iv) research licensing.

On December 7, 2020, the Company incorporated a new, wholly owned subsidiary, FRNT Asset Management Inc. (“FRNT AM”) FRNT AM is in the process of applying to the Ontario Securities Commission for registration as a portfolio manager. Once registration is completed, FRNT AM will solicit asset managers to sub-advise funds on its behalf.

Consolidation

The Company’s condensed interim consolidated financial statements are presented on a consolidated basis and include the accounts of the Company and its controlled entities. Control occurs when the Company is exposed to, or has right to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Details of controlled entities are as follows:

Entity	Principal activities	Country of incorporation	Percentage Owned	
			March 31, 2021	June 30, 2020
FRNT Asset Management Inc.	Financial technology services	Canada	100%	N/A

Selected Quarterly Financial Information

The following table sets out selected quarterly financial information for our company, which has been prepared in accordance with IFRS:

Nine months ended March 31,	2021	2020
Total revenue	\$283,936	\$171,102
Total operating expenses	\$1,508,683	\$337,416
Net loss and comprehensive loss for the period	\$(460,299)	\$(311,282)
Basic and diluted loss per share for the period	\$(0.02)	\$(0.01)
Weighted average number outstanding	27,239,606	23,528,760

As at	March 31, 2021	June 30, 2020
Cash	\$1,686,256	\$642,325
Current assets	\$5,987,280	\$1,933,120
Total assets	\$5,994,937	\$1,933,120
Total liabilities	\$521,286	\$350,765
Shareholders’ equity	\$5,473,651	\$1,582,355

Results of Operations for the nine months ended March 31, 2021

For the nine months ended March 31, 2021, the Company’s net loss increased by \$149,017 compared to the same nine-month period ended March 31, 2020. This increase was mainly due to \$749,790 in share-based payment expenses relating to new options granted and vesting during the nine months ended March 31, 2021. Payroll expenses increased by \$179,798 during the nine months ended March 31, 2021 in comparison to the 2020 comparative period due to the Company hiring additional employees to manage its growing operations. Advertising expenses also increased by \$135,434 during the nine months ended March 31, 2021 in comparison to the 2020 comparative period due to the Company receiving marketing services costs from an advertising agency. Professional costs increased by \$129,144 due to a significant rise in regulatory consulting costs.

The increase in the Company’s net loss was offset by a \$112,834 increase in commission revenue driven by a rise in trading activity. This increase in commission revenues was offset by a corresponding \$37,775 increase in commission rebates. The Company also recognized \$918,692 in income relating to the unrealized appreciation of its Paradox Fund investment during the nine months ended March 31, 2021.

\$28,025 in income was recognized in relation to forgivable, low-interest government COVID-19 relief loans as well.

Results of Operations for the three months ended March 31, 2021

For the three months ended March 31, 2021, the Company generated a net loss of \$249,917 compared to a loss of \$93,866 in the 2020 comparative period. This change was due to a \$924,686 increase in the Company's operating expenses. Advertising fees increase by \$114,030 due to the Company receiving marketing services from an advertising agency. Professional fees increased by \$46,859 mainly due to a significant rise in regulatory consulting costs. Salaries and benefits increased by \$62,052 as the Company hired several employees to support growing operations. Share-based payment expenses relating to the issuance of stock options rose by \$718,572 due to new options issued to employees and advisors.

This increase in the Company's net loss was offset through the recognition of \$759,777 in income relating to the unrealized appreciation of the Company's investment in its Paradox funds. The change was also offset by a \$35,806 increase in commission revenues net of a \$23,862 increase in related rebates as a result of an increase in trading activity.

Summary of Quarterly Results

The following table provides selected quarterly financial data for the eight most recently completed quarters:

	Three months ended							
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
Revenue	78,037	169,970	35,929	126,890	18,369	129,315	23,418	170,722
Net income (loss) for the period	(249,917)	71,852	(282,234)	(47,681)	(93,866)	(106,144)	(111,272)	(29,085)
Basic and diluted loss per share	(0.01)	0.00	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)

The Company incurred a net loss of \$249,97 during the three months ended March 31, 2021 compared to a \$47,681 net loss during the 2020 comparative period. This change was due to a \$924,686 increase in operating expenses as a result of the Company's growing operations during the three months ended March 31, 2021 compared to the 2020 comparative period. The \$728,924 in share-based payments expenses incurred by the Company in relation to options granted and vesting during the three months ended March 31, 2021 and \$114,100 in marketing services, in particular, contributed to this significant net loss increase.

The Company earned a net income of \$71,852 during the three-month period ended December 31, 2020 compared to a net loss of \$106,144 in the three-month period ended December 31, 2019. This change was largely driven by the recognition of \$277,185 in other income relating to the unrealized appreciation of the Company's investment in its Paradox funds. \$11,735 in other income relating to the forgivable and low-interest component of government COVID-19 relief loans received during December 31, 2020 was also recognized during the three months ended December 31, 2020.

The Company's net loss increased by \$170,962 during the three-month period ended September 30, 2020 compared to the three months ended September 30, 2019. This increase was largely driven by an increase in the Company's various operating expenses. Payroll and subcontractor expenses rose by \$52,700 during the three months ended September 30, 2020 due to the Company hiring new employees and bringing in contractors to support growing operations. \$73,808 in professional fees were also incurred during the three months ended September 30, 2021 for regulatory consulting fees.

Net loss increased during the three-month period ended June 30, 2020 by \$18,596 compared to the three-month period ended June 30, 2019 due to the incurrence of an additional \$97,319 in professional fees

related to fees accrued for the 2020 audit and regulatory consulting fees. This increase was also caused by \$58,353 in payroll expenses incurred as a result of the Company hiring new employees to support growing operations.

Disclosure of Outstanding Share Data

Authorized share capital of the Company consists of:

- an unlimited number of Class A common shares, non-cumulative discretionary dividends, voting, no par value
- an unlimited number of common shares, non-cumulative discretionary dividends, voting, no par value.

As of March 31, 2021, the Company had 10,808,120 Class A common shares and 20,341,209 common shares issued and outstanding. In addition, there are 2,000,000 warrants and 4,119,015 stock options outstanding.

Liquidity and Capital Resources

During the nine months ended March 31, 2021, the Company began a capital raise plan to fund development and build its capital base. In March 2021, \$3,766,619 was raised at a value of \$1 per subscription unit issued. \$607,753 of the proceeds was used to cover operating activities. \$2,000,960 in proceeds were used to acquire additional shares in the Company's Paradox Fund investment.

As at March 31, 2021, the Company had a working capital of \$5,717,935 (June 30, 2020: \$1,794,870). Working capital increased due to equity financing for proceeds of \$4,000,000 less share issuance costs of \$233,381 and forgivable government COVID-19 relief loans received during the nine months ended March 31, 2021. This increase was offset by a \$179,798 rise in payroll costs and \$135,434 in marketing service fees incurred during the nine months ending March 31, 2021 compared to the 2020 comparative period. As at March 31, 2021, the Company had cash on hand of \$1,686,256 (June 30, 2020: \$642,325) to meet accounts payable and accrued liabilities of \$269,345 (June 30, 2020: \$138,250).

Net cash used in operating activities for the nine months ended March 31, 2021 was \$607,753 compared to \$145,911 in the prior fiscal year. The Company continues to generate net losses and negative cash flows from operating activities due to the net commission revenues still being insufficient in size to cover its operating expenses. The Company expects to have sufficient working capital to meet any operating cash outflow or working capital requirements for the immediate future.

Net cash used in investing activities for the nine months ended March 31, 2021 was \$2,010,121 compared to \$1,068,680 in the prior year-end. The Company purchased additional shares of the Paradox Fund during the nine months ended March 31, 2021 and acquired new equipment.

Net cash from financing activities was \$3,661,805 compared to \$1,615,834 in the 2020 comparative period. This cash inflow was due to proceeds received from the issuance of shares. The Company also received proceeds from government loans during the nine months ended March 31, 2021.

The Company does not have any commitments to make capital expenditures in future fiscal periods.

Off-Balance Sheet Arrangements

In connection with the completion of the Company's public share offering, it will be instituting a formal stock option plan. Under the plan, the maximum number of Common Shares that will be available for issuance is 10% of the issued and outstanding Common Shares from time to time, provided that, no more than 10% of the outstanding Common Shares may be issued under the Stock Option Plan or pursuant to any other security-based compensation arrangements of the Company to any one person. The maximum number of Common Shares for which awards may be issued to any one participant in any 12-month period shall not

exceed 5% of the outstanding Common Shares unless disinterested Shareholder approval is obtained, or 2% of the outstanding Common Shares in the case of a grant of awards to any one consultant of the Company and in the case of a grant of awards to all persons (in the aggregate) retained to provide Investor Relations Activities, calculated on the date an award is granted to the participant. Further, unless disinterested Shareholder approval is obtained: (i) the maximum number of Common Shares for which awards may be issued to insiders of the Company (as a group) at any point in time shall not exceed 10% of the outstanding Common Shares; and (ii) the aggregate number of awards granted to insiders of the Company (as a group), within any 12-month period, shall not exceed 10% of the outstanding Common Shares, calculated at the date an award is granted to any insider.

Transactions with Related Parties

Related parties and related party transactions impacting the condensed interim consolidated financial statements not disclosed elsewhere in these condensed interim consolidated financial statements are summarized below and include transactions with key management personnel of the Company.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. Key management personnel comprise officers and directors of the Company.

Remuneration attributed to key management personnel are summarized as follows:

	Three months ended March 31,		Nine months ended March 31,	
	2021	2020	2021	2020
Salaries and wages	\$ 53,308	\$ 80,916	\$ 16,962	\$ 22,765
	\$ 53,308	\$ 80,916	\$ 16,962	\$ 22,765

Other related party transactions

On May 9, 2018, the Company issued a promissory note for \$200,000 to a company with a common director (Note 6). As at March 31, 2021, the principal balance of \$200,000 (June 30, 2020: \$200,000) remains outstanding.

During the nine months ended March 31, 2021, the Company earned commissions of \$276,026 (2020: 171,102) from customer agency trades with Paradox Fund. The Company paid commission rebates to the Paradox Fund of \$201,777 (2020: \$164,002).

Financial Instruments

The Corporation's financial instruments consist of cash and cash equivalents, investments, trade and other payables and loans payable. It is management's opinion that the Corporation is not exposed to significant interest rate, currency or credit risks arising from the financial instruments and that the fair values of these instruments approximate their carrying values due to their short-term nature.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. Foreign exchange risks are closely monitored and attempts are made to match foreign cash inflows and outflows. As at March 31, 2021, the Company is exposed to foreign exchange risk through its investment in Paradox Fund, accounts receivable and cash which are denominated in US dollars. The Company mitigates foreign exchange risk by monitoring foreign exchange rate trends and evaluating

reinvestment opportunities when possible. The Company does not currently hedge its foreign exchange risk. Based on current exposures as at March 31, 2021 and assuming that all other variables remain constant, a 10% depreciation or appreciation of the United States dollar against the Canadian dollar would result in a gain or loss of approximately \$376,000 in the Company's statements of loss and comprehensive loss.

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. The Company's cash and trade and other receivables are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. The Company mitigates credit risk by evaluating the creditworthiness of customers prior to conducting business with them and monitoring its exposure for credit losses with existing customers. Trade and other receivables also include refundable SR&ED tax credits which bears minimal credit risk as it is receivable from the Canadian government. The Company has determined that no allowance is required as all amounts outstanding are considered collectible.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's outstanding promissory note payable bears interest equal to the prime rate.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The Company addresses its liquidity by raising capital through the issuance of debt and equity. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. The table below summarized the maturity profile of the Company's financial liabilities based on the remaining period to the contractual maturity date as at March 31, 2021 and June 30, 2020.

March 31, 2021	On demand	Less than 1 year	1-3 years	Total
Accounts payable and accrued liabilities	\$ 269,345	\$ -	\$ -	\$ 269,345
Loans payable	-	-	33,844	33,844
Promissory note payable	-	-	218,097	218,097
June 30, 2020	On demand	Less than 1 year	1-3 years	Total
Accounts payable and accrued liabilities	\$ 138,250	\$ -	\$ -	\$ 138,250
Promissory note payable	-	-	212,515	212,515

Market risk

Market risk is the risk that the fair value of investments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). All investments represent a risk of loss of capital. When participating in investing activities, the Company may incur losses if it is unable to resell the investments at more than the purchase price. The Company mitigates its market risk exposure through regular price monitoring of investments. Based on current exposures as at March 31, 2021 and assuming that all other variables remain constant, a 10% depreciation or appreciation of investments would result in a gain or loss of approximately \$403,000 in the Company's statements loss and comprehensive loss.

Digital asset risk

The Company's investment in Paradox Fund is impacted by the fund's investments in digital assets as well as private companies, both of which may be subject to changes in value. The Company seeks to minimize potential adverse effects of these risks on performance by ensuring that its risk management practices appropriately address these risks by, for example, employing experienced personnel, daily monitoring of the Paradox Fund's investments and digital assets and review of the Paradox Fund's investment objectives.

Capital Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue its operations and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. The Company considers its capital for this purpose to be its equity and promissory note payable. The Company's primary source of capital is through the issuance of common shares and debt. The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek additional funding. The Company may require additional capital resources to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required in the long term but recognizes there will be risks involved that may be beyond its control. There are no external restrictions on the management of capital.

Recently Adopted Accounting Standards

Adoption of new accounting standards have been disclosed in Note 3 of the Company's Financial Statements for the years ended June 30, 2019. There were no changes to the Company's accounting policies for the period ended June 30, 2020.

Critical Accounting Estimates

This MD&A is based on the condensed interim consolidated financial statements which have been prepared in accordance with IFRS. The preparation of the condensed interim consolidated financial statements requires that certain estimates and judgments are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances.

Subsequent Events

- a) On April 19, 2021, the Company granted 300,000 stock options. 125,000 of the options are exercisable at a price of \$1.50, 100,000 are exercisable at a price of \$2.00 and 75,000 of the options are exercisable at a price of \$2.50. The options expire five years after their vesting commencement date. One-twelfth of the options vest on May 19, 2021, and every month thereafter for the next eleven months.
- b) On April 30, 2021, the Company granted 67,500 stock options. The options are exercisable at a price of \$1.50 and expire five years after their vesting commencement date. One-twelfth of 52,500 of these options vest on April 30, 2022, and every month thereafter for the next eleven months. One-eighth of 15,000 of these options vest on June 30, 2021, and every month thereafter for the next seven months.
- c) On May 10, 2021, the Company granted 90,000 stock options. The options are exercisable at a price of \$1.50 and expire five years after their vesting commencement date. One-eighth of these options vest on June 30, 2021, and every month thereafter for the next seven months.

Management's Responsibility for Financial Statements

Management of the Company, under the supervision of the Chief Executive Officer and the Chief Financial Officer, is responsible for the design and operations of internal controls over financial reporting. There have been no changes in the Company's disclosure controls and procedures during the period ended March 31, 2021.

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting and the preparation of financial statements in accordance with generally accepted

accounting principles. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

There have been no changes in the Company's internal control over financial reporting during the period ended March 31, 2021, that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

CERTIFICATE OF THE COMPANY

Dated: September 7, 2021

This preliminary prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this preliminary prospectus as required under the securities legislation of each of the provinces of Canada, except for Québec.

(Signed) “*Stéphane Ouellette*”

Stéphane Ouellette
Chief Executive Officer

(Signed) “*Alex McAuley*”

Alex McAulay
Chief Financial Officer

On behalf of the Board of Directors

(Signed) “*Adam Rabie*”

Adam Rabie
Director

(Signed) “*Eric Richmond*”

Eric Richmond
Director

CERTIFICATE OF THE PROMOTERS

Dated: September 7, 2021

This preliminary prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this preliminary prospectus as required under the securities legislation of each of the provinces of Canada, except for Québec.

(Signed) “*Stéphane Ouellette*”

Stéphane Ouellette
Chief Executive Officer

(Signed) “*Adam Rabie*”

Adam Rabie
Director

CERTIFICATE OF THE AGENTS

Dated: September 7, 2021

To the best of the Agents' knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation in each of the provinces of Canada, except for Québec.

PI Financial Corp.

(Signed) "Tim Graham"

Tim Graham

Managing Director, Investment Banking