

FRNT Financial Inc.
(also referred to as “FRNT”, the “Corporation”, or the “Company”)

Management’s Discussion & Analysis

The following management’s discussion and analysis should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended September 30, 2024 and 2023 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 IFRS Interpretations Committee (“IFRIC”).

All dollar figures included therein and in the following discussion and analysis are quoted in Canadian dollars unless otherwise noted.

Date

This management’s discussion and analysis (“MD&A”) is dated November 26, 2024 and is in respect of the three months ended September 30, 2024 and 2023. The discussion in this MD&A focuses on this year. 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 undue 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. was incorporated under the Canada Business Corporations Act on April 24, 2018. The Company’s head office and registered records office is located at 49 Wellington Street East, Unit 200, Toronto, Ontario, M5E 1C9. The Company is a financial technology company that provides a capital markets trading platform for institutional investors to access alternative trade opportunities.

The Company completed its Initial Public Offering (“IPO”) on April 12, 2022 and its common shares were listed on the TSX Venture Exchange on April 19, 2022, under the trading symbol “FRNT”. The Company’s shares are also listed on the OTCQB Market under the trading symbol “FRFLF”.

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 registered as a portfolio manager with the Ontario Securities Commission. FRNT AM solicits asset managers to sub-advise funds on its behalf.

On July 14, 2022, the Company incorporated a new, wholly owned subsidiary, FRNT Financial UK Limited (“FRNT UK”). On September 12, 2024, FRNT UK was granted authorization by the Financial Conduct Authority (“FCA”) to operate in the UK. This is a major development in the firm’s international expansion that broadens FRNT’s global regulatory footprint and allows the firm to continue to satisfy the growing needs of regulated institutional investors operating at the intersection of traditional regulated finance, digital assets and other innovative industries.

Listed Issuer Financing Exemption (“LIFE”) Offering

On May 21, 2024, the Company closed a brokered private placement offering and issued 2,070,000 Units at a price of \$0.60 per Unit for aggregate gross proceeds of \$1,242,000 (the “LIFE Offering”). Each Unit comprised of one common share of the Company (a “Common Share”) and one-half of one Common Share purchase warrant (each whole warrant, a “Warrant”). Each Warrant entitles the holder thereof to purchase one Common Share at an exercise price of \$0.90 until May 21, 2027.

In connection with the LIFE Offering, the Company paid to an agent a cash commission of \$74,520 and issued 124,200 warrants of the Company (the “Broker Warrants”). Each Broker Warrant entitles the holder thereof to acquire one Unit at a price of \$0.60 at any time on or before May 21, 2027. An additional \$184,348 in share issuance costs were incurred in conjunction with the LIFE Offering.

Consolidation

The Company’s consolidated financial statements are presented on a consolidated basis and include the accounts of the Company and its controlled subsidiaries. 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 the controlled subsidiaries are as follows:

Entity	Principal activities	Country of incorporation	Percentage Owned	
			September 30, 2024	June 30, 2024
FRNT Asset Management Inc.	Financial technology services	Canada	100%	100%
FRNT Financial UK Limited	Financial technology services	United Kingdom	100%	100%
FRNT Financial (Cayman) Limited	Financial technology services	Cayman Islands	100%	-

Summary of Quarterly Results

The following table provides selected quarterly financial data for the eight most recently completed quarters:

Three months ended								
	September 30, 2024	June 30, 2024	March 31, 2024	Dec 31, 2023	Sept 30, 2023	June 30, 2023	Mar 31, 2023	Dec 31, 2022
Revenue	208,476	683,576	38,096	648,274	190,027	75,332	109,383	63,176
Net loss for the period	(812,904)	(661,203)	(695,980)	(310,577)	(350,144)	(688,640)	(395,767)	(1,243,421)
Basic and diluted loss per share	(0.02)	(0.02)	(0.02)	(0.01)	(0.01)	(0.02)	(0.01)	(0.04)

The Company incurred a net loss of \$812,904 during the three months ended September 30, 2024 compared to a net loss of \$350,144 during the 2023 comparative period, an increase in net loss of \$462,760. A primary reason for the increase in net loss is due to a decrease of \$219,619 in the fair value gain on investments. In addition, professional fees, specifically advisory and consulting services, increased by \$183,826. This was offset by decreases in salaries and wages and general and administrative costs.

The Company incurred a net loss of \$661,203 during the three months ended June 30, 2024 compared to a net loss of \$688,640 during the 2023 comparative period, a decrease in net loss of \$27,437. A primary reason for the decrease in net loss is the higher revenue from capital markets, which increased by \$665,523 due to an increase in transactions facilitated by the Company and total transaction value from trading activity. During the three months ended June 30, 2024, the Company performed an expected credit loss assessment and recorded an allowance of \$290,000 on a balance owing from one customer. No allowances were recorded during the three months ended June 30, 2023. This was offset by a decrease in SR&ED tax credits received during the three months ended June 30, 2024 of \$Nil compared to \$164,655 in the comparative period.

The Company incurred a net loss of \$695,980 during the three months ended March 31, 2024 compared to a net loss of \$395,767 during the 2023 comparative period, an increase in net loss of \$300,213. A primary reason for the increase in net loss is the lower revenue from capital markets, which decreased by \$66,281 due to a decrease in transactions facilitated by the Company and total transaction value from trading activity. Professional fees increased by \$151,895 due to an increase in consulting fees paid to strategic advisors, and legal fees related to general corporate matters. Share-based compensation also increased by \$87,564 due to the January and February stock option grants. The Company also recognized a gain on the change in fair value of its investments of \$276,248 as compared to a gain of \$390,230 in the comparative period – a variance of \$113,982. The increase in net loss was offset by a decrease in salaries and wages, which decreased by \$72,033 from changes in employee composition.

The Company incurred a net loss of \$310,577 during the three months ended December 31, 2023 compared to a net loss of \$1,243,421 during the 2022 comparative period, a decrease in net loss of \$932,844. A primary reason for the decrease in net loss is due to higher revenue from capital markets and consulting and advisory fees, which increased by \$225,498 and \$359,600, respectively. The Company reduced its spending on advertising and promotion by \$21,221 and investor relations by \$80,216. Salaries and wages decreased by \$116,045 resulting from changes in employee composition and share-based payments decreased by \$70,129 due to less tranches vesting in the period. The Company recognized a gain on the change in fair value of its investments of \$178,497 as compared to a loss of \$256,445 in the comparative period – a

variance of \$434,942. The Company also incurred \$318,732 more in professional fees in the current period due to an increase in legal fees, and consulting fees paid to strategic advisors.

Selected Quarterly Financial Information

The following table sets out selected annual financial information for our Company, which has been prepared in accordance with IFRS:

Three months ended September 30,	2024	2023
Total revenue	\$208,476	\$190,027
Total operating expenses	\$1,070,871	\$829,960
Net loss and comprehensive loss	\$(810,594)	\$(350,665)
Basic and diluted loss per share	\$(0.02)	\$(0.01)
Weighted average number outstanding	37,225,674	35,149,329

As at	September 30, 2024	June 30, 2024
Cash	\$661,428	\$1,552,482
Current assets	\$4,347,138	\$5,125,309
Total assets	\$4,697,607	\$5,532,996
Total liabilities	\$337,564	\$487,654
Shareholders' equity	\$4,360,043	\$5,045,342

Results of Operations for the three months ended September 30, 2024

For the three months ended September 30, 2024, the Company incurred a net loss and comprehensive loss of \$810,594 compared to a net loss and comprehensive loss of \$350,665 for the three months ended September 30, 2023, an increase of \$459,929.

The increase in net loss and comprehensive loss was primarily due to a decrease in the fair value gain on investments, which decreased by \$219,619 from the comparative period.

Total operating expenses increased to \$1,070,871 from \$829,960. The increase in operating expenses was primarily due to an increase of \$183,826 in professional fees relating to an increase in advisory services received from consultants and referral fees paid. Share-based payments increased by \$62,802 due to the issuance of additional options to consultants and employees of the Company. These increases were partly offset by decreases in salaries and wages and general and administrative costs.

The increase in net loss was offset by an increase in total revenue of \$18,449. Capital markets revenue increased by \$144,471 due to an increase in transactions facilitated by the Company and total transaction value from trading activity, as well as an increase in revenue as a percentage of total transaction value. This was partly offset by a decrease in consulting and advisory revenue of \$126,022. In the comparative period, the Company completed a non-recurring advisory contract debt settlement agreement.

Disclosure of Outstanding Share Data

Authorized share capital of the Company consists of an unlimited number of common shares, non-cumulative discretionary dividends, voting, no par value.

As of November 26, 2024, the Company had 37,241,779 common shares issued and outstanding. In addition, there are 1,359,200 warrants, and 4,818,462 stock options outstanding.

Liquidity and Capital Resources

Historically and prospectively, the Company's primary source of liquidity and capital resources has been proceeds from the issuance of common shares. Based on our current level of operations and our expected results of operations over the next 12 months, we believe that cash generated from operations and anticipated future capital raises, will be adequate to meet our anticipated liquidity requirements, capital expenditures and working capital needs for the next 12 months. However, we cannot be certain that our business will be able to raise capital through the issuance of equity to continue operations.

As at September 30, 2024, the Company had working capital of \$4,009,574 (June 30, 2024: \$4,660,751), a decrease of \$651,177. The decrease in working capital is primarily attributable to the decrease of cash of \$891,054 primarily resulting from operating expenses paid. The decrease in working capital was offset by investments increasing by \$58,739 and an increase in accounts receivable of \$50,997.

Working capital without the Company's investment in the Paradox Fund as at September 30, 2024 would be \$735,231 (June 30, 2024: \$1,479,232). As at September 30, 2024, the Company had cash on hand of \$661,428 (June 30, 2024: \$1,552,482) to meet accounts payable and accrued liabilities of \$255,886 (June 30, 2024: \$392,492). In the event the Company has insufficient cash to meet its accounts payable and accrued liabilities, it intends to redeem its investment in the Paradox Fund as needed to fund business operations and investment.

Net cash used in operating activities for the period ended September 30, 2024 was \$879,833 compared to net cash used of \$369,601 in the comparative period, an increase of \$510,232. The Company continues to generate net losses and negative cash flows from operating activities due to the 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. This expectation relies on the Company redeeming its investment in the Paradox Fund as and if necessary (See "Investment in Paradox Fund").

Net cash provided by investing activities for the period ended September 30, 2024 was \$nil, compared to net cash provided of \$662,390 in the comparative period. During the three months ended September 30, 2023, the Company received \$662,390 from the redemption of shares in the Paradox Fund.

Net cash used in financing activities for the three months ended September 30, 2024 was \$13,484, compared to \$194,652 in the comparative period. During the three months ended September 30, 2024, the Company made \$13,484 in lease liability principal payments. During the three months ended September 30, 2023, the Company paid \$175,000 to settle \$175,000 in principal on its promissory note.

Other Factors Affecting Liquidity

The Company may raise additional equity or debt capital or enter into arrangements to secure necessary financing to fund the completion of development projects, to meet obligations or for the general corporate purposes of the Company. Such arrangements may take the form of loans, strategic agreements, or other agreements. The sale of additional equity could result in additional dilution to the Company's existing shareholders, and financing arrangements may not be available to us, or may not be available in sufficient amounts or on acceptable terms.

Off Balance Sheet Arrangements

The Company has no off balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions as of the date of this MD&A.

Reconciliation of Use of Proceeds from Financing Activities

The following table sets out a comparison of how the Company intends to use the net proceeds from its LIFE Offering that closed in May 2024 (as described in the Offering Document) and its actual use of the proceeds from the closing of the LIFE Offering to date. The Company has not experienced any significant variances compared to its intended use to date.

Objective	Intended use of net proceeds⁽¹⁾	Actual spend to date	Remaining
Sales capacity growth	\$ 363,836	\$ 134,519	\$ 229,317
Regulatory discovery with respect to new business lines	65,782	24,321	41,461
Geographical expansion	161,543	59,726	101,817
Expansion of advisory practice	145,535	53,807	91,728
Technology staff growth	122,249	45,198	77,051
General marketing / awareness initiatives	58,214	21,523	36,691
Total	\$ 917,159	\$ 339,094	\$ 578,065

(1) Net cash proceeds from the LIFE Offering amounted to \$983,132 compared to an estimated maximum of \$2,596,600 as disclosed in the Offering Document. The intended use of funds have been prorated to take into account the reduction in the actual net cash raised and excludes an adjusted amount of \$65,973 allocated to working capital and general corporate purposes.

Investment in Paradox Fund and Long-term Investment

The Company holds a total investment of 5.34% (being \$2,512,829 USD of total assets under management) (June 30, 2024: 5.94%) interest in the Paradox Fund, a fund registered in the Cayman Islands. As at September 30, 2024, the investment in the Paradox Fund represents 72% of the Company's total assets.

During the year ended June 30, 2023, Paradox decided to sell the fund's holdings and right to claims in FTX, a now-bankrupt crypto exchange. Paradox's directors determined it was in the best interests of the fund to side pocket the realized value of the claim sale in an illiquid share class, denoted by "SPC". The SPC is non-redeemable until the directors determine that the realized value of the claim sale is free and clear of claw back risk and the fund's claim value is finally determined by the Bankruptcy courts with all interim adjustments settled out of or into the SPC. During the year ended June 30, 2024, FTX filed a plan of reorganization that is currently pending approval from the Delaware Bankruptcy Court. This plan aims to address FTX's outstanding liabilities, including those from legal proceedings and customer claims. As a final filing has yet to be made, the SPC is classified as a long-term investment.

On August 29, 2022, the Company participated in a private placement for an early-stage crypto technology company by investing \$114,755 (75,000 GBP). On March 6, 2023, the Company made an additional investment of \$11,585 (7,065 GBP). The investment has been classified as a long-term investment.

The reconciliations of investments are presented as follows:

	Paradox Fund (i)	Paradox Fund – SPC (i)	Private Company (ii)	Total
	\$	\$	\$	\$
Balance, June 30, 2023	4,392,769	158,634	99,877	4,651,280
Proceeds on redemption of shares	(2,058,008)	-	-	(2,058,008)
Fair value gain on investments	846,758	1,897	3,098	851,753
Balance, June 30, 2024	3,181,519	160,531	102,975	3,445,025
Fair value gain (loss) on investments	92,824	(38,836)	4,751	58,739
Balance, September 30, 2024	3,274,343	121,695	107,726	3,503,764

The Paradox Subscription Agreements placed conditions on the redemption of Paradox Fund shares. These conditions 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 also 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 endeavor 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.

Transactions with Related Parties

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.

Related parties consist of the following individuals:

- Stéphane Ouellette, CEO and Director
- Alex McAulay, CFO
- Adam Rabie, Director
- Dan Cristall, Director
- Eric Richmond, Director
- Geoff Browne, Director
- David Washburn, President

Remuneration attributed to key management personnel are summarized as follows:

	Three months ended September 30,	
	2024	2023
	\$	\$
Salaries and wages		
Stéphane Ouellette	55,014	56,868
Alex McAulay	4,401	4,549
Share based payments		
Eric Richmond	3,657	137
Dan Cristall	3,657	-
Geoff Browne	3,657	-
Alex McAulay	10,253	1,541
David Washburn	39,230	46,182
Professional fees		

Company controlled by Alex McAulay	44,893	44,036
Company controlled by David Washburn	62,500	62,500
Total	227,262	\$ 215,813

Other related party transactions:

During the three months ended September 30, 2024, the Company earned capital markets revenue of \$141,887 (2023: \$37,777) from customer agency trades with Paradox Fund, which is managed by a company controlled by a director of the Company. Of these amounts \$239 (June 30, 2024: \$1,671) remained in trade and other receivables as of September 30, 2024.

As at September 30, 2024, \$19,310 (June 30, 2024: \$14,453) in accounts payable and accrued liabilities were owed to a Company controlled by the CFO of the Company.

As at September 30, 2024, \$779 (June 30, 2024: \$964) in accounts payable and accrued liabilities were owed to the CFO of the Company.

As at September 30, 2024, \$7,139 (June 30, 2024: \$12,054) in accounts payable and accrued liabilities were owed to the CEO of the Company.

As at September 30, 2024, \$23,542 (June 30, 2024: \$23,542) in accounts payable and accrued liabilities were owed to a Company controlled by the President of the Company.

Financial Instruments

Fair values

The Company's financial instruments consist of cash, trade and other receivables, investments, accounts payable and accrued liabilities, loans payable, and promissory note payable. Investments are carried at fair value, while cash, trade and other receivables, accounts payable and accrued liabilities, loans payable, and promissory note payable approximate their carrying value due to their current nature.

The fair values of trade and other receivables, accounts payable and accrued liabilities, loans payable, and promissory note payable approximate their carrying value due to their current nature.

The Company classifies its financial assets at FVTPL according to the fair value hierarchy as follows:

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 3 within the fair value hierarchy using quoted market prices or quotes from administrators.

As at September 30, 2024 and June 30, 2024, the Company's investment in Paradox Fund and Paradox Fund – SPC was classified at Level 3 in the fair value hierarchy, and the Company's long-term investment in the private company was classified at Level 2 in the fair value hierarchy.

The Company's exposure to financial instrument related risks and the methods used to manage those risks have not changed significantly over the last year. Significant risks that are relevant to the Company, as well as methods to manage the various types of risk to which it is exposed, are discussed below:

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprised three types of risk: foreign exchange risk, interest rate risk and other price risk. Market risk arises as a result of the Company generating revenues in foreign currencies, holding assets and liabilities denominated in foreign currencies, holding liabilities with variable interest rates and measuring investments at fair value.

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. As at September 30, 2024, the Company is exposed to the following foreign exchange risk:

		CAD Equivalent
<i>Denominated in USD</i>		
Cash	\$	342,753
Trade and other receivables		39,948
Investment in Paradox Fund		3,274,343
Investment in Paradox Fund – SPC		121,695
Accounts payable		(43,381)
		3,735,358
<i>Denominated in GBP</i>		
Long-term investment		107,726
Accounts payable		(24,218)
		83,508
Net assets exposure	\$	3,818,866

The Company does not currently hedge its foreign exchange risk. Based on current exposures as at September 30, 2024 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 an increase or decrease of approximately \$374,000 (September 30, 2023: \$506,000) in the Company's profit or loss. A 10% depreciation or appreciation of the British pound sterling against the Canadian dollar would result in an increase or decrease of approximately \$8,000 (September 30, 2023: \$10,000) in the Company's profit or loss.

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 is not materially exposed to this risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether caused by factors specific to the individual investment or its issuers or factors affecting all financial instruments traded in the market. A 10% increase (decrease) in the quotes obtained from third-party administrators on the investment would change net losses by approximately \$327,434 (September 30, 2023: \$466,921) on its regular investment, and \$12,170 (September 30, 2023: \$16,178)

on the SPC.

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 either Schedule 1 Canadian bank or reputable institutions with a sufficiently long operating history to be considered reliable for credit worthiness purposes.

The Company manages its exposure to accounts receivable credit risk by assessing the associated risk of default prior to accepting new customers, monitoring the level of accounts receivable attributable to each customer, the length of time taken for amounts to be settled, and maintaining reserves for potential credit losses. In addition, if the age of an outstanding invoice reaches one year, the Company records an allowance for the doubtful account for the full amount of the invoice. Where necessary, management takes the appropriate action to collect those balances considered overdue.

AS at September 30, 2024 and June 30, 2024, the Company performed an expected credit loss assessment on a \$399,600 balance owing from one customer that had been outstanding for over 90 days. As a result of the assessment, an allowance for expected credit losses of \$290,000 was recorded. All other customer balances in accounts receivable as at September 30, 2024 were current and expected to be collected in full.

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 September 30, 2024 and June 30, 2024.

		Less than 1		
September 30, 2024	On demand	year	1-3 years	Total
Accounts payable and accrued liabilities	\$ 255,886	\$ -	\$ -	\$ 255,886
Lease liability	-	85,950	-	85,950

		Less than 1		
June 30, 2024	On demand	year	1-3 years	Total
Accounts payable and accrued liabilities	\$ 392,492	\$ -	\$ -	\$ 392,492
Lease liability	-	78,137	23,441	101,578

Capital Management

The Company's objectives when managing capital are to pursue its operations and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk level. The Company considers its capital for this purpose to be its equity, \$4,360,043 (June 30, 2024: \$5,045,342).

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 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 the Company's capital. There have been no changes in the way in which the Company manages capital in the year.

The Company's subsidiary, FRNT Asset Management Inc., is subject to the regulatory capital requirements of NI 31-103 for portfolio managers, which require that it maintain minimum working capital of at least \$25,000 plus the Financial Institution Bond ("FIB") insurance deductible and other margin requirements, if any. As at September 30, 2024 and June 30, 2024, FRNT Asset Management Inc. was in compliance with its regulatory capital requirements.

Critical Accounting Estimates and Judgments

The preparation of the consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The significant accounting estimates and judgments are set out in Note 4 to the audited consolidated financial statements for the three months ended September 30, 2024 and 2023.

Material Accounting Policies

The accounting policies followed by the Company are set out in Note 3 of the audited consolidated financial statements of the Company for the three months ended September 30, 2024 and 2023.

Adoption of New Standards and Interpretations, and Recent Accounting Pronouncements

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any new standards and determined that there are no standards that are relevant to the Company.

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 year ended June 30, 2024, that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

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.

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 judgements 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 be detected.