International Frontier Resources Corporation
Management's Discussion and Analysis
June 30, 2009

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 Company does not operate its properties located in the Northwest Territories or in the North Sea therefore the timing of operations and budgeted capital expenditures are determined by the respective operators.

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 June 30, 2009, as well as information concerning the Company's future outlook based on currently available information. The MD&A has been prepared by management as at August 25, 2009 in accordance with GAAP and should be read in conjunction with the unaudited interim consolidated financial statements (three and six months ended June 30, 2009 and the three and six months ended June 30, 2008), the audited consolidated financial statements as at December 31, 2008 and 2007, respectively, together with accompanying notes, the Statement of Reserves Data and Other Oil and Gas Information on December 31, 2008. This MD&A contains forward looking statements, the definitions of which are defined in the last section of the MD&A.

The MD&A and the interim consolidated financial statements and accompanying notes have been prepared by management and approved by the Audit Committee and the Board of Directors. The interim consolidated financial statements have not been reviewed or audited on behalf of the shareholders by the Company's independent external auditors.

All financial measures presented in this report are expressed in Canadian dollars unless otherwise indicated.

Corporate Update

Central Mackenzie Valley NWT
Summit Prospect Area

EL-397
Summit SDL – 8.2331% (no expiry)
Stewart SDL – 11.88% (no expiry)
Area – 342,000 acres
Work Program - $15.5 million (fulfilled)
Expiry – June, 2008
Operator – Husky Oil Operations Limited

Three Significant Discovery Licenses ("SDL") have been awarded on lands located within EL-397. The Summit Creek SDL covers 11,070 acres (4,480 hectares) which is the area deemed to be the productive area proven up by the Summit Creek B-44 and Summit Creek K-44 wells. The Summit Creek B-44 discovery well produced approximately 20 MMCF/D and 6,300 barrels of 55 degree API oil from two Devonian age formations during a 48 hour production test.

Two SDL's were granted covering the Stewart Lake L-52 discovery area, the SDL area also includes TDL freehold parcel M-38, on a combined basis the SDL's and parcel M-38 cover a productive area of 15,918 acres (6,442 hectares). The Stewart discovery well drill stem tested at a rate of 5 MMCF/D from two Cretaceous age sands.

No expenditures were incurred on the Summit Creek or Stewart Lake SDL's in the reporting period.

EL-423
IFR- 15%
Area – 226,500 acres
Work Program - $24.8 million (fulfilled)
Expiry – June 17, 2012
Operator- Husky Oil Operations Limited

The 2008 drilling program fulfilled a $24.8 million work program; as a result the license has been extended for an additional term of 4-years. In the reporting period the Company paid $74,771 for its share of annual rentals.

EL-441
IFR – 13.40%
Area – 218,500 acres
Work Program - $10.5 million ($2M fulfilled)
Expiry – May 31, 2010
Operator – Husky Oil Operations Limited

The Company has restricted cash securing a letter of credit in the amount of $266,360. The letter of credit is refundable if a work program of $8.5 million is fulfilled on the License. There were no capital expenditures incurred in the reporting period.

EL-443
IFR – 25%
Area – 227,750 acres
Work Program - $4.8 million
Expiry – June 1, 2011
Operator – Husky Oil Operations Limited

No expenditures were incurred in the reporting period. The Company has restricted cash securing a letter of credit in the amount of $305,555; the letter of credit is refundable if a work program of $4.8 million is fulfilled on the license.

TDL M-32, M-33, M-34, M-35, M-37, M-38 & M-39
IFR- 15% to 17.00%
Work Program – Nil
Expiry – continued
Operator – Husky Oil Operations Limited

In the reporting period the Company paid its share of the annual shut-in royalty payment in the amount of $23,625 and $88,356 for its share of the freehold annual rentals.

The operator is currently mapping prospects on the consortiums Central Mackenzie Valley acreage inventory. The prospects will be ranked according to risk and reward. It is very likely that additional 2-D seismic will be required to mature future drilling locations.

Colville Hills, NWT
EL-432
IFR – 25%
Area – 158,000 acres
Work Program - $4 million (fulfilled)
Expiry – May 18, 2009
Operator- BG International Limited

In the reporting period EL-432 expired.

EL-445
IFR – 25%
Area – 206,000 acres
Work Program - $1.2 million
Expiry – May 31, 2010
Operator – BG International Limited

No capital expenditures were incurred in the reporting period. The Company has restricted cash securing a letter of credit in the amount of $68,750; the letter of credit is refundable if the work program of $1.2 million is fulfilled.

EL-429
IFR – 25%
Area – 204,700acres
Work Program - $12.5 million ($11M fulfilled)
Expiry – May 18, 2009
Operator – BG International Limited

In the reporting period EL-429 expired, as a result of the expiry the Company paid $55,192 to the Department of Indian and Northern Affairs for its share of the unfulfilled work program.

North Sea U.K.

Bowmore Area – License P1465 (blocks 15/24a, 15/23c, 15/28a & 15/29e)
Britcana (IFR) – 10%
Operator – Nippon Oil Exploration and Production U.K. Limited

Subsequent to the reporting period the Company's wholly owned subsidiary, Britcana Energy Ltd., participated for a 10% working interest in the Bowmore – Alpha 15/24a-9 well located in the Outer Moray Firth area of the Central North Sea. The well has reached its total depth having penetrated its primary target horizon in the Upper Jurassic. The well has been suspended pending further evaluation.

The Company's share of capital expenditures under the approved authority for expenditure ("AFE") are GBP 2.9 million, approximately CDN$5.3 million.

License P.233 (Maria Block 15/18a)
Britcana (IFR) – 8.33%
Operator – Petro-Canada U.K. Limited

On a year-to-date basis the Company has incurred expenditures for geological, geophysical and operator over-heads in the amount of GBP 15,800 (CDN$25,910). The operator is seeking a farminee to acquire a new 3-D seismic survey on the License.

Alderson – Brooks Area Alberta
IFR – 100%

The Company operates six producing oil wells and an oil battery located in the Alderson area of southern Alberta. The wells produce 30 degree API oil from the Manniville Reservoir. The Company acquired the Alderson property to conduct a pilot program using the Sidox oil production enhancement and water reduction technology.

Liquidity, capital resources and financing activities

Working Capital

At June 30, 2009 cash and cash equivalents were $8,115,625 (March 31, 2009 – $9,529,925, December 31, 2008 – $9,605,300), and working capital was $9,139,770 (March 31, 2009 – $10,239,230, December 31, 2008 – $9,888,615). At June 30, 2009 the Company had restricted cash securing letters of credit in the amount of $925,060; the letters of credit secure refundable work deposits on the Company's Northwest Territories Exploration Licenses.

The decrease in working capital in the six months ended June 30, 2009 is a result of property expenditures of $1,265,675 mitigated by work deposit refunds and joint venture billing adjustments in the Northwest Territories and in the North Sea coupled with a general decrease in costs in the six months ended June 30, 2009. In the period the Company used cash for operations of $428,185, and for investing activities of $1,061,490, resulting in net cash decrease of $1,489,675.

Future Capital Requirements

The Corporation regularly forecasts its capital needs on an annual, quarterly and monthly basis. The Corporation's current internally generated cash flows do not provide sufficient capital for the Corporation's current exploration plans. Historically, the Corporation has relied on proceeds from the sale of its Common Shares to fund its operations. In order to accelerate the Corporation's current exploration programs the Corporation may require additional capital. The timing, pace, scope and amount of the Corporation's capital expenditures is largely dependent on the operators capital expenditure program(s) and the availability of capital to the Corporation.

The Corporation 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 Corporation's existing shareholders or the Corporation's interest in the specific project financed. The Corporation may change the allocation of capital among the categories of anticipated expenditures depending upon future events that the Corporation cannot predict. For example, the Corporation may change the allocation of its expenditures based on the actual results and costs of future exploration, appraisal, development, production, property acquisition and other activities. In addition, the Corporation may have to change its anticipated expenditures if costs of placing any particular discovery into production are higher, if the field is smaller or if the commencement of production takes longer than expected.

In the management of capital, the Company includes shareholders' equity (excluding accumulated other comprehensive income (loss), cash and cash equivalents, marketable securities and short term portion of restricted cash less accounts payable 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 June 30, 2009, the Company's capital as defined above was approximately $38,876,000 (March 31, 2009 – $44,335,385, December 31, 2008 – $44,319,000).

Due to current economic conditions it would be difficult for the Company to secure equity financing at the present time. The Corporation has a number of options available to it if existing working capital does not cover future capital expenditures including, but not limited to, i) revising its capital expenditure plans ii) selling a partial or 100% interest in a property to a third party, iii) obtain joint venture financing from a third party, iv) obtaining debt financing, or a combination of these possible steps.

Summary of Second Quarter Results

Selected financial information:

	Three months ended June 30,		Six months ended June 30,	
	2009	**2008**	**2009**	**2008**
Statement of operations				
Sales volumes - BOE/ day (Canada)	34	39	35	42
Oil revenues, net (Canada)	$ 191,870	$ 375,690	$ 333,510	$ 695,520
Interest income				
Canada	$ 11,780	$ 120,540	$ 34,520	$ 304,140
United Kingdom	$ -	$ 17,880	$ -	$ 58,330
Consolidated interest income	$ 11,780	$ 138,420	$ 34,520	$ 362,470
Net earnings (loss) and comprehensive earnings (loss)				
Canada	$ (3,699,530)	$ (1,483,490)	$ (3,799,460)	$ (1,406,610)
United Kingdom	$ 29,615	$ (47,005)	$ 24,960	$ 78,735
Consolidated loss and comprehensive loss	$ (3,669,915)	$ (1,530,495)	$ (3,774,500)	$ (1,327,875)
Loss per share				
- basic and diluted	$ (0.06)	$ (0.03)	$ (0.06)	$ (0.02)
Cash flow				
Net cash provided (used in)				
Operating activities	$ (282,015)	$ 2,480	$ (428,185)	$ (306,050)
Investing activities	$ (1,132,285)	$(10,369,165)	$ (1,061,490)	$ (14,831,845)
Financing activities	$ -	$ (115,000)	$ -	$ (84,290)

	June 30, 2009	**June 30, 2008**
Balance sheet		
Property and equipment		
Canada	$ 17,653,920	$ 22,164,910
United Kingdom	$ 5,779,210	$ 6,258,900
Consolidated property and equipment	$ 23,433,130	$ 28,423,810
Total assets	$ 33,956,845	$ 43,045,680
Working capital	$ 9,139,770	$ 10,273,020

Sales Volumes

- Sales volumes for the three months ended June 30, 2009 were 34 Bbl/day, a 1.95% decrease as compared to 35 Bbl/day in Q-1 2009 and a 11.50% decrease as compared to the same period in 2008 at 39 Bbl/day
- The decrease in sales volumes in the second quarter of 2009 is due to natural reservoir decline.

Gross revenues and royalties

- Gross oil revenues in Q-2 2009 were $191,870 (Q1-2009 - $141,640, Q2-2008 - $375,690)
- Gross revenues increased $50,230 or 35.46% as a result of an increase in oil price ($61.44 per Bbl in Q -2 2009 versus $44.94 per Bbl in Q-1 2009).
- The decrease in net oil revenues in Q-2 2009 as compared to the same period in 2008 is due to a decrease in production coupled with a decline in oil prices ($61.44 per Bbl in 2009 versus $106.46 per Bbl in 2008).

Interest income

- In Q-2 2009 interest income from short term investments was $11,780 (Q1-2009 - $22,740, Q2-2008 - $138,420)
- The decrease in interest income is due to a decrease in funds invested from $8,948,885 at June 30, 2008 to $4,274,070 at June 30, 2009 coupled with decrease in the average interest rate earned of 2.60% (from 3.2% at June 30,2008 to 0.6% at June 30, 2009)

Field operating costs

- Operating expenses in the period were $80,405 or $25.75 per Bbl (Q1- 2009 - $ 104,320 or $30.20 per Bbl, Q2- 2008 – $89,080 or $22.95 per Bbl).
- The increase in operating costs in Q-1 2009 was due to an increase in facility costs at Alderson.

Depletion and depreciation

Depletion, depreciation and impairments at for the six months and three months ended June 30, 2009 and June 30, 2008 consist of the following:

	Three months ended June 30,					
	2009			2008		
	Canada	U.K.	Total	Canada	U.K.	Total
Depletion of natural gas properties	$ 272,190	$ -	$ 272,190	$ 123,130	$ -	$ 123,130
Impairment of natural gas properties	2,966,540	-	2,966,540	1,429,670	-	1,429,670
Amortization of Sidox license	1,250	-	1,250	1,250	-	1,250
Depreciation of equipment	980	-	980	1,185	-	1,185
	$ 3,240,960	$ -	$ 3,240,960	$ 1,555,235	$ -	$ 1,555,235

	Six months ended June 30,					
	2009			2008		
	Canada	U.K.	Total	Canada	U.K.	Total
Depletion of natural gas properties	$ 286,965	$ -	$ 286,965	$ 196,985	$ -	$ 196,985
Impairment of natural gas properties	2,966,540	-	2,966,540	1,429,670	-	1,429,670
Amortization of Sidox license	2,500	-	2,500	2,500	-	2,500
Depreciation of equipment	2,025	-	2,025	2,385	-	2,385
	$ 3,258,030	$ -	$ 3,258,030	$ 1,631,540	$ -	$ 1,631,540

- Depletion of oil and gas properties for the three months ended June 30, 2009 was $272,190 or $87.16 per Bbl and increase of $257,415 or $82.47 per Bbl as compared to $14,775 or $4.69 per Bbl in the first quarter of 2009
- Depletion increased by $149,060 or $52.27 per Bbl in Q-2 2009 as compared to the same period in 2008.
- The increase in depletion was due to an increase in the depletable cost base resulting from the expiry of Colville Hills licenses EL-429 and EL-432 in the amount $3.4 M.

- At June 30, 2009 an impairment test was performed which calculates the amount by which the carrying amount of capitalized costs related to producing properties exceeds the fair value of the reserves as estimated by the Company's reservoir engineers at December 31, 2008. As a result there was an impairment of oil and gas properties recorded of $2,966,540 in Q2, 2009 (Q-1 2009- $Nil, Q-2 2008 - $1,429,670).
- The carrying value of properties in the exploration stage in the Northwest Territories of $16,240,110 (March 31, 2009 - $19,319,600, June 30, 2008- $20,854,640) and in the North Sea of $5,778,940 (March 31, 2009 - $5,110,135, June 30, 2008 - $6,557,860) have been excluded from the depletion calculation at June 30, 2009. These properties were evaluated at June 30, 2009 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.

Accretion of asset retirement obligation

- Accretion of asset retirement obligations for the three months ended June 30, 2009 was $12,095 consistent with $11,830 in Q-1 2009.

General and administrative expenses

Three months ended June 30,		**2009**		**2008**
Investor relations	$	53,840	$	11,455
Filing and Transfer Fees	$	8,010	$	7,440
Professional Fees	$	42,165	$	4,355
Salaries & Consulting Fees - gross	$	84,000	$	81,055
Salaries and Consulting Fees - capitalized	$	(35,400)	$	(26,900)
Rent and office Costs	$	59,565	$	81,085
	$	212,180	$	158,490

Six months ended June 30,		**2009**		**2008**
Investor relations	$	55,900	$	22,005
Filing and Transfer Fees	$	14,490	$	19,545
Professional Fees	$	43,820	$	16,405
Salaries & Consulting Fees - gross	$	143,650	$	203,810
Salaries and Consulting Fees - capitalized	$	(60,150)	$	(67,100)
Rent and office Costs	$	115,550	$	140,910
	$	313,260	$	335,575

- In Q2-2009 general and administrative expenses were $212,180 (Q1-2009 $101,080, Q2-2008 - $335,575) a decrease of $111,100 or 109.91% and $53,690 or 33.88% respectively as compared to prior periods.
- The decrease in general and administrative expenses is due to cost saving measures.

Stock based compensation

- Stock based compensation costs of $320,800 (Q-1 2009 - $Nil, Q-2 2008 - $Nil) were calculated using the Black Scholes model for options granted in the second quarter of 2009.

Net earnings (loss)

Three months ended:	Q2 – 2009	Q1 – 2009	Q2- 2008
Canada	$ (3,699,530)	$ (99,930)	$ (1,483,490)
United Kingdom	29,615	(4,655)	(47,005)
Consolidated earnings/loss	$ (3,669,915)	$ (104,585)	$ (1,530,495)
Loss per share	$ (0.06)	$ (0.002)	$ (0.03)

- The decreased earnings in Canada for the second quarter ended June 30, 2009 as compared to the same period in 2008 and the first quarter of 2009 is the result of a decrease in oil revenues resulting from lower commodity prices coupled with an increase in depletion, depreciation and impairments booked in the period.

Summary of Quarterly Results

The following table summarized the Company's financial and operating highlights for the past eight quarters:

Quarter ended	Sept. 30, 2007	December 31, 2007	March 31, 2008	June 30, 2008	Sept. 30, 2008	Dec. 31, 2008	March 31, 2009	June 30, 2009
Sales volumes – Bbl/day	44	38	46	39	33	38	38	34
Production volumes – Bbl/ day (actual day)	54	46	41	39	39	38	38	35
Revenues, net	186,915	155,930	268,065	302,510	255,490	143,995	110,835	149,235
Net earnings (loss)	21,290	89,185	202,620	(1,530,495)	89,185	(2,921,530)	(104,585)	(3,669,915)
Earnings (loss) per share:								
– basic and diluted	0.00	(0.03)	0.003	(0.03)	0.00	(0.05)	(0.002)	(0.06)
Total assets	47,572,995	46,596,795	49,532,445	41,857,440	42,763,695	16,200	37,219,740	33,956,845
Working capital	29,631,060	22,407,855	14,452,115	10,273,020	8,813,135	9,888,615	10,239,230	9,139,770
Refundable Deposits	1,912,430	2,267,175	2,267,175	2,267,175	2,267,175	2,267,175	1,520,315	925,060
Funds flow from operations	72,510	54,340	272,575	133,320	148,400	167,240	(75,685)	(282,015)

Financial Instruments

As disclosed in Note 3 to the consolidated financial statements, the Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to interest rate risk, foreign exchange risk, fair value risk and industry credit risk. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

a) **Fair value of financial assets and liabilities:** The carrying value of accounts receivable, and accounts payable and accrued liabilities approximate their fair value due to their relatively short periods to maturity. The classification of financial instruments and their respective carrying values and fair values are as follows:

	June 30, 2009		June 30, 2008	
	Carrying Value ($)	Fair Value ($)	Carrying Value($)	Fair Value ($)
Financial assets:				
Receivables	$ 1,237,695	$ 1,237,695	$ 687,765	$ 687,765
Total financial assets	$ 1,237,695	$ 1,237,695	$ 687,765	$ 687,765
Financial liabilities				
Payables and accruals	$ 415,185	$ 415,185	$ 782,860	$ 782,860
Total financial liabilities	$ 415,185	$ 415,185	$ 782,860	$ 782,860

b) **Credit risk:** Substantially all of the accounts receivable are with customers and joint venture partners in the oil and gas industry and are subject to normal industry credit risks. Though, the Company markets its oil to only one marketer revenues are not significant so that the exposure to the Company is minimized. Management does not believe that there is significant credit risk arising from any of the Company's customers or partners, as substantially all amounts outstanding at June 30, 2009 have been received subsequent to period end. The maximum exposure to loss arising from accounts receivable at any given time is equal to their total carrying amounts on the balance sheet.

Total receivables:	0 to 30 days	31 to 60 days	61 to 90 days	Greater than 90 days
$ 1,237,695	$ 1,214,130	$ -	$ -	$ 23,565

c) **Interest rate risk:** 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. In addition, the Company is also exposed to interest rate risk to the Canada Revenue Agency for interest on unexpended funds on the Company's flow through share obligations from February 1 to December 31 of the each year. The Company does not use interest rate hedges or fixed interest rate contracts to manage the Company's exposure to interest rate fluctuations. A 1% increase or decrease in interest rates would have no material impact on the cash flow of the Company during the period ended June 30, 2009.

d) **Foreign currency risk:** The Company is exposed to foreign currency risk as the Company holds cash and cash equivalents on hand that are denominated in British pounds and is exposed to foreign currency fluctuations on its operations in the United Kingdom as these are denominated in British pounds. At March 31, 2009, the carrying amount of the Company's foreign currency denominated net monetary assets was approximately C$2,987,830 Assuming all other variables remain constant, a fluctuation of one cent in the exchange rate of the Canadian dollar to the British pound would not result in a material change in income

e) **Liquidity risk:** Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's objective in managing liquidity risk is to ensure that it has sufficient resources available to meet its liabilities when due. At June 30, 2009, the Company's accounts payable and accrued liabilities were $415,185 all of which are due for payment within normal terms of trade which is generally between 30 and 60 days. The Company regularly reviews its accounts payable balances and follows up on amounts past due. The Company's financial liabilities are summarized below:

Total payables:	0 to 30 days	31 to 60 days	61 to 90 days	Greater than 90 days
$ 415,185	$ 250,205	$ (4,690)	$ 14,050	$ 155,620

Investing Activities

	Three months ended June 30,					
	2009			2008		
	Canada	U.K.	Total	Canada	U.K.	Total
Cash Expenditures	$ 494,465	$ 686,550	$ 1,181,015	$ 985,270	$ 3,274,790	$ 4,260,060
Capital Recoveries	(186,190)	(17,750)	(203,940)	-	-	-
	$ 308,275	$ 668,800	$ 977,075	$ 985,270	$ 3,274,790	$ 4,260,060

	Six months ended June 30,					
	2009			2008		
	Canada	U.K.	Total	Canada	U.K.	Total
Cash Expenditures	$ 516,565	$ 749,110	$ 1,265,675	$ 8,404,010	$ 4,145,085	$ 12,549,095
Capital Recoveries	(453,710)	(261,190)	(714,900)	-	-	-
	$ 62,855	$ 487,920	$ 550,775	$ 8,404,010	$ 4,145,085	$ 12,549,095

- Capital expenditures for the six month period ending June 30, 2009 were $550,775 as compared to expenditures of $12,549,095 for the same period in 2008, of which $62,855 (2008 - $8,404,010) were incurred on exploration expenditures in the Central Mackenzie Valley, NWT and $487,920 (2008 - $4,145,085, 2007 – 13%) were incurred on exploration expenditures in the U.K. North Sea.

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 payment of $53,000 plus occupancy costs to the end of the lease.
- The Company has established a Royalty Incentive Agreement for employees, consultants and senior executives that are also directors. Under the plan, the compensation committee issues units on an annual basis to employees, consultants and directors. The units entitle the holder to receive an annual payment based on 2% of the Company's annual production revenue, net of transportation and processing fees. Under the terms of the agreement once the Company has recovered payout of 100% of its cumulative annual capital expenditures the payment to employees, consultants and directors is based on 4% of the Company's annual production revenue less transportation and processing fees.

Related Party Transactions

Certain officers who are directors and consultants provide professional, consulting and management services to the Company and are eligible to receive royalties pursuant to the Company's Royalty Incentive Plan. The amounts paid to officers (directors) and consultants during for the period ending March 31, 2009 are provided below, these costs are included in general and administrative expenses on the consolidated statements of earning (loss), deficit and comprehensive earnings (loss) at March 31, 2009:

- Compensation paid to executive officers was $58,500 (2008 - $37,825) of which $25,875 (2008 - $16,500) was capitalized to property and equipment for the period ended June 30, 2009.
- For the six months ended June 30, 2009 royalties of $6,415 (December 31, 2008 - $16,745) were paid to officers and consultants pursuant to the Company's Royalty Incentive Plan.
- During the period two directors of the Company were also directors of the Company's 50% owned subsidiary Sidox Chemicals Canada Ltd.

Other Items

Outstanding shares, options and warrants

The Company's share capital structure is as follows:

As of:	June 30, 2009	August 28, 2009
Common shares outstanding	59,578,965	59,578,965
Options outstanding	4,170,000	4,170,000
Fully diluted	63,748,965	63,748,965

Additional details on the shares, options and warrants outstanding at June 30, 2008 are available in the notes to the June 30, 2009 consolidated interim financial statements.

International Financial Reporting Standards Update

On February 13, 2008, the Canadian Accounting Standards Board ("AcSB") confirmed the mandatory changeover date to International Financial Reporting Standards ("IFRS") for Canadian profit-oriented publicly accountable entities ("PAE's") such as the Company. The AcSB requires IFRS compliant financial statements are prepared for annual and interim financial statements commencing on or after January 1, 2011. For PAE's with December 31 year-end, the first unaudited interim financial statements under IFRS will be the quarter ending March 31, 2011, with comparative financial information for the quarter ended March 31, 2010. The first audited annual financial statements will be for the year ending December 31, 2011, with comparative financial information for the year ending December 31, 2010. This also means that all opening balance sheet adjustments relating to the adoption of IFRS must be reflected in the January 2010 opening balance sheet which will be issued as part of the comparative financial information in the March 31, 2011 unaudited interim financial statements. The Company intends to adopt these requirements as set out by the AcSB and other regulatory bodies. At this time, the impact of adopting IFRS cannot be reasonably quantified. During the remainder of 2009, the Company will continue to evaluate the impact of IFRS on the Company and develop and put in place a plan for the conversion to IFRS. If the Company decides not to early adopt the standards, the actual conversion work will occur during 2009 and 2010, in anticipation of the preparation of the January 1, 2010 balance sheet which will be required for comparative purposes for all periods ending in 2011.

Accounting Policies

Changes in accounting policies

On January 1, 2009, the Company adopted the following new accounting standards:

- CICA Section 3064, "Goodwill and intangible assets", which replaces Section 3062, "Goodwill and other intangible assets" and Section 3450, "Research and development costs". The new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The adoption of Section 3064 "Goodwill and intangible assets" did not impact the Company's financial statements.

New Accounting Pronouncements

The Company is assessing the new and revised accounting pronouncements that have been issued that are not yet effective:

- The CICA Accounting Standards Board ("AcSB") adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies are expected to converge with International Financial Reporting Standards ("IFRS") by the end of 2011. The Company continues to monitor and assess the impact of convergence of Canadian GAAP and IFRS.

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.

Forward Looking Statements

Certain statements contained in this MD&A constitute 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 MD&A should not be unduly relied upon. These statements are made only as of the date of this MD&A.

In particular, this MD&A may contain forward-looking statements including, but not limited to, the following:

- oil and natural gas production rates;
- 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;
- 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; and
- treatment under governmental regulatory regimes and tax laws.

With respect to forward-looking statements contained in this MD&A and other documents of public record, the Corporation has made assumptions regarding, among other things:

- 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 Company'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;
- risks inherent in oil and natural gas operations;
- uncertainties associated with estimating oil and natural gas reserves;
- competition for, capital, acquisitions of reserves, undeveloped lands, drilling equipment and skilled personnel;
- geological, technical, drilling and processing problems;
- incorrect assessments of the value of acquisitions;

- the availability of capital on acceptable terms;
- volatility in market prices for oil and natural gas;
- actions by governmental authorities, including regulatory, environmental and taxation policies; and
- fluctuations in foreign exchange or interest rates and stock market volatility
- ability to raise project finance capital from chartered banks

Other information

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