International Frontier Resources Corporation

Consolidated Financial Statements

March 31, 2024

Contents

International Frontier Resources Corporation
Condensed Consolidated Interim Financial Statements
For the three month periods ended March 31, 2024 and 2023
(Unaudited)

National Instrument 51-102 Notice

The condensed consolidated interim financial statements of International Frontier Resources Corporation ("the Company") For the three-month periods ended March 31, 2024 and 2023 have been compiled by management.

These financial statements have not been reviewed or audited on behalf of the shareholders by the Company's independent external auditors.

International Frontier Resources Corporation

Condensed Consolidated Statements of Financial Position

(Unaudited)

(Expressed in Canadian Dollars)

As at		March 31, 2024		December 31, 2023
Assets				
Current				
Cash (Notes 9, 14)	**$**	**9,110**	$	17,130
Accounts receivable (Notes 9, 16)		**41,890**		45,500
Prepaids expenses (Note 5)		**27,245**		35,030
	$	**78,245**	$	97,660
Liabilities				
Current				
Accounts payable and accrued liabilities (Note 9)	**$**	**675,395**	$	652,950
Due to related parties (Notes 9, 12)		**230,995**		17,420
Finance payable (Notes 6, 9)		**15,050**		22,235
		921,440		692,605
Long-term debt (Note 7)		**53,960**		53,410
		975,400		746,015
Shareholders' Deficit				
Share capital (Note 8a)		**58,671,850**		58,671,850
Contributed surplus (Note 8b)		**12,789,650**		12,789,650
Deficit		**(72,358,655)**		(72,109,855)
		(897,155)		(648,355)
	$	**78,245**	$	97,660

Going concern (Note 2)
Subsequent events (Note 17)

On behalf of the Board of Directors

(Signed) "Steve Hanson" Director **(Signed) "Anthony Kinnon"** Director

See accompanying notes to the interim unaudited condensed consolidated financial statements.

International Frontier Resources Corporation

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
Unaudited
(Expressed in Canadian Dollars)
For the three months ended March 31,

		2024		2023
Expenses				
General and administration (Note 15)	$	33,115	$	124,145
Loss on equity investment in Tonalli (Note 12)		212,410		-
		245,525		124,145
Finance income (expenses)				
Interest on finance payables (Note 6)		(615)		-
Accretion on long term debt (Note 7)		(550)		(830)
Interest long term debt (Note 7)		(510)		-
Foreign exchange gain (loss)		(1,600)		(33,260)
		(3,275)		(33,090)
Net income (loss) and comprehensive income (loss)	$	(248,800)	$	(157,235)
Net income (loss) per share (Note 10)				
Basic and diluted	$	(0.02)	$	(0.01)

See accompanying notes to the interim unaudited condensed consolidated financial statements.

International Frontier Resources Corporation

Notes to the Condensed Consolidated Interim Financial Statements

Unaudited
(Expressed in Canadian Dollars)
For the three months ended March 31,

	2024		2023	
	Number	**Amount**	Number	Amount
Common shares				
Balance, beginning of period	**14,955,397**	**$ 58,671,850**	14,955,397	$ 58,671,850
Balance, end of period	**14,955,397**	**$ 58,671,850**	14,955,397	$ 58,671,850
Contributed surplus				
Balance, beginning of period		**$ 12,789,650**		$ 12,766,785
Balance, end of period		**$ 12,789,650**		$ 12,789,650
Deficit				
Balance beginning of period		**$ (72,109,855)**		$ (72,303,195)
Net loss		**(248,800)**		(157,235)
Balance, end of period		**$ (72,358,655)**		$ (72,460,430
Total shareholders' deficit		**$ (897,155)**		$ (998,930)

The 2023 number of shares have been retroactively restated for effect of the twenty-to-one share consolidation as defined in Note 1.

See accompanying notes to the interim unaudited condensed consolidated financial statements.

International Frontier Resources Corporation

Condensed Consolidated Interim Statements of Cash Flows

Unaudited

(Expressed in Canadian Dollars)

For the three month periods ended March 31,

	2024	2023
Operating		
Net loss	**$ (248,800)**	$ (157,235)
Non-cash items:		
Accretion of long-term debt (Note 7)	**550**	830
Loss on equity investment in Tonalli (Note 12)	**212,410**	-
Unrealized foreign exchange (gain) loss	**1,875**	32,370
Change in non-cash working capital (Note 18)	**33,545**	104,950
Cash flow used in continuing operating activities	**(995)**	(19,085)
Financing		
Finance payable (Note 6)	**(7,185)**	-
Cash flow from financing activities	**(7,185)**	-
Foreign exchange gain (loss) on cash held in foreign currencies	**160**	(155)
Net change in cash	**(8,020)**	(19,240)
Cash, beginning of period	**17,130**	25,470
Cash, end of period	**$ 9,110**	$ 6,230

Supplemental cash flow information (Note 14)

See accompanying notes to the interim unaudited condensed consolidated financial statements.

1. Nature of operations

International Frontier Resources Corporation ("IFR" or the "Company") is an independent Canadian publicly traded company, the principle business of which is to acquire, develop, exploit and produce oil and natural gas in Mexico.

The Company was incorporated under the Canada Business Corporations Act in Alberta, Canada in 1997. The Company is listed on the TSX Venture Exchange, having the symbol IFR-V. The address of the Company's corporate office and principal place of business The Issuer's head office is located in Calgary and its registered office is located at 10, 628 - 12 Avenue SW, Calgary, AB T2R 0H6.

The consolidated financial statements include the accounts of the Company and its 99.80% owned Mexican subsidiary, Petro Frontera S.A.P.I de CV ("Frontera"), which is accounted for using the consolidation method. All inter-company transactions and balances are eliminated upon consolidation. The consolidated financial statements also include Frontera's 50% investments in Tonalli Energia S.A.P.I. de CV ("Tonalli"), a Mexican company which is accounted for using the equity method and its 99.80% interest in Energia Mex Can ("Mexcan"), a Mexican company which is accounted for using the consolidation method.

On November 27, 2023, the Company consolidated its common shares on the basis of one (1) new post-consolidation common share for every twenty (20) existing pre-consolidation common share (the "Consolidation"). The Consolidation reduces the number of outstanding common shares from 299,107,939 to approximately 14,955,397. Proportionate adjustments have been applied retrospectively to the Company's outstanding stock options, restricted share units, and deferred share units.

2. Basis of preparation and statement of compliance

Statement of compliance

The consolidated financial statements (the "financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). A summary of the Company's significant accounting policies is presented in Note 3.

These financial statements were approved and authorized for issue by the Board of Directors on May 27, 2024.

Basis of measurement

These financial statements have been prepared on a historical cost basis, unless otherwise required.

The Company's financial statements include the accounts of the Company and its subsidiary and are expressed in Canadian dollars, unless otherwise stated.

Going concern

These financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company had a net loss of $248,800 and cash flows used in operations of $995 for the period ended March 31, 2024 and a working capital deficit of $843,195 as at March 31, 2024. The Company's only income generating activities are related to its investment in Tonalli which has been incurring losses and using cash in its operating activities since inception.

2. Basis of preparation and statement of compliance

The Company's ability to continue as a going concern is dependent on its ability to raise capital in the near term. Capital is required to fund ongoing general and administrative costs, the working capital deficit and for further development and operations of the Company, including Tonalli. There is no guarantee that capital can be raised, and, if it can, whether the further development of Tonalli will result in successful operating results and cash flows. If the Company does not continue to raise capital in the near term, there is risk that the Company may be required to seek creditor protection or be forced to liquidate assets of the Company. These conditions indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern.

In April 2024, the Company completed financing for net proceeds of $668,061 (see Note 17). The Company believes that the proceeds of the financing will be adequate to fund the Company's working capital requirements for at least twelve months from the date of approval of these consolidated financial statements and to allow the company sufficient funds to pursue additional opportunities for future investment.

Management believes that the going concern assumption is appropriate for these consolidated financial statements and that the Company will meet its operating and capital requirements. These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. These adjustments could be material.

Functional and presentation currency

The consolidated financial statements are presented in Canadian dollars which is the Company's reporting currency. The Company's subsidiaries transact in currencies that other than the Canadian dollar and have a functional currency of Mexican peso. The functional currency of a subsidiary is the currency of the primary economic environment in which the subsidiary operates. Transactions denominated in a currency other than the functional currency are translated at the prevailing rates on the date of the transaction. Any monetary items held in a currency which is not the functional currency of the subsidiary are translated to the functional currency at the prevailing rate as at the date of the statement of financial position. All exchange differences arising as a result of the translation to the functional currency of the subsidiary are recorded in net earnings.

Translation of all assets and liabilities from the respective functional currencies to the reporting currency are performed using the rates prevailing at the statement of financial position date. The differences arising upon translation from the functional currency to the reporting currency are recorded as currency translation adjustments in other comprehensive income (loss) and are held within accumulated other comprehensive income (loss) until a disposal or partial disposal of a subsidiary. A disposal or partial disposal with then give rise to realized foreign exchange gain or loss which is recorded in net earnings.

Material accounting judgements, estimates and assumptions

The timely preparation of the consolidated financial statements in accordance with IFRS requires that management make estimates and assumptions and use judgement regarding the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty. Accordingly, actual results may differ from estimated amounts as future confirming events occur.

2. Basis of preparation and statement of compliance (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined below.

Significant accounting estimates

a) Share-based payments

The Company uses the Black-Scholes option pricing model in determining share-based compensation expense, which requires a number of assumptions to be made, including the risk-free interest rate, expected life of options and warrants, forfeiture rate, and expected share price volatility. Consequently, the actual share-based compensation expense may vary from the amount estimated. Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant.

b) Deferred taxes and liabilities

The measurement of a deferred tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Corporation's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful operations of the Corporation. To the extent that management's assessment of the Corporation's ability to utilize future tax deductions changes, the Corporation would be required to recognize more or fewer deferred tax assets, and future tax provisions or recoveries could be affected.

c) Recoverable amount of cash-generating unit ("CGU")

The recoverable amount of a cash-generating unit ("CGU"), an equity accounted investment or an individual asset requires the use of estimates and assumptions, which are subject to change as new information becomes available. Current geopolitical events, including the invasion of Ukraine, inflation increases and volatility in commodity pricing have increased the risk of measurement uncertainty in determining the estimated recoverable amounts, especially estimating the economic proved and probable oil and gas reserves and the related cash flows, and estimating forecasted oil and gas commodity prices.

Significant accounting judgements

a) Joint arrangements

The determination of the type of joint arrangement as either a joint operation or a joint venture is based on management's determination of whether it has joint control over another entity and considerations include assessment of contractual agreements for unanimous consent of the parties on decision making of relevant activities. Once classified as a joint arrangement, management assesses whether it is structured through a separate vehicle and whether the legal form and contractual arrangements give the entity the direct right to the assets and obligations for the liabilities within the normal course of business, as well as the entity's rights to the economic benefit of assets and its involvement and responsibility for settling liabilities associated with the arrangement.

2. Basis of preparation and statement of compliance (continued)

b) Income taxes

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters.

c) Going Concern

Management has applied judgement in the assessment of the Company's ability to continue as a going concern, considering all available information, and concluded that the going concern assumption is appropriate for a period of at least twelve months following the Auditor's report date.

d) Identification of impairment and impairment reversal indicators

Judgement is required to assess when indicators of impairment or impairment reversal exist and when a calculation of the recoverable amount is required. The company's equity accounted investments are reviewed at each reporting date to assess whether there is any indication of impairment or impairment reversal. The assessment considers whether there are significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the associate operates, and indicates that the cost of the investment in the equity instrument may not be recovered and whether there is significant financial difficulty of the associate in determining impairment and any interest from market participants in determining impairment reversal.

3. Summary of significant accounting policies

The condensed interim consolidated financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in Note 3 to the consolidated financial statements for the fiscal year December 31, 2023.

The preparation of unaudited interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Further information on the Company's significant accounting policies, future changes in accounting policies and estimates can be found in the notes to the audited financial statements for the year ended December 31, 2023.

4. Changes in IFRS Accounting Policies and Future Accounting Pronouncements

Certain pronouncements were issued by the IASB or the *International Financial Reporting Interpretation Committee* that are mandatory for accounting years beginning on or after January 1, 2024. They are not applicable or do not have a significant impact on the Corporation

(Expressed in Canadian Dollars)

5. Prepaid Expenses

Prepaid expenses consists of the following amounts at March 31, 2024 and December 31, 2023:

	March 31, 2024	December 31, 2023
Insurance	$ 16,000	$ 23,785
Conferences	11,245	11,245
Balance, end of period	**$ 27,245**	**$ 35,030**

6. Finance Payable

In October 2023, the Company entered into an arrangement with a finance company to pay certain invoices in the amount of $29,500 on the Company's behalf. As per the terms of the agreement dated October 16, 2023, the total amounts financed of $29,500 were paid to the supplier and are owing to the finance company bearing interest at 12.38% with a maturity date of September 15, 2024.

	March 31, 2024	December 31, 2023
Principal	$ 29,500	$ 29,500
Less: principal payments	(14,450)	(7,265)
Interest accrued	1,145	530
Interest paid	(1,145)	(530)
Balance, end of period	**$ 15,050**	**$ 22,235**

As a result of the above arrangement, there were non-cash transfers from accounts payable to finance payable of $29,500 during the year ended December 31, 2023.

7. Long term debt

	March 31, 2024	December 31, 2023
Principal	$ 60,000	$ 60,000
Less: amortized below market interest benefit	(16,540)	(16,540)
Accretion	10,500	9,950
Interest accrued	510	
Interest paid	(510)	
Balance, end of period	**$ 53,960**	$ 53,410

In 2020, the Company applied for and received a $60,000 term loan under the Canada Emergency Business Account (the "CEBA term loan"), which was one of the Canadian government's COVID-19 economic recovery measures. The CEBA term loan is non-interest bearing for the initial term ending on December 31, 2022 (the "Initial Term"). If the loan was paid off by December 31, 2022, 33% of the loan would have been forgiven. In October 2023, the initial term for repayment of the CEBA loan was extended to January 18, 2024. If the CEBA term loan is not fully repaid by the end of the Initial Term, then the unpaid balance will bear interest at the rate of 5% per annum, payable monthly, and will mature on December 31, 2026. The Company did not pay the loan on the deadline for the Initial Term on January 18, 2024.

In determining the fair value of the loan, the Company applied an effective interest rate of 17% which corresponds to a rate that the Company would have obtained for a similar debt instrument.

(Expressed in Canadian Dollars)

8. Share capital

a) Authorized:

	Number of Shares		Amount
Balance at March 31, 2024 and December 31 2023	**14,955,397**	**$**	**58,671,850**

The Company is authorized to issue an unlimited number of common shares without par value. As at March 31, 2024, the number of issued and outstanding common shares is 14,955,397.

On November 27, 2023, the Company consolidated its common shares on the basis of one (1) new post-consolidation common share for every twenty (20) existing pre-consolidation common share (the "Consolidation"). The Consolidation reduced the number of outstanding common shares from 299,107,939 to 14,955,394. Proportionate adjustments have been made retrospectively to the Company's outstanding stock options.

b) Contributed surplus

	March 31, 2024	December 31, 2023
Balance, beginning of period	$ 12,789,650	$ 12,789,650
Share-based compensation	-	-
Balance, end of period	**$ 12,789,650**	**$ 12,789,650**

March 31, 2024

Exercise Price	Options Outstanding	Weighted Average Contractual Life	Weighted Average Exercise Price	Options Exercisable	Weighted Average Exercise Price
$1.60	330,000	0.19	$ 1.60	330,000	$ 1.60
	330,000	**0.19**	**$ 1.60**	**330,000**	**$ 1.60**

9. Capital management

In the management of capital, the Company includes certain working capital balances in the definition of capital. Management reviews its capital requirements on an ongoing basis and believes that its approach, given the relative size of the Company, is reasonable. As at March 31, 2024, the Company's capital as defined above is as follows:

	March 31, 2024	December 31, 2023
Cash and cash equivalents	$ 9,110	$ 17,130
Accounts receivable	41,890	45,500
Accounts payables and accrued liabilities	(675,375)	(652,950)
Due to related parties	(230,995)	(17,420)
Finance payable	(15,050)	(22,235)
	$ (870,440)	$ (629,975)

The Company is in the business of oil and gas exploration in Mexico. Management determines the Company's capital structure and makes adjustments to it based on funds available to the Company in order to support the acquisition, exploration and development of oil and gas properties. The Board of Directors

(Expressed in Canadian Dollars)

9. Capital management (continued)

has not established quantitative return on capital criteria for capital management but rather relies upon the expertise of the management team to sustain the future development of the business.

The majority of the properties in which the Company currently has an interest are in the exploration stage and do not generate any revenue. The Company therefore is dependent upon partnerships with industry and external financing to fund the majority of its future exploration programs. The Company will spend existing working capital and will seek additional financing as needed. The Company will continue to assess new properties and to seek to acquire an interest in additional properties if management feels there is sufficient geologic or economic potential.

Historically, the Company has relied on proceeds from the sale of its common shares to fund its operations. In order to accelerate the Company's current exploration programs, the Company may require additional capital. The timing, pace, scope and amount of the Company's capital expenditures is largely dependent on planned capital expenditure programs and the availability of capital to the Company.

The Company may obtain funds for future capital investments from strategic alliances with other energy or financial partners, the issuance of additional common shares, preferred shares or debt securities, project financing, sale of property interests, or other arrangements, all of which may dilute the interest of the Company's existing shareholders. In the current economic environment, there can be no assurances that the Company can raise capital through the sale of its shares.

10. Per share amounts

	Three months ended March 31,	
	2024	**2023**
Net income (loss)	**$ (248,800)**	$ (157,235)
Weighted average number of shares	**14,955,397**	14,955,397
Basic income (loss) per share	**$ (0.02)**	$ (0.01)

Basic income (loss) per share is computed by dividing net loss (the numerator) by the weighted average number of outstanding common shares for the period (the denominator). Options outstanding have been excluded from computing diluted loss per share because they are anti-dilutive or not in the money.

11. Related party transactions

At March 31, 2024, $344,730 (December 31, 2023– $339,145) was included in accounts payable and accrued liabilities owing to consultants of the Company. On April 8, 2024, the Company settled $225,000 of the amounts owing via a debt to share conversion at a share price of $0.05 per share (see Note 17).

12. Investment in associates

At March 31, 2024, the Company, through its Mexcan subsidiary Frontera holds a 42.63% (December 31, 2023 – 42.63%) investment in Tonalli Energia S.A.P.I. de CV ("Tonalli"), a Mexican company which is accounted for using the equity method and a 99.80% interest in Energia Mex Can ("Mexcan"), a Mexican company which is accounted for using the consolidation method.

The Company has incurred losses on its equity investment in Tonalli which resulted in the Company's share of cumulative losses continuing to exceed its investment in Tonalli. As a result, the associated investment in Tonalli is $Nil at March 31, 2024. For the period ended March 31, 2024, the Company incurred a loss on its equity investment in Tonalli of $230,231 (December 31, 2023 –$519,068). As at March 31, 2024, the

(Expressed in Canadian Dollars)

12. Investment in associates (continued)

Company's cumulative unrecognized share of net losses in Tonalli is $2,318,817 (December 31, 2023 – $2,088,586). In 2024, the Company contributed $Nil (2023 - $118,840) in equity contributions to Tonalli.

For the period ended March 31, 2024, the Company recognized a loss on its equity investment in Tonalli of $212,410 (December 31, 2023 – gain of $256,390).

In evaluating the Company's investment in Tonalli at March 31, 2024, the Company took into consideration the Option to Purchase as described per the Company's Letter of Intent with Jaguar below which expired in August 2023, the reduction of cash calls payable and resulting dilution in Tonalli in the fourth quarter of 2023 and the potential for a future sale of the Company's interest in Tonalli. The Company concluded that there were no indications at March 31, 2024 that would trigger a reversal of the impairment in the Company's investment in Tonalli.

Due to related parties

At March 31, 2024, the following amounts were due to Tonalli from Frontera and Mexcan. Amounts due to related parties were due on demand, non-interest bearing and unsecured.

	Frontera	Mexcan	Total
Balance, January 1, 2023	**$ 332,215**	**$ 15,480**	**$ 347,695**
Contributions (i)	(118,840)	-	**(118,840)**
Cancellation of shares (i)	(256,390)	-	**(256,390)**
Cash calls payable (ii)	962,385	-	**962,385**
Foreign exchange loss (i)	43,015	1,940	**44,955**
Dilution	(962,385)	-	**(962,385)**
Balance, December 31, 2023	**-**	**17,420**	**17,420**
Cash calls payable (iii)	212,410	-	**212,410**
Foreign exchange loss	315	850	**1,165**
Balance, March 31, 2024	**$ 212,725**	**$ 18,270**	**$ 230,995**

(i) At September 30, 2023 the Company had a balance of amounts owing to Tonalli of $256,390 CAD equivalent for shares of Tonalli that had been issued to Frontera on December 31, 2022 for it's outstanding equity contribution at December 31, 2022. At September 30, 2023 the period to pay the balance of amounts owing to Tonalli had expired and shares were issued Jaguar for the amounts corresponding to amounts owing by Frontera. As a result, as at September 30, 2023 Frontera's equity interest in Tonalli was reduced from 50% to 48.30%. At September 30, 2023 the amount was no longer payable to Tonalli.

(ii) At December 31, 2023 Frontera has amounts owing to Tonalli for its share of cash calls issued in 2023 in the amount of $962,385. As at December 29, 2023 the shareholder agreed by way of a shareholder resolution that shares would be issued to Jaguar for all amounts contributed to Tonalli by Jaguar including Frontera's share of contributions owing as of that date. As a result as at December 31, 2023 Frontera's equity interest in Tonalli was reduced from 48.30% to 42.63% and there were no amounts payable to Tonalli.

(Expressed in Canadian Dollars)

12. Investment in associates (continued)

(iii) At March 31, 2024 Frontera has amounts owing to Tonalli for its share of cash calls issued in 2024 in the amount of $212,725 CAD equivalent. On May 14, 2024 Jaguar issued Frontera a Notice of Default per the Tonalli Joint Operating Agreement ("JOA") for the total balance of cash calls owing to March 31, 2024 (the "Default Amount"). As per the terms of the Tonalli Joint Operating Agreement the Default Amount bears interest at 10% plus SOFR and Frontera has 180 days from the date of issuance of the Notice of Default to make the necessary contributions or its equity interest in Tonalli will be adjusted accordingly. The amounts were less than the Company's cumulative losses in Tonalli on March 31, 2024 and have been recorded as a loss in the Company's equity investment in Tonalli in the March 31, 2024 consolidated interim statements of loss and comprehensive loss.

13. Segmented information

The Company's activities are conducted in two geographic segments: Canada and Mexico. All activities relate to exploration for and development of petroleum and natural gas resources.

a) Net income (loss) and comprehensive income (loss)

Three months ended March 31, 2024	Canada	Mexico	Total
Expenses			
General and administration	29,940	3,175	33,115
Loss on equity investment in Tonalli	-	212,410	212,410
	29,940	215,585	246,525
Finance income (expenses)			
Interest on finance payables	(550)		(550)
Accretion on long term debt	(615)	-	(615)
Interest long term debt	(510)		(510)
Foreign exchange loss	(230)	(1,370)	(1,600)
	(1,905)	(1,370)	(3,275)
Net loss and comprehensive loss	**$ (31,845)**	**$ (216,955)**	**$ (248,800)**

Three months ended March 31, 2023	Canada	Mexico	Total
Expenses			
General and administration	121,560	2,585	124,145
	121,560	2,585	124,145
Finance income (expenses)			
Accretion on long term debt	(830)	-	(830)
Foreign exchange loss	(30)	(32,230)	(32,260)
	(860)	(32,230)	(33,090)
Net loss and comprehensive loss	**$ (122,420)**	**$ (34,815)**	**$ (157,235)**

(Expressed in Canadian Dollars)

13. Segmented information (continued)

b) Assets

As at March 31, 2024

	Canada	Mexico	Total
Total assets	$ 32,375	$ 45,870	$ 78,245

As at December 31, 2023

	Canada	Mexico	Total
Total assets	$ 56,125	$ 41,535	$ 97,660

14. Supplemental cash flow information

Changes in non-cash working capital items from continuing operations increase (decrease) cash and cash equivalents as follows:

	Three months ended March 31, 2024	2023
Accounts receivable	$ 3,610	$ (4,155)
Prepaids	7,785	(10,490)
Accounts payable	22,150	119,595
	$ 33,545	$ 104,950
Operating activities	$ 33,545	$ 104,950
Investing activities	$ -	$ -
Financing activities	$ -	$ -
Interest paid	$ 1,040	$ -

Cash and cash equivalents are comprised of:

	Three months ended March 31, 2024	2023
Cash on hand - Canada	$ 2,510	$ 3,700
Cash on hand - Mexico	6,500	2,530
	$ 9,110	$ 6,230

15. General and administration

General and administration expenses include the following costs incurred during the three month periods ended March 31, 2024 and 2023:

	2024	2023
Consulting fees and salaries	$ 8,670	$ 36,540
Professional fees	-	60,000
Rent and corporate costs	11,050	17,015
Filing and transfer fees	13,395	3,790
Corporate travel	-	6,800
	$ 33,115	**$ 124,145**

16. Financial risk management

The Company is exposed to financial risk in a range of financial instruments including cash, accounts receivable, due to related parties, long-term debt and accounts payable and accrued liabilities. The Company manages its exposure to financial risks by operating in a manner that minimizes its exposure to the extent practical. The main financial risks affecting the Company are discussed below:

a) Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the balance sheet date.

The maximum exposure to loss associated with accounts receivable is the total carrying amounts on the statement of financial position.

The following table presents the aging of the Company's accounts receivable at March 31, 2024:

Total accounts receivable	0 to 30 days	31 to 60 days	61 to 90 days	Greater than 90 days
$ 41,890	$ -	$ -	$ 2,740	$ 39,150

The maximum exposure to credit risk is represented by the carrying amount on the balance sheet of all the financial assets.

Should the Company determine that the ultimate collection of a receivable is in doubt, it will provide the necessary provision in its allowance based on lifetime expected credit losses experience adjusted for forward looking factors with a corresponding charge to earnings. If the Company subsequently determines an account is uncollectible, the account is written off with a corresponding charge to the allowance account.

b) Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate cash flow risk to the extent the changes in market interest rates will impact the Company's interest rate price risk with respect to funds invested in short term marketable securities. As at March 31, 2024, the Company did not have any financial assets based on variable interest rates and as such the Company has no specific interest rate risk at period-end. The Company does not use interest rate hedges or fixed interest rate contracts to manage the Company's exposure to interest rate risk.

c) Foreign currency risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and foreign currencies will affect the Company's operating and financial results. The Company is exposed to foreign currency risk as the Company has financial instruments denominated in US dollars and Mexican pesos. The Company's management monitors the exchange rate fluctuations on a regular basis. The Company does not use currency derivative instruments to manage the Company's exposure to foreign currency fluctuations.

At March 31, 2024, the carrying amount of the Company's Mexican pesos denominated net monetary assets was equivalent to approximately $700.

16. Financial risk management (continued)

At March 31, 2024, the carrying amount of the Company's U.S. dollar denominated monetary assets was approximately US $5.

d) Commodity price risk

Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for petroleum are impacted by the relationship between the Canadian dollar and Mexican peso, the Canadian dollar and United States dollar, global economic events and Mexican government policies.

The operations of Tonalli are affected by changes in commodity prices, which in turn, will affect the Company's investment in associates.

e) Liquidity risk

Liquidity risk includes the risk that:

- The Company will not have sufficient funds to settle a transaction on the due date.
- The Company will be forced to sell financial assets at a value which is less than what they are worth; or,
- The Company may be unable to settle or recover a financial asset at all.

The Company's operating cash requirements, including amounts projected to complete budgeted capital expenditures are continuously monitored and adjusted as input variables change. These variables include, but are not limited to, opening cash balance, available bank lines, oil and natural gas production from existing wells, results from new wells drilled, commodity prices, and cost overruns on capital projects and changes to government regulations relating to prices, taxes, royalties, land tenure, allowable production and access to equity markets. As these variables change, liquidity risks may necessitate the need for the Company to conduct equity issues or obtain project debt financing (see also Note 2).

During the year ended December 31, 2023 the Company entered into a supplier finance arrangement to pay for certain invoices in the amount of $29,500 as described in Note 6. The Company does not anticipate to enter into these types of transactions in the future.

f) Fair value of financial instruments

The Company classifies the fair value of financial instruments at fair value through profit or loss according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

17. Subsequent events

i) On April 8, 2024, 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 4,500,000 commons 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.

ii) On April 15, 2024 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 vest immediately.

iii) On April 25, 2024, the Company closed a brokered private placement for gross proceeds of $816,500, (net $668,061) 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").

b) 11,548,000 Units for gross proceeds of $577,400 pursuant to the TSX Venture Exchange offering document exemption available under part 5 of NI 45-106.