International Frontier Resources Corporation
Management's Discussion and Analysis
March 31, 2012

International Frontier Resources Corporation is engaged in the exploration for and development of oil and gas reserves in north-west Montana USA, in the Central Mackenzie Valley ("CMV"), Northwest Territories, Canada and in south-east Alberta, Canada.

The following is management's discussion and analysis ("MD&A") of International Frontier Resources Corporation's ("International Frontier" or "IFR" or 'Frontier' or the "Corporation" or the "Company") operating and financial results for the interim period ending March 31, 2012, 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 May 29, 2012 in accordance with IFRS and should be read in conjunction with the unaudited Condensed Interim Financial Statements and accompanying notes for the period ended March 31,2012 as well as the audited Consolidated Financial Statements and accompanying notes for the year ended December 31, 2011. This MD&A contains forward looking statements, the definitions of which are defined herein.

The interim 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 MD&A Report are expressed in Canadian dollars unless otherwise indicated.

Operations Review - First Quarter 2012

Southern Alberta Basin ~ NW Montana

A summary of drilling activity in the Southern Alberta Basin from January 1, 2012 to May 25, 2012 is as follows;

Drilling Activity N.W. Montana

Glacier County **Operator**	**Well Location**	**Permit Date**	**Depth Feet**	**Projected Zone**	**Proximity IFR land**	**Well Direction**	**Status May 2012**
Newfield	Anderson 1-10-37-10	19/1/12	12,381	Bakken	1.8 miles	Horizontal	Location
Rosetta	Fort Peigan 16-13-34-8	31/1/12	9,976	Bakken	.75 miles	Horizontal	Location
Anschutz	Whitecalf 2-4-30-10	3/2/12	8,120	Sun River	.75 miles	Horizontal	Location
Anschutz	Flat Iron 1-8-32-12	21/2/12	8,900	Blackleaf	2 miles	Vertical	Drilling
Rosetta	Little Rock Coulee 27-16-35-7	28/2/12	9,185	Bakken	3 miles	Horizontal	Drilling
Anschutz	Pine Ridge 1-4-37-13	2/4/12	11,023	Potlach	1.2 miles	Vertical	Drilled
Anschutz	Mallard 1-14-33-12	17/4/12	10,500	Cretaceous	1.6 miles	Horizontal	Drilled
Rosetta	Little Rock Coulee 13-18-35-7	17/5/12	9,856	Bakken	.5 miles	Horizontal	Location
Teton County							
Primary	Rockport 16-19-27-6	24/5/12	9,067	Potlach	.5 miles	Horizontal	Drilling
Primary	Spring Hill 14-34-27-6	24/5/12	8,216	Potlach	.75 miles	Horizontal	Location

Source: Montana State web site

SW Alberta

Operator	**Wells W4M**	**License Date**	**Depth Meters**	**Projected Zone**	**Well Direction**	**Miles north of border**
Connaught	13-8-1-21	24/1/12	3,014	Rundle	Horizontal	2 miles
Crescent Pt.	13-11-2-20	3/2/12	2,900	Wabamun	Horizontal	8 miles
DeeThree	5-22-3-17	24/2/12	5,055	Bakken	Horizontal	16 miles
Shell	1 3-3-1-23	24/2/12	3,919	Wabamun	Horizontal	1 mile
Crescent Pt.	13-24-2-21	1/3/12	4,000	Wabamun	Horizontal	10 miles
DeeThree	13-22-3-17	15/3/12	4,305	Bakken	Horizontal	17 miles
Gryphon	3-12-1-20	17/4/12	2,100	Livingston	Horizontal	2 miles
DeeThree	11-12-3-18	15/6/12	4,230	Big Valley	Horizontal	14 miles

Well Test Rates (Initial production rate)

Montana	**Operator**	**Initial Rate**	**Days**
Riverbend 12-13H	Rosetta	403 BOEPD	Not reported
Riverbend 7-4H	Rosetta	154 BOEPD	Not reported
Simonson 34-1H	Rosetta	104 BOEPD	Not reported
SW Alta			
Loc #1	DeeThree	765 BOPD	4
Loc #2	DeeThree	957 BOPD	6
Loc #3	DeeThree	940 BOPD	10
Loc #4	DeeThree	960 BOPD	5
Kainai 15-21	Murphy	350 BOPD	Not reported

Source – Jan 1, 2012 to May 17, 2012 corporate presentations or news releases

Upon closing the two previously announced sale and purchase agreements the Company will own mineral titles covering approximately 20,000 gross acres, 17,400 net acres in NW Montana. The majority of Frontier's fee acreage is under lease to operators that are currently drilling on the Blackfeet Reserve. To date industry has permitted 52 exploration wells, of which 48 have been permitted on the Blackfeet Reserve. The exploration wells are evaluating the resource potential in a number of tight-oil formations that are prospective on the Reserve. Frontier holds royalties ranging from 12.50% to 18.75% on its fee acreage. The Company's fee acreage does not expire.

Central Mackenzie Valley ("CMV"), NWT

In Q1-2012 Husky Oil drilled two vertical pilot wells to evaluate the resource potential in the Canol shale oil play in the Tulita area. Conoco Philips Canada and MGM Energy Corp. have announced plans to drill exploration wells next winter that will also evaluate unconventional shale resource plays in the area.

In April 2012 Husky completed shooting a 744-kilometer 3D seismic survey and Explor Geophysical completed shooting a 480-kilometer 2D seismic program. Both surveys were located in the Tulita area north of Frontier's Significant Discovery Licenses and Tulita freehold acreage.

Frontier holds an interest in three Significant Discovery Licenses ("SDL") and three freehold parcels, one of which is included in the Stewart SDL. The SDL lands cover 21,362 gross acres (3,430 net) and the two freehold parcels cover 28,570 gross acres (5,700 net). Freehold parcel M-39 is located within Imperial's CMV parcel 11 that was acquired for a work commitment of $21.5 million.

Frontier's acreage position in the CMV does not expire.

Alderson – S.E. Alberta

The Company (100%) operates five producing oil wells and an oil battery located in the Alderson area of southeast Alberta. In Q1, 2012 production averaged 40 BOPD.

Mannyberries – S.E. Alberta

The Company holds a 100% interest in 1,120 acres; the acreage is prospective for light oil in the Sawtooth and Sunburst channel sands. The Company is seeking a partner to shot a 3D seismic survey to identify the best drilling location on the acreage.

The Company's MD&A for the period ending March 31, 2012 is as follows.

Liquidity, capital resources and financing activities

Working Capital

At March 31, 2012, cash and cash equivalents were $3,991,000 (December 31, 2011 $4,037,930) and working capital was $3,014,555 (December 31, 2011 - $3,065,520). At March 31, 2012 the Company had restricted cash securing a letter of credit covering a work deposit on EL-442 in the amount of $305,555, EL-442 expired in May 2012 and the deposit was forfeited.

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 certain working capital balance - cash and cash equivalents, marketable securities and restricted cash less accounts payable and current portion asset retirement obligations in the definition of capital. Management reviews its capital requirements on an ongoing basis and believes that its approach, given the relative size of the Company is reasonable. As at March 31, 2012, the Company's capital as defined above was approximately $2,861,650 (December 31, 2011 – $2,925,055).

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 First Quarter Results

Selected financial information:

For the three months ended	March 31, 2012	Dec. 31, 2011	March 31, 2011
Statement of operations			
Sales volumes - BOE/ day (Canada)	40	39	26
Production volumes - BOE/ day (Canada)	40	41	27
Oil revenues, net (Canada)	$ 222,260	$ 223,440	$ 122,665
Interest income from continuing operations	$ 7,590	$ 10,225	$ 13,375
Net loss and comprehensive loss	$ (53,675)	$ (297,685)	$ (132,955)
Net loss per share	$ (0.001)	$ (0.005)	$ (0.002)
Cash flow			
Net cash provided (used in)			
Operating activities	$ (27,955)	$ 139,525	$ (187,105)
Investing activities	$ (18,975)	$ (208,320)	$ (383,545)
Balance sheet			
Assets of Continuing operations			
Exploration and evaluation assets	$ 9,816,720	$ 9,814,875	$ 6,789,190
Property and equipment	$ 1,109,110	$ 1,109,615	$ 983,315
Total assets	$ 15,625,940	$ 15,727,840	$ 14,985,285
Working capital	$ 3,014,555	$ 3,065,520	$ 6,124,775

Investing Activities

For the three months ended	March 31, 2012	Dec. 31, 2011	March 31, 2011
Canada	$ 56,970	$ 407,710	$ 6,595
United States	$ -	$ 1,122,505	$ 291,500
	$ 56,970	$ 1,530,215	$ 298,095

Summary of Alderson Operations

	Three months ended March 31, 2012	Three months ended December 31, 2011	Three months ended March 31, 2011
Sales volumes (Bbl/day)	40	39	26
Production volumes (Bbl/day)	40	41	27
Oil Sales	$ 293,020	$ 299,725	$ 164,495
Royalties	70,760	76,285	41,830
Net Revenues	222,260	223,440	122,665
Operating expenses	102,090	54,715	109,950
Net Income	$ 120,170	$ 168,725	$ 12,715
Oil Sales ($/BBL)	79.80	83.96	70,81
Operating costs ($/BBL)	27.80	15.33	47.33
Depletion per BOE ($/BBL)	11.13	15.24	10.42

- Sales volumes for the three months ended March 31, 2012 were 40 Bbl/day a 2.56% increase as compared to 39 Bbl/day for the three months ended December 31, 2011 (Q-1 2011 – 26 Bbl/day)

- Oil revenue in Q1, 2012 was $293,020 a decrease of 2.24% or $6,705 as compared to Q4, 2011.
- In Q1, 2012 the Company paid royalties of $70,760 which is consistent with $76,285 in the previous quarter
- Operating expenses in the first quarter of 2012 were $102,090 or $27.80 per Bbl an increase of $47,375 or 86.59% as compared to Q4, 2011
- Increase in operating costs in Q1, 2012 is attributed to work-over costs and increased facility costs incurred in the quarter.

Interest income

- In Q-1, 2012 interest income from short term investments was $7,590 (Q4, 2011 - $10,225, Q1, 2011 - $13,375) the decrease was due to a decrease in cash invested at March 31, 2012.

Accretion of asset retirement obligation

- Accretion of asset retirement obligations for the three months ended March 31, 2012 was $4,050 (Q4, 2011 - $3,660, Q1, 2011 - $8,020)

Depletion, depreciation and impairments

For the three months ended:	March 31, 2012	December 31, 2011	March 31, 2011
Depletion of oil and gas properties	$ 40,750	$ 57,700	$ 26,005
Amortization of Alderson Battery	2,495	-	-
Impairment of oil and gas properties	11,900	39,810	-
Depreciation of equipment	500	520	430
	$ 55,645	$ 98,030	$ 26,435

- Depletion of oil and gas properties for the three months ended March 31, 2012 was $40,750 or $11.13 per Bbl as compared to $57,700 or $15.24 per Bbl in Q4 - 2011, a decrease of $16,950 or $4.11 per Bbl (Q1 -2011 $26,005 or $10.42 per Bbl)
- At March 31, 2012 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, 2011. As a result there was a $11,900 impairment of oil and gas properties recorded in Q1, 2012 (Q4 2011 - $39,810, Q1, 2011- $Nil)
- The carrying value of exploration and evaluation properties of $9,816,720 at March 31, 2012 (March 31, 2011 - $6,789,190, December 31, 2011 - $9,814,875) have been evaluated at March 31, 2012 and it was determined that no costs had met the requirements to be transferred to property and equipment. These costs were also evaluated for impairment and it was determined that no impairment existed for the period ended March 31, 2012.

General and administrative expenses

Three months ended:	March 31, 2012	December 31, 2011	March 31, 2011
Investor relations	$ 5,055	$ 4,625	$ 9,985
Filing and transfer fees	6,650	8,550	2,120
Professional fees	1,400	6,140	54,705
Consulting fees and salaries	56,095	48,305	55,840
Rent and corporate costs	37,485	37,950	57,590
	$ 106,685	$ 105,570	$ 180,240

- In Q1, 2012 general and administrative expenses were $106,685, which is consistent with the fourth quarter of 2011.
- The decrease in G&A as compared to 2011 is due to lower consulting and professional fees in Q1, 2012.

Net loss

Three months ended:	Q-1 2011	Q-4 2011	Q-1 2011
Net loss from continuing operations	$ (53,675)	$(297,685)	$(132,955)

Loss per share			
Loss per share	$(0.002)	$(0.005)	$(0.002)

The decreased loss in Q1, 2012 as compared with Q4, 2011 is the result of the following adjustments at three months ended December 31, 2011:

- An impairment charge of exploration and evaluation assets of $305,155 in Q4, 2011
- Accrual for year-end audit fees and 51-101 reserve report costs of $55,000.
- Stock based compensation expense of $24,090 in Q4 for options issued in that period

Summary of Quarterly Results

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

Quarter ended:	June 30, 2010	Sept 30, 2010	Dec 31, 2010	Mar 31, 2011
Statement of operations				
Sales volumes - BOE/ day (Canada)	30	26	29	26
Production volumes - BOE/ day (Canada)	25	31	26	27
Oil revenues, net (Canada)	$ 68,905	$ 111,445	$ 145,940	$ 122,665
Net earnings (loss) and comprehensive loss				
Net earnings (loss) from continuing operations	$ (774,580)	$ (76,380)	$ (3,483,475)	$ (132,955)
Net loss for discontinued operations	$ (7,810)	$ -	$ (1,185)	$ -
Net earnings (loss) and comprehensive loss	$ (782,390)	$ (76,380)	$ (3,484,660)	$ (132,955)
Net earnings(loss) per share				
Net loss from continuing operations per share	$ (0.00)	$ (0.01)	$ (0.00)	$ (0.00)
Net loss from discontinued operations per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Net loss per share	$ (0.00)	$ (0.01)	$ (0.00)	$ (0.00)
Balance Sheet				
Total assets	$ 19,253,585	$18,109,400	$ 17,945,340	$ 14,985,285
Working capital	$ 7,630,215	$ 7,294,650	$ 7,170,570	$ 6,124,775
Refundable Deposits	$ 640,670	$ 640,670	$ 640,670	$ 640,670
Funds flow from operations	$ (134,130)	$ (436,890)	$ (77,830)	$ (187,105)

Quarter ended:	June 30, 2011	Sept 30, 2011	Dec. 31, 2011	March 31, 2012
Statement of operations				
Sales volumes - BOE/ day (Canada)	34	48	39	40
Production volumes - BOE/ day (Canada)	35	44	41	40
Oil revenues, net (Canada)	$ 182,115	$ 242,630	$ 223,440	$ 222,260
Net earnings (loss) and comprehensive loss				
Net earnings (loss) from continuing operations	$ (213,150)	$ (29,550)	$ (297,685)	$ (53,675)
Net earnings(loss) per share				
Net loss per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)

Quarter ended:	June 30, 2011	Sept 30, 2011	Dec. 31, 2011	March 31, 2012
Balance Sheet				
Total assets	$ 14,543,495	$14,462,870	$ 15,727,840	$ 15,625,940
Working capital	$ 5,901,525	$ 4,375,000	$ 3,065,520	$ 3,014,555
Refundable Deposits	$ 374,305	$ 374,305	$ 374,305	$ 305,555
Funds flow from operations	$ (179,725)	$ (1,820)	$ 139,310	$ (27,955)

Financial Instruments

As disclosed in Note 3 to the unaudited condensed consolidated interim financial statements at March 31, 2012, 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 March 31, 2012 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.

	March 31, 2012		December 31, 2011	
	Carrying Value ($)	Fair Value ($)	Carrying Value ($)	Fair Value ($)
Financial assets:				
Receivables	$ 103,810	$ 103,810	$ 118,830	$ 118,830
Total financial assets	$ 103,810	$ 103,810	$ 118,830	$ 118,830
Financial liabilities				
Payables and accruals	$ 1,420,920	$ 1,420,920	$ 1,473,195	$ 1,473,195
Total financial liabilities	$ 1,420,920	$ 1,420,920	$ 1,473,195	$ 1,473,195

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 March 31, 2012 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 March 31, 2012 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
$ 103,810	$ 93,790	$ -	$ -	$ 10,020

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 c ash flow of the Company during the period ended March 31, 2012.

d) Foreign currency risk: The Corporation is exposed to risks arising from fluctuations in foreign currency exchange rates, primarily between Canadian and U.S. dollars. The Corporation does not utilize any foreign currency based derivatives. In order to manage this risk and to defer the realization of any resulting currency loss from converting Canadian dollars to US dollars, the Corporation retains cash balances in both US and Canadian dollars.

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 March 31, 2012, the Company's accounts payable and accrued liabilities were $1,420,920 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
$ 1,420,920	$ 72,200	$ 6,230	$ 470	$ 1,342,000

Investing Activities

Exploration and evaluation assets

For the three months ended	31-Mar-12	31-Dec-11	31-Mar-11
Canada	$ -	$ 461,925	$ 6,595
United States	1,825	1,001,680	291,500
	$ 1,825	$ 1,463,605	$ 298,095

- Capital expenditures in Q1, 2012 were $1,825 (Q4, 2011 - $461,925, Q1, 2011 - $6,595) of which 0% (Q4, 2011 – 32%, Q1, 2011 – 2%) is related to activities in Canada and $1,825 or 100% (Q4, 2011 – 68%, Q1, 2011 – 98%) is related to the costs to acquire mineral titles in Northwest Montana, USA.

Investing Activities

Property and equipment

- During the first quarter of 2012 the Company incurred $55,145 (Q4, 2011 - $76,620) with respect to costs related to the Company's oil battery at Alderson. Alberta.

Obligations

- The Company is party to an agreement to lease its premises until December 31, 2014. The annual rent of premises consists of a minimum rent payment of $43,120 plus occupancy cost per year for 2012 to 2014.
- 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 from licenses and lands owned by the Company, the payment to employees, consultants and directors is based on 4% of the Company's annual production revenue less transportation and processing fees. At March 31, 2012, payout of 100% of cumulative annual capital expenditures had been reached on the Alderson oil property and subsequent payments are calculated at 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, 2012 are provided below, these costs are included in general and administrative expenses on the condensed statements of operations and comprehensive loss at March 31, 2012:

- Compensation paid to executive officers was $31,250 (March 31, 2011 - $31,250) in salaries and $23,275 (March 31, 2011 - $19,500) in consulting fees.
- At March 31, 2012 royalties of $11,575 (March 31, 2011 - $6,345) were paid to officers and consultants pursuant to the Company's Royalty Incentive Plan.

Other Items

Outstanding shares, options and warrants

The Company's share capital structure is as follows:

As of:	March 31, 2012	May 29, 2012
Common shares outstanding	59,578,965	59,578,965
Options outstanding	5,531,500	5,531,500
Fully diluted	65,110,465	65,110,465

Additional details on the shares, options and warrants outstanding at March 31, 2012 are available in the Notes to the March 31, 2012 condensed interim financial statements.

Recent accounting pronouncements

The IASB issued the following standards and amendments which are not yet effective for the Company and discussed in further detail in Note 4 to the Condensed Interim Financial Statements at March 31, 2012. The IASB did not issue any standards, interpretations or amendments during the first quarter of 2012.

- Amendments to IFRS 7, "Financial Instruments: Disclosures"
- Amendments to IAS 32, "Financial Instruments: Presentation"
- IFRS 9, "Financial Instruments,"
- IFRS 10 Consolidated Financial Statement,
- IFRS 11 Joint Arrangements,

- IFRS 12 Disclosures of Interests in Other Entities,
- Amendments to IAS 27 Separate Financial Statements
- Amendments to IAS 28 Investments in Associates and Joint Ventures.
- IFRS 13, "Fair Value Measurement
- Amendments to IAS 19, "Employee Benefits,"

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.
- Third party drilling programs and well status reports.

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