

**FRONTENAC MORTGAGE INVESTMENT CORPORATION  
INTERIM FINANCIAL STATEMENTS  
AS AT SEPTEMBER 30, 2009**

**(Unaudited - Prepared Internally for Management Use)**

Prepared: 8-Oct-09

**FRONTENAC MORTGAGE INVESTMENT CORPORATION**  
**BALANCE SHEET**  
**AS AT SEPTEMBER 30, 2009**  
**(Unaudited - Prepared Internally for Management Use)**

	\$	
<b>CURRENT ASSETS</b>		
Cash and bank	197,099	
Due from related trust accounts	-	
T-bills and short-term investments	3,079,800	
Accrued interest receivable	114,157	
Prepaid expenses	8,090	
	3,399,145	12.3%
<b>LONG-TERM ASSETS</b>		
Investment in mortgages, net of provision for loss of:	300,000	24,448,809
		88.3%
	27,847,955	
<b>LIABILITIES</b>		
Operating line	130,000	
Accounts payable and accrued liabilities	21,517	
	151,517	
<b>SHAREHOLDER EQUITY</b>		
Share Capital (Note 1)	27,696,437	
Dividends	-	1,139,761
Net Earnings	1,139,761	
	27,696,437	100.0%
	27,847,955	

**NOTES:**

**1. Share Capital**

Number of shares issued and outstanding at end of period		923,215
Book value per share - end of period		\$30.00
Monthly dividend:	Total:	\$121,729.11
	Per share:	\$0.1324
Share transactions during month:	#	\$
Purchases (new investment)	2,723.0000	\$81,690.00
Redemptions		\$0.00

**FRONTENAC MORTGAGE INVESTMENT CORPORATION**  
**STATEMENT OF EARNINGS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009**  
**(Unaudited - Prepared Internally for Management Use)**

	Month \$	YTD \$
<b>REVENUE</b>		
Interest income	208,996	1,829,221
<b>EXPENSES</b>		
Administration fees	46,679	396,370
Director fees	4,915	14,949
Legal	-	29,701
Audit	1,000	9,600
Mortgage write-offs	-	2,339
Provision for losses	14,500	75,000
General and operating	20,172	159,698
Trustee administration fees	-	-
Interest on operating line	1	1,803
	<u>87,267</u>	<u>689,460</u>
<b>NET EARNINGS</b>	<u>121,729</u>	<u>1,139,761</u>
Rate of return (rough calculation)	5.37%	6.09%

**NOTES:**