Overview

International Frontier Resources Corporation is engaged in the exploration for and development of petroleum and natural gas reserves in the Northwest Territories, Canada and in the UK sector of the North Sea. The following is management's discussion and analysis ("MD&A") of International Frontier Resources Corporation's ("International Frontier" or "IFR" or "Britcana" or the "Company") operating and financial results for the period ending March 31, 2006, as well as information concerning the Company's future outlook based on currently available information. This MD&A should be read in conjunction with the Company's March 31, 2006 consolidated interim financial statements and related notes, December 31, 2005 audited financial statements and related notes and the Company's 51-101 report filed on Sedar. This MD&A includes subsequent events to May 29, 2006.

Operations Review

Central Mackenzie Valley

In the reporting period drilling operations were completed on the Summit Creek and Stewart prospects a summary of which is as follows;

Stewart D-57

The D-57 exploration well discovered a potential new gas pool in the Cretaceous Little Bear Formation, the first Cretaceous discovery in the Central Mackenzie Valley. The well was drilled to a total depth of 10,322 feet (3,147m) logged and seven drill stem tests were conducted. Drill stem tests one and two tested the Devonian, hydrocarbons were not encountered. Three drill-stem tests were conducted in the primary objective, the Cretaceous Little Bear Sands; drill-stem tests three and four yielded a combined gas flow rate of 5 MMCF/D of sweet gas with good flowing pressures. Fluid analysis obtained from DST 4 indicates some minor condensate may be associated with this test. It is worthy to note that DST flow rates may not be indicative of the wells deliverability as two of the three drill-stem tests are interpreted to show some degree of formation damage.

The Company estimates a gross hydrocarbon column ranging from 164 feet (50 meters minimum case) to 328 feet (100 meters maximum case), reservoir properties within the column vary but overall reservoir quality is good to very good. The Company's geological and geophysical consultants estimate the prospect covers an area ranging from 1,976 acres (8 sq km) to 2,470 acres (10 sq km).

In management's opinion, the D-57 discovery is significant for the following reasons;

- The Cretaceous geological model is less complex than the Devonian geological model.
- There is a greater chance of repeating Cretaceous discoveries.
- Several prospects have been identified on our acreage portfolio.
- As the Cretaceous is relatively shallow, smaller rigs can be used and drilling costs will be significantly less than Devonian well costs. Preliminary drilling costs are in the $8 to $10 million range (excluding access road costs).
- It is feasible one rig can drill two wells per season.
- The Cretaceous provides a second exploration target in addition to the Devonian, which should help accelerate commerciality.

Operations Review (continued):

At the time of this MD&A the operator has not provided plans for next winter's drilling season however the Company has allocated funds to drill an appraisal well on the Stewart discovery and one Cretaceous exploration well.

Summit Creek K-44

The K-44 appraisal well was drilled 1.4 kilometers north of the B-44 discovery well. The well was drilled to a depth of 10,300 feet (3,140 m) and cased. Due to drilling problems encountered in the shallow section of the well-bore, ten drilling days were lost, therefore the lower Ordovician (Mt. Kindle) was not penetrated.

The well was drilled deep enough to evaluate reservoirs encountered in the B-44 discovery well that tested approximately 20 MMCF/D and 6,000 barrels of hi-grade oil-condensate. Three drill-stem tests were conducted: DST#1 is interpreted as a tight zone, DST# 2 recovered water and the zone is interpreted as being wet, DST#3 recovered gas cut mud and is interpreted as a damaged fair permeability gas zone. In the Company's opinion the prospective zone encountered in K-44 needs to be perforated, completed and production tested. It is worthy to mention that during B-44 completion operations acid squeezes with very high injection pressures were required before flow rates were established.

The well bore has been suspended in such a fashion, to allow for deepening to test the Mount Kindle should the consortium agree.

The Company's interpretation of information obtained to date on the Summit structure is as follows;

- Two porosity systems are present, one is fracture porosity and the other is matrix porosity. Production testing in B-44 confirmed both porosity systems contributed to flow rates with the fractured system flowing at greater rates.

- K-44 exhibits primarily a matrix dominated porosity system which is more susceptible to damage caused by drilling fluids, and therefore the zone needs to be perforated and acidized to establish production rates.

- Faulting within the structure may result in reservoir compartmentalization.

- The size of the structure, and complexities within the structure, will be better understood with a 3D seismic survey; 3D will also provide valuable information for future well location(s) and reservoir drainage.

- Upon successful completion of K-44 pressure transient work needs to be done to see if the B-44 and K-44 wells are in communication.

- In managements opinion, accurate reserve estimates can not be assigned to the Summit structure until the following occurs;

  A) The operator submits a Significant Discovery Application and a Significant Discovery License is issued and,

  B) A 3D survey is acquired and additional wells are drilled and production tested.

Operations Review (continued):

This summer a 2D seismic program (200 kms) will be conducted on EL-423, a license acquired in June 2004 for a work commitment of $24.5 million. The seismic will assist in selecting drilling location(s) on EL-423. Subject to partner approval an additional 45 kms of 2D seismic will be shot this summer on EL-397 and EL- 441 to firm up a location to evaluate a Cretaceous prospect. The strategy currently being employed by the consortium is to spend capital to drill exploration and appraisal wells to prove up reserves for future pipeline nominations.

In 2002 the Company commissioned an independent third party report covering source rock and hydrocarbon generation in the Central Mackenzie Valley, NWT. The report suggested two petroleum provinces exist in the region, one in the proven Norman Wells area and a second south of Norman Wells. The Summit Creek and Stewart discovery wells have confirmed the presence of a second petroleum province in the region. Given the fact that hydrocarbons have been encountered in each of the last four wells, coupled with our existing prospect inventory, management remains confident that our exploration program will result in a significant return on capital.

A map indicating prospect leads is included at the end of this report.

Subsequent Events

- **Colville Hills, NWT** - an 8,000 square kilometer air supported gravity survey was acquired on EL-429 and EL-432. The data is currently being interpreted and will assist the operator, BG Canada, in planning a 2D seismic survey. IFR holds a 25% interest in the two Colville licenses.

- **EL- 441, NWT -** The Company participated for a 7.5% interest in a work commitment bid of $10.5 million for EL-441. With this acquisition the consortium increased its Central Mackenzie Valley acreage portfolio from 592,640 acres to 809,280 acres.

- **Laurel Valley Prospect, UKCS -** A letter agreement was executed with Oilexco for the drilling of a test well on the Laurel Valley prospect located in Quad 14 in the UK sector of the North Sea. Subject to execution of formal agreements, and DTI approval, the Laurel Valley #1 well will commence drilling on or before December 31, 2006. Oilexco will be appointed operator and they will drill the well with the Sedco 712 rig currently under contract to Oilexco. IFR will be carried for a 10.45% interest in the first well drilled on the prospect.

- **Belfry Prospect, UKCS -** A seismic review and farmin option letter agreement was entered into with the license holders of blocks 21/8, 21/14 and 21/15b located in Quad 21 of the UK North Sea. The Company, together with Oilexco, Eternal Energy Corp and Gulf Shores Resources Ltd. has until July 15, 2006 to elect to drill a farm-in well. In the event of election the well is to be drilled on or before October 31, 2007 utilizing the Sedco 712 rig. If an election is made Oilexco will be appointed operator and IFR will pay 10% of drilling, testing, completing and or abandonment to earn a 16% in the Quad 21 blocks.

- **Lytham Prospect, UKCS –** A drilling site survey was completed in Q1, drilling will commence when a rig becomes available.

- The Company, through its wholly owned subsidiary Britcana Energy Ltd., is participating in a joint venture that plans to bid for acreage at the 24th UKCS Licensing Round. Applications are to be submitted by June 16, 2006 and awards should be announced in September.

- **Corporate –** In May, 2006 1,521,250 common shares were issued pursuant to the exercise of warrants to purchase common shares at $1.85 per share. As at May 29, 2006 the Company has 41,818,718 common shares outstanding and 45,238,718 fully diluted.

- **Finance –** At May 29, 2006 the Company has cash and cash equivalents of $15 million.

Quarterly Results

The following table summarizes results for the three months ended March 31, 2006, 2005 and 2004.

Three months ended March 31,		2006		2005		2004
Sales volumes – BOE/day		51		47		-
Oil Revenues, net of royalties	$	156,801	$	128,743	$	-
Interest and other income		83,504		57,652	$	1,234
Net loss	$	(210,859)	$	(1,447,315)	$	(331,059)
Net loss per share - basic	$	(0.005)	$	(0.04)	$	(0.02)
- diluted	$	(0.005)	$	(0.04)	$	(0.02)
Total assets	$	23,440,488	$	17,715,050	$	3,552,399
Working capital	$	14,571,700	$	12,165,397	$	1,069,415

Sales Volumes

Sales volumes for the first quarter of 2006 were 51 BOE per day, an increase of 4 BOE per day or 7% as compared with the 47 BOE per day in the first quarter of 2005. Sales volumes in the first quarter of 2006 also increased 6 BOE per day as compared to the fourth quarter of 2005 at 45 BOE per day. Increase in sales volumes in the first quarter of 2006 can be attributed to improved field efficiencies.

Gross Revenues and Royalties

For the three month period ending March 31, 2006 the Company received gross oil and gas revenues of $200,704 (2005 - $173,181) and paid royalties of $43,903 (2005 - $ 44,438). Increase in net oil revenues in the first quarter of 2006 is a result of slight increase in production for the period as well as an increase of 8% in average price per BOE received in the first quarter of 2006 as compared to the first quarter of 2005. Net oil revenues of $156,801 for the three months ended March 31, 2006 increased by $37,215 as compared to the three months ended December 31, 2005 due to decreased volumes in the fourth quarter of 2005 as discussed above.

Operating expenses

During the three months ended March 31, 2006, the Company incurred operating expenses of $99,289 (2005 - $ 83,181). Operating costs per BOE increased from $19.38 for the three months ended March 31, 2005 to $21.70 per BOE for the three months ended March 31, 2006, an increase of 10%. Operating expenses for the three months ended December 31, 2005 were $81,000 or $19.39 BOE also resulting in an increase of 10% as compared to the first quarter of 2006. Increased costs in the first quarter of 2006 are mainly due to increase in energy and utility costs in 2006.

The Company has also generated interest income from short term investments of $83,504 (2005 - $57,652) for the three months ended March 31, 2006. The increase in interest income in the first quarter of 2006 as compared to 2005 is due to interest earned on investment of funds raised through financing activities during the year resulting in a larger cash balance at the end of the first quarter of 2006 coupled with an increase in interest rate received on investments at March 31, 2006.

Quarterly Results (continued):

Depletion and Depreciation

Depletion and depreciation on oil and gas properties of $36,023 or $7.87 per BOE in the first quarter of 2006 as compared to $32,892 or $7.67 for the three months ended March 31, 2005 is consistent. The slight increase in DD&A in the first quarter of 2006 as compared to the first quarter of 2005 is mainly due to increase in production for the three months ended March 31, 2006. Depletion and depreciation on oil and gas properties at March 31, 2006 of $7.87 per BOE is consistent with a cost of $7.61 per BOE before for the three months ended December 31, 2005.

At March 31, 2006 an impairment test was performed which calculates the amount by which the carrying amount of capitalized costs related to producing properties in Alberta exceeded fair value of the reserves as estimated by the Company's reservoir engineers at December 31, 2005. There was no impairment loss recognized for the three months ended March 31, 2006

The carrying value of properties in the exploration stage in the Northwest Territories which have been excluded from the depletion calculation at March 31, 2006 is $8,147,310 (2005- $4,056,058). A separate impairment test has been performed on these properties and no impairment exists at March 31, 2006.

Accretion of asset retirement obligation

The accretion of asset retirement obligations remained relatively constant in the first quarter of 2006 at $5,554 as compared to $6,171 in the same quarter in 2005.

General and administrative expenses

Three months ended March 31,	**2006**	**2005**	**2004**
Investor relations	$ 1,585	$ 2,997	$ 263,446
Filing and transfer fees	19,131	11,345	6,530
Professional fees	19,791	22,319	11,838
Consulting fees - gross	73,200	71,660	32,580
Consulting fees - capitalized	(20,550)	(38,500)	(22,461)
Rent and office costs	40,372	35,051	9,281
	$ 133,529	$ 104,872	$ 301,214

General and Administrative Costs:

General and administrative expenses were $133,529 for the first quarter of 2006 up $28,657 or 22% compared with $104,872 in 2005. This increase is primarily a result of increases in filing and transfer fees, consulting fees and a general increase in office costs in 2006.

Stock based compensation

Stock based compensation costs decreased from $1,423,260 in the first quarter of 2005 to $194,679 in the same period in 2006 due to a fewer number of options issued to officers, directors, employees and consultants during the three months ended March 31, 2006.

Quarterly Results (continued):

Net Income (Loss)

The Company had a net loss for the three month period ending March 31, 2006 of $217,450 or $0.005 per share as compared with a net loss of $1,447,315 or $0.04 per share in first quarter of 2005. The Company's net loss is affected by items which are non-operational in nature. For the quarter ending March 31, 2006 these non-cash items included depletion and depreciation and accretion expense of $41,577 (2004 – $39,063) stock based compensation expense of $194,679 (2005 – $1,423,260), gain on sale of investment of $Nil (2005 – $4,746), and a future income tax recovery of $16,277 (2005 – $20,698) resulting in an adjusted net income from operations at March 31, 2006 of $2,529 as compared to a net loss from operations of $10,436 for the three months ended March 31, 2005.

Liquidity capital resources and financing activities

At March 31, 2006, the Company had working capital of $14,570,700 (2005 - $12,165,000), of this amount $2,016,225 (2005 – $351,500) has been lodged as security against refundable deposits in the Northwest Territories and in the North Sea. The Increase in working capital at March 31, 2006 as compared to 2005 is mainly due funds generated from a non-brokered private placement entered into on November 3, 2005 for 3,275,000 flow through units at a price of $1.70 per unit for net proceeds of $5,307,000. The Company has sufficient working capital to meet all commitments to which it is currently committed.

Financial Instruments

International Frontier does not have any commodity or financial instrument hedges. The Company carries various forms of financial instruments, all of which are recognized in International Frontier's consolidated interim financial statements at March 31, 2006. Unless otherwise denoted in the March 31, 2006 consolidated interim financial statements it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the these financial instruments. The fair values of financial instruments approximate their carrying value. The Company has no unrecognized gains or losses in its financial statements.

Investing Activities

Total capital expenditures for the quarter ended March 31, 2006 were $1,709,000 (2005 – $848,000) of which $1,535,000 or 90% (2004 – 74%) related to exploration activities in the Central Mackenzie River Valley. Operations in this area are expensive and of a high risk nature that could create conditions that could alter the plans of the Company and its partners. Further, should commercial quantities of petroleum and natural gas be proven to exist in the area, the timing of revenue generation is dependent on a variety of factors not within control of the Company.

Obligations

Under the terms of the flow-through agreements undertaken in 2005 the Company had flow-through share spending obligations of $4,026,500 at March 31, 2006. The Company had no debt at March 31, 2006. The Company has sufficient working capital and future cash flow to meet its flow through share obligations.

Related Party Transactions

Certain officers and directors provide professional, consulting and management services to the Company. The amounts paid to these officers and directors during the three months ended March 31, 2006 were $48,500 (2005 – $46,500). Of the total consulting fees paid to related parties during the period, $20,550 (2005 –$29,250) was capitalized to property and equipment at March 31, 2006.

Other Items

Outstanding shares, options and warrants

The Company's share capital structure is as follows:

As of:	March 31, 2006	May 29, 2006
Common shares outstanding	40,297,468	41,818,718
Warrants outstanding	1,637,500	116,250
Options outstanding	3,420,000	3,420,000
Convertible debentures	100,000	100,000
Fully diluted	45,454,968	45,454,968

Subsequent to March 31, 2006 at total of 1,521,250 warrants were exercised for proceeds of $2,814,312. The warrants outstanding at May 29, 2006 represent the remainder of the 1,637,500 warrants issued pursuant to the private placement completed on November 24, 2005.

Additional details on the shares, options and warrants outstanding at March 31, 2006 are available in the notes to the March 31, 2006 consolidated interim financial statements.

Critical Accounting Estimates

Management is required to make judgments, assumptions and estimates in the application of generally accepted accounting principles that have a significant impact on the financial results of the Company.

Reserve estimates are a key component in the calculation of depletion, depreciation and accretion costs. A change in reserve quantity estimates will result in a corresponding change in DD&A costs. In addition, if capitalized costs are determined to be in excess of the calculated ceiling, which is based on reserve quantities and values, the excess must be written off as an expense.

Asset retirement costs are estimated, discounted and carried on the balance sheet as a liability. A change in estimated future asset restoration costs will change the liability on the balance sheet and the amortization of the asset retirement costs included in property and equipment.

Summary of Quarterly Results

The quarterly results have been prepared without audit or review by the Company's independent external auditors. The following table summarized the Company's financial and operating highlights for the past eight quarters:

Quarter ended	March 31, 2006	Dec 31, 2005	Sept 30, 2005	June 30, 2005
Sales volumes – Bbl/day	51	45	51	56
Revenues, net	240,305	119,586	281,853	242,202
Net loss	(217,450)	(228,373)	(158,531)	(2,314)
Net loss per share – basic	(0.005)	(0.01)	(0.04)	(0.00)
– diluted	(0.005)	(0.01)	(0.04)	(0.00)
Total assets	23,440,488	23,536,000	17,796,340	17,802,253
Working capital	14,571,700	16,204,000	9,635,305	9,977,820
Refundable Deposits	2,016,225	1,441,325	1,382,750	1,382,750
Net cash generated (loss) from operations	2,529	(238,125)	65,489	27,992

Summary of Quarterly Results (continued):

	March 31, 2005	Sept 30, 2004	Sept 30, 2004	June 30, 2004
Sales volumes – BOE/day	50	60	68	-
Revenues, net	186,395	224,806	278,121	121,469
Net loss	(1,447,315)	(2,540,027)	(238,788)	(265,074)
Net loss per share – basic	(0.04)	(0.15)	(0.00)	(0.01)
– diluted	(0.04)	(0.15)	(0.00)	(0.01)
Total assets	17,715,050	14,773,508	10,489,813	7,435,380
Working capital	12,165,397	9,954,156	5,222,766	2,449,190
Refundable deposits	351,500	351,500	351,500	602,426
Net cash generated (loss) from operations	(10,436)	(87,875)	12,910	(134,290)

Forward Looking Statements

This Management Discussion and Analysis (MD&A) contains forward-looking or outlook information which reflects management's expectations regarding the Company's growth, results of operations, performance and business prospects and opportunities. The use of words such as "anticipate", "continue", "estimate", "expect", "may", "project", "should", "”believe", "“outlook", "forecast" and similar expressions are intended to identify forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results of events to differ materially from those anticipated in these forward-looking statements. Although management believes the expectations reflected in these forward-looking statements are reasonable, there can be no assurance that actual results will be consistent with these forward-looking statements. Readers should not put undue reliance on forward-looking information. These statements are made as of the date hereof and management assumes no obligation to update or revise these statements to reflect new events or circumstances.

Our actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this management discussion and analysis.

- Volatility in market prices for oil and natural gas;
- Risks inherent in our operations;
- Geological, technical, drilling and processing problems;
- General economic conditions;
- Industry conditions, including fluctuation in the price of oil and natural gas;
- Governmental regulation;
- Fluctuation in foreign exchange and interest rates;
- Unanticipated events that can reduce production or cause production to be shut-in or delayed;
- Failure to obtain industry partner and other third party consents and approvals, when required;
- The need to obtain required approvals from regulatory authorities; and
- The other factors discussed under "Operational and Other Business Risks" in this management discussion and analysis.

Other information

Additional information regarding International Frontier Corporation's reserves and other data is available on SEDAR at sedar.com.

Central Mackenzie Valley – Prospect Inventory Map