Overview

International Frontier Resources Corporation is engaged in the exploration for and development of petroleum and natural gas reserves in the frontier regions of the Northwest Territories, Canada and 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 ended March 31, 2007, 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 December 31, 2006 audited consolidated financial statements and related notes and the Company's 51-101 report filed on Sedar. This MD&A includes subsequent events to May 28th, 2007.

Operations Review

A summary for the period ending March 31, 2007 and subsequent events to May 28th, 2007 is as follows;

North Sea - UKCS

Laurel Valley (Quad 14)

The first well drilled on the Laurel Valley prospect located in Quad 14 was plugged and abandoned on April 9, 2007. The Company was carried for a 10.45% interest in the 14/28a-5 well therefore no costs were incurred. Well results are being incorporated into geological and geophysical models to evaluate the remaining prospectively of blocks 14/28a, 14/29b and 14/23b.

Bowmore Prospects (Quad 15)

Britcana Energy Ltd. 10% (a wholly owned UK subsidiary), Nippon Oil Exploration and Production UK Limited (operator – 30%), Hunt Petroleum UK Limited (30%) and Stratic Energy (UK) Limited (30%) were awarded blocks 15/23c, 15/24a (split), 15/28a and 15/29e at the 24th Seaward Licensing Round announced on February 1, 2007. The blocks are located in the Outer Moray Firth area in the UK sector of the North Sea.

The blocks, which are located in a highly prolific area to the east of the Brenda and Balmoral oil fields and to the north of the Britannia gas field, have been awarded with an initial four-year work program comprising two firm wells and two contingent wells. Multiple prospects and leads have been identified at a number of stratigraphic levels. A Jurassic gas condensate discovery, Bowmore, drilled in 1990, is located on the awarded acreage along with a number of Paleocene prospects and a deep play concept to the north of the Britannia gas field.

Lytham St. Anne's Prospect (Quad 41/42)

Britcana acquired a 6.25% interest in block 41/10b at the 24th Licensing round, the block is adjacent to existing lands under licenses covering the Lytham and St.Anne's gas prospects. The operator, Lundin Petroleums AB, has contracted the Global Sante Fe Galaxy 11 jack-up rig to drill the Lytham prospect in the second-half 2007. Britcana will pay 5% of the drilling costs to retain a 6.25% interest in the Quad 41/42 acreage.

Ridgewood Prospect (Block 12/17b)

Two farmin option agreements were exercised in the reporting period, as a results Britcana will now pay 15% of drilling costs to retain a 25% interest in block 12/17b. The operator, Lundin Petroleum AB, has contracted the Global Sante Fe Galaxy 11 jack-up to drill the Ridgewood prospect in the second-half 2007.

Prospect Generation Agreement - UKCS

Britcana has agreed to participate for a 15% interest in a prospect generation agreement entered into with Lundin Britain Limited (50% - operator), Norwegian Energy Company AS (25%) and Silverstone Energy Ltd. (10%) and Exploration Geosciences Limited as prospect generators. The agreement covers the acquisition of 2D and 3D seismic that will be used to generate prospects for the upcoming 25th Licensing Round as well as evaluating Fallow Discoveries in the UK sector of the North Sea.

Central Mackenzie Valley – Northwest Territories, Canada

Summit – Keele Project Area

EL-423 – The operator, Husky Oil Operations Limited, sent out an operations notice for the drilling of a 2,450 meter exploration well (North Haywood B-20 location). The B-20 well is targeting prospective resources in both the Devonian and Silurian, the well will test a large structure identified on proprietary 2D seismic. Drilling of the well will extend EL-423 for a second term of four-years. The Company agreed to participate for its 5% share of drilling costs and also elected to increase its interest to 11.50% should an additional 6.50% interest become available. The well is scheduled to commence drilling in January 2008.

The operator proposed a second well be drilled in Q1, 2008 on EL-423. IFR voted in favor of this motion but unfortunately two partners holding greater than 60% voted down this motion.

EL-443 – On May 10th, 2007 IFR (25%) and Husky Oil Operations Limited (75%) were awarded EL-43 for a work commitment of $4.8 million. The new license adjoins EL-423 (south & west) encompassing an area of 231,435 gross acres. In Q3/06 a proprietary aeromag gravity survey was shot over the license area, this data, coupled with 2D seismic has identified three prospects leads.

EL-441 + Sah Cho L-71 + Stewart D-57 – The operator proposed a helicopter supported cased hole testing program be conducted on the Sah Cho L-71 and Stewart D-57 wells this summer. The objective of the program was to test prospective gas bearing sands in the Cretaceous in the two wells. In addition the operator proposed shooting 40 kilometers of 2D seismic in the Tate prospect area located within EL-441. IFR voted in favor of all three motions unfortunately two partners holding greater than 60% voted against the motion.

Colville Hills, NWT

EL-445 – On May 10th, 2007 IFR (25%) and B.G. International Limited (75%) were awarded EL-445 for a work commitment of $1.1 million. The license adjoins EL-429 a license jointly held with B.G., with the addition of this license IFR and B.G. now hold three licenses in the Colville Hills area covering an area of 570,000 acres.

EL-429 – A 200 kilometer 2D seismic survey will commence in Q3, 2007, the program is expected to cost approximately $12 million of which the Company's share is approximately $3 million.

Liquidity, capital resources and financing activities

Cash and cash equivalents at March 31, 2007 were $32,677,220. At March 31, 2007, the Company had working capital of $32,305,425 (December 31, 2006 - $11,348,175). The increase in working capital at March 31, 2007 as compared to December 31, 2006 is due to funds raised as a result of financing completed in February 2007.

At May 28, 2007, the Company's working capital was $31.4 million. The Company has sufficient working capital to meet all of its existing commitments and has the ability to raise capital to meet its ongoing obligations in the future.

Summary of First Quarter Results

The following table summarizes results for the three months ended March 31, 2007, 2006 and 2005.

Three months ended March 31,		**2007**		**2006**		**2005**
Sales volumes – BOE/day		36		51		47
Oil Revenues, net of royalties	$	130,035	$	156,801	$	128,743
Interest and other income		514,580		83,504	$	57,652
Net loss	$	(415,770)	$	(210,859)	$	(1,447,315)
Net loss per share - basic	$	(0.009)	$	(0.005)	$	(0.04)
- diluted	$	(0.009)	$	(0.005)	$	(0.04)
Total assets	$	47,245,705	$	23,440,488	$	17,715,050
Working capital	$	32,305,425	$	12,555,475	$	12,165,400

Sales volumes

Sales volumes for the first quarter of 2007 were 36 BOE per day, a decrease of 15 BOE per day or 29% as compared with the 51 BOE per day in the first quarter of 2006. Sales volumes in the first quarter of 2007 also decreased 6 BOE per day as compared to the fourth quarter of 2006 at 42 BOE per day. Decline in sales volumes in the first quarter of 2007 is due to one well being shut-in at Alderson coupled with projected decline rates.

Gross revenues and royalties

For the three month period ending March 31, 2007 the Company received gross oil and gas revenues of $160,525 (2006 - $200,705), a decrease of 20%. For the same period the Company also paid royalties of $30,490 (2005 - $ 43,905) a decrease of 30%. Decrease in net oil revenues in the first quarter of 2007 is a result of decreased production for the period mitigated by as an increase of 13% in average price per BOE received in the first quarter of 2007 at $49.67 per BOE as compared to the first quarter of 2006 at $43.80 per BOE. Net oil revenues of $130,035 for the three months ended March 31, 2007 decreased by $21,580 as compared to the three months ended December 31, 2006 due to decreased volumes in the first quarter of 2007 as discussed above.

Field operating costs

During the three months ended March 31, 2007 the Company incurred operating expenses of $88,600 (2006 - $ 99,285). Operating costs per BOE increased from $21.70 for the three months ended March 31, 2006 to $27.40 per BOE for the three months ended March 31, 2007, an increase of 26%. Operating expenses for the three months ended December 31, 2006 were $100,180 or $25.70 BOE, an increase of 7% as compared to the first quarter of 2007. Increased costs per BOE in the first quarter of 2007 are mainly due to declining production in first quarter of 2007.

Interest and other income

The Company generated interest income from short term investments of $514,580 (2005 - $83,505) for the period ended March 31, 2007. The increase in interest income in the first quarter of 2007 as compared to 2006 is due to interest earned on investment of funds raised through financing activities during the first quarter of 2007 resulting in a larger cash balance at March 31, 2007 coupled with an increase in interest rate received on investments at March 31, 2007. At March 31, 2007, interest and other income also includes a foreign exchange gain of $4,440 (2006 - $Nil) which was incurred during the period to facilitate North Sea operations.

Summary of First Quarter Results (continued)

Depletion and depreciation

Depletion and depreciation on oil and gas properties of $36,680 or $11.35 per BOE in the first quarter of 2007 as compared to $36,025 or $7.86 for the three months ended March 31, 2006 is consistent. Depletion and depreciation per BOE increased 44.35% in the first quarter of 2007 to $11.35 per BOE as compared to $7.86 per BOE for the period ended March 31, 2006 this increase is due to decreased production for the three months ended March 31, 2007 as compared to the same period in 2006.

At March 31, 2007 an impairment test was performed which calculates the amount by which the carrying amount of capitalized costs related to producing properties exceeded fair value of the reserves as estimated by the Company's reservoir engineers at December 31, 2006. There was no impairment loss recognized for the three months ended March 31, 2007.

The carrying value of properties in the exploration stage in the Northwest Territories of $10,460,495 (2006 – $10,251,460) and in the North Sea of $1,135,485 (2006 – $1,105,000) have been excluded from the depletion calculation at March 31, 2007. These properties were evaluated at March 31, 2007 and it was determined that no additional costs were required to be included in the carrying amount of capitalized costs for purposes of calculating depletion and impairment as discussed above.

Accretion of asset retirement obligation

The accretion of asset retirement obligations remained relatively constant in the first quarter of 2007 at $5,380 as compared to $5,555 in the same quarter in 2006.

General and administrative expenses

Three months ended March 31,	**2007**	**2006**	**2005**
Investor relations	$ 57,360	$ 1,585	$ 2,995
Filing and transfer fees	14,660	19,130	11,345
Professional fees	23,265	19,790	22,320
Consulting fees and salaries - gross	100,850	73,200	71,660
Consulting fees and salaries - capitalized	(33,750)	(20,550)	(38,500)
Rent and office costs	75,370	40,370	35,050
	$ 237,755	$ 133,525	$ 104,870

General and administrative expenses were $237,755 for the first quarter of 2007 up $104,230 or 78% compared with $133,525 in 2006. This increase is primarily a result investor relations costs and professional fees incurred relating to a share offering in February, 2007. In addition, there was a general increase in office costs and salaries for the three months ended March 31, 2007.

Stock based compensation

Stock based compensation costs of $975,815 were calculated using the Black Scholes model for options issued in the first quarter of 2007. Of this amount $182,965 (2006 - $Nil) was capitalized to property and equipment at March 31, 2007. Increase in stock based compensation costs in the first quarter of 2007 as compared to the same period in 2006 is due to an increased number of options issued to officers, directors, employees and consultants in 2007.

.

Summary of First Quarter Results (continued)

Net Loss

For the three month period ended March 31, 2007, the Company had a net loss of $415,770 or $0.009 per share as compared with a net loss of $217,450 or $0.005 per share in first quarter of 2006. The Company's net loss is affected by items which are non-operational in nature. For the quarter ending March 31, 2007 these non-cash items included depletion and depreciation and accretion expense of $42,060 (2006 – $41,580) stock based compensation expense of $792,850 (2006 – $194,680) and a future income tax recovery of $103,150 (2006 – $16,275) resulting in an adjusted net income from operations at March 31, 2007 of $315,990 as compared to a net income from operations of $2,535 for the three months ended March 31, 2006.

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, 2007. Unless otherwise denoted in the March 31, 2007 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 period ended March 31, 2007 were $209,040 (2006 – $1,709,000) of which $209,235 or 85% (2006 – 90%) related to exploration activities in the Central Mackenzie Valley, NWT and $30,220 or 15% (2005 – 6%) related to exploration activities in the U.K. North Sea. Operations in these areas 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 2007, the Company has flow-through share spending obligations of $7,200,000 at March 31, 2007. The Company had no debt at March 31, 2007. The Company has sufficient working capital and future cash flow to meet its flow through share obligations. The Company is party to an agreement to lease its premises until December 31, 2011. The annual rent of premises consists of a minimum rent plus occupancy costs. Minimum rent payable for premises until the end of the lease will be $86,570 per year to the end of December 31, 2011.

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, 2007 were $24,500 (2006 – $48,500). Of the total consulting fees paid to related parties during the period, $6,950 (2006 –$20,550) was capitalized to property and equipment at March 31, 2007.

Other Items

Outstanding shares, options and warrants

The Company's share capital structure is as follows:

As of:	March 31, 2007	May 28, 2007
Common shares outstanding	59,241,465	59,241,465
Warrants outstanding	7,504,000	7,504,000
Options outstanding	4,155,000	4,155,000
Convertible debentures	92,857	92,857
Fully diluted	70,993,322	70,993,322

Additional details on the shares, options and warrants outstanding at March 31, 2007 are available in the notes to the March 31, 2007 consolidated interim financial statements.

Critical Accounting Estimates

Management is required to make judgments, assumptions and estimates in the application of Canadian 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	Mar. 31, 2007	Dec. 31, 2006	Sept. 30, 2006	June 30, 2006
Sales volumes – Bbl/day	36	42	46	52
Revenues, net	130,035	133,490	209,990	246,080
Net income (loss)	(415,770)	(345,020)	(472,900)	(135,290)
Net loss per share – basic	(0.009)	(0.01)	(0.01)	(0.00)
– diluted	(0.009)	(0.01)	(0.01)	(0.00)
Total assets	47,245,705	26,238,655	25,928,020	26,402,100
Working capital	32,305,425	11,348,175	13,540,290	13,439,825
Restricted cash on deposit	1,538,125	1,538,125	1,538,125	1,596,700
Net cash generated (loss) from operations	315,990	(258,170)	287,250	97,650

Summary of Quarterly Results (continued)

	March 31 2006	Dec. 31, 2005	Sept. 30, 2005	June 30, 2005
Sales volumes – BOE/day	50	45	52	56
Revenues, net	240,305	119,585	281,850	242,200
Net loss	(217,450)	(228,370)	(158,530)	(2,315)
Net loss per share – basic	(0.005)	(0.01)	(0.04)	(0.00)
– diluted	(0.005)	(0.01)	(0.04)	(0.00)
Total assets	23,440,490	23,536,000	17,796,340	17,802,250
Working capital	12,555,475	14,762,475	9,635,305	9,977,820
Restricted cash on deposit	2,016,225	1,441,325	1,382,750	1,382,750
Net cash generated (loss) from operations	2,535	(238,125)	27,990	27,990

Disclosure Controls

As of March 31, 2007, the Company's management evaluated the effectiveness of the design and operation of its disclosure controls and procedures ('Disclosure Controls'), as defined under rules adopted by the Canadian Securities Administrators. The evaluation was performed under the supervision of, and with the participation of Chief Financial Officer/ Chief Executive Officer.

Disclosure Controls are procedures designed to ensure that information required to be disclosed in documents filed with securities regulatory authorities is recorded, processed, summarized and reported on a timely basis, and is accumulated and communicated to the Corporation's management to allow timely decisions regarding disclosure.

The Company's management, including the CEO/CFO, does not expect that the Company's disclosure controls will prevent or detect all errors and all fraud. Due to the inherent limitations in all control systems, an evaluation of controls can provide only reasonable, no absolute, assurance that all control issues and instances of fraud or error, if any, within the Company have been detected.

Based on the evaluation of Disclosure Controls, the CEO/CFO has concluded that, subject to the inherent limitations noted above, the Company's disclosure controls are effective in ensuring that material information relating to the Company is made known to Management on a timely basis by others is included as appropriate in this MD&A.

Internal Controls Over Financial Reporting (ICFR)

During the three months ended March 31, 2007, the Company designed and implemented internal controls over financial reporting. These internal controls are designed to provide reasonable assurance regarding the reliability of the Company's financial statements for external purposes in accordance with Canadian generally accepted accounting principles. These internal controls have not been evaluated for effectiveness.

Due to inherent limitations, the Company's system of internal control over financial reporting does not guarantee that a material misstatement in the financial statements or occurrence of fraud would be prevented or detected in a timely manner. Management considers the size and the nature of the Company's operations, and exercises judgment in designing appropriate and costs effective controls for the detections and preventions of material error in the financial statements or occurrence of fraud with a potential material impact on the reliability the financial statements.

Internal Controls Over Financial Reporting (ICFR)

The Company has a lack of segregation of duties over the financial close and reporting functions due to limited staff. Management has concluded and the Company's board of directors has agreed that, taking into account the present stage of the Company's development and the best interest of its shareholders, the Company does not have the sufficient size and scale to warrant the hiring of additional staff to correct this weakness at this time. The Company has implemented compensating controls in the form of additional review of the financial close procedure by qualified Audit Committee members. The Company's officers and Audit Committee review the quarterly financial reports, and annual audits are conducted by the Company's independent auditors. The Company seeks third party expertise to review the more complex financial reporting items.

During the quarter ended March 31, 2007, there were no substantive changes in the nature of the Company's policies or procedures that have materially affected, or are reasonably likely to materially affect, the Company's system of internal control over financial reporting. The Company is continuing with is efforts in formalizing and documenting various elements of its system of internal control over financial reporting in preparation for the evaluation of the operating effectiveness of its internal controls system within the timeliness to be prescribed by the Canadian Securities Administrators.

Other information

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