International Frontier Resources Corporation
Management's Discussion and Analysis
March 31, 2013

International Frontier Resources Corporation is an independent Canadian public company, the principle business of which is to acquire, develop, exploit and produce oil and natural gas in the Central Mackenzie Valley, Northwest Territories, Canada, northwest Montana USA and in south east Alberta.

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 period ending March 31, 2013, 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 March 31, 2013 in accordance with IFRS and should be read in conjunction with the audited financial statements as at December 31, 2012 together with accompanying notes, the Statement of Reserves Data and Other Oil and Gas Information contained in the Company's annual 51-101 dated December 31, 2012. This MD&A contains forward-looking statements, the definitions of which are defined herein.

The quarterly 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 indicate.

Business Overview

International Frontier Resources Corporation is an independent Canadian public company, the principle business of which is to acquire, develop, exploit and produce oil and natural gas in the Central Mackenzie Valley, Northwest Territories, Canada, northwest Montana USA and in south east Alberta. A summary for the period ending March 31, 2013 is as follows.

Central Mackenzie Valley, NWT ("CMV")

As of the date of this MD&A the Company has participated in nine exploration wells in the CMV, the Company was fully carried in three wells and partially carried in a fourth well. Hydrocarbons were encountered in four wells and five wells were abandoned and the drill sites restored. In addition the Company participated in three aero-mag surveys and four proprietary 2D seismic surveys. The Company holds an interest in three Significant Discovery Licenses ("SDL") and three Freehold parcels located in the Sahtu area of the CMV, a summary of which is as follows:

Summit Creek – 11,380 acres

The well *Husky et al Summit Creek B-44-64-30-125-45* lies in the foothills of the Mackenzie Mountains, 110 kilometers south of the town of Norman Wells. The B-44 well was drilled to a depth of 10,050 feet cased and suspended. Production testing of the *Summit Creek B-44* well confirmed several productive intervals within a gross hydrocarbon column of over 600 feet in the Devonian Formation. Two separate intervals, encompassing net pay of 255 feet, were flow tested, each zone produced at rates of approximately 10 MMCF/D of natural gas and 3,000 barrels per day of condensate.

The Company's independent reserve evaluator assigned contingent gross resources of 38.7 billion cubic feet of gas and six million barrels of oil (Best Case 42% recovery) and a high case of 163 billion cubic feet of gas and 27 million barrels of condensate (61% recovery).

Partners in the Summit Creek SDL are Husky Oil Operations (operator) 59.28%, Taqa North 32.50% and IFR 8.2112%.

Stewart Lake – 19,990 acres

The well *Husky et al Stewart Lake D-57-64-20-125-15* is located 30 kilometers south of the Summit Creek SDL. The well was drilled on TDL freehold parcel M-38 to a total depth of 10,322 feet, open hole tested, cased and suspended. The D-57 well tested sweet dry natural gas at a rate of 5 MMCF/D (unstimulated) from two separate reservoirs of Cretaceous-aged sandstones. The structure covers nine crown sections on which two SDL's have been granted; TDL freehold parcel M-38 is located in the middle of the two SDL's. Based on IFR's acreage position in the Stewart discovery ara the Company estimates it holds 16.50% of the SDL reserves. The Company's independent reserve evaluator assigned contingent gross resources for the Stewart discovery SDL area of 20 billion cubic feet (best estimate) and 63 billion cubic feet (high estimate).

Partners in the Stewart Lake SDL's are Husky Oil Operations (operator) 59.28%, Taqa North 32.50% and IFR 8.221%. Partners in TDL freehold parcel M-38 are Husky Oil Operations (operator) 75% and IFR 25%.

Sah Cho L-71 TDL Parcel M37 – 16,987 acres

The *Husky et al Sah Cho L-71* well was drilled and cased to a total depth of 12,100 feet. The primary objectives, the Arnica and Hume zones encountered gas and water. Prospective zones that have not been tested include the Cretaceous age Arctic Red and the Little Bear sands.

Partners in the *Sah Cho L-71* well and in TDL freehold parcel M-37 are Husky Oil Operations (operator) 75% and IFR 25%.

TDL Freehold Parcel M39 – 11,584 acres

Freehold parcel M-39 is located within Exploration License EL-472 which was awarded to Imperial Oil 50% and ExxonMobil 50% at the 2011 land sale for a work commitment of $21.5 million. Parcel M-39 is held Husky Oil Operations (operator) 75%, IFR 25%.

The Summit Creek and Stewart Lake acreage is held under Significant Discovery Licenses therefore it does not expire until all reserves are produced from the SDL areas. The TDL Freehold Leases can be renewed each year by paying annual rentals in the amount of $103,000 (net).

Canol & Bluefish Shale Plays - CMV

As of the date of this MD&A five vertical pilot wells have been drilled to evaluate the Devonian-age Canol and Bluefish shale's. The pilot wells were drilled to assess the viability of developing the target zone with horizontal drilling and multi-stage-fraccing technology. The Canol is the source rock that generated oil in the Norman Wells oilfield (270+ million barrels recoverable) and hydrocarbons in the Company's Summit Creek discovery. Interpretation of proprietary seismic and well data indicates that the Canol and Bluefish shale's are prospective exploration targets on the Company's acreage.

A summary of industry activity in the Canol shale plays in Q1, 2013 is as follows.

EL-463 Husky Oil – 100%
Husky completed, fracced and production tested the Little Bear N-09, well results have not been released.

EL-462 Husky Oil – 100%
Husky completed and production tested the Little Bear H-64, well results have not been released.

Husky reported construction of a 47 km all-weather road was completed in Q1, 2013.

EL-470 ConocoPhillips – 100%
ConocoPhillips drilled, logged and cored two vertical wells results have not been released. In an interview (DOB-April 13, 2013) Conoco stated " This is a Devonian shale that we believe is in the oil window on trend with the prolific Horn River gas play" – " We're planning to go back to this area next winter for a multi-well program, including a horizontal well production test". In Q1 ConocoPhillips submitted an application to the regulatory authorities to drill and conduct multi-stage fracturing operations on the Dodo Canyon E-76 and Mirror Lake P-20 wells. As of the date of this MD&A regulatory authorities have not yet approved the horizontal well applications.

EL-466B MGM Energy – MGM- 62.50% Shell Oil – 32.50%
The East Mackay I-78 well was drilled, logged, cored, fracced and production tested. The I-78 well was drilled 1.5 km south the Northrock East Mackay I-77 well that IFR farmed out to Northrock et al in 2010. The East Mackay I-77 well was drilled prior to new horizontal drilling and multi-stage-fraccing technology. MGM Energy reported (May 25/13 news release) "We continue to be very encouraged by the results of the East Mackay I-78 well" – "The results of the well, including flow rates, certainly meet our expectations for a vertical well with small fracs and a limited testing period".

2013 CMV Annual Land Sale
The 2012-2013 Call for Bids was announced on May 18, 2013 with bids due on September 17, 2013. A total of seven parcels have been posted two of which are located immediately east of IFR's acreage, the remaining five parcels are located north west of Norman Wells close to the Yukon border.

Southern Alberta Basin ("SAB") - Glacier County, NW Montana

The Company owns Mineral Titles on 15,200 un-evaluated freehold acres ("Fee Acreage") located on the Blackfeet Reserve ("Reserve") in Glacier County, NW Montana. Glacier County sits on the south end of the Southern Alberta Basin ("SAB") where industry has been drilling horizontal-multi-stage-fracced wells to evaluate tight-oil formations.

Approximately 90% of the Company's Fee Acreage is under lease to Anschutz Exploration, Newfield Exploration and Rosetta Resources, the leases reserve in favor of IFR royalties ranging from 12.50% to 18.50%. The average term remaining on the leases is 2.5 years, when a lease expires the acreage reverts back to IFR resulting in the Company holding a 100% net revenue lease.

As of the date of this MD&A 18 horizontal wells and 14 vertical stratigraphic pilot wells have been drilled on the Reserve. To date no wells have been drilled on the Company's Fee Acreage.

The Montana Board of Oil & Gas Conservation reports indicate that light oil has been encountered in the Bakken, Nisku, Second White Specs (Cone), Sun River Dolomite and Virgelle Sandstone formations in wells drilled on the Reserve in the period 2009 – 2012.

In Q1, 2013 Anschutz Exploration reported "it will discontinue oil and gas exploration on the Blackfeet Indian Reservation of Montana after more than a decade of research, negotiation and investment in the project". In a statement, the company said "that it has drilled 14 exploratory wells on the reservation and that drilling and testing have located some resources (in the area), but not enough to support further exploration and development investment".

In a May 6, 2013 news release Primary Petroleum Corporation provided an update on its Pondera-Teton prospect they reported "Current 3D seismic interpretation suggests that the Phase 1 Madison Discovery on the Spring Hill prospect is approximately one to two sections in areal extent, and could contain oil reserves that initial internal estimates range from 250,000 barrels

and up to 1,000,000 barrels (subject to independent engineering review)". IFR owns title interests on 320-acres located 12 miles north of the potential Springhill discovery.
On the Alberta side of the SAB operators seem to have cracked the code on the Bakken play. In the Ferguson area, which is 12-18 miles north of the Montana border, Dee Three Exploration Ltd., announced on May 14, 2013 their best Bakken test rate to date on the Ferguson Alberta Bakken property. A recently drilled well with an approximate 3,200-meter lateral was fracture stimulated placing 400 tonnes of sand over 22 stages, the well produced at a final rate of 1,360 bbls/day of 29 degree API reservoir oil. Dee Three plan to drill up to 22 horizontal wells and construct an 8000-barrel oil battery on the Ferguson property.

Further north on the SAB play fairway, in the Monarch area, Torc Oil & Gas Ltd. reported "the 2-9 well has produced more than 46,000 bbls of light oil over the first 150 days, averaging more than 300 bbls per day over this time period. The company also reported "the 16-2 well has produced more than 54,000 bbls of light oil over 180 days for an average rate of 300 bbls per day. The Company has allocated approximately $40 million of its 2013 capital budget to Monarch including the drilling of four to six total delineation wells and the building of a multi well facility".

In the township adjacent to the Alberta border (Twp. 37 Rges. 8-14) IFR owns Mineral Titles covering 3,120 net acres. The Company's Fee Acreage in NW Montana does not expire.

South East Alberta

The Company owns a 100% interest in five oil wells and an oil battery in the Alderson area; the wells produce 35 – 40 BOPD from the Mannville Formation.

The Company owns a 100% interest in 1,120 acres located in the Manyberries area; the leases expire in 2016 – 2017.

Liquidity, capital resources and financing activities

Working Capital

At March 31, 2013, cash and cash equivalents were $3,214,165 (December 31, 2012 $3,456,380) and working capital was $2,998,075 (December 31, 2012 - $3,018,180). The decrease in working capital at March 31, 2013 is the result of capital expenditures of $10,735 in the CMV and $11,420 in NW Montana.

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 on-going basis and believes that its approach, given the relative size of the Company is reasonable. As at March 31, 2013, the Company's capital as defined above was approximately $2,849,295 (December 31, 2012 – $2,921,040).

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, v) issuing new shares 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, 2013**		**Dec. 31, 2012**		**March 31, 2012**
Statement of operations						
Sales volumes - BOE/ day (Canada)		40		41		40
Production volumes - BOE/ day (Canada)		39		40		40
Oil revenues, net (Canada)	$	166,920	$	189,930	$	222,260
Interest income from continuing operations	$	6,415	$	9,615	$	7,590
Net loss and comprehensive loss	$	(31,535)	$	(302,905)	$	(53,675)
Net loss per share						
Net loss per share	$	(0.001)	$	(0.010)	$	(0.001)
Cash flow						
Net cash provided (used in)						
Operating activities	$	(68,430)	$	(315,130)	$	(27,955)
Investing activities	$	(173,785)	$	216,080	$	(18,975)
Balance sheet						
Assets						
Exploration and evaluation assets	$	9,397,105	$	9,374,950	$	9,816,720
Property and equipment	$	1,071,045	$	1,101,270	$	1,109,110
Total assets	$	14,084,895	$	14,282,915	$	15,625,940
Working capital	$	2,998,075	$	3,018,180	$	3,014,555

Investing Activities
Exploration and evaluation assets

For the three months ended		**March 31, 2013**		**Dec. 31, 2012**		**March 31, 2012**
Canada	$	10,735	$	25,530	$	1,845
United States		11,420		37,340		-
	$	22,155	$	62,870	$	1,845

Property and equipment						
For the three months ended		**March 31, 2013**		**Dec. 31, 2012**		**March 31, 2012**
Canada	$	11,560	$	-	$	55,145
United States		-		-		-
	$	11,560	$	-	$	55,145

Summary of Alderson Operations

		Three months ended March 31, 2013		Three months ended December 31, 2012		Three months ended March 31, 2012
Sales volumes (Bbl/day)		40		41		40
Production volumes (Bbl/day)		39		40		40
Oil Sales	$	217,775	$	248,940	$	293,020
Royalties		50,855		59,010		70,760
Net Revenues		166,920		189,930		222,260
Operating expenses		81,505		103,970		102,090
Net Income	$	85,415	$	85,960	$	120,170
Oil Sales ($/BBL)	$	60.39	$	66.70	$	79.80
Operating costs ($/BBL)	$	22.60	$	27.87	$	27.80
Depletion per BOE	$	10.99	$	11.32	$	11.13

- Oil sales volumes in Q1, 2013 were 40 Bbl/day which is consistent with 41 Bbl/day in Q4, 2012
- Production volumes in Q1, 2013 were 39 Bbl/day which is consistent with 40 Bbl/day in Q4, 2012
- Oil revenue in Q1, 2013 was $217,775, a decrease of 12.52% as compared to $248,940 in Q4, 2012.
- Decrease in oil revenues in the period was due to a 9.46% decrease in price received in the quarter of $60.39 per Bbl as compared to $66.70 per Bbl in the previous quarter
- During Q1, 2013 the Company paid royalties of $50,855, a decrease 13.82% as compared to $59,010 in Q4 2012. The decrease in royalties is consistent with the decrease in oil sales in the period
- Operating expenses in the first quarter of 2013 were $81,505 or $22.60 per Bbl a decrease of 21.61% as compared to $103,970 or $27.87 per Bbl in Q4, 2012.
- The higher operating costs in Q4, 2012 was due to work-over costs incurred in the Alderson Field. No work-over expenses were incurred in Q1, 2013.

Interest income

- In Q-1, 2013 interest income from short-term investments was $6,415 (Q4, 2012 - $9,615, Q1, 2012 - $7,590) the decrease was due to less cash invested in the first quarter.

Accretion of asset retirement obligation

- Accretion of asset retirement obligations in Q1, 2013 was $3,985 (Q4, 2012 - $3,720, Q1, 2012 - $4,050)

Depletion, depreciation and impairments

For the three months ended:	March 31, 2013	December 31, 2012	March 31, 2012
Depletion of oil and gas properties	$ 39,000	$ 42,000	$ 40,750
Amortization of Alderson Battery	2,495	2,495	2,495
Impairment of oil and gas properties	-	(12,000)	12,000
Depreciation of equipment	290	215	405
	$ 41,785	$ 32,710	$ 55,650

- Depletion of oil and gas properties for the three months ended March 31, 2013 was $39,000 or $10.99 per Bbl, which is consistent to $42,000, or $11.32 per Bbl in Q4 - 2012. (Q1 -2012 $40,750 or $11.13 per Bbl)
- At March 31, 2013 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, 2012. As a result there was a $Nil impairment recorded in Q1, 2013 (Q4 2012 - $Nil, Q1, 2012- $Nil)
- The carrying value of exploration and evaluation properties of $9,395,745 at March 31, 2013 (March 31, 2012 - $9,816,720, December 31, 2012 - $9,374,950) have been evaluated 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, 2013.

General and administrative expenses

Three months ended:	March 31, 2013	December 31, 2012	March 31, 2012
Investor relations	$ -	$ 900	$ 5.055
Filing and transfer fees	6,685	1,480	6,650
Professional fees	700	49,090	1,400
Consulting fees and salaries	56,165	64,650	56,090
Rent and corporate costs	32,620	41,930	37,490
	$ 96,170	$ 158,050	$ 106,685

- Total general and administration expenses in the three months ended March 31, 2013 were $96,170 a 39.15% decrease as compared to the previous quarter General and administration costs are in line with the Company's projections.

Net loss

Three months ended:	Q-1 2013	Q-4 2012	Q-1 2012
Net loss from continuing operations	$ (31,535)	$ (322,845)	$ (53,675)

Loss per share			
Loss per share	$ (0.001)	$ (0.010)	$ (0.001)

- The net loss for the three months ended March 31, 2013 was $31,535 (Q4, 2012 net loss - $322,845)
- The decreased loss in Q1, 2013 as compared with Q4, 2012 is the result of the following adjustments at three months ended December 31, 2012:
  - reclamation costs in the Northwest Territories in the amount of $233,945,
  - accrual for year-end audit fees and 51-101 reserve report costs of $55,000.

Summary of Quarterly Results

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

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	$	(213,150)	$	(29,550)	$	(297,685)	$	(53,675)
Net earnings(loss) per share								
Net loss per share	$	(0.004)	$	(0.000)	$	(0.005)	$	(0.001)
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)	$	139,525	$	(27,955)

Quarter ended:		June 30, 2012		Sept 30, 2012		Dec. 31. 2012		March 31, 2013
Statement of operations								
Sales volumes - BOE/ day (Canada)		39		33		41		40
Production volumes - BOE/ day (Canada)		41		32		40		39
Oil revenues, net (Canada)	$	184,450	$	155,750	$	189,930	$	166,920
Net earnings (loss) and comprehensive loss	$	(62,165)	$	(136,755)	$	(302,905)	$	(31,535)
Net earnings(loss) per share								
Net loss per share	$	(0.001)	$	(0.002)	$	(0.005)	$	(0.001)
Balance Sheet								
Total assets	$	15,074,790	$	14,916,380	$	14,282,915	$	14,084,895
Working capital	$	2,926,350	$	2,775,875	$	3,018,180	$	2,998,075
Refundable Deposits	$	-	$	-	$	-	$	-
Funds flow from operations	$	(100,395)	$	(59,385)	$	(315,130)	$	(68,430)

Financial Instruments

As disclosed in Note 3 to the unaudited condensed interim financial statements at March 31, 2013, 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, 2013 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, 2013		Fair Value Measurements	
	Carrying Value ($)	Fair Value ($)	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)
Financial assets:				
Loans and receivables				
Receivables	$ 98,100	$ 98,100	$ -	$ 98,100
Deposits	$ 253,800	$ 253,800	$ -	$ 253,800
Held for trading				
Cash and cash equivalents	$ 3,214,165	$ 3,214,165	$ 3,214,165	$ -
	$ 3,566,065	$ 3,566,065	$ 3,214,165	$ 351,900
Financial liabilities				
Measured at amortized costs				
Payables and accruals	$ 353,230	$ 353,230	$ -	$ 353,230
Total financial liabilities	$ 353,230	$ 353,230	$ -	$ 353,230

	December 31, 2012		Fair Value Measurements	
	Carrying Value ($)	Fair Value ($)	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)
Financial assets:				
Loans and receivables				
Receivables	$ 83,095	$ 83,095	$ -	$ 83,095
Deposits	$ 253,175	$ 253,175	$ -	$ 253,175
Held for trading				
Cash and cash equivalents	$ 3,456,380	$ 3,456,380	$ 3,456,380	$ -
	$ 3,792,650	$ 3,792,650	$ 3,456,380	$ 336,270
Financial liabilities				
Measured at amortized costs				
Payables and accruals	$ 523,700	$ 523,700	$ -	$ 523,700
Total financial liabilities	$ 523,700	$ 523,700	$ -	$ 523,700

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, 2013 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, 2013 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
$ 98,100	$ 84,035	$ -	$ 3,455	$ 10,610

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, 2013.

d) **Foreign currency risk:** The Company is exposed to risks arising from fluctuations in foreign currency exchange rates, primarily between Canadian and U.S. dollars. The Company 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 Company 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, 2013, the Company's accounts payable and accrued liabilities were $353,230 most 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
$ 353,230	$ 43,515	$ 4,395	$ 1,700	$ 303,620

Investing Activities

Exploration and evaluation assets

For the three months ended	March 31, 2013	Dec. 31, 2012	March 31, 2012
Canada	$ 10,735	$ 25,530	$ 1,845
United States	11,420	37,340	-
	$ 22,155	$ 62,870	$ 1,845

- Capital expenditures in Q1, 2012 were $22,155 (Q4, 2012 - $62,870, Q1, 2012 - $1,845) of which 49% (Q4, 2012 – 40%, Q1, 2012 – 100%) is related to activities in Canada and $11,420 or 51% (Q4, 2012 – 60%, Q1, 2012 – 0%) is related to the costs to acquire mineral titles in Northwest Montana, USA.

Property and equipment

- During the first quarter of 2013 the Company incurred $11,560 (Q4, 2012 - $Nil, Q1, 2012 - $55,145) 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 is $43,400 plus occupancy costs for 2013 & 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, 2013, 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, 2013 are provided below, these costs are included in general and administrative expenses on the condensed statements of operations and comprehensive loss at March 31, 2013:

- Compensation paid to executive officers was $31,250 (March 31, 2012 - $31,250) in salaries and $23,275 (March 31, 2012 - $23,275) in consulting fees.
- At March 31, 2013 royalties of $8,355 (March 31, 2012 - $11,575) 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, 2013**	**May 23, 2013**
Common shares outstanding	59,578,965	59,578,965
Options outstanding	5,181,500	5,181,500
Fully diluted	64,760,465	64,760,465

Additional details on the shares, options and warrants outstanding at March 31, 2013 are available in the Notes to the March 31, 2013 condensed interim financial statements.

Changes in accounting policies

Effective January 1, 2013, the Company has adopted the following new IFRS standards and amendments.

1. Presentation of Financial Statements

The Company has applied the amendments to IAS 1, "Presentation of Financial Statements" ("IAS 1"). The amendments require items within OCI to be grouped into two categories: (1) items that will not be subsequently reclassified to profit or loss or (2) items that may be subsequently reclassified to profit or loss when specific conditions are met. The amendment has been applied retrospectively and, as such, the presentation of items in OCI has been modified. The application of the amendment to IAS 1 did not result in any adjustments to other comprehensive income or comprehensive income.

2. Offsetting Financial Assets and Financial Liabilities

The amendments to IFRS 7 "Financial Instruments: Disclosures" develop common disclosure requirements for financial assets and financial liabilities that are offset in the financial statements, or that are subject to enforceable master netting arrangements or similar agreements. The adoption of these amendments does not have any impact to the Company's financial statements, other than increasing the level of annual disclosures.

3. Reporting Entity

- IFRS 10, "Consolidated Financial Statements", replaces the consolidation requirements in SIC-12, "Consolidation – Special Purpose Entities" and a portion of IAS 27. IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company and provides additional guidance to assist in the determination of control where this is difficult to assess. The retrospective application of this standard does not have any impact on the Company's financial statements.
- IFRS 11, "Joint Arrangements", focuses on the rights and obligations of the joint arrangement, rather than its legal form and requires joint arrangements to be classified either as joint operations or joint ventures. For joint operations, a company recognizes its share of assets, liabilities, revenues and expenses of the joint operation. To account for interest in its jointly controlled entity Sidox Chemicals Canada Ltd., the equity method is used. The retrospective application of this standard does not have any impact on the Company's financial statements.
- IFRS 12, "Disclosure of Interest in Other Entities", is a comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structure entities and other off balance sheet interests. The retrospective application of this standard does not have any impact on the Company's financial statements.

4. Fair Value Measurements

IFRS 13, "Fair Value Measurement", provides a consistent definition of fair value, establishes a single framework for determining fair value and introduces requirements for disclosures related to fair value measurement. The measurement of the fair value is based on assumptions that market participants would use when pricing the asset or liability under current market conditions including assumptions about risks. The prospective adoption of this standard does not have any impact on the Company's financial statements, other than increasing the level of disclosures provided in Note 14, Financial Instruments.

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, 2013. The IASB did not issue any standards, interpretations or amendments during the first quarter of 2013.

1. Offsetting Financial Assets and Financial Liabilities

In December 2011, the IASB issued amendments to IFRS 7, "Financial Instruments: Disclosures" and IAS 32, "Financial Instruments: Presentation" to clarify the current offsetting model and develop common disclosure requirements to enhance the understanding of the potential effects of offsetting arrangements. Amendments to IFRS 7 are effective for the Company on January 1, 2013 with required retrospective application and early adoption permitted. Amendments to IAS 32 are effective for the Company on January 1, 2014 with required retrospective application and early adoption permitted. The Company intends to retrospectively adopt the IFRS 7 amendments on January 1, 2013 and the IAS 32 amendments on January 1, 2014. The adoption of these amended standards is not expected to have a material impact on the Company's financial statements.

2. Financial Instruments: Recognition and Measurement

In November 2009, as part of the International Accounting Standards Board's (IASB) project to replace International Accounting Standard (IAS) 39 *Financial Instruments: Recognition and Measurement*, the IASB issued the first phase of IFRS 9 *Financial Instruments*. It contained requirements for the classification and measurement of financial assets, and was updated in October 2010 to incorporate financial liabilities. The standard is applicable for annual periods starting on or after January 1, 2015.

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