

**NEW FRONTIER VENTURES INC. (FORMERLY “GRAVITAS
FINANCIAL INC.”)**

Management’s Discussion and Analysis

For the three months ended March 31, 2023 and 2022
(expressed in Canadian dollars)

As approved by the Board of Directors on May 25, 2023

New Frontier Ventures Inc. (formerly “Gravitas Financial Inc.”)

Management’s discussion and analysis for the three months ended March 31, 2023 and 2022

GENERAL

The following discussion of performance, financial condition and prospects of New Frontier Ventures Inc. (formerly “Gravitas Financial Inc.”) (the “Company”, a publicly listed Corporation on the Canadian Stock Exchange or “CSE”) should be read in conjunction with the unaudited condensed interim consolidated financial statements for the period ended March 31, 2023 (“Financial Statements”), and the audited consolidated financial statements for the year ended December 31, 2022 and management discussion and analysis for the year ended thereon. The Company’s Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The Financial Statements and the Management Discussion and Analysis (“MD&A”) have been reviewed by the Audit Committee and approved by the Company’s Board of Directors on May 25, 2023. The Canadian dollar is the functional and reporting currency of Gravitas. Unless otherwise noted, all dollar amounts within this report are expressed in Canadian dollars. In addition to reviewing this report, readers are encouraged to read the Company’s public filings on SEDAR at www.sedar.com.

CAUTIONARY STATEMENT ON FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A constitute “forward-looking statements” for the purpose of applicable Canadian securities legislation. These statements reflect our management’s expectations with respect to future events, the Company’s financial performance and business prospects. All statements other than statements of historical fact are forward-looking statements. The use of the words “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intends”, “may”, “might”, “plan”, “possible”, “potential”, “predict”, “project”, “should”, “would”, and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. These statements involve known and unknown risks, uncertainties, and other factors that may cause actual results or events to differ materially from those anticipated or implied in such forward-looking statements. The forward-looking information contained in this MD&A is presented to assist shareholders in understanding the Company’s strategic priorities and objectives as at the periods indicated and may not be appropriate for other purposes. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon. Circumstances affecting the Company may change rapidly. Except as may be required by applicable law, the Company does not undertake any obligation to update publicly or revise any such forward looking statements, whether as a result of new information, future events or otherwise. Unless otherwise indicated, these statements speak only as of the date of this MD&A. Actual results could differ materially from those anticipated in forward-looking statements stated within the MD&A.

CORPORATE OVERVIEW

New Frontier Ventures Inc. (Formerly “Gravitas Financial Inc.”) (the “Company”) was an investment holding firm. It disposed of its assets in 2019 to 2021 and is currently looking for new business. The Company is a publicly listed company on the Canada Securities Exchange (“CSE”) and was trading under the symbol, GFI. On September 30, 2022, the Company changed its name to New Frontier Ventures Inc. and continued to list under the new symbol VFI-X as an inactive issuer under the policies of the Canadian Securities Exchange. The Company also announced a consolidation of its issued and outstanding voting common shares on the basis of one (1) post-consolidated common share for every twenty-five (25) pre-consolidated common shares (the “Consolidation”). As a result of the Consolidation, the outstanding shares of the Company were reduced to approximately 2,904,082 common shares.

The Consolidation and name change were approved by shareholders of the Company at its special meeting held on April 9, 2021 and are fully described in the Company's management information circular dated March 9, 2021, which can be accessed on the Company's SEDAR profile at www.sedar.com.

The Company was incorporated under the Canada Business Corporation Act with its registered office and principal place of business at 200 Consumers Road, Suite 702, Toronto, Ontario, M2J 4R4.

Going Concern

These Financial Statements have been prepared on a going concern basis, which assumes the Company will continue its operations in the foreseeable future and that it will be able to realize its assets and discharge its liabilities in the normal course of operations. As of March 31, 2023, the Company’s current liabilities exceed current assets by \$454,626 (December 31, 2022 - \$428,934). The Company as of March 31, 2023, has a cumulative deficit of \$6,644,649 (December 31, 2022- \$6,618,957); negative cash flows from operations for the period ended March 31, 2023 totalling \$2,930 (2022 -

New Frontier Ventures Inc. (formerly “Gravitas Financial Inc.”)

Management’s discussion and analysis for the three months ended March 31, 2023 and 2022

\$5,696); and had a shareholder deficiency of \$454,626 as at March 31, 2023 (December 31, 2022- \$428,934). These conditions indicate the existence of material uncertainties that may cast significant doubt on the Company’s ability to continue as a going concern. The Unaudited Condensed Interim Consolidated financial statements do not reflect adjustments to the carrying value of assets and liabilities or reported expenses and balance sheet classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material. Management is pursuing initiatives intended to address the current working capital deficiency. Due to the continuing operating losses, the Company’s ability to continue as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operation. Management believes it will be successful in obtaining necessary funding to continue operations in the normal course of operations. However there is no assurance that these funds will be available on terms acceptable to the Company.

Management of the Company had been successful in liquidating some of its assets to pay the liabilities.

SELECTED FINANCIAL INFORMATION

As at March 31, 2023, the total liabilities of the Company were \$463,572 compared to \$447,877 at December 31, 2022.

Shareholder total equity deficiency of the Company was \$445,626 as at March 31, 2023 compared to \$428,934 at December 31, 2022.

On September 30, 2022, the Company completed a share consolidation on a 1 post consolidation share for 25 pre-consolidation share basis. The number of shares on these financial statements are presented on a post consolidation basis.

SELECTED QUARTERLY RESULTS AND TRENDS (EXPRESSED IN THOUSANDS)

	2023	2022	2022	2022	2022	2021	2021	2021
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	-	-	-	-	-	5	3	3
Net income (loss)	(26)	(54)	(27)	(43)	(40)	(41)	(48)	(78)
Basic & diluted net income (loss) per share	(0.01)	(0.02)	(0.01)	(0.02)	(0.01)	(0.02)	(0.02)	(0.02)

For the three months ended March 31, 2023

The operations reported \$nil revenue for the three months ended March 31, 2023 (2022 - \$nil), a net loss of \$25,692 (2022 - \$40,414) and a net loss per share of \$0.01 (2022 - \$0.01).

For the three months ended March 31, 2023, the Company incurred \$21,000 (2022 - \$31,416) for compensation and management fees, incurred \$2,955 (2022 - \$7,351) general and administrative expenses, and recorded \$1,737 (2022 - \$1,458) interest and bank charges expenses. The Company also reported \$nil (2022 - \$162) foreign exchange loss.

In the three months 2023, the Company received \$nil (2022 - \$nil) advances from directors and related parties, and \$nil (2022 - \$nil) proceeds from loan payable.

SELECTED STATEMENT OF FINANCIAL POSITION INFORMATION

Selected balance sheet (assets) information as at March 31, 2023 and December 31, 2022 are as follows:

Assets	March 31, 2023	Dec 31, 2022
	\$	\$
Cash and cash equivalents	645	3,575

New Frontier Ventures Inc. (formerly “Gravitas Financial Inc.”)

Management’s discussion and analysis for the three months ended March 31, 2023 and 2022

Trade and other receivables

17,301

15,368

SELECTED BALANCE SHEET (LIABILITIES)

Selected balance sheet (liabilities) information as at March 31, 2023 and December 31, 2022 are as follows:

Liabilities	March 31, 2023	Dec 31, 2022
	\$	\$
Trade and other payables	409,684	386,544
Advances payable	28,000	28,000
Loan payable (non-current)	34,888	33,333

RELATED PARTIES AND RELATED PARTY TRANSACTIONS

Parties are considered related if the party has the ability, either directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions. This would include the Company’s and their subsidiaries’ senior management. Parties are also related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties. The following are the related party transactions during the periods ended March 31, 2023 and 2022. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Usually outstanding balances are settled in cash.

During the period ended March 31, 2023, the Company-

- Incurred \$21,000 (2022- \$30,000) plus HST to directors and senior officers of the Company and its subsidiaries, including the Chief Executive Officer and its Chief Financial Officer of the Company and/or its subsidiary companies. This amount has been included in compensation and management fees, professional fees and general and administrative fees. \$200,639 (December 2022 - \$178,079) was outstanding at March 31, 2023 that was included in the trade and other payables.
- See Note 9 to the Financial Statements on advances payable to related parties.

STOCK-BASED COMPENSATION

The Company has adopted a stock-based option plan under which the Board of Directors may award options for common shares to directors, officers, employees and consultants. The maximum number of common shares issuable pursuant to the share option plan must not exceed 10% of the total number of the Company’s outstanding. The exercise price of each option is determined by the Board of Directors and cannot be less than the discounted market value of the common shares on the eve of the award. The term of the options cannot exceed five years. No option is outstanding as of December 31, 2022 and March 31, 2023.

SUMMARY OF SHARES OUTSTANDING

On September 30, 2022, the Company completed a share consolidation on a 1 post consolidation share for 25 pre-consolidation share basis. The number of shares on these financial statements are presented on a post consolidation basis. As at March 31, 2023, the Company’s authorized share capital consists in an unlimited number of common shares of which 2,904,082 are currently outstanding. There was no options outstanding as of March 31, 2023.

SEGMENTED INFORMATION FOR CONTINUED OPERATION

With the disposal of discontinued operations, the Company’s continuing operation has only on segment in financial services and consulting business.

New Frontier Ventures Inc. (formerly “Gravitas Financial Inc.”)

Management’s discussion and analysis for the three months ended March 31, 2023 and 2022

BASIS OF CONSOLIDATION OF THE COMPANY’S FINANCIAL STATEMENTS

The Financial Statements include the accounts of the Company and its subsidiaries. Subsidiaries are entities which the Company has power over decisions about relevant activities. The existence and effect of potential voting rights that are currently exercisable, or convertible are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. Entities are deconsolidated from the date on which control ceases. Accounting policies of subsidiaries have been changed, where necessary, to ensure consistency with the Company’s policies. The purchase method of accounting is used to account for the acquisition of subsidiaries. Purchase consideration is measured as the fair value of the assets given, equity instruments issued, and liabilities assumed at the date of exchange. The transaction costs directly attributable to the acquisition are expensed.

CRITICAL ACCOUNTING ESTIMATES AND SIGNIFICANT ACCOUNTING POLICIES

The preparation of the Financial Statements requires the Company to make judgments in applying its accounting policies and estimates and assumptions about the future. Judgments, estimates and assumptions affect the Company’s reported amounts of assets, liabilities, and items in net income or loss, and related disclosure. Estimates are based on various assumptions that the Company believes are reasonable under the circumstances. These estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amounts of items in net earnings or loss that are not apparent from other sources. The Company evaluates its estimates on an ongoing basis. Actual results may differ from the Company’s estimates. Please refer to the Note 3 to the March 31, 2022 consolidated financial statements for the estimates and assumptions that may have significant effects.

STANDARDS, AMENDMENTS, AND INTERPRETATIONS ISSUED AND ADOPTED

New Standards, amendments, and interpretations mandatorily adopted in the period

The Company has adopted effectively from January 1, 2023 the follow new standards and amendments. The adoption of the standards and amendments has no impact on the consolidated financial statements of the Company.

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company’s right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company’s own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument.

IAS 1 – In February 2022, the IASB issued ‘Disclosure of Accounting Policies’ with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements.

IAS 8 – In February 2022, the IASB issued ‘Definition of Accounting Estimates’ to help entities distinguish between accounting policies and accounting estimates.

Standards, amendments, and interpretations Issued but not yet adopted

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture that is effective for annual periods beginning on or after a date to be determined.

The management is currently assessing its impact of adopting these amendments and don’t expect material impact on the Consolidated financial statements in the foreseeable future.

RISKS RELATED TO FINANCIAL INSTRUMENTS

The Company is exposed to the following risks through its financial instruments.

New Frontier Ventures Inc. (formerly “Gravitas Financial Inc.”)

Management’s discussion and analysis for the three months ended March 31, 2023 and 2022

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 trade and other receivables are subject to the expected credit loss model. The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade and other receivables and receivables from brokers and clients, while ECL calculation based on stage assessment has been performed for loan receivables.

The loss allowance at March 31, 2023 determined under IFRS 9 was as follows.

	Current or less than 30 days past due	31-90 days past due	Greater than 90 days past due	Total
As of March 31, 2023				
<u>Trade and other receivables</u>				
Projected loss rate	1.00%	1.30%	1.50%	
Gross carrying amount	\$ -	-	17,301	17,301
Loss allowance	\$ -	-	260	260

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations with financial liabilities that would be settled either by delivering cash or another financial asset. See Note 2 for Going Concern uncertainty. The Company has current assets of \$17,946 which will be used to cover its operating and investing activities. The expected timing of consolidated cash flows relating to financial liabilities as at March 31, 2023, are as follows:

	Less than 1 year	1-5 years	6-10 years	Total
	\$	\$	\$	\$
Trade and other payables	409,684	-	-	409,684
Loan payable	60,000	-	-	60,000
Advances payable	28,000	-	-	28,000
	497,684	-	-	497,684

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. The Company is exposed to the following three types of market risk: interest rate risk, currency risk and other price risk.

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 exposed to significant interest rate risk as the loan payable is interest free.

LOAN PAYABLE

On June 2, 2020, the Company obtained \$40,000 in revolving credit from the Government of Canada under the Canada Emergency Business Account (CEBA) COVID-19 Economic Response Plan. The funding is granted in the form of an interest free revolving credit line of which up to \$40,000 may be drawn. On January 1, 2021, any balance remaining on the revolving credit line will automatically convert into a non-revolving term loan. Effective January 1, 2023, any outstanding balance on the term loan shall bear interest at a rate of 5% per annum. The term loan matures on December 31, 2025. If 75% of the outstanding balance of the term loan is repaid on or before December 31, 2022, the remaining 25% of the balance shall be forgiven. The Company used the assumption of 20% discount rate to determine the fair value of the interest-free period, and assumes the Company will repay the 75% outstanding balance on December 31, 2022. The

New Frontier Ventures Inc. (formerly “Gravitas Financial Inc.”)

Management’s discussion and analysis for the three months ended March 31, 2023 and 2022

difference between the amount received in cash and the related fair value was considered a government grant and was recognized as income in the statement of income.

The Company drew the full \$40,000 and intended to pay \$30,000 on or before December 31, 2022. The initial recognition of the \$40,000 was at its fair value at a discount of 20%. \$18,665 was recognized as debt and \$21,335 was recognized as government grant income in 2020. \$2,168 interest was accrued for the period ended December 31, 2020. During the year 2021, \$4,167 interest was accrued.

In 2021 the Canadian Government increased the CEBA loan available to small businesses to \$60,000. The Company made another draw of \$20,000 on January 11, 2021. If the Company would repay the outstanding balance of the loan (other than the forgiven amount) on or before December 31, 2022, the forgiven amount would be \$20,000 in total (25% of the first \$40,000 and 50% of the second \$20,000). The Company recorded the \$12,903 of the \$20,000 as government grant income, and \$7,097 as new loan portion. \$1,376 interest was accrued for the new loan principle in the year 2021.

In late 2021, the Canadian Government extended the date of repayment for the forgiven amount from December 31, 2022 to December 31, 2023. As a result, the Company recorded another \$5,695 government grant income for 2021.

\$5,555 interest was accrued for the year ended December 31, 2022 (2021 - \$5,543). For the three months in 2023, \$1,555 (2022 - \$1,485) interest was accrued.

ADVANCES PAYABLE

In the year ended December 31, 2022, three directors of the Company made advances in total of \$28,000 to the Company to support its working capital that are interest free, unsecured, and due on demand. The outstanding balance was \$28,000 as of March 31, 2023 (December 31, 2022 - \$28,000).

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

DISCLOSURE CONTROLS AND PROCEDURES

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements; and (ii) the consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers’ Annual and Interim Filings (“NI 52-109”), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures (“DC&P”) and internal control over financial reporting (“ICFR”), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

- controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with the issuer’s generally accepted accounting principles (IFRS).

New Frontier Ventures Inc. (formerly “Gravitas Financial Inc.”)

Management’s discussion and analysis for the three months ended March 31, 2023 and 2022

The Company’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

ADDITIONAL INFORMATION

Readers are referred to the more detailed information described in other disclosure documents filed with the applicable Canadian securities regulatory authorities and available at www.sedar.com.

Dated: Toronto, Ontario, Canada,
May 25, 2023