



International Frontier Resources Corporation

Annual Information Form  
For the year ended December 31, 2023

April 29, 2024

## TABLE OF CONTENTS

GLOSSARY OF TERMS.....	3
FORWARD LOOKING INFORMATION.....	4
CORPORATE STRUCTURE .....	6
GENERAL DEVELOPMENT OF THE BUSINESS .....	6
DESCRIPTION OF THE BUSINESS.....	12
EXPLORATION AND DEVELOPMENT ACTIVITIES IN MEXICO.....	13
STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION .....	15
CAPITAL STRUCTURE OF IFR .....	23
DIVIDENDS.....	23
MARKET FOR SECURITIES .....	23
DIRECTORS AND EXECUTIVE OFFICERS.....	24
RISK FACTORS.....	26
LEGAL PROCEEDINGS AND REGULATORY ACTIONS .....	32
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS.....	32
AUDITOR, TRANSFER AGENT AND REGISTRAR .....	32
AUDIT COMMITTEE INFORMATION .....	33
MATERIAL CONTRACTS.....	33
INTEREST OF EXPERTS.....	33
ADDITIONAL INFORMATION .....	34
APPENDIX "A" - FORM 51-101F3 REPORT OF MANAGMENT AND DIRECTORS ON RESERVES DATA AND OTHER OIL AND GAS INFORMATION.....	34
APPENDIX "B" - FORM 51-101F2 REPORT ON RESERVES DATA BY INDEPENDENT QUALIFIED RESERVES EVALUATOR OR AUDITOR.....	35
APPENDIX "C" – AUDIT COMMITTEE CHARTER.....	38

The information in this AIF is given as of December 31, 2023, unless otherwise indicated. All dollar amounts set forth in this AIF are in Canadian dollars unless otherwise indicated. Capitalized terms and industry terms used herein without definition have the respective meanings set forth in the Glossary.

## GLOSSARY OF TERMS

In this AIF, unless otherwise indicated or the context otherwise requires, the following terms shall have the indicated meanings. Words importing the singular include the plural and vice versa and words importing a gender include any genders. A reference to an agreement means the agreement as it may be amended, supplemented or restated from time to time:

“**ABCA**” means the *Business Corporations Act* (Alberta), as amended from time to time, including the regulations promulgated thereunder.

“**AIF**” means this Annual Information Form.

“**ASEA**” means the National Agency for Industrial Safety and Environmental Protection of the Hydrocarbons Sector of Mexico.

“**CNH**” means The National Hydrocarbon Commission of Mexico (Mexico Comision Nacional de Hydrocarburos).

“**COGE Handbook**” means the Canadian Oil and Gas Evaluation Handbook as co-authored by the Society of Petroleum Evaluation Engineers (Calgary Chapter), as amended from time to time.

“**Common Shares**” means the common shares in the capital of International Frontier Resources.

“**IFR,**” “**International Frontier Resources,**” “**we,**” “**us,**” “**our**” or “**Corporation**” means International Frontier Resources Corporation and all its controlled entities as a consolidated body.

“**NI 51-101**” means National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities of the Canadian Securities Administrators*.

“**Tonalli**” means Tonalli Energia S.A.P.I de C.V.

“**Petro Frontera**” means Petro Frontera de S.A.P.I. de C.V.

“**Shareholders**” means holders of Common Shares of International Frontier Resources.

### Abbreviations and Conversions

In this AIF, the following abbreviations have the meanings set forth below consistent with Appendix B of the COGE Handbook, where applicable:

Crude Oils and Natural Gas Liquids		Natural Gas	
API	American Petroleum Institute	Mcf	Thousand cubic ft
Bbl	Barrel	MMcf	Million cubic ft
Bbls	Barrels	Mcf/d	Thousand cubic ft per day
Bbls/d	Barrels per day	MMcf/d	Million cubic ft per day
BOPD	Barrels of oil per day	Gj	Gigajoules
MBbls	Thousand barrels		
MMBbls	Million barrels		
BOE	Barrels of oil equivalent		
BOE/d	Barrels of oil equivalent per day		
MBOE	Thousand of barrels of oil equivalent		
MMBOE	Million of barrels of oil equivalent		
NGLs	Natural gas liquids		
MMbtu	Million British thermal units		
WTI	West Texas Intermediate		
		Other	
		M	1,000

The following table sets forth certain factors for converting metric measurements into imperial equivalents.

<b>To convert from</b>	<b>To</b>	<b>Multiply by</b>
BOE	Mcf	6.00
Mcf	Cubic metres ("m3")	28.17
Cubic metres	Cubic ft	35.49
Bbls	Cubic metres ("m3")	0.16
Cubic metres ("m3")	Bbls	6.29
Feet ("ft")	Metres	0.31
Metres	Feet ("ft")	3.28
Miles	Kilometres ("Km")	1.61
Kilometres ("Km")	Miles	0.62
Acres	Hectares ("Ha")	0.41

## **FORWARD LOOKING INFORMATION**

Certain statements contained in this AIF, and in certain statements incorporated by reference into this AIF, constitute forward-looking statements and forward-looking information (collectively referred to herein as "**forward-looking statements**") within the meaning of applicable Canadian securities laws. Such forward-looking statements relate to future events or the Corporation's future performance. All statements other than statements of historical fact may be forward-looking statements. The use of any of the words "anticipate," "continue," "estimate," "expect," "may," "will," "project," "should," "believe," "strategy" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements are based on reasonable assumptions, but no assurance can be given that these expectations will prove to be correct, and the forward-looking statements included in this AIF should not be unduly relied upon. These statements are made only as of the date of this AIF.

In particular, this AIF contains forward-looking statements including, but not limited to, the following:

- commodity prices for crude oil or natural gas;
- supply and demand for oil and natural gas;
- the estimated quantity of oil and natural gas reserves, including reserve life;
- capital expenditure programs and potential oil and gas costs and expenditures;
- future exploration, development and production costs;
- timing of drilling plans;
- plans for and results of exploration and development activities;
- expectations regarding the Corporation's ability to raise capital and to continually add to oil and natural gas reserves through acquisitions, exploration and development;
- future environmental protection regulations;
- challenges of attracting and retaining employees;
- the regulatory framework in respect of the License Contact including work requirements, costs, bonds, royalties and length of terms;
- lack of exploration and development plans for the NW Montana property;
- treatment under governmental regulatory regimes and tax laws;
- the investment expected to be attracted because of Mexico's energy reform;
- plans and objectives for the Tecolutla Block, including further exploration, appraisal and development of the block; and
- third party resource and reserve estimates, including Mexican resource and reserve estimates.

Although the forward-looking statements contained in this AIF are based upon assumptions which management of the Corporation believes to be reasonable, the Corporation cannot assure investors that actual results will be consistent with these forward-looking statements. With respect to forward-looking statements contained in this AIF and other documents of public record, the Corporation has made assumptions regarding, among other things:

- the legislative and regulatory environments of the jurisdictions where the Corporation carries on business or has operations;
- commodity prices and royalty regimes;
- the impact of increasing competition;
- availability of skilled labour;
- timing and amount of capital expenditures;
- the price of oil and natural gas;
- conditions in general economic and financial markets;
- royalty rates and future operating costs;
- future oil and natural gas production levels from IFR's properties and the prices obtained from the sales of such production;
- the level of future capital expenditure required to exploit and develop reserves; and
- the Corporation's ability to obtain financing on acceptable terms, as required.

The Corporation's actual results could differ materially from those anticipated in these forward-looking statements and information as a result of assumptions proving inaccurate and of both known and unknown risks as set forth below:

- general economic, political, market and business conditions;
- the ability of management to execute its business plan;
- risks inherent in oil and natural gas operations;
- fluctuations in the price of oil and natural gas, interest and exchange rates;
- the risks of the oil and gas industry, such as operational risks and market demand;
- governmental regulation of the oil and gas industry, including environmental regulation;
- actions taken by governmental authorities, including increases in taxes and changes in government regulations and incentive programs;
- geological, technical, drilling and processing problems;
- risks and uncertainties involving geology of oil and gas deposits;
- risks inherent in marketing operations, including credit risk;
- the uncertainty of reserves estimates and reserves life;
- the uncertainty of estimates and projections relating to production, costs and expenses;
- potential delays or changes in plans with respect to exploration or development projects or capital expenditures;
- availability of sufficient financial resources to fund the Corporation's capital expenditures;
- unanticipated operating events which could reduce production or cause production to be shut-in or delayed;
- hazards such as fire, explosion, blowouts, cratering, and spills, each of which could result in substantial damage to wells, production facilities, other property and the environment or in personal injury;
- encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations;
- the ability to add production and reserves through development and exploration activities;
- general economic and business conditions;
- the possibility that government policies or laws, including laws and regulations related to the environment, may change or governmental approvals may be delayed or withheld;
- uncertainty in amounts and timing of royalty payments;
- uncertainties inherent in estimating quantities of oil and natural gas reserves and cash flows to be derived therefrom;
- failure to obtain industry partner and other third party consents and approvals, as and when required;
- stock market volatility and market valuations;

- competition for, among other things, capital, acquisition of reserves, undeveloped land and skilled personnel;
- the availability of capital on acceptable terms or at all;
- failure to realize the anticipated benefits of acquisitions and dispositions;
- ability to raise project finance capital from chartered banks; and
- the other factors considered under “Risk Factors.”

Forward-looking statements and other information contained herein concerning the oil and gas industry in Mexico and the Corporation’s general expectations concerning this industry are based on estimates prepared by management of the Corporation using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Corporation believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Corporation is not aware of any material misstatements regarding any industry data presented herein, the oil and gas industry involves numerous risks and uncertainties and is subject to change based on various factors.

Management of the Corporation has included the above summary of assumptions and risks related to forward-looking statements provided in this AIF in order to provide Shareholders with a more complete perspective on the Corporation’s current and future operations and such information may not be appropriate for other purposes. The Corporation’s actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Corporation will derive therefrom.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this AIF and the documents incorporated by reference herein are expressly qualified by this cautionary statement. We do not undertake any obligation to publicly update or revise any forward-looking statements except as required by securities laws or regulations. Further information about the factors affecting forward-looking statements and management’s assumptions and analysis thereof, is available in filings made by the Corporation with Canadian provincial securities commissions available on the System for Electronic Document Analysis and Retrieval (“**SEDAR+**”) at [www.sedarplus.ca](http://www.sedarplus.ca).

## **CORPORATE STRUCTURE**

IFR was incorporated on November 24, 1997 under the ABCA as “761523 Alberta Ltd.”. On March 20, 1998, the Corporation changed its name to “International Frontier Resources Corporation”.

The Corporation has one 99.80% owned subsidiary, Petro Frontera de S.A.P.I. de C.V., incorporated under the laws of Mexico. Petro Frontera owns 42.63% of the outstanding shares of Tonalli Energia, S.A.P.I de C.V., incorporated under the laws of Mexico and 99.80% of the outstanding shares of Energia Mex Can incorporated under the laws of Mexico.

The Corporation’s registered office is located at 10, 628 - 12 Avenue SW, Calgary, AB T2R 0H6.

The Corporation is a reporting issuer in British Columbia and Alberta. The Common Shares are listed and posted for trading on the TSX Venture Exchange (the “**TSXV**”) under the trading symbol “IFR.”

## **GENERAL DEVELOPMENT OF THE BUSINESS**

### **Business Overview**

International Frontier Resources is an independent Canadian publicly traded company, the principal business of which is to acquire, develop, exploit and produce oil and natural gas. IFR has oil and natural gas interests in Mexico, the Central Mackenzie Valley (“**CMV**”), Northwest Territories, Canada and Montana, USA.

IFR and its subsidiaries are currently engaged in the exploration, development and production of oil and natural gas in Mexico. The Issuer is currently in the process of evaluating several new opportunities and will continue to evaluate and review opportunities for the acquisition of assets or businesses that will enhance shareholder value.

As noted above, the Issuer, through Frontera, owns 42.63% of Tonalli. Tonalli holds a 100% undivided working interest in the Tecolutla Block, which is a 7.2 km<sup>2</sup> block in the Tampico-Misantla Basin located within the state of Veracruz. Tonalli is owned through a joint venture with Frontera and Jaguar Exploracion Produccion de Hidrocarburos S.A.P.I. de C.V., a privately owned Mexican oil and gas corporation (“Jaguar”).

IFR also has oil and natural gas interests in the Central Mackenzie Valley, Northwest Territories, Canada.

### **Three Year History**

The general development of IFR’s business during the last three fiscal years and to the date of this AIF, including significant acquisitions and other events which have had an influence on the Corporation’s development, are described below.

#### ***Financial Year Ended December 31, 2021***

- On May 10, 2021, the Company entered into a non-binding Letter of Intent with respect to a potential reverse takeover of the Company. (the “Proposed Transaction”) by a private oil and gas company (“PrivateCo”). The Proposed Transaction is subject to a number of terms and conditions, including, but not limited to, the parties entering into a definitive agreement with respect to the Proposed Transaction on or before October 1, 2021, the completion of satisfactory due diligence, the funding of a \$US750,000 Convertible Debenture Offering, the completion of a concurrent financing in relation to the Proposed Transaction in an expected range of US\$20,000,000 to US\$60,000,000, the purchase by the Company all of the outstanding shares in the joint venture company, Tonalli Energia S.A.P.I. de C.V. (“Tonalli”) held by its joint venture partner, Grupo IDESA S.A. de C.V., the completion of a share consolidation, the approval of the TSX-V and other applicable regulatory authorities.
- On May 10, 2021, the Company announced that pursuant to the LOI and prior to the execution of a definitive agreement, subject to TSXV acceptance, IFR intends to complete a Convertible Debenture for gross proceeds of US\$750,000 pursuant to a secured convertible debenture private placement from PrivateCo. The Convertible Debenture will have a 3-year term from the date of issuance and bear interest at a rate of 10% per annum, calculated semi-annually, and payable on the Conversion Date (as defined below) or Maturity Date. The Convertible Debenture will also be secured by a promissory note and a share pledge agreement, both in respect of the shares of Tonalli held by the Company or its subsidiaries. There will be no other security over the assets of IFR in relation to the Convertible Debenture.
- The Convertible Debenture will be convertible at the PrivateCo’s option into post-Consolidation Common Shares of the Company (“Resulting Issuer Shares”) at any time prior to the Maturity Date at a conversion price equal to a 10% discount to the deemed price of the Resulting Issuer Shares on completion of the Proposed Transaction (the “Conversion Price”) provided that the minimum Conversion Price will equal \$0.025 multiplied by the Consolidation ratio (being the number of pre-Consolidation Common Shares that will be exchanged for one post-Consolidation Common Share). At IFR’s Option, IFR may prepay without penalty the principal amount of the Convertible Debenture in cash or in Common Shares at the Conversion Price in whole or in part. If the Proposed Transaction does not close by October 1, 2021, or the LOI is Terminated, IFR has the option to satisfy all or a portion of the principal amount and accrued and unpaid interest under the Convertible Debenture by converting the same to services. Upon conversion of such principal and interest into services, IFR will have satisfied its obligations under the Convertible Debenture.

- On May 10, 2021, the Company announced a non-brokered Common Share Offering for gross proceeds of up to \$1,000,000 at a price of \$0.025 per Common Share. The closing of the Common Share Offering is subject to TSXV approval. The Common Shares issued pursuant to the shares for debt settlement will be subject to a four-month and one day hold period in accordance with applicable securities legislation.
- On May 10, 2021, the Company announced that it has agreed to settle outstanding debt of \$392,900 with certain officers and consultants of IFR by issuing 15,716,000 Common Shares of IFR at a deemed price of \$0.025 per Common Share. The issuance of Common Shares in connection with the shares for debt settlement is expected to close in conjunction with the Company's non-brokered Common Share Offering and is subject to the approval of the TSXV.
- On July 12, 2021, the Company completed the second tranche of a non-brokered private placement of common shares. The Company issued 9,285,500 common shares of the Company at a price of \$0.025 per common share, for gross proceeds of \$232,138. There were no finders' fees paid in connection with this second tranche of the Offering. The common shares issued pursuant to the offering will be subject to a hold period that expires on November 12, 2021.
- On July 12, 2021, the Company settled outstanding indebtedness with certain officers and consultants of the Company (the "Shares for Debt Settlement") through the issuance of common shares of the Company. Pursuant to the Shares for Debt Settlement, the Company issued a total of 15,716,000 common shares at a deemed price of \$0.025 per share in satisfaction of outstanding amounts of \$392,900. The common shares issued pursuant to the Shares for Debt Settlement will be subject to a hold period that expires on November 12, 2021.
- On October 22, 2021, the Company announced that an extension to December 1, 2021 has been signed to the Letter of Intent dated May 3, 2021 with respect to the potential reverse takeover of the Company by a PrivateCo.

#### ***Financial Year Ended December 31, 2022***

- On April 11, 2022 the Company announced the following:
  - an update with regard to its Proposed RTO Transaction as outlined in its May 10, 2021 news release stating that IFR and PrivateCo continued to work toward the successful completion of the transaction and had negotiated substantially all of terms of the definitive agreement.
  - that IFR had formally notified the Mexican energy regulator of its intent to transfer ownership of its Tecolutla Block. IFR is contractually required by the regulator to submit a formal joint notification in relation to the Proposed RTO Transaction, and this submission was completed by IFR and the PrivateCo on March 14, 2022.
  - that PrivateCo had provided a US \$300,000 working capital loan to IFR in the form of an interest-bearing, non-revolving unsecured Line of Credit.
  - The loan had a term of one year and was forgivable if a definitive agreement in relation to the Proposed RTO Transaction is not signed by June 30th, 2022.
  - the \$750,000 Convertible Debenture provided to IFR, by an entity with ties to the controlling shareholder of PrivateCo, has been reduced by US\$625,000 leaving a remaining balance on the Convertible Debenture of US\$125,000.
  - Commencing on June 30th, 2022, IFR has the option to convert the remaining balance of the debenture to IFR shares at a conversion price of the greater of either CAD\$0.05 per share or the deemed pre-consolidated price of the common shares of IFR for the purposes of the Proposed RTO Transaction.
- On August 17, 2022 the Company announced that Tonalli Energia S.A.P.I. de C.V. ("Tonalli") its 50% owned Mexican subsidiary, has received formal approval from the Mexican energy regulator,



Comision Nacional de Hidrocarburos ("CNH") for a transfer of ownership of the Tecolutla Block. In conjunction with the approval and upon closing of a private transaction, Tonalli's new ownership structure will be 50% IFR and 50% Jaguar Exploración y Producción de Hidrocarburos, SAPI. de C.V. ("Jaguar"). As a result, Jaguar will also own a 50% interest in the Tecolutla Block and act as operator of record in front of the CNH.

- On August 17, 2022 the Company also announced that its Board of Directors has approved a new management structure, which takes effect immediately. President and CEO, Steve Hanson has resigned and IFR Chairman Tony Kinnon has been appointed interim President and Interim Chief Executive Officer (CEO).
- On December 14, 2022, the Company announced that it had entered into a non-binding Letter of Intent ("LOI") dated November 28, 2022, with Jaguar Exploration and Produccion 2.3, S.A.P.I. de C.V. ("Jaguar") with respect to a Farm-in Arrangement of Jaguar's 100% undivided working interest in the TM-01 License Contract in the Veracruz state of Mexico. The LOI reflects the intention that IFR will acquire a working interest in the TM-01 License Contract from Jaguar in consideration for IFR issuing common shares of IFR ("Common Shares") to Jaguar and IFR participating in the costs of conducting certain Work Programs in relation to the TM-01 License Contract (the "Proposed Farm-In Arrangement"). The Proposed Farm-In Arrangement is an arm's length transaction.
- On December 14, 2022 the Company also announced that its previous Proposed Transaction had been terminated.

### **Financial Year Ended December 31, 2023**

- On April 27, 2023 the Issuer announced that the previously issued financial statements for the interim periods ended September 30, 2022, and 2021 and the corresponding management's discussion and analysis had been restated and filed under IFR's profile on [www.sedarplus.ca](http://www.sedarplus.ca).
- On April 28, 2023 the Issuer announced that it had applied to the Alberta Securities Commission for a Management Cease Trade Order (the "MCTO") due to a delay in the filing of the audited consolidated financial statements for the year ended December 31, 2022, annual management's discussion and analysis for the same period and management certifications of annual filings (collectively, the "Annual Filings"). On May 15, 2023 the Issuer filed its Annual Filings and the MCTO was lifted accordingly on May 19, 2023.
- On July 28, 2023 the Issuer announced that it has entered into an agreement with Jaguar to extend the Letter of Intent previously announced on May 9, 2023. (the "Amended Letter of Intent"). In accordance with the Amended Letter of Intent, Jaguar had until August 31, 2023 to exercise the following options (1) the option to extend the long stop date of the a proposed farmin arrangement, first announced on December 14, 2022 to August 31, 2023 (the "Option to Extend") or (2) the option to purchase IFR's shares of Tonalli held by Frontera, the Issuer's wholly owned Mexican subsidiary (the "Option to Purchase"). In consideration for the extension to the Letter of Intent, Jaguar made an additional payment of US\$87,500 to IFR.
- On September 1, 2023 the Issuer announced that that the Letter of Intent (as defined below) with Jaguar dated April 28, 2023 and the Amended Letter of Intent (as defined below) dated July 28, 2023 had expired effective August 31, 2023. Neither of the options in the Letter of Intent or the Amended Letter of Intent were exercised by Jaguar at or before the time of expiry.
- On October 30, 2023 announced that, further to its news release dated September 1, 2023, the Common Shares would resume trading on the Exchange at market opening on Tuesday, October 31, 2023. The Common Shares had been halted since May 6, 2021, in connection with the

Exchange's review of the potential reverse take-over of the Issuer, as previously announced on May 10, 2021.

- On November 22, 2023 the Issuer announced that the Directors of IFR approved a consolidation of its Common Shares on the basis of one (1) new common share for every existing twenty (20) common shares (the "Consolidation"), subject to regulatory approval, including approval of the Exchange. The Consolidation became effective on November 27, 2023 and began trading on a post-Consolidation basis on the Exchange on November 27, 2023. Following the Consolidation there were 14,955,397 post-Consolidation Common Shares outstanding.

### ***Developments since December 31, 2023***

- On January 31, 2024, the Issuer announced that it had appointed MNP LLP as auditor of IFR effective January 29, 2024. KPMG LLP resigned as the auditor of the Issuer on June 22, 2023. The Issuer further announced that Glenn Dawson resigned as a director of IFR.
- On April 2, 2024, the Company announced that:
  - it has entered into an agreement with Leede Jones Gable Inc. (the "Agent") to act as the sole agent and the sole bookrunner on a "commercially reasonable efforts" basis to sell up to 15,000,000 units of the Corporation (the "Units") at a price of \$0.05 per Unit for gross proceeds of up to \$750,000 (the "Offering").
  - Each Unit will consist of one common share in the capital of the Corporation (a "Common Share") and one-half of one Common Share purchase warrant (each whole warrant, a "Warrant"). Each whole Warrant will entitle the holder thereof to purchase one additional Common Share (a "Warrant Share") for a period of 5 years following the closing of the Offering at an exercise price of \$0.10 per Warrant Share. The Warrants have an acceleration provision, whereby if the volume weighted average trading price of the Common Shares on the TSX Venture Exchange (the "TSXV") is at least \$0.20 over a period of 25 consecutive trading days, IFR will have the right to accelerate the expiry date of the Warrants to 30 days from the date that notice is given to the holders of warrants.
  - The Offering will consist of a combination of (i) up to 4,940,000 Units, for gross proceeds of up to \$247,000, pursuant to the listed issuer financing exemption (the "LIFE Offering") in accordance with Part 5A of National Instrument 45-106 - Prospectus Exemptions ("NI 45-106"); and (ii) up to 10,060,000 Units, for gross proceeds of up to \$503,000, pursuant to a short form offering document in accordance with TSXV Policy 4.6 and Part 5 of NI 45-106 (the "SFOD Offering").
  - the Company also announced that effective as of December 29, 2023, Tonalli issued shares to each of Jaguar and Frontera for amounts contributed to Tonalli during the year ended December 31, 2023. The total amount owed by Frontera to Tonalli during the year ended December 31, 2023, was \$962,385. As a result, Jaguar was issued shares for all amounts contributed to Tonalli by Jaguar, including Frontera's share of contributions owing, and Jaguar now owns 57.37% and Frontera owns 42.63% of the outstanding shares of Tonalli; and the Issuer's intention to complete the Debt Settlement.
- On January 31, 2024, the Company announced that it had appointed MNP LLP as auditor of IFR effective January 29, 2024. KPMG LLP resigned as the auditor of the Issuer on June 22, 2023. The Issuer further announced that Glenn Dawson resigned as a director of IFR.

- On April 8, 2024, the Company announced settled outstanding indebtedness with certain officers and consultants of the Company (the “Shares for Debt Settlement”) through the issuance of common shares of the Company. Pursuant to the Shares for Debt Settlement, the Company issued a total of 4,500,000 common shares at a deemed price of \$0.05 per share in satisfaction of outstanding amounts of \$225,000. The common shares issued pursuant to the Shares for Debt Settlement will be subject to a hold period that expires on August 9, 2024.
- On April 15, 2024 announced today that subject to regulatory approval, the Company granted, pursuant to its Incentive Stock Option Plan, 1,600,000 stock options to purchase common shares to directors, officers and consultants of IFR, with an exercise price of \$0.06 per share and an expiry date of April 15, 2029. All of the options granted vested immediately.
- On April 25, 2024 the Company announced:
  - that it had closed its previously announced Offering to raise aggregate gross proceeds of \$816,500, (net \$668,078) which consisted of the issuance of 16,330,000 units of the Company (the “Units”) at a price of \$0.05 per Unit (the “Offering”). Each Unit consists of one common share in the capital of the Corporation (a “Common Share”) and one-half of one Common Share purchase warrant (each whole warrant, a “Warrant”). Each whole Warrant will entitle the holder thereof to purchase one additional Common Share (a “Warrant Share”) for a period of 5 years following the closing of the Offering at an exercise price of \$0.10 per Warrant Share.
  - The Offering consisted of a combination of (a) 4,782,000 Units for gross proceeds of \$239,100 pursuant to the listed issuer financing exemption available under Part 5A of National Instrument 45-106 – Prospectus Exemptions (“NI 45-106”); and (b) 11,548,000 Units, including 1,488,000 Units issued pursuant to an over-allotment option granted to the Agent (as defined below) for gross proceeds of \$577,400 pursuant to a short form offering document in accordance with TSXV Policy 4.6 and Part 5 of NI 45-106.
  - The Company also announce that pursuant to the Offering, Leede Jones Gable Inc. (the “Agent”) received: (i) a commission in the amount of 10% of the gross proceeds of the Offering payable in cash of \$81,650 (ii) [32,000] broker warrants exercisable at any time prior to the date that is 5 years from the closing to acquire that number of Units of the Corporation at an exercise price of \$0.05 per Unit; and (iii) a corporate finance fee.

### **Significant Acquisitions**

During the fiscal year ended December 31, 2023, the Corporation did not complete any significant acquisitions as defined in National Instrument 51-102 - *Continuous Disclosure Obligations*.

### **Employees/Consultants**

The Corporation had 4 consultants as at December 31, 2023.

### **Environmental**

The Corporation believes that it is in compliance with applicable existing environmental laws and regulations and is not aware of any proposed environmental legislation or regulations with which it would not be in material compliance. However, the natural resources industry may in the future become subject to more stringent environmental protection rules. This could increase the cost of doing business and may have a negative impact on earnings in the future.

## **Competitive Conditions**

The oil and natural gas industry is intensely competitive in all its phases. The Corporation competes with numerous other participants in the search for, and the acquisition of, oil and natural gas properties and in the marketing of oil and natural gas. The Corporation's competitors include resource companies which have greater financial resources, staff and facilities than those of the Corporation. Competitive factors in the distribution and marketing of oil and natural gas include price and methods and reliability of delivery. The Corporation believes that its competitive position is equivalent to that of other oil and gas issuers of similar size and at a similar stage of development.

## **Cyclical Nature of Business**

The Corporation's business is generally not cyclical. The exploration and development of oil and natural gas reserves is dependent on access to areas where production is to be conducted. Seasonal weather variation, including rainy seasons, affects access in certain circumstances.

## **Specialized Skill and Knowledge**

Operations in the oil and natural gas industry mean that IFR requires professionals with skills and knowledge in diverse fields of expertise. In the course of its exploration, development and production of hydrocarbons, the Corporation utilizes the expertise of geophysicists, geologists and petroleum engineers. The Corporation faces the challenge of attracting and retaining sufficient employees to meet its needs.

## **Foreign Operations**

The Corporation's oil and gas operations and assets are located in foreign jurisdictions. As a result, the Corporation is subject to political, economic and other uncertainties, including but not limited to changes, sometimes frequent, in energy policies or the personnel administering them, nationalization, expropriation of property without fair compensation, cancellation or modification of contract rights, foreign exchange restrictions, currency fluctuations, royalty and tax increases, and other risks arising out of foreign governmental sovereignty over the areas in which the Corporation's operations are conducted, as well as risks of loss due to civil strife, acts of war, guerrilla activities and insurrections. Changes in legislation may affect the Corporation's oil and natural gas exploration and production activities. The Corporation's international operations may also be adversely affected by laws and policies of Canada as they pertain to foreign trade, taxation and investment.

## **Industry Conditions - Energy Reform (Mexico)**

Mexico's historic energy reform announced in 2014 has established a new legal framework for Mexico's energy industry and is expected to attract the billions of dollars in foreign investment needed to revitalize Mexico's oil and gas industry. The Secretaria de Energia has issued a five-year, four round tender plan (2015-2019) for the denationalization of 914 oil and gas blocks in Mexico.

## **DESCRIPTION OF THE BUSINESS**

### **Mexico**

The Mexican government changed their constitution in December 2013 to allow foreign investment in the Mexican Oil & Gas sector. The implementation of this energy reform legislation provides an opportunity for oil companies looking to tap into Mexico's energy potential. International Frontier Resources participated in Mexico's first onshore licensing round, which secured the Tecolutla Block in Mexico's first onshore licensing round.

Tonalli, the Corporation's operating subsidiary in Mexico is a joint venture with Jaguar Exploración y Producción de Hidrocarburos, SAPI. de C.V ("Jaguar") where through Petro Frontera the Corporation's wholly owned subsidiary IFR owns a 42.63% interest and combines IFR's Canadian engineering and finance team with Jaguar's Mexican geoscience, regulatory, engineering and finance team.

## Northwest Territories

The Corporation holds an interest in three Significant Discovery Licenses, The Corporation's acreage held under Significant Discovery License does not expire. The remaining two freehold parcels held at December 31, 2019 were relinquished in 2020.

## Northwest Montana

The Company owns mineral titles covering 15,200 acres ("**Fee Acreage**") on the south end of the SAB located on the Blackfoot Reserve in Glacier County, Northwest Montana. The Fee Acreage does not expire.

## EXPLORATION AND DEVELOPMENT ACTIVITIES IN MEXICO

### Tecolutla Contract Mexico

The Tecolutla Block is governed by the terms of a license contract for the extraction of hydrocarbons entered into by Tonalli and the CNH on August 25, 2016 ("**License Contract**").

The Licence Contract has a term of 25 years with two possible extensions of 5 years, all of which could result in a contract term of 35 years. The License Contract allows Tonalli to explore for, produce and market hydrocarbons.

There are National Content rules contained in the License Contract, which require that Tonalli comply with a minimum percentage of national content starting at twenty-two percent (22%) and escalating to as high as 38% of the value of the items which have been purchased or contracted in Mexico for Petroleum Activities during the Appraisal Period.

Tonalli's evaluation plan regarding the Tecolutla Block was approved by the CNH in accordance with the License Contract. The evaluation period (the "**Evaluation Period**") commenced July 6, 2017 and is for a one-year term. During the Evaluation Period, Tonalli must perform a minimum work program.

As required by the CNH, in 2017 Tonalli secured from a Mexican institution a US\$1,764,100 performance bond in toward the guarantee of performance of the minimum work programs. Tonalli was required to fulfil the minimum work program by performing any combination of tasks to earn 4,600 Work Units. In addition, in 2017, the Corporation secured an APSG facility of US\$882,050, with EDC. The APSG facility was provided as 50% of the performance bond issued by Tonalli.

### Exploration and Development Activities Mexico

Tonalli has completed the following activities to date to satisfy the work units as required by the initial and extended evaluation periods:

- In April 2018 Tonalli completed a workover of the TEC-2 well to satisfy the minimum work requirement as required by the initial evaluation period of the Tecolutla License Contract.
- In May 2018 Tonalli drilled its first directional evaluation well, TEC-10 to a depth of 2,453 meters to earn 4,000 work units as required by the terms of the initial evaluation period of the Tecolutla License Contract.
- In July 2018 Tonalli finalized the completion of three intervals in TEC-10 and in August 2018 Tonalli completed an 18-day flow test of the primary zone interval.
- On July 6, 2018, Tonalli received approval from CNH to extend its Tecolutla evaluation plan. Tonalli drilled a horizontal well as part of this extension. As a result, Tonalli posted an additional performance bond relative to the new work program in the amount of US\$1,649,000.

- In September 2018 Tonalli commenced trucking of oil produced at its Tecolutla block for sale to PEMEX.
- In November 2018, Tonalli received accreditation for 4,000 work units with respect to the TEC -10 drill and in June 2019 Tonalli received accreditation of its remaining 600 work units. The performance bond was returned in January 2019 upon fulfilment and approval of the required work program.
- In December 2018 the Company announced that Tonalli has reached total depth at its first conventional horizontal well, (“TEC-11”), on its onshore Tecolutla block to earn 4,000 work units as required by the terms of the extended appraisal period of the Tecolutla License Contract.
- In December 2018, Tonalli received accreditation for 4,000 work units with respect to the TEC-10 drill. The performance bond was returned in January 2019 upon fulfilment and approval of the required work program.
- In June 2019, Tonalli had completed the full requirements for the drilling of the TEC-11 well in order to satisfy the minimum work requirement as required by the extension of the evaluation plan. On June 6, 2019, Tonalli received full accreditation for its remaining 4,800 work units. with respect to its initial and modified evaluation plan
- In July 2019, Tonalli received a further extension of its Evaluation Plan with respect to the Tecolutla Block until July 6, 2020. There were no additional work commitments with respect to the Tecolutla Contract.
- In August 2020 CNH granted a 4-month extension to all operators due to Covid-19. As a result, Tonalli received an extension of its Evaluation Plan with respect to the Tecolutla Block until November 27, 2020.
- On November 26, 2020 CNH granted an exclusive 9-month extension to all operators participating in Round 1.3. As a result, Tonalli received an extension of its Evaluation Plan with respect to the Tecolutla Block until August 27, 2021.
- In August 2021, Tonalli received an extension of its Evaluation Plan with respect to the Tecolutla Block until November 24, 2021.
- On November 20, 2021 Tonalli submitted its Transition Plan to the CNH for approval
- On February 6, 2022 the Company elected to desist its Transition Plan application and a revised application was submitted on May 6<sup>th</sup>, 2022.
- On July 5, 2022 CNH approved Tonalli’s Transition Plan for the Tecolutla Block.
- On July 4, 2023, CNH approved an extension to Tonalli’s Transition Plan until July 6, 2025



## STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

The date of this statement is April 29, 2024 and the effective date of the information provided in this statement is December 31, 2023. The preparation date was April 26, 2024.

Unless otherwise indicated, all dollar references in the Statement of Reserves Data and Other Oil and Gas Information are in Canadian dollars.

### **PART 1 Oil and Natural Gas Reserves and Net Present Value of Future Net Revenue**

The Company has a 42.63% working interest in the Onshore Oil and Gas Development Block 24 (the "Tecolutla Block") located in Veracruz, Mexico. The tables below are a summary of the oil reserves and the net present value of future net revenue attributable to such reserves as evaluated in the GLJ Report based on forecast price and cost assumptions. The tables summarize the data contained in the GLJ Report and as a result may contain slightly different numbers than such report due to rounding.

**The net present value of future net revenue attributable to IFR's reserves is stated without provision for interest costs and general and administrative costs, but after providing for estimated royalties, production costs, development costs, other income, future capital expenditures, and well abandonment costs for only those wells assigned reserves by GLJ. It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to IFR's reserves estimated by GLJ represent the fair market value of those reserves. Other assumptions and qualifications relating to costs, prices for future production and other matters are summarized herein. The recovery and reserve estimates of IFR's oil, reserves provided herein are estimates only and actual reserves may be greater than or less than the estimates provided herein.**

The GLJ Report is based on certain factual data supplied by Tonalli and GLJ's opinion of reasonable practice in the industry. The extent and character of ownership and all factual data pertaining to Tonalli's petroleum properties and contacts (except for certain information residing in the public domain) were supplied by Tonalli to GLJ and accepted without any further investigation. GLJ accepted this data as presented and neither title searches nor field inspections were conducted.

### **PART 2 Reserves Data**

#### **Summary of Reserves and Values As of December 31, 2023 (USD\$)**

	<b>Proved Producing</b>	<b>Total Proved</b>	<b>Total Probable</b>	<b>Total Proved Plus Probable</b>	<b>PPP Producing</b>	<b>Total PPP</b>
<b>MARKETABLE RESERVES</b>						
<b><u>Light &amp; Medium Oil (Mbb)</u></b>						
Gross Lease	0	351	565	916	482	1398
Total Company Interest	0	150	241	390	209	600
Net After Royalty	0	91	146	237	127	364
<b><u>Oil Equivalent (Mboe)</u></b>						
Gross Lease	0	351	565	916	482	1398
Total Company Interest	0	150	241	390	205	596
Net After Royalty	0	91	146	237	127	364

**Summary of Net Present Values of Future Net Revenues  
As of December 31, 2023  
Forecast Prices and Costs (USD\$)**

	Before Income Taxes and Discounted at (%/year)					After Income Taxes and Discounted at (%/year)				
	0% (M\$USD)	5% (M\$USD)	10% (M\$USD)	15% (M\$USD)	20% (M\$USD)	0% (M\$USD)	5% (M\$USD)	10% (M\$USD)	15% (M\$USD)	20% (M\$USD)
<b>Proved</b> Developed Producing	0	0	0	0	0	0	0	0	0	0
<b>Proved</b> Developed Non- Producing	754	696	634	577	524	754	696	634	577	524
<b>Undeveloped</b>	2,348	1,846	1,465	1,173	950	2,348	1,846	1,465	1,173	950
<b>Total Proved</b>	3102	2542	2099	1750	1474	3102	2542	2099	1750	1474
<b>Probable</b>	7,384	5,098	3,695	2,790	2,176	6,667	4,733	3,500	2,681	2,112
<b>Total Proved plus Probable</b>	10,486	7,640	5,794	4,540	3,650	9,769	7,275	5,599	4,431	3,586
<b>Possible</b>	7,703	4,203	2,669	1,886	1,429	5,373	3,033	1,998	1,467	1,153
<b>Total Proved plus Probable plus Possible</b>	18,189	11,843	8,463	6,426	5,079	15,142	10,308	7,597	5,898	4,739

**Total Future Net Revenue (undiscounted)  
As of December 31, 2023  
Forecast Prices and Costs (USD\$)**

Total	Revenue	Royalties	Operating Costs	Development Costs	Abandonment and Reclamation Costs	Future Net Revenue Before Income Taxes	Income Taxes	Future Net Revenue After Incomes Taxes
Reserves Category	M\$USD	M\$USD	M\$USD	M\$USD	M\$USD	M\$USD	M\$USD	M\$USD
<b>Proved</b>	12,761	5,019	3,383	1,087	170	3,102	-	3,102
<b>Proved Plus Probable</b>	35,356	13,907	8,516	2,170	278	10,486	717	9,769
<b>Proved Plus Probable Plus Possible</b>	59,037	23,221	15,103	2,170	353	18,189	3,047	15,142

**Future Net Revenue by Product Type  
As of December 31, 2023  
Forecast Prices and Costs (USD\$)**

Reserves Category	Product Type	Future Net Revenue Before Income Taxes Discounted at:			Unit Value Before Income Taxes Discounted 10%/Year
		0.00% M\$USD	10.00% M\$USD	15.00% M\$USD	
<b>Total Proved</b>	Light and Medium Oil	3,101	2,099	1,750	23.00
<b>Total Proved plus Probable</b>	Light and Medium Oil	10,486	5,794	4,540	24.40
<b>Total Proved Plus Probable Plus Possible</b>	Light and Medium Oil	18,189	8,463	6,426	23.25



**Summary of Pricing and Inflation Rate Assumptions  
As of December 31, 2023  
Forecast Prices and Costs (USD\$)**

Summary of Pricing and Inflation Rate Assumptions							
Effective January 1, 2024							
Forecast Prices and Costs							
			WTI	LLS	Brent	Maya	
			Crude Oil	Crude Oil	Crude Oil	Crude Oil	
			(39.6 API, 0.24%S)	(35.6 API, 0.37%S)	(38.3 API, 0.37%S)	(21.8 API, 3.33%S)	
		CADUSD	Cushing, OK	Louisiana	UK	MEXICO	
		Exchange	Constant	Then	Then	Then	Then
	Inflation	Rate	2024 \$	Current	Current	Current	Current
Year	%	USD/CAD	USD/bbl	USD/bbl	USD/bbl	USD/bbl	USD/bbl
2024	0.0	0.755	72.50	72.50	76.49	78.00	68.34
2025	2.0	0.755	73.53	75.00	77.80	79.18	69.98
2026	2.0	0.765	74.00	76.99	78.95	80.36	70.97
2027	2.0	0.765	74.00	78.53	80.35	81.79	72.22
2028	2.0	0.765	74.00	80.10	81.95	83.41	73.66
2029	2.0	0.765	74.00	81.70	83.59	85.09	75.14
2030	2.0	0.765	74.00	83.34	85.27	86.79	76.65
2031	2.0	0.765	74.00	85.00	86.97	88.52	78.17
2032	2.0	0.765	74.00	86.70	88.71	90.29	79.74
2033	2.0	0.765	74.00	88.44	90.48	92.10	81.33
2034+	2.0	0.77	74.00	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr

Historical futures contract price is an average of the daily settlement price of the near month contract over the calendar month.

**PART 3 Reconciliation of Changes in Reserves**

The following table sets forth a reconciliation of IFR's total net proved probable and proved plus probable reserves as at December 31, 2023 against such reserves as at December 31, 2023 based on forecast price and cost assumptions.

	Proved Reserves	Probable Reserves	Proved Plus Probable Reserves	Possible	Proved Plus Probable Plus Possible Reserves
	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl
<b>December 31, 2022</b>	<b>177</b>	<b>281</b>	<b>458</b>	<b>198</b>	<b>656</b>
Discoveries	-	-	-	-	-
Extensions*	-	-	-	-	-
Infill Drilling*	-	-	-	-	-
Improved Recovery*	-	-	-	-	-
Technical Revisions	(1)	1	-	-	-
Acquisitions	-	-	-	-	-
Dispositions	(26)	(42)	(68)	(36)	(104)
Economic Factors	-	1	1	47	48
Production	(0)	0	-	(0)	(0)
<b>December 31, 2023</b>	<b>150</b>	<b>241</b>	<b>391</b>	<b>209</b>	<b>600</b>

\* The above change categories correspond to standards set out in the Canadian Oil and Gas Evaluation Handbook. For reporting under NI 51-101, reserves additions under Infill Drilling, Improved Recovery and Extensions should be combined and reported as "Extensions and Improved Recovery".

## **PART 4 Additional Information Related to Reserve Data**

### **Item 4.1 - Undeveloped Reserves**

The following discussion generally describes the basis on which IFR attributes Proved and Probable Undeveloped Reserves and its plans for developing those Undeveloped Reserves.

#### **Probable Undeveloped Reserves**

Probable undeveloped reserves are generally those reserves tested or indicated by analogy to be productive, infill drilling locations and lands contiguous to production. The majority of these reserves are planned to be on stream within a two-year timeframe.

### **Item 4.2 - Significant Factors or Uncertainties Affecting Reserves Data**

The process of estimating reserves is complex. It requires significant judgments and decisions based on available geological, geophysical, engineering, and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change. The reserve estimates contained herein are based on current production forecasts, prices and economic conditions IFR reserves are evaluated by GLJ, an independent engineering firm.

As circumstances change and additional data become available, reserve estimates also change. Estimates made are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, prices, economic conditions and governmental restrictions.

Although every reasonable effort is made to ensure that reserve estimates are accurate, reserve estimation is an inferential science. As a result, the subjective decisions, new geological or production information and a changing environment may impact these estimates. Revisions to reserve estimates can arise from changes in year-end oil and gas prices, and reservoir performance. Such revisions can be either positive or negative.

#### **Future Development Costs**

The table below sets out the development costs deducted in the estimation of future net revenue attributable to prove reserves and proved plus probable reserves (using forecast prices and costs only).

<b>Year</b>	<b>Proved M\$USD</b>	<b>Proved Plus Probable M\$USD</b>	<b>Proved Plus Probable Plus Possible M\$USD</b>
2024	8	8	8
2025	1,079	2,162	2,162
<b>Total Undiscounted</b>	<b>2,087</b>	<b>2,170</b>	<b>2,170</b>
<b>Total Discounted at 10% per year</b>	<b>961</b>	<b>1,897</b>	<b>1,897</b>

### **Item 5.1 - Oil & Gas Properties**

#### **Tecolutla Block, Veracruz, Mexico**

##### **License Contract - CNH-RO I-L03-A24/2016**

In Q2, 2016 the Corporation's 50% owned joint venture in Mexico, Tonalli Energia S.A.P.I. de CV ("Tonalli") was awarded the Onshore Oil and Gas Development Block 24 (the "Tecolutla Block").

The Tecolutla Block is a 1,779-acre block in the Tampico-Misantla Basin located within the state of Veracruz. The producing carbonate oil reservoir in the Tecolutla Block is the El Abra formation at a depth of 2,340 meters. 3D seismic has been acquired over the entire Tecolutla Block and 9 wells have been drilled the field with 5 having produced. Peak production of over 900 bbl/d occurred from the Tecolutla Block in 1972 from 4 wells, with 1 producing well remaining as of December 2014 upon acquisition of the asset. Tonalli now has 1 producing well and another well drilled and awaiting initial completion. Tonalli's experienced operating team intends to deploy advanced carbonate drilling, completion and recompletion techniques in the Tecolutla Block.

### Oil and Gas Wells

The following table summarizes IFR's interest as at December 31, 2023 in wells that are producing and non-producing.

	Producing Wells		Non-Producing Wells	
	Oil			
	Gross	Net	Gross	Net
Mexico	0	0	4	2

### Central Mackenzie Valley, NWT Canada

#### Significant Discovery Licenses 140

#### Summit Creek – 11,070 acres

The Corporation holds an 8.2112% working interest in a 17-section block of land at Summit Creek. The acreage is held under a Significant Discovery License (“SDL”) 140 and therefore it does not expire until all reserves are produced.

The well *Husky et al Summit Creek B-44-64-30-125-45* lies in the foothills of the Mackenzie Mountains, 110 kilometers south of the town of Norman Wells. The B-44 well was drilled to a depth of 10,050 feet cased and suspended. Production testing of the *Summit Creek B-44* well confirmed several productive intervals within a gross hydrocarbon column of over 600 feet in the Devonian Formation. Two separate intervals, encompassing net pay of 255 feet, were flow tested, each zone produced at rates of approximately 10 MMCF/D of natural gas and 3,000 barrels per day of condensate. The Canol shale is prospective in the Summit Creek SDL 140.

Partners in the Summit Creek SDL 140 are Cenovus (operator) 59.28%, Taqa North 32.50% and IFR 8.221%. There are no annual carrying costs to retain SDL 140.

### Stewart Lake

#### Significant Discovery Licenses 138 & 139 - 6,244 acres

The well *Husky et al Stewart Lake D-57-64-20-125-15* is located 30 kilometers south of the Summit Creek SDL 140. The well was drilled on TDL freehold parcel M-38 to a total depth of 10,322 feet, open hole tested, cased and suspended. The D-57 well tested sweet dry natural gas at a rate of 5 MMCF/D (unstimulated) from two separate reservoirs of Cretaceous-aged sandstones. The structure covers nine sections of crown land on which two SDL's have been granted.

There is significant upside on the Cretaceous play as the Little Bear sands in the *Stewart D-57* well are mappable over a much larger area that includes the *Summit Creek wells B-44 and K-44*, the *Stewart D-30* well and the *Keele River 1-01 and N-62* wells. The Canol shale is prospective in M-38.

Partners in the Stewart Lake SDL's are Cenovus (operator) 59.28%, Taqa North 32.50% and IFR 8.221%. The SDL's 138 & 139 do not expire until all reserves are produced, there are no annual carrying costs to retain the SDL's.

## **Unevaluated Acreage - Glacier County, NW Montana USA**

IFR owns mineral titles covering 15,200 net acres located on the Blackfeet Reserve in Glacier County NW Montana. The majority of existing leases on the Corporation's fee acreage expired in 2016 and the acreage reverted back to the Corporation. The fee acreage does not expire, and the Corporation holds a 100% net revenue interest in the fee acreage.

### **Item 5.2 - Properties with no Attributable Reserves**

The following table summarizes the gross and net acres of unproved properties at December 31, 2023 in which IFR has an interest and includes the number of net acres for which IFR's rights to explore, develop or exploit will do not expire.

	<b>Gross Acres</b>	<b>Net Acres</b>	<b>Net Acres Expiring Within One Year</b>
<b>NWT Canada</b>	<b>17,315</b>	<b>1,422</b>	<b>Nil</b>
<b>USA</b>	<b>15,200</b>	<b>15,200</b>	<b>Nil</b>

### **Item 5.2.1 - Significant Factors or Uncertainties Relevant to Properties with No Attributed Reserves**

There are several factors and uncertainties that may affect the anticipated development of the Corporation's properties with no attributed reserves. IFR will be required to make substantial capital expenditures in order to prove, exploit, develop and produce from these properties in the future. Development of these properties to commercial status will require additional debt or equity financing. Failure to obtain such financing on a timely basis or on terms acceptable to the Corporation may cause Corporation to forfeit its interest in certain properties, miss certain opportunities and reduce or terminate its operations. The inability of the Corporation to access sufficient capital for its exploration and development purposes could have a material adverse effect on the Corporation's ability to execute its business strategy to develop these prospects.

The Corporation's interest in the properties in Mexico may be adversely affected by political or economic developments or social instability, which will not be within the Corporation's control, including, among other existing concessions and contracts, taxation policies, economic sanctions, fluctuating exchange rates, and currency controls. The occurrence of any such events could have a material adverse effect on future operations. In addition, there can be no assurances that the government or other counterparties to these international deals will fulfill their obligations and, if such counterparties do not fulfill their obligations, there can be no assurances that sufficient remedies will be available to allow the Corporation to recoup any investments that have been made. See also the Corporation's documents filed under the Company's profile on the Sedar+ website at [www.sedarplus.ca](http://www.sedarplus.ca) including the Risk Factors set out in its Annual Information Forms.

### **Item 5.3 - Forward Contracts**

The Corporation may, from time to time, enter into fixed price contracts and derivative financial instruments with respect to oil and gas sales, in order to secure a certain amount of cash flow to protect the level of capital spending. As of the date hereof, the Corporation is not party to any forward contracts

### **Item 5.4 - Abandonment and Reclamation Costs**

Abandonment and reclamation costs are included in the GLJ Report as deductions in arriving at future net revenue. The expected total abandonment and reclamation costs included in the GLJ Report for wells under the proved reserves category is \$170,000 USD (undiscounted), \$36,000 USD (discounted at 10%). This estimate includes expected reclamation costs for surface leases.

### **Item 5.5 - Tax Horizon**

The Corporation does not expect to pay income taxes for the period ended December 31, 2023. Based on current estimates of the company's future taxable income management believes that no taxes will be payable for the life of the Corporation's share of total proved reserves in Mexico.

### **Item 5.6 - Costs Incurred**

The following table summarizes IFR's property acquisition costs, exploration costs and development costs for the year ended December 31, 2023.

Country	Property Acquisition Costs		Exploration Evaluation Assets M\$USD	Development & Facilities Costs M\$USD
	Proved Properties	Unproved Properties		
	M\$USD	M\$USD		
Canada (\$)	N/A	N/A	-	-
United States (\$)	N/A	N/A	-	-
Mexico(\$)	N/A	N/A	-	-
Total (\$)	N/A	N/A	-	-

### **Item 5.6 - Exploration and Development Activities**

#### ***Drilling Activity***

The following table summarizes IFR's drilling results for the year ended December 31, 2023.

	Exploratory Wells	
	Gross	Net
Oil	0	0.0
Dry	0	0.0
Total	0	0.0

### **Item 5.7 - Production Estimates**

The following table discloses, by field for each product type, the total volume of production estimated by GLJ for 2024 in the estimates of future net revenue from proved reserves disclosed above under the heading "Oil and Natural Gas Reserves and Net Present Value of Future Net Revenue".

Proved Developed Non-Producing						
Year	Gross Oil Wells	Gross Daily bbl/d	Company Daily bbl/d	Company Yearly MMbl	Net Yearly MMbl	Price/\$bbl
2024	1	35	15	5	3	79.13

### **Item 5.8 - Production History**

The following table discloses, on a quarterly basis for the year ended December 31, 2023, IFR's share of average daily production volume, prior to royalties, and the prices received, royalties paid, production costs incurred and netbacks on a per unit of volume basis for each product type.

**Average Daily Production Volume**

Area	Dec. 31, 2023 bbl/day	Dec. 31, 2022 bbl/day
Tecolutla	17	29

**Prices Received, Royalties Paid, Production Costs and Netbacks**

	Year ended	
	Dec. 31, 2023 (\$/bbl)	Dec. 31, 2022 (\$/bbl)
Prices Received	57.33	64.98
Royalties Paid	(31.97)	(35.66)
Production Costs	(1,183.53)	(60.59)
<b>Netback <sup>(1)</sup></b>	<b>(1,158.17)</b>	<b>(31.28)</b>

<sup>1</sup> Netback is calculated by deducting royalties paid and production costs from prices received.

## CAPITAL STRUCTURE OF IFR

### Authorized Shares

The authorized capital of IFR consists of an unlimited number of Common Shares, an unlimited number of Preferred Shares issuable in series and up to 4,999,000 Restricted Shares, of which 14,955,397 Common Shares, no Preferred Shares and no Restricted Shares are issued and outstanding as at December 31, 2023.

### Common Shares

The holders of Common Shares are entitled, subject to the rights, privileges, restrictions and conditions attached to any Preferred Share, to dividends if, as and when declared by the directors, to one vote per share at meetings of the holders of Common Shares and, subject to the rights, privileges, restrictions and conditions attached to any Preferred Share, upon liquidation, to share equally in the remaining property of the Corporation.

### Preferred Shares

The Corporation is also authorized to issue an unlimited number of Preferred Shares. The Preferred Shares may be issued in one or more series, and the directors are authorized to fix the number of shares in each series, and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. The Preferred Shares are entitled to a priority over the Common Shares with respect to the payment of dividends and the distribution of assets upon the liquidation of the Corporation.

### Restricted Shares

The Corporation is also authorized to issue up to 4,999,000 Restricted Shares. The Restricted Shares are not entitled to vote, are entitled to dividends if, as and when declared by the directors, and, subject to the rights, privileges, restrictions and conditions attached to any Preferred Share, upon liquidation, to share equally in the remaining property of the Corporation. The Restricted Shares are convertible into Common Shares on the basis of one Common Share for every one Restricted Share held.

## DIVIDENDS

The Corporation has not declared or paid any dividends since incorporation. Any decision to pay dividends on the Common Shares will be made by the Board of Directors on the basis of the Corporation's earnings, financial requirements and other conditions existing at the relevant time.

## MARKET FOR SECURITIES

### Trading Price and Volume

The Common Shares are listed and posted for trading on the TSXV under the symbol "IFR." The following table sets forth the price range (high and low closing prices) in Canadian dollars of Common Shares and volume traded on the TSXV for the financial year ended December 31, 2023.

Month	High	Low	Volume
January	\$ 0.50	\$ 0.50	-
February	\$ 0.50	\$ 0.50	-
March	\$ 0.50	\$ 0.50	-
April	\$ 0.50	\$ 0.50	-
May	\$ 0.50	\$ 0.50	-
June	\$ 0.50	\$ 0.50	-
July	\$ 0.50	\$ 0.50	-
August	\$ 0.50	\$ 0.50	-
September	\$ 0.50	\$ 0.50	-
October	\$ 0.50	\$ 0.50	72,765
November	\$ 0.20	\$ 0.50	355,231
December	\$ 0.09	\$ 0.50	291,441

## Prior Sales

There were no issuances of Common Shares or securities convertible into Common Shares for the financial year ended December 31, 2023.

## DIRECTORS AND EXECUTIVE OFFICERS

### Directors and Executive Officers of IFR

The names, municipalities of residence, principal occupations for the five preceding years and committee membership of each of the directors and executive officers of IFR as of the date hereof are set out below.

Name, Residence and Principal Occupation	Position and Offices Held
<p><b>Tony Kinnon</b> Calgary, Alberta</p> <p>Tony has 20 years of experience in the financial services industry focusing on valuation, structuring and raising capital for energy companies. Based in Calgary, Alberta his professional roles include Managing Director, Energy Banking at PI Financial, and Director of Public Venture Capital at both Macquarie Private Wealth and Richardson Partners.</p>	<ul style="list-style-type: none"> <li>• President and Chief Executive Officer</li> <li>• Director since September 30, 2014</li> <li>• Member of the Audit Committee</li> </ul>
<p><b>Andrew Fisher</b> Calgary, Alberta</p> <p>Mr. Fisher has over twenty-five years of intensive and varied experience in the oil and gas industry including extensive experience in acquisition and divestments, corporate finance, strategic and operational planning, due diligence, supervision of day to day activities, office management, team leading, joint venture management, contracts and negotiations. He was Founder and Executive Vice President of Arcan Resources Ltd. and grew Arcan from zero BOE / day with no assets to approximately 4,000 BOE / day with a large future drilling inventory. Arcan was sold to Aspenleaf Energy Ltd., backed by ARC Financial Corp., a Canadian energy-focused private equity manager, and Ontario Teachers' Pension Plan, in June 2015 in a transaction valued at approximately \$300 Million. Formerly Vice President International Contracts and Negotiation of Pacalta Resources Ltd, Mr. Fisher was the third employee of Pacalta and experienced growth of Pacalta from a junior E&amp;P Corporation with approximately 100 BOE / day of production to a company with approximately 45,000 BOE / day of production in Ecuador and hundreds of employees. Pacalta was sold to Alberta Energy Corporation (predecessor to EnCana) in 1999 in a transaction valued at approximately \$1 Billion.</p>	<ul style="list-style-type: none"> <li>• Chief Operating Officer</li> <li>• Director since November 15, 2016</li> <li>• Member of the Reserve/ Technical Committee</li> </ul>
<p><b>Margaret Souleles</b> Calgary, Alberta</p> <p>Margaret has provided financial consulting services to the Corporation from November 2004 to October 2009 when she was appointed as Chief Financial Officer. Prior to joining the Corporation Margaret spent eight years in the audit department of Grant Thornton LLP. Margaret is a Chartered Professional Accountant and holds a Bachelor of Commerce Degree from the University of Calgary.</p>	<ul style="list-style-type: none"> <li>• Chief Financial Officer</li> <li>• Corporate Secretary</li> <li>• Director since November 2, 2022</li> </ul>



Name, Residence and Principal Occupation	Position and Offices Held
<p><b>Steve Hanson</b> North Vancouver, British Columbia</p> <p>With over 20 years of finance and corporate development experience, Mr. Hanson has been President of Discovery Management Services Ltd. since 2002, a venture capital consulting firm assisting early-stage companies in the development of short and long-term financing strategies. Mr. Hanson served as Chairman and Managing Director of Van Arbor Asset Management, an award-winning equity money management firm from 2004 until 2008, which he founded in 2003. Van Arbor Asset Management was bought by ZLC Private Investment Management in 2008. In 2009, Mr. Hanson served as President and CEO of Pan Asian Petroleum, an Oil and Gas Corporation that during his tenure was acquired by Ivanhoe Energy. In 2011 and 2012, Mr. Hanson was a Director of Lion Petroleum Corp., a private Oil and Gas Corporation focused on East Africa bought by Taipan Resources. He has served on numerous private and public company boards.</p>	<ul style="list-style-type: none"> <li>• Director since November 6, 2013</li> <li>• Member of the Audit Committee, Compensation Committee, Nominations and the Corporate Governance Committee</li> </ul>

Each director will hold office until the next annual general meeting of Shareholders or until his successor is duly elected unless his office is earlier vacated in accordance with the by-laws of the Corporation or the provisions of the ABCA. Between annual meetings, the Board has the authority to appoint one or more additional directors to serve until the next annual meeting provided that the number of directors so appointed does not exceed 1/3 of the number of directors holding office at the expiration of the last annual meeting.

#### **Security Holding by Directors and Officers**

As at the date hereof, the directors and executive officers, as a group, beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 6,569,924 Common Shares, representing approximately 33.77% of the issued and outstanding Common Shares. The information as to Common Shares beneficially owned by directors and executive officers, not being within the knowledge of the Corporation, has been furnished by the respective directors or obtained from SEDI.

#### **Cease Trade Orders**

To the knowledge of management no director or executive officer as at the date hereof, is or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any corporation (including the Corporation), 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. For the purposes hereof, "order" means (a) a cease trade order, (b) an order similar to a cease trade order, or (c) an order that denied the relevant Corporation access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

#### **Bankruptcies**

To the knowledge of management, no director, executive officer of the Corporation or a Shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any corporation (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become 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 the director, executive officer or shareholder.

### **Penalties or Sanctions**

To the knowledge of management no director, executive officer or Shareholder holding a sufficient number of securities of the Corporation to materially affect the control of the Corporation (i) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) has incurred any other penalties imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **Conflicts of Interest**

The Board of Directors has adopted a Code of Business Conduct and Ethics. In general, the private investment activities of employees, directors and officers are not prohibited, however, should an existing investment pose a potential conflict of interest, the potential conflict is required by the Codes to be disclosed to the Chief Executive Officer or the Board of Directors. Any other activities of employees which pose a potential conflict of interest are also required by the Codes to be disclosed to the Chief Executive Officer or the Board of Directors. Any such potential conflicts of interests will be dealt with openly with full disclosure of the nature and extent of the potential conflicts of interests with the Corporation.

It is acknowledged in the Codes that employees, officers and directors may be directors or officers of other entities engaged in the oil and gas business, and that such entities may compete directly or indirectly with the Corporation. No assurance can be given that opportunities identified by directors of IFR will be provided to us. Passive investments in public or private entities of less than one per cent of the outstanding shares will not be viewed as “competing” with the Corporation. Any director, officer or employee of IFR which is a director or officer of any entity engaged in the oil and gas business shall disclose such occurrence to the Board of Directors. Any director, officer or employee of IFR who is actively engaged in the management of, or who owns an investment of one per cent or more of the outstanding shares, in public or private entities shall disclose such holding to the Board of Directors. In the event that any circumstance should arise as a result of such positions or investments being held or otherwise which in the opinion of the Board of Directors constitutes a conflict of interest which reasonably affects such person’s ability to act with a view to the best interests of the Corporation, the Board of Directors will take such actions as are reasonably required to resolve such matters with a view to the best interests of the Corporation. Such actions, without limitation, may include excluding such directors, officers or employees from certain information or activities of the Corporation.

The ABCA provides that in the event that an officer or director is a party to or is a director or an officer of or has a material interest in any person who is a party to, a material contract or material transaction or proposed material contract or proposed material transaction, such officer or director shall disclose the nature and extent of his or her interest and shall refrain from voting to approve such contract or transaction.

## **RISK FACTORS**

**Investors should carefully consider the risk factors set out below and consider all other information contained herein and, in the Corporation’s, other public filings before making an investment decision. The risks set out below are not an exhaustive list and should not be taken as a complete summary or description of all the risks associated with the Corporation’s business and the oil and natural gas business.**

Residents of the United States and other non-residents of Canada should have additional regard to the risk factors under the heading “Risk Factors Applicable to Residents of the United States and Other Non-Residents of Canada.”

## **Risks Relating to Our Business and Operations**

### ***Current Economic Conditions***

The volatility in the price of oil and natural gas has created a substantially more volatile business environment. These conditions may limit certain of the Corporation's business activities, and it will continue to provide risk for the Corporation's exploration projects.

### ***Need to Replace and Grow Reserves***

The future oil and natural gas production of the Corporation, and therefore future cash flows, are highly dependent upon ongoing success in exploring its current and future undeveloped land base, exploiting the current producing properties, and acquiring or discovering additional reserves. Without reserve additions through exploration, acquisition or development activities, reserves and production will decline over time as reserves are depleted.

The business of discovering, developing, or acquiring reserves is capital intensive. To the extent cash flows from operations are insufficient and external sources of capital become limited or unavailable, the ability of the Corporation to make the necessary capital investments to maintain and expand its oil and natural gas reserves may be impaired. There can be no assurance that the Corporation will be able to find and develop or acquire additional reserves to replace and grow production at acceptable costs.

### ***Exploration, Development and Production Risks***

Oil and natural gas exploration in Mexico involves a high degree of risk, which even with a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no assurance that expenditures made on future exploration by the Corporation will result in new discoveries of oil and natural gas in commercial quantities. It is difficult to project the costs of implementing an exploratory drilling program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions such as over pressured zones, tools lost in the hole and changes in drilling plans and locations as a result of prior exploratory wells or additional seismic data and interpretations thereof.

The long-term commercial success of the Corporation depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. No assurance can be given that the Corporation will be able to continue to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participation are identified, the Corporation may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic.

Future oil and gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recover of drilling, completion and operating cost. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While diligent well supervision and effective maintenance operations can contribute to maximizing production rate over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

In addition, oil and gas operations are subject to the risks of exploration, development and production of oil and natural gas properties, including encountering unexpected formations or pressures, premature declines of reservoirs, blowouts, sour gas releases, fires and spills. Losses resulting from the occurrence of any of these risks could have a materially adverse effect on future results of operations, liquidity and financial condition.

### ***Volatility of Oil and Natural Gas Prices***

The operational results and financial condition of the Corporation will be dependent on the prices received for oil and natural gas production. Oil and natural gas prices have fluctuated widely during recent years and are determined by supply and demand factors, including weather and general economic conditions, as well as conditions in other oil and natural gas regions. Any decline in oil and natural gas prices could have an adverse effect on the operations, proved reserves, and financial conditions of the Corporation and could result in a reduction of the net production revenue of the Corporation causing a reduction in its oil and gas acquisition and development activities. In addition, bank borrowings that might be made available to the Corporation are typically determined in part by the borrowing base of the reserves of the Corporation. A sustained material decline in prices from historical average prices could reduce the borrowing base of the Corporation, therefore reducing the bank credit available to the Corporation and could require that a portion of such bank debt be repaid.

### ***Operational Hazards and Other Uncertainties***

Oil and natural gas exploration operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts, and oil spills, each of which could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment or in personal injury. In accordance with industry practice, the Corporation is not fully insured against all of these risks, nor is all such risks insurable. Although the Corporation will maintain liability insurance, where available, in an amount which it considers adequate and consistent with industry practice, the nature of these risks is such that liabilities could exceed policy limits, in which event the Corporation could incur significant costs that could have a material adverse affect upon its financial condition. Business interruption insurance may also be purchased for selected facilities, to the extent that such insurance is available. Oil and natural gas production operations are also subject to all the risks typically associated with such operations, including premature decline of reservoirs and the invasion of water into producing formations.

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such equipment or access restrictions may affect the availability and/or cost of such equipment to the Corporation and may delay exploration and development activities. To the extent the Corporation is not the operator of its oil and gas properties, the Corporation will be dependent on other operators for timing of activities related to non-operating properties and will be largely unable to direct or control the activities of the operators.

Although property title reviews will be done according to industry standards prior to the purchase of most oil and natural gas producing properties or the commencement of drilling wells, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise to defeat the claim of the Corporation which could result in reduction of the revenue received by the Corporation.

### ***Risks of Operating Through Foreign Subsidiaries***

The Company conducts operations through Mexican subsidiaries, and a majority of the Company's assets are held in such entities. Accordingly, any limitation on the transfer of cash or other assets between the parent corporation and such entities, or among such entities, could restrict the Company's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have a material adverse effect on the Company's business, financial performance and financial condition and the market price of the Common Shares.

### ***Doing business in Mexico***

These risks include but are not limited to: (i) The regulatory and legal environment; (ii) risks presented by political opposition to energy reform and public opinion; and (iii) security challenges presented by corruption and drug cartels.

Addressing the first two challenges calls for a comprehensive approach to public affairs; the logistical and security challenges require a strategy to safeguard a company's assets and its reputation. Failing to engage closely with government regulators can create miscommunications and lead to missed opportunities. Engaging with stakeholders outside the government may be even more essential than working within it.

Lastly, corruption, oil theft and drug-related violence continue to be significant concerns in Mexico. The government still needs to address how it plans to secure pipelines, zones of onshore exploration, and land bases for deep-water development. Companies that venture into some of the new areas would be advised to develop their own security infrastructure and plans.

### ***Political Risk, Social Disruptions and Instability***

The Corporation's material project, the Tecolutla Block, is located in Mexico. As such, the Corporation is subject to certain risks, including currency fluctuations and possible political or economic instability. Further, the Corporation's exploration and production activities may be affected in varying degrees by political stability and government regulations relating to the industry.

Companies operating in the oil and gas industry in Mexico have experienced various degrees of interruptions to their operations as a result of social instability and labour disruptions.

The Corporation cannot provide assurances that this type of social instability or labour disruption will not be experienced in future. The potential impact of future social instability, labour disruptions and any lack of public order may have on the oil and gas industry in Mexico, and on the Corporation's operations in particular, is not known at this time. This uncertainty may affect operations in unpredictable ways, including disruptions of fuel supplies and markets, ability to move equipment such as drilling rigs from site to site, or disruption of infrastructure facilities, including pipelines, production facilities, public roads, and off-loading stations could be targets or experience collateral damage as a result of social instability, labour disputes or protests. The Corporation may suffer loss of production or be required to incur significant costs in the future to safeguard the Corporation's assets against such activities, incur standby charges on stranded or idled equipment or to remediate potential damage to the Corporation's facilities. There can be no assurance that the Corporation will be successful in protecting itself against these risks and the related financial consequences. Further, these risks may not in any part be insurable in the event the Corporation does suffer damage.

### ***Environmental Risks***

The oil and natural gas industry is subject to environmental regulation pursuant to a variety of international conventions and Canadian federal, provincial and municipal laws, regulations, and guidelines Mexico federal and state laws, regulations and guidelines, and Montana state laws and regulations. A breach of such regulations may result in the imposition of fines or issuances of clean up orders in respect of the Corporation or its assets. Such regulation may be changed to impose higher standards and potentially more costly obligations on the Corporation. There can be no assurance that future environmental costs will not have a material adverse effect on the Corporation.

### ***Competition***

There is strong competition relating to all aspects of the oil and natural gas industry. the Corporation will actively compete for capital, skilled personnel, undeveloped land, reserve acquisitions, access to drilling rigs, service rigs and other equipment, access to processing facilities and pipeline and refining capacity, and in all other aspects of its operations with a substantial number of other organizations, many of which may have greater technical and financial resources than does the Corporation.

### ***Title***

Title to oil and natural gas interests is often not capable of conclusive determination without incurring substantial expense. In accordance with industry practice, the Corporation will conduct such title reviews in connection with its principal properties as it believes are commensurate with the value of such properties. However, no absolute assurances can be given that title defects do not exist. If title defects do exist, it is

possible that the Corporation may lose all or a portion of its right, title and interest in and to the properties to which the title defects relate.

### ***Insurance***

The Corporation's involvement in the exploration for and development of oil and gas properties may result in the Corporation becoming subject to liability for pollution, blow-outs, property damage, personal injury or other hazards. Although the Corporation will obtain insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances be insurable or, in certain circumstances, the Corporation may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or for other reasons. The payment of such uninsured liabilities would reduce the funds available to the Corporation. The occurrence of a significant event that the Corporation is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on the Corporation's financial position, results of operations or prospects.

### ***Third Party Credit Risks***

The Corporation may be exposed to third party credit risk through its contractual arrangements with its current and future joint venture partners. In the event such entities fail to meet their contractual obligations, such failures could have a material adverse effect on the Corporation and its cash flow from operations. In addition, poor credit condition in the industry and of a potential joint venture partner may impact a potential joint venture partner's willingness to participate in a future IFR capital program.

### ***Key Personnel***

The success of the Corporation will depend in large measure on certain key personnel. The loss of the services of such key personnel could have a material adverse effect on the Corporation. The Corporation does not have key person insurance in effect for management. The contributions of these individuals to the immediate operations of the Corporation are likely to be of central importance. In addition, the competition for qualified personnel in the oil and natural gas industry is intense and there can be no assurance that the Corporation will be able to continue to attract and retain all personnel necessary for the development and operation of its business.

### ***Natural Disasters and Weather-Related Risks***

The Corporation is subject to operating hazards normally associated with the exploration and production of oil and natural gas, including blow-outs, explosions, oil spills, cratering, pollution, earthquakes, hurricanes and fires. The occurrence of any such operating hazards could result in substantial losses to the Corporation due to injury or loss of life and damage to or destruction of oil and natural gas wells, formations, production facilities or other properties.

### ***Information Technology or Cybersecurity***

The Corporation depends on the reliability and security of its information technology systems to conduct certain exploration, development and production activities, process financial records and operating data, communication with its employees and business partners, and for many other activities related to its business. The Corporation's information technology systems may fail or have other significant shortcomings due to operational system flaws or employee misuse, tampering or manipulation. In addition, the Corporation may become the target of cyber-attacks or information security breaches that could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of proprietary and other information. Any of these occurrences could disrupt the business, result in potential liability or reputational damage or otherwise have an adverse effect on the Corporation's financial results.

### ***Global economic events may negatively impact our financial condition***

Market events and conditions, including disruptions in the international credit markets and other financial systems and the American and European sovereign debt levels, may cause significant volatility to



commodity prices and a decline in funds from operations. Global economic events and conditions may cause a loss of confidence in the broader global credit and financial markets and create a climate of greater volatility, less liquidity, wider credit spreads, a lack of price transparency and increased credit losses. Market events in the future may affect our ability to obtain equity or debt financing on acceptable terms and may make it more difficult to operate effectively.

### ***Availability of Drilling Equipment and Access***

Oil and natural gas exploration and development activities are dependent on the availability and costs of drilling and related equipment (typically leased from third parties) in the particular areas where such activities will be conducted. Demand for equipment or access restrictions may affect the availability of equipment for the third parties' operations and may delay exploration and development activities, which, in turn, could materially adversely affect the Corporation's business and financial condition.

### ***Internal Controls***

Effective internal controls are necessary for the Corporation to provide reliable financial reports and to help prevent fraud. Although the Corporation undertakes a number of procedures in order to help ensure the reliability of its financial reports, including those imposed on it under Canadian securities laws, the Corporation cannot be certain that such measures will ensure that the Corporation will maintain adequate control over financial processes and reporting.

Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Corporation's results of operations or cause it to fail to meet its reporting obligations. If the Corporation or its independent auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Corporation's financial statements and harm the trading price of the Common Shares.

### ***Litigation***

In the normal course of the Corporation's activities, it may become involved in, named as a party to, or be the subject of various legal proceedings, including regulatory proceedings, tax proceedings or legal actions related to personal injury, property damage, property tax, land rights, the environment or lease and contract disputes, among other potential claims. Claims under such proceedings may be material or may be indeterminate. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty, and such proceedings may be determined adversely to the Corporation and any indemnity from the Corporation or other third parties, or insurance coverage, in respect of any loss as a result of such proceedings may not be sufficient, and, as a result, could materially adversely affect the Corporation's business and financial condition.

### ***Forward-Looking Information may not reflect actual outcomes***

Shareholders and prospective investors are cautioned not to place undue reliance on the Corporation's forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risk and uncertainties, of both a general and specific nature, which could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Additional information on the risks, assumption and uncertainties are found under the heading "**Forward-Looking Information**" of this AIF.

### ***Volatility in Market Price of Common Shares***

The trading price of securities of oil and natural gas issuers is subject to substantial volatility often based on factors related and unrelated to the financial performance or prospects of the issuers involved. The market price of the Common Shares may be volatile, which may affect the ability of holders to sell the Common Shares at an advantageous price. Market price fluctuations in the Common Shares may be due to the Corporation's operating results failing to meet the expectations of securities analysts or investors in

any quarter, downward revision in securities analysts' estimates, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Corporation or its competitors, along with a variety of additional factors, including, without limitation, those set forth under "Forward-Looking Statements". In addition, the market price for securities on the TSXV continues to experience significant price and trading fluctuations, resulting in volatility in the market prices of securities that are often unrelated or disproportionate to changes in operating performance. Factors unrelated to the Corporation's performance could include macroeconomic developments within Canada and globally, domestic and global commodity prices and current perceptions of the oil and gas market. These broad market fluctuations may adversely affect the market prices of the Common Shares, and, as such, the price at which the Common Shares will trade at any point in time cannot be accurately predicted.

### **Alternatives to, and Changing Demand for, Petroleum Products**

Full conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas and technological advances in fuel economy and renewable energy generation devices could reduce the demand for oil, natural gas and liquid hydrocarbons. Recently, certain jurisdictions have implemented policies or incentives to decrease the use of fossil fuels and encourage the use of renewable fuel alternatives, which may lessen the demand for petroleum products and put downward pressure on commodity prices. In addition, advancements in energy efficient products have a similar affect on the demand for oil and gas products. We cannot predict the impact of changing demand for oil and natural gas products, and any major changes may have a material adverse effect on our business, financial condition, results of operations and cash flows by decreasing our profitability, increasing our costs, limiting our access to capital and decreasing the value of our assets.

## **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

There are no outstanding legal proceedings that the Corporation is or was a party to, or that any of the Corporation's property is or was the subject of, since January 1, 2023, that were or are material to the Corporation, and there are no such material legal proceedings that the Corporation knows to be contemplated. For the purposes of the foregoing, a legal proceeding is not considered to be "material" by the Corporation if it involves a claim for damages and the amount involved, exclusive of interest and costs, does not exceed 10% of the Corporation's current assets, provided that if any proceeding presents in large degree the same legal and factual issues as other proceedings pending or known to be contemplated, the Corporation has included the amount involved in the other proceedings in computing the percentage. See "Risk Factors."

There were no: (i) penalties or sanctions imposed against the Corporation by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date of this AIF; (ii) other penalties and sanctions imposed by court or regulatory body against the Corporation that the Corporation believes must be disclosed for this AIF to contain full, true and plain disclosure of all material facts relating to the Common Shares; or (iii) settlement agreements the Corporation entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority during the most recently completed financial year.

## **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

There is no material interest, direct or indirect, of: (i) any director or executive officer of the Corporation; (ii) any person or corporation that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Common Shares; or (iii) an associate or any affiliate of any persons or companies referred to above in (i) or (ii), in any transaction within the three years before the date of this AIF that has materially affected or is reasonably expected to materially affect the Corporation.

## **AUDITOR, TRANSFER AGENT AND REGISTRAR**

The independent auditor of the Corporation is MNP LLP.



The Corporation's transfer agent and registrar is Computershare Trust Corporation of Canada located at 600, 530 – 8th Avenue S.W., Calgary, Alberta, T2P 3S8.

## AUDIT COMMITTEE INFORMATION

### Audit Committee Charter

The mandated and responsibilities of the Corporation's audit committee (the "Audit Committee") are set out in the Audit Committee Charter as set out in Appendix "C" to this Annual Information Form.

### Audit Committee

The Audit Committee reviews and recommends to the Board the approval of the annual and interim financial statements, the associated management's discussion and analysis and related financial disclosures to the public and regulatory authorities. It is responsible for the engagement of the Corporation's external auditors upon approval by shareholders, including fees paid for the annual audit, and pre-approves non-audit services. The Audit Committee communicates directly with the auditors and reviews programs and policies regarding the effectiveness of internal controls over the Corporation's accounting and financial reporting systems.

### External Auditors Service Fees

The aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years for audit and other fees are as follows:

Financial Year Ending December 31	Audit Fees <sup>(1)</sup>	Audit Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
2023	\$ 45,000	Nil	Nil	Nil
2022	\$ 85,985	Nil	\$ 3,250	\$ 21,400

Notes:

- (1) Represents fees billed by external auditors for audit services that are reasonably related to the performance of the audit
- (2) Represents fees billed for assurance related services that are reasonably related to the performance of the audit
- (3) Represents fees billed for professional services rendered for tax compliance, tax advice and tax planning
- (4) Represents fees billed for products and services provided by auditors other than the other services reported

## MATERIAL CONTRACTS

The following are the only material contracts, other than those contracts entered into in the ordinary course of business, which the Corporation entered into within the most recently completed financial year, or before the most recently completed financial year that are still in effect:

1. The License Contract, see "Exploration and Development Activities in Mexico"

## INTEREST OF EXPERTS

MNP LLP are the auditors of the Company and have confirmed that they are independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

## **ADDITIONAL INFORMATION**

Additional information in relation to IFR may be found under the Company's profile on the Sedar+ website at [www.sedarplus.ca](http://www.sedarplus.ca).

Additional financial information is provided in IFR's most recent interim financial statements, audited annual financial statements and accompanying management discussion and analysis filed Company's profile on the Sedar+ website at [www.sedarplus.ca](http://www.sedarplus.ca).

**APPENDIX “A”**  
**FORM 51-101F3**  
**REPORT OF MANAGEMENT AND DIRECTORS**  
**ON RESERVES DATA AND OTHER OIL AND GAS INFORMATION**

Management of **International Frontier Resources Corporation**, (the “**Corporation**”) are responsible for the preparation and disclosure of information with respect to the Company’s oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data which consists of the following:

- (i) Proved, Proved Plus Probable, and Proved Plus Probable Plus Possible oil and gas reserves estimated as at December 31, 2023 using forecast prices and costs; and
- (ii) the related estimated future net revenue.

An independent qualified reserves evaluator has evaluated the Corporation’s reserves data. The report of the independent qualified reserves evaluator will be filed with securities regulatory authorities concurrently with this report.

The Reserves Committee of the Board of Directors of the Corporation has:

- (a) reviewed the Corporation’s procedures for providing information to the independent qualified reserves evaluator;
- (b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and
- (c) reviewed the reserves data with management and the independent qualified reserves evaluator.

The Reserves Committee of the Board of Directors has reviewed the Corporation’s procedure for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The Board of Directors has, on the recommendation of the Reserves Committee approved:

- (a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;
- (b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on reserves data; and
- (c) the content and filing of this report.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material. However, any variation should be consistent with the fact that reserves are categorized according to the probability of their recovery.

DATED as of this 26<sup>th</sup> day of April 2024

(signed) “Tony Kinnon”

Tony Kinnon  
President and Chief Executive Officer,  
Chairman of the Board of Directors

(signed) “Margaret Souleles”

Margaret Souleles  
Chief Financial Officer, Director

(signed) “Steve Hanson”

Steve Hanson  
Director

(signed) “Andrew Fisher”

Andrew Fisher  
Chief Operating Officer, Director

## APPENDIX “B”

**REPORT ON RESERVES DATA****BY****INDEPENDENT QUALIFIED RESERVES EVALUATOR OR AUDITOR**

To the board of directors of International Frontier resources Corp. (the "Company"):

1. We have evaluated the Company's reserves data as at December 31, 2023. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2023, estimated using forecast prices and costs.
2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.
3. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the "COGE Handbook") maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter).
4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.
5. The following table shows the net present value of future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated for the year ended December 31, 2023, and identifies the respective portions thereof that we have evaluated and reported on to the Company's board of directors:

Independent Qualified Reserves Evaluator or Auditor	Effective Date of Evaluation Report	Location of Reserves (Country or Foreign Geographic Area)	Net Present Value of Future Net Revenue (before income taxes, 10% discount rate – US M\$)			
			Audited	Evaluated	Reviewed	Total
			GLJ Ltd.	December 31, 2023	Mexico	-

6. In our opinion, the reserves data evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.
7. We have no responsibility to update our reports referred to in paragraph 5 for events and circumstances occurring after the effective date of our reports.

8. Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

GLJ Ltd., Calgary, Alberta, Canada, April 26, 2024

*“Originally Signed By”*

Patrick A. Olenick, P. Eng.

## **APPENDIX “C” AUDIT COMMITTEE CHARTER**

### **I. Mandate**

The primary function of the audit committee (the “**Committee**”) is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation’s systems of internal controls regarding finance and accounting, and the Corporation’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Corporation’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Corporation’s financial reporting and internal control system and review the Corporation’s financial statements.
- Review and appraise the performance of the Corporation’s external auditors.
- Provide an open avenue of communication among the Corporation’s auditors, financial and senior management and the Board of Directors.

### **II. Composition**

The Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be independent directors.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Corporation’s Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Corporation’s financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders’ meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

### **III. Meetings**

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with management and the external auditors in separate sessions.

The minutes of the Committee meetings shall accurately record the decisions reached and shall be distributed to the Audit Committee members with copies to the Board of Directors, the Chief Financial Officer or such other officer acting in that capacity, and the external auditor.

### **IV. Responsibilities and Duties**

To fulfill its responsibilities and duties, the Committee shall:

#### **Documents/Reports Review**

1. Review and update this Charter annually.
2. Review the Corporation’s financial statements, MD&A and any annual and interim earnings, press releases before the Corporation publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are

submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

### **External Auditors**

1. Require the external auditors to report directly to the Committee.
2. Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Corporation.
3. Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Corporation and confirming their independence from the Corporation.
4. Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
5. Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
6. Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval and the compensation of the external auditors.
7. Review with management and the external auditors the terms of the external auditors' engagement letter.
8. At each meeting, may consult with the external auditors, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements.
9. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
10. Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
11. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - a. the aggregate amount of all such non-audit services provided to the Corporation constitutes not more than five percent (5%) of the total amount of revenues paid by the Corporation to its external auditors during the fiscal year in which the non audit services are provided;
  - b. such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and
  - c. such services are promptly brought to the attention of the Committee by the Corporation and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee. Provided the pre-approval of the non-audit services is presented to the Committee's



first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

### **Financial Reporting Process**

In consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external.

Consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.

Consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management.

Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.

Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

Review any significant disagreement among management and the external auditors regarding financial reporting.

Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.

Review the certification process.

Establish procedures for:

the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and

the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

### **Other**

Review disclosure of any related-party transactions.

### **Authority**

The Committee may:

engage independent outside counsel and other advisors as it determines necessary to carry out its duties;

set and pay the compensation for any advisors employed by the Committee; and

communicate directly with the internal and external auditors.

The Committee shall have unrestricted access to the Corporation's personnel and documents and will be provided with the resources necessary to carry out its responsibilities.