International Frontier Resources Corporation
Management's Discussion and Analysis
June 30, 2010

International Frontier Resources Corporation is engaged in the exploration for and development of petroleum and natural gas reserves in the Central Mackenzie Valley ("CMV"), Northwest Territories, Canada. The Company does not operate its properties in the CMV therefore the timing of operations and capital expenditures are determined by the operator, Husky Oil Operations Limited.

The following is management's discussion and analysis ("MD&A") of International Frontier Resources Corporation's ("International Frontier" or "IFR" or the "Corporation" or the "Company") operating and financial results for the interim period ending June 30, 2010, 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 30, 2010 in accordance with GAAP and should be read in conjunction with the unaudited interim financial statements (three and six months ended June 30, 2010 and the three and six months ended June 30, 2009), the audited financial statements as at December 31, 2009 and 2008, respectively, together with accompanying notes, the Statement of Reserves Data and Other Oil and Gas Information on December 31, 2009. 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 financial statements and accompanying notes have been prepared by management and approved by the Audit Committee and the Board of Directors. The interim financial statements have not been reviewed or audited on behalf of the shareholders by the Company's independent external auditors.

Business Strategy

The principal business of the Corporation is to acquire, develop, exploit and produce oil and natural gas in the Central Mackenzie Valley, Northwest Territories ("CMV"). The Corporation is considered to be a development stage enterprise, as it has yet to generate revenue from its properties in the CMV. The exploration and development of the Corporations CMV properties are dependent on the ability of the Corporation to obtain financing or joint venture partners to assist in financing the Corporations exploration programs.

To date, energy infrastructure, specifically in the form of pipelines to transport natural gas, has not yet reached the CMV. A pipeline to transport oil and other liquid hydrocarbons does exist from Northern Alberta to Norman Wells in the CMV. The Corporation believes that should it make a commercial oil or liquids discovery that it can negotiate transportation in the Norman Wells Enbridge oil pipeline to deliver production to Northern Alberta.

Until a natural gas pipeline is built from Northern Alberta to the CMV there is no commercial method to move natural gas from the region. As a result, it is unlikely that the Corporation will generate any revenue from the production of gas until a pipeline is built.

The Corporation believes that the current lack of gas transportation from the CMV provides it with an opportunity to acquire interests in land that would not be available to it on reasonable terms, if a natural gas pipeline existed. The Corporation's business plan is to acquire oil and natural gas prospective acreage at a lower cost today than would be possible if a gas pipeline existed.

The Corporation is reviewing new ventures that if successful will provide cash flow earlier than cash flow may be obtained from production in the CMV.

Corporate Update

In Q2, 2010 UKCS License P.233 (block 15/18a Maria) was sold to Maersk Oil North Sea UK Limited for a consideration of $669,450.

In Q2, 2010 the Company sold its wholly owned UK subsidiary, Britcana Energy Ltd, to Nexen Petroleum UK Limited for a consideration of $3,119,520. As a result of the sales the Company has reported its net investment in Britcana Energy Ltd. and its North Sea operations as discontinued operations in the June 30th, 2010 financial statements.

At June 30, 2010 the Company has cash and cash equivalents of $7,098,690, receivables and pre-paid deposits of $355,585, restricted cash securing deposits on the Company's NWT licenses of $640,670 and no debt. The principal properties of the Company are discussed below.

Central Mackenzie Valley, NWT

The Company holds interests ranging from 8.22% to 25% in 735,000 gross acres (133,830 net acres). The acreage portfolio is comprised of three Significant Discovery Licenses, four Exploration Licenses and three Freehold Parcels.

To date the Company has participated in eight geophysical surveys and in nine exploration wells. Of the nine wells drilled, two wells encountered gas and oil, one well encountered sweet gas and six wells were plugged and abandoned. This data has provided the Company with a very good understanding of the geological framework of this newly discovered hydrocarbon province.

Significant Discovery Licenses

Summit SDL 140 – 8.2112% (no expiry)
Stewart SDL 138 & 139 – 8.2112% (no expiry)
TDL M-38 included within Stewart SDL – 25% (no expiry)
Operator – Husky Oil Operations Limited

The Company's first discovery in the CMV was located on EL-397, the Summit Creek B-44 well production tested at a rate of 20 MMCF/D and 6,300 barrels of 55 degree API oil from two Devonian age formations. As a result of this discovery a Significant Discovery License (SDL 140) was awarded covering an area of 11,070 acres.

The Company's second discovery in the CMV was also located on EL-397; the Stewart Lake L-52 well drill-stem tested 5 MMCF/D from two Cretaceous age formations. As a result of this discovery SDL's 138 & 139 were granted. The SDL area includes TDL Freehold parcel M-38 resulting in a mapped SDL area of 15,918 acres.

EL-441

IFR – 13.40%
Area – 218,500 acres (29,280 net)
Work Commitment - $10.5 million ($2M fulfilled)
Expiry - May 10, 2011.
Operator – Husky Oil Operations Limited

The Company has restricted cash securing a letter of credit in the amount of $266,365 which amount represents the Company's share of the remaining work deposit on EL-441. The letter of credit is refundable on the basis of a one-dollar refund for every four-dollars of qualified allowable expenditures incurred. There were no capital expenditures incurred on the license in Q2, 2010.

EL-443

IFR – 25%
Area – 227,750 acres (56,937 net)
Work Program - $4.8 million
Expiry – May 10, 2012
Operator – Husky Oil Operations Limited

The Company has restricted cash securing a letter of credit in the amount of $305,555, which amount represents the Company's share of the work deposit on EL-443. The letter of credit is refundable on the basis of a one-dollar refund for every four-dollars of qualified allowable expenditures incurred. There were no capital expenditures incurred on the license in Q2, 2010.

TDL Freehold Lands

IFR- 25%
Area – 35,000 acres (8,750 net)
Work Program – Nil
Operator – Husky Oil Operations Limited

In April 2010 TDL parcels M-32, M-33, M-34 and M35 were relinquished. Other than annual lease rental costs there were no capital expenditures incurred on the TDL lands in Q2, 2010.

EL-445

IFR-25%
Area – 206,000 acres (51,620 net)
Work Program - $1.1 million
Operator – B.G. International

The Company has restricted cash securing a letter of credit in the amount of $68,750 which amount represents the Company's share of the work deposit on EL-445. There were no capital expenditures incurred on the license in Q2, 2010.

Summary – Central Mackenzie Valley, NWT

Total capital expenditures in the CMV to date are approximately $175 million (gross) of which the Company's share is $28.5 million. The information obtained from proprietary seismic and drilling data has allowed the operator to high-grade areas that are prospective for oil, gas/condensate and dry gas**.** The areas that are prospect for oil have been prioritized for future seismic and drilling programs.

On December 29th, 2009 the Joint Review Panel ("JRP") issued its report on the Mackenzie Valley Gas Pipeline. The report supports construction of the pipeline subject to certain recommendations included in the report. The National Energy Board is expected to issue its decision on the Mackenzie Gas Pipeline in Q4, 2010.

Alderson – Brooks Area Alberta

IFR – 100%

The Company operates five producing oil wells and an oil battery located in the Alderson area of southern Alberta. The wells produce approximately 25 BOPD of 30 degree API oil from the Mannville Reservoir. In Q2, 2010 the 10-27 well was shut-in due to mechanical problems, a work over is scheduled in Q4, 2010.

Liquidity, capital resources and financing activities

Working Capital

At June 30, 2010 cash and cash equivalents were $7,098,690 (December 31, 2009 $4,099,740), and working capital was $7,310,610 (December 31, 2009 - $7,865,635). At June 30, 2010 the Company had restricted cash securing letters of credit in the amount of $640,670; the letters of credit secure refundable work deposits on the Company's Northwest Territories Exploration Licenses. At December 31, 2009 the Company set up a provision for EL-445 in the amount $68,750 as this license will expire in May 2011 and the deposit of $68,750 will be forfeited.

The increase in working capital at June 30, 2010 is the result of sale proceeds of $3,788,970 received from the sale of the Company's North Sea operation.

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, 2010, the Company's capital as defined above was approximately $26,198,875 (December 31, 2009 – $24,060,055).

Due to current economic conditions it may 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, 2010	Three months ended June 30, 2009	Six months ended June 30, 2010	Six months ended June 30, 2009
Statement of operations				
Sales volumes - BOE/ day (Canada)	30	34	29	35
Production volumes - BOE/ day (Canada)	25	35	27	35
Oil revenues, net (Canada)	$ 182,300	$ 149,235	$ 371,360	$ 260,070
Interest income from continuing operations	$ 1,045	$ 11,780	$ 1,740	$ 34,520
Net earnings (loss) and comprehensive loss				
Net earnings (loss) from continuing operations	$ (651,115)	$ (3,699,530)	$ (816,975)	$ (3,799,460)
Net loss for discontinued operations	$ (7,810)	$ (2,873,875)	$ (112,065)	$ (4,952,440)
Net earnings (loss) and comprehensive loss	$ (658,925)	$ (6,573,405)	$ (929,040)	$ (8,751,900)
Net earnings(loss) per share				
Net loss from continuing operations per share	$ (0.01)	$ (0.06)	$ (0.01)	$ (0.07)
Net loss from discontinued operations per share	$ -	$ (0.05)	$ -	$ (0.08)
Net loss per share	$ (0.01)	$ (0.11)	$ (0.01)	$ (0.15)
Cash flow				
Net cash provided (used in)				
Operating activities	$ (436,995)	$ (313,010)	$ (563,620)	$ (459,180)
Investing activities	$ (81,420)	$ (2,415,925)	$ (226,400)	$ (2,348,815)
Financing activities	$ 3,788,970	$ -	$ 3,788,970	$ -

	June 30, 2010	December 31, 2009	June 30, 2009
Balance sheet			
Assets of Continuing operations			
Property and equipment	$ 11,590,940	$ 11,969,305	$ 17,653,920
Total assets	$ 19,708,385	$ 20,972,600	$ 28,979,445
Working capital	$ 7,310,610	$ 7,865,635	$ 9,941,580
Assets of Discontinued operations			
Cash and cash equivalents	$ -	$ 3,660	$ 1,842,155
Receivables	$ -	$ 9,020	$ 1,146,200
Property and equipment	$ -	$ 7,193,925	$ 5,779,210
Write down to lower of cost or market	$ -	$ (3,228,570)	$ (4,977,400)
	$ -	$ 3,978,035	$ 3,790,165

Investing Activities

For the three months ended	June 30, 2010	December 31, 2009	June 30, 2009
Canada	$ 112,630	$ 144,375	$ 308,365
Discontinued operations	$ -	$ 405,215	$ 668,805
	$ 112,630	$ 549,590	$ 977,170

Sales Volumes

- Sales volumes for the three months ended June 30, 2010 were 30 Bbl/ day a 7.14% increase as compared to the three months ended March 31, 2010 (Q-2 2009 – 35 Bbl/day)
- The increase in sales volumes for the three months ended June 30, 2010 is a result of production held back for Sidox work-overs in Q-1 2010 and subsequently sold in Q-2, 2010.
- Production volumes for the three months ended June 30, 2010 were 25 Bbl/day a 22.88% decrease as compared to 33 Bbl/day (Q-2 2009 – 35 Bbl/day)
- Decrease in production volumes in the second quarter of 2010 is due to the 10-27 well being shut-in due to mechanical problems coupled with forecasted production declines.

Gross revenues and royalties

- Oil revenue in Q-2 2010 was $182,300 a decrease of 3.58% as compared to Q-1 2010 (Q-2 2009 - $191,870)
- In Q2 - 2010 the Company paid royalties of $ $113,395 an increase of 177.69% as compared to $40,835 in Q-1 2010 (Q-2 2009 – $42,635)In the second quarter the Company paid $86,585 to employees and consultants pursuant to the Company`s Royalty Incentive Plan of this amount $75,795 was paid pursuant to the sale of the Company's North Sea operation.

Interest income

- In Q-2 2010 interest income from short term investments was $1,045 (Q-1 2010 - $695, Q-2 2009 - $11,780) the decrease was due to decrease in rate received coupled with amount invested.

Field operating costs

- Operating expenses in the second quarter of 2010 were $84,535 or $30.95 per Bbl a decrease of 19.29% as compared to $104,745 or $34.50 in Q-1 2010 (Q-2 2009 - $80,405 or $29.44)
- Operating costs in Q-1 2010 included costs relating to Sidox work-overs completed on the Alderson wells.

Depletion, depreciation and impairments

Depletion, depreciation and impairments at June 30, 2010 and 2009 consist of the following

	Three months ended June 30,					
	2010			2009		
	Canada	U.K.	Total	Canada	U.K.	Total
Depletion of natural gas properties	$ 72,905	$ -	$ 72,905	$ 272,190	$ -	$ 272,190
Impairment of oil and gas properties	340,925	-	340,925	2,966,540	-	2,966,540
Amortization of Sidox license	1,250	-	1,250	1,250	-	1,250
Depreciation of equipment	765	-	765	980	-	980
	$ 415,845	$ -	$ 415,845	$ 3,240,960	$ -	$ 3,240,960

	Six months ended June 30,					
	2010			2009		
	Canada	U.K.	Total	Canada	U.K.	Total
Depletion of oil and gas properties	$ 148,495	$ -	$ 148,495	$ 286,965	$ -	$ 286,965
Impairment of oil and gas properties	340,925	-	340,925	2,966,540	-	2,966,540
Amortization of Sidox license	2,500	-	2,500	2,500	-	2,500
Depreciation of equipment	1,580	-	1,580	2,025	-	2,025
	$ 493,500	$ -	$ 493,500	$ 3,258,030	$ -	$ 3,258,030

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- Depletion of oil and gas properties for the three months ended June 30, 2010 was $72,905 or $31.48 per Bbl as compared to $75,590 or $24.90 per Bbl in Q-1 2010 (Q-2 2009 - $203,475 or $63.09 per Bbl)
- The decrease in depletion in 2010 is due to an increase in reserves as estimated by McDaniel's & Associates at December 31, 2009 coupled with additions to the depletable cost base of only $480,170 at June 30, 2010 as compared to $3,401,020 in Q-2 2009.
- At June 30, 2010 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, 2009. As a result of the relinquishment of three TDL freehold parcels in the NWT there was an impairment of oil and gas properties of $340,925 recorded in Q2 2010 (Q-1 2010 – Nil, Q-2 2009- $Nil)
- The carrying value of properties in the exploration stage in the Northwest Territories of $9,696,030 (March 31, 2010 - $10,096,610, June 30, 2009- $16,240,110) have been excluded from the depletion calculation at June 30, 2010. These properties were evaluated at June 30, 2010 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.

General and administrative expenses

Three months ended:		June 30, 2010		March 31, 2010		June 30, 2009
Investor relations	$	18,495	$	-	$	53,840
Filing and Transfer Fees		11,610		1,925		8,010
Professional Fees		6,190		22,995		42,165
Consulting Fees - gross		136,300		81,850		84,000
Consulting Fees - capitalized		(12,310)		(24,450)		(35,400)
Rent and office Costs		47,180		37,130		53,670
	$	207,465	$	119,450	$	206,285

- In Q2 - 2010 general and administrative expenses were $207,465, an increase of $88,015 or 73.68% as compared with $119,450 in Q1 2010.
- The increase in G&A in the period includes a severance payment to a former officer and Director of the Company.

Net loss

Three months ended:		Q-2 2010		Q-1 2010		Q-2 2009
Net loss from continuing operations	$	(65,115)	$	(165,860)	$	(3,799,460)
Net loss from discontinued operations		(7,810)		(104,255)		(4,952,440)
Net loss	$	(658,925)	$	(270,115)	$	(8,751,900)
Loss per share						
Continuing operations	$	(0.01)	$	(0.03)	$	(0.07)
Discontinued operations	$	(0.00)	$	(0.02)	$	(0.08)
Loss per share	$	(0.01)	$	(0.05)	$	(0.15)

- The increased loss in Q2 - 2010 as compared with Q1 – 2010 is the result of an impairment charge on oil and gas properties totaling $340,925 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, 2008	Dec 31, 2008	March 31, 2009	June 30, 2009
Statement of operations				
Sales volumes - BOE/ day (Canada)	33	42	35	34
Production volumes - BOE/ day (Canada)	39	38	36	35
Oil revenues, net (Canada)	$ 255,490	$ 143,995	$ 110,835	$ 149,235
Net earnings (loss) and comprehensive loss				
Net earnings (loss) from continuing operations	$ 101,980	$ (2,619,245)	$ (99,930)	$ (3,669,530)
Net loss for discontinued operations	$ (12,795)	$ (1,503,285)	$ (4,655)	$ (2,873,875)
Net earnings (loss) and comprehensive loss	$ 89,185	$ (4,122,530)	$ (104,585)	$ (6,543,405)
Net earnings(loss) per share				
Net loss from continuing operations per share	$ 0.00	$ (0.02)	$ (0.00)	$ (0.06)
Net loss from discontinued operations per share	$ (0.00)	$ (0.03)	$ (0.00)	$ (0.05)
Net loss per share	$ 0.00	$ (0.05)	$ (0.00)	$ (0.11)
Balance Sheet				
Total assets	$42,763,695	$38,255,075	$ 37,219,740	$ 28,979,445
Working capital	$ 8,813,135	$15,179,905	$ 10,239,230	$ 9,941,580
Refundable Deposits	$ 2,267,175	$ 2,267,175	$ 1,520,315	$ 925,060
Funds flow from operations	$ 148,400	$ (184,590)	$ (75,685)	$ (313,010)

Quarter ended:	Sept 30, 2009	Dec 31, 2009	Mar 31, 2010	June 30, 2010
Statement of operations				
Sales volumes - BOE/ day (Canada)	35	36	28	30
Production volumes - BOE/ day (Canada)	36	34	33	25
Oil revenues, net (Canada)	$ 162,280	$ 180,885	$ 148,225	$ 182,300
Net earnings (loss) and comprehensive loss				
Net earnings (loss) from continuing operations	$ (1,682,195)	$ (2,294,220)	$ (165,860)	$ (651,115)
Net loss for discontinued operations	$ (198,225)	$ (6,764,310)	$ (104,255)	$ (7,810)
Net earnings (loss) and comprehensive loss	$ (1,880,420)	$ (9,058,530)	$ (270,115)	$ (658,925)
Net earnings(loss) per share				
Net loss from continuing operations per share	$ (0.03)	$ (0.00)	$ (0.04)	$ (0.01)
Net loss from discontinued operations per share	$ (0.00)	$ (0.00)	$ (0.11)	$ 0.00
Net loss per share	$ (0.03)	$ (0.00)	$ (0.15)	$ (0.01)
Balance Sheet				
Total assets	$29,980,890	$20,972,600	$ 20,719,095	$ 19,708,385
Working capital	$ 4,279,660	$ 7,865,635	$ 7,646,280	$ 7,310,610
Refundable Deposits	$ 925,060	$ 640,670	$ 640,670	$ 640,670
Funds flow from operations	$ (188,805)	$ (146,220)	$ (126,625)	$ (436,995)

Financial Instruments

As disclosed in Note 3 to the audited financial statements at December 31, 2009, 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 Company's financial instruments as at June 30, 2010 include cash and cash equivalents, trade accounts receivable, restricted cash and trade accounts payable. The fair values of trade accounts receivable and trade accounts payable approximate their carrying amounts due to their short terms to maturity. The cash and cash equivalents and the restricted cash balances are equal to their fair values.

	June 30, 2010		December 31, 2009	
	Carrying Value ($)	**Fair Value ($)**	**Carrying Value ($)**	**Fair Value ($)**
Financial assets:				
Receivables	$ 133,425	$ 133,425	$ 144,295	$ 144,295
Total financial assets	$ 133,425	$ 133,425	$ 144,295	$ 144,295
Financial liabilities				
Payables and accruals	$ 143,665	$ 143,665	$ 212,575	$ 212,575
Total financial liabilities	$ 143,665	$ 143,665	$ 212,575	$ 212,575

The Company classifies the fair value of financial instruments held for trading 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.

At June 30, 2010 cash and cash equivalents and restricted cash have been classified as Level 1.

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, 2010 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**
$ 133,425	$ 70,710	$ -	$ -	$ 62,715

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. 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 had no material impact on the cash flow of the Company during the period ended June 30, 2010.

d) **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, 2010, the Company's accounts payable and accrued liabilities were $143,665 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
$ 143,665	$ 35,560	$ 13,340	$ 620	$ 94,145

Investing Activities

For the three months ended	June 30, 2010	March 31, 2010	June 30, 2009
Canada	$ 112,630	$ 33,400	$ 308,365
Discontinued operations	-	65,815	668,805
	$ 112,630	$ 99,215	$ 977,170

- Capital expenditures for the period ending June 30, 2010 were $112,630 as compared to Q-1 2010 expenditures of $99,215 of which $33,400 or 25% is related to exploration activities in the Northwest Territories and $65,815 or 66% is related to exploration activities of discontinued operations 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 $53,400 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 June 30, 2010 are provided below, these costs are included in general and administrative expenses on the statements of earnings (loss), deficit and comprehensive earnings (loss) at June 30, 2010:

- Compensation paid to executive officers was $132,000 (2009 - $58,500) of which $18,000 (2009 - $25,875) was capitalized to property and equipment for the period ending June 30, 2010.

- At June 30, 2010 royalties of $84,510 (2009 - $4,490) were paid to officers and consultants pursuant to the Company's Royalty Incentive Plan. Royalties paid in the period include an amount of $75,795 covering the sale of the Company's North Sea operation.
- During the year one director 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, 2010	August 30, 2010
Common shares outstanding	59,578,965	59,578,965
Options outstanding	3,256,500	3,256,500
Fully diluted	62,835,465	62,835,465

Additional details on the shares, options and warrants outstanding at June 30, 2010 are available in the Notes to the June 30, 2010 interim financial statements.

Changes in accounting policies and new pronouncements

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

(a) International Financial Reporting Standards (IFRS)

IFRS Transition Plan

In February 2008, the CICA's Accounting Standards Board confirmed that IFRS will replace Canadian GAAP in 2011 for profit-oriented Canadian publicly accountable enterprises. International Frontier Resources will be required to report its results in accordance with IFRS beginning in 2011. The Company has developed a transition plan to complete the transition to IFRS by January 1, 2011, including the preparation of 2010 required comparative information.

The Company commenced its IFRS transition project in 2008 and has completed the project awareness and engagement phase of the IFRS transition project. The Company`s IFRS transition project consists of three key phases; the scoping and diagnostic phase, the impact analysis and evaluation phase and finally the implementation phase.

Scoping and diagnostic phase

In 2009, the Company made significant progress on its IFRS transition project. The Company is completing the scoping and diagnostic phase in which the Company has performed comparisons of the differences between Canadian GAAP and IFRS, analyzed accounting policy alternatives and drafted its preliminary IFRS accounting policies.

Management has also begun preliminary accounting assessments on key IFRS transition issues. These assessments include Exploration for and Evaluation of Mineral Resources, Property, Plant and Equipment, Impairments of Assets, Decommissioning Liabilities, Intangible Assets and Income Taxes. The Company continues to perform assessments on the remaining IFRS transition issues and has commenced analysis of IFRS financial statement presentation and disclosure requirements.

Impact analysis and evaluation phase

The company is also currently working on the design, planning and evaluation phase. During this phase, items identified in the diagnostic phase are addressed according to the priority levels assigned to them. This phase involves analysis of policy choices allowed under IFRS and their impact on the financial statements. In addition, certain potential differences are further investigated to assess whether there may be a broader impact to the Company's business processes or management reporting systems. The conclusion of the impact analysis and evaluation phase will require the Audit Committee of the Board of Directors to review and approve all accounting policy choices as proposed by management.

Implementation phase

This phase involves implementation of all changes approved in the impact analysis phase and will include changes to information systems, business processes, modification of agreements and training of all staff who are impacted by the conversion.

Current Status of IFRS Transition Plan

The Corporation conducted preliminary analysis of accounting policy alternatives and began drafting several of its IFRS accounting policies. Broader business process and systems impacts have been considered for significant areas of impact, with internal control requirements taken into account. Process and system changes will be implemented in early 2010 to ensure IFRS comparative data is captured. The Company's IFRS accounting policies are expected to be finalized mid-2010. Quantification of IFRS impacts will then be determined utilizing previously captured data. Communication of impacts to external stakeholders is expected to occur in the latter half of 2010. The Company will continue to update its IFRS transition plan to reflect new and amended accounting standards issued by the International Accounting Standards Board ("IASB").
The Corporation has concluded that the following key issues are expected to have the most significant impact on the company's results of operations, financial position and disclosures:

- Transition on date of adoption of IFRS
- Property, Plant and Equipment ("PP&E"), including;
  - Pre-exploration costs
  - Exploration and Evaluation ("E&E") costs
  - Depletion, depreciation and amortization
  - Impairment testing
- Decommissioning liabilities (known as "asset retirement obligations" under Canadian GAAP)
- Income taxes

Each of these significant impact areas is discussed in more detail below.

Property, Plant & Equipment

- Exploration and evaluation ("E&E") costs - Currently these costs are included in the PP&E balance on the Balance Sheet, and include undeveloped land and costs relating to pre-commercial exploration of development. These costs are currently not being depleted. Under IFRS these costs will be moved out of the PP&E balance, and reported separately as E&E assets on the balance sheet. E&E costs will not be depleted but assessed for impairment and unrecoverable costs associated with a specific area will be expensed. When a project is determined to be technically feasible and commercially viable, the costs will be moved to PP&E and depletion will commence.
- Calculation of depletion expense for PP&E assets – Upon transition to IFRS, the Corporation has the option to calculate depletion using a reserve base of proved reserves or both proved and probable reserves, as compared to the Canadian GAAP method of

calculating depletion using only proved reserves. The Corporation has not concluded at this time which method for calculating depletion will be used.

- For the first step of the impairment test under Canadian GAAP, future cash flows are not discounted. Under IFRS, the future cash flows are discounted. In addition, for PP&E, impairment testing is currently performed at the country cost centre level, while under IFRS; it will be performed at a lower level, referred to as a cash-generating unit. Under IAS 36 the impairment calculations will be performed at the cash generating unit level using either total proved or proved plus probable reserves
- Canadian GAAP prohibits reversal of impairment losses. Under IFRS if the conditions giving rise to impairment have reversed, impairment losses previously recorded would be partially or fully reversed to eliminate write downs recorded. The Company expects to adopt these changes in accounting policy prospectively. At this time, the impact of accounting policy differences related to impairment testing is not reasonably determinable.

Decommissioning liabilities (known as "asset retirement obligations" under GAAP)

- Under Canadian GAAP, the Corporation recognizes a liability for the estimated fair value of the future retirement obligations associated with PP&E. The fair value is capitalized and amortized over the same period as the underlying asset. The Company estimates the liability based on the estimated costs to abandon and reclaim its net ownership interest in wells and facilities, including an estimate for the timing of the costs to be incurred in future periods. These cash outflows are discounted using a credit-adjusted rate. Changes in the net present value of the future retirement obligation are expensed through accretion as part of DD&A.
  Under IFRS, these liabilities are known as "decommissioning liabilities" and are included in the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. Decommissioning liabilities are calculated at each reporting period using estimate of risk-adjusted future cash outflows discounted using a risk-free rate. Changes in the net present value of the future retirement obligation are expensed through accretion as part of DD&A.

Income Tax

- In transitioning to IFRS, the carrying amount of The Company's tax balances will be directly impacted *by the tax effects resulting from changes required by t*he above IFRS accounting policy differences.
- Due to the recent withdrawal of the exposure draft on IAS 12 Income Taxes in November 2009, The Company is still determining the impact of the revised standard on its IFRS transition. Therefore, at this time the income tax impacts of our differences are not reasonably determinable.

Changes to IFRS Accounting Standards

The Company's analysis of accounting policy differences specifically considers the current IFRS standards that are in effect. The Corporation will continue to monitor any new or amended accounting standards that are issued by the IASB, including assessing any impact of the new joint ventures standard that the IASB expects to publish in the first quarter of 2010.

Internal Controls over Financial Reporting

The Company does not anticipate that the transition to IFRS will have a significant impact on either its internal controls over financial reporting, or its disclosure controls and procedures. As the review of The Company's accounting policies is completed, an assessment will be made to determine changes necessary for internal controls over financial reporting. For example, additional controls and review will be implemented as necessary for the IFRS 1 changes such as the allocation of The Company's PP&E as well as the process for reclassifying E&E expenditures from PP&E on transition. This will be an ongoing process throughout 2010 to ensure that all changes in accounting policies include the appropriate additional controls and procedures for future IFRS reporting requirements.

Throughout the transition, The Company will assess stakeholders' information requirements and will ensure that adequate and timely information is provided so that all stakeholders remain apprised.

Education and Training

All of the individuals that are involved in financial reporting under Canadian GAAP have been engaged and involved in the IFRS transition project since 2008, and will continue to be involved in the IFRS transition throughout 2010 and 2011.

Impacts to our Business

The Company does not expect that the adoption of IFRS in 2011 will have a significant impact or influence on its business activities, operations or strategies.

(b) Business Combinations

- In January 2009, the CICA issued new standards for Business Combinations. This standard is effective January 1, 2011 and applies prospectively to business combinations for which the acquisition date is on or after the first annual reporting period beginning on or after January 1, 2011 for the Company. Early adoption is permitted. This standard replaces Handbook Section 1581 Business Combinations, and harmonizes the Canadian standards with IFRS. This standard was amended to require additional use of fair value measurements, recognition of additional assets and liabilities, and increased disclosure. The adoption of this standard will not have a material impact on the Company's financial statements.

(c) Consolidated Financial Statements and Non- controlling Interests

- January, 2009, CICA Handbook Section 1601 – Consolidated Financial Statements was issued which, together with new CICA Handbook Section 1602 – Non-controlling Interests, replaces the former Section 1600 – Consolidated Financial Statements. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. Section 1602 is equivalent to the corresponding provisions of International Financial Report Standards IAS 27 – Consolidated and Separate Financial Statements. Sections 1601 and 1602 apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. The Corporation does not anticipate that these sections will have a material impact on its 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.

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