

**FRONTENAC MORTGAGE INVESTMENT CORPORATION
INTERIM FINANCIAL STATEMENTS
AS AT JUNE 30, 2011**

(Unaudited - Prepared Internally for Management Use)

Prepared: 23-Jul-11

FRONTENAC MORTGAGE INVESTMENT CORPORATION
BALANCE SHEET
AS AT JUNE 30, 2011
(Unaudited - Prepared Internally for Management Use)

		\$	
CURRENT ASSETS			
Cash and bank		908,396	
Due from related trust accounts		10,000	
T-bills and short-term investments		77,417	
Accrued interest receivable		441,079	
Prepaid expenses	-	12,491	
		1,424,402	4.1%
LONG-TERM ASSETS			
Investment in mortgages, net of provision for loss of:	102,000	34,578,699	100.2%
		36,003,101	
LIABILITIES			
Operating line		1,455,000	
Dividends payable		11,535	
Accounts payable and accrued liabilities		18,272	
		1,484,807	
SHAREHOLDER EQUITY			
Share Capital (Note 1)		34,518,294	
Dividends	-	1,035,592	
Net Earnings		1,035,592	0
		34,518,294	100.0%
		36,003,101	
NOTES:			
1. Share Capital			
Number of shares issued and outstanding at end of period		1,150,638	
Book value per share - end of period		\$30.00	
Monthly dividend:	Total:	\$185,722.57	Per share: \$0.1623
Share transactions during month:		#	\$
Purchases (new investment)		9,287.3153	\$278,619
Redemptions			\$0

FRONTENAC MORTGAGE INVESTMENT CORPORATION
STATEMENT OF EARNINGS
FOR THE SIX MONTHS ENDED JUNE 30, 2011
(Unaudited - Prepared Internally for Management Use)

	Month	YTD
	\$	\$
REVENUE		
Interest income	302,641	1,707,616
EXPENSES		
Administration fees	57,582	356,302
Director fees	10,056	20,111
Legal	3,000	18,000
Audit	2,000	16,231
Mortgage write-offs	-	351,998
Provision for losses	-	265,000
General and operating	41,819	124,899
Trustee administration fees	4,752	29,087
Interest on operating line	1,572	20,397
	116,918	672,024
NET EARNINGS	185,723	1,035,592
Rate of return (rough calculation)	6.58%	6.48%

NOTES: