



International Frontier Resources Corporation

2023 REPORT ON MODERN SLAVERY

Canada
May 30, 2024

1. INTRODUCTION

This Report on Modern Slavery (the “Report”) addresses the period from January 1, 2023 to December 31, 2023 and has been prepared in compliance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act, S.C. 2023, c.9 (the “Act”). This Report is made on behalf of International Frontier Resources Corporation and its subsidiaries (collectively “IFR”, “we”, “us”, “our” or the “Company”), including specifically International Frontier Resources Corporation and its 99.80% owned Mexican subsidiary, Petro Frontera S.A.P.I de CV (“Frontera”) which includes Frontera’s 42.63% investments in Tonalli Energia S.A.P.I. de CV (“Tonalli”) a company incorporated in Mexico, and its 99.80% interest in Energia Mex Can (“Mexcan”), a company incorporated in Mexico

IFR is committed to ensure that we operate in a transparent, ethical, and accountable manner with a commitment to fostering an environment where internationally proclaimed human rights are respected. Our core values of integrity, safety, collaboration, and caring guide the conduct of each member of our officers, and our directors. In equal measure, we seek out business partners who are not only aligned with our core values, but who understand their meaning and fundamental importance to who we are and what we stand for. IFR will continue to adapt to maintain the highest standards of ethics and integrity in its business and relationships.

2. IFR’S STRUCTURE, ACTIVITIES AND SUPPLY CHAIN

Description of IFR

IFR was incorporated on November 24, 1997 under the ABCA as “761523 Alberta Ltd.”. On March 20, 1998, the Corporation changed its name to “International Frontier Resources Corporation”.

IFR is an independent Canadian publicly traded company, the principal business of which is to acquire, develop, exploit and produce oil and natural gas. IFR has oil and natural gas interests in Mexico, the Central Mackenzie Valley (“CMV”), Northwest Territories, Canada and Montana, USA.

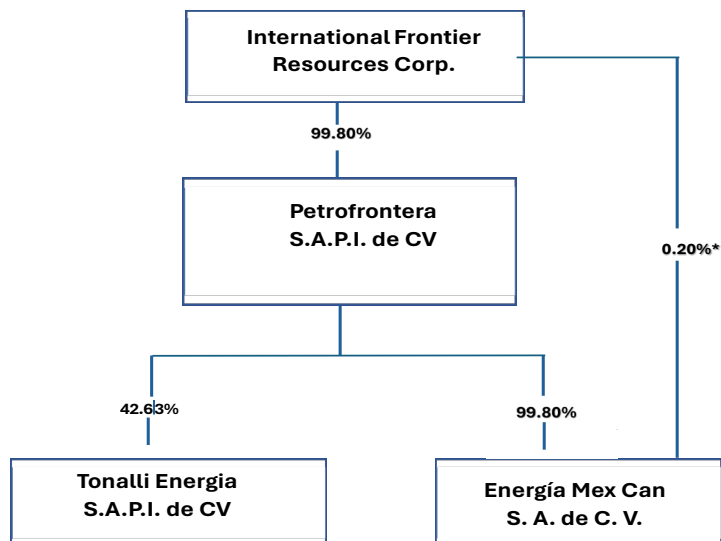
IFR and its subsidiaries are currently engaged in the exploration, development and production of oil and natural gas in Mexico. IFR also has oil and natural gas interests in the Central Mackenzie Valley, Northwest Territories, Canada.

IFR’s principal subsidiary in Mexico is Petro Frontera S.A.P.I de C.V. (“Frontera”), a corporation incorporated in accordance with the laws of Mexico which includes:

- Frontera’s 42.63% investment In Tonalli Energia S.A.P.I. de C.V., a Company Incorporated in Mexico. Frontera does not have any employees and contracts services as required to manage its investment in Tonalli. IFR’s partner in Tonalli is Jaguar Exploracion Y Produccion S.A.P.I. de C.V. (“Jaguar”). Jaguar owns a 57.37% interest in Tonalli and is the operator of record for Tonalli providing all operating and administrative services for the company.
- Frontera’s 99.80% investment in Energia Mexcan S.A.P.I de C.V. (‘Mexcan’). There are currently no operations in Mexcan.

To learn more about our business, please see www.internationalfrontier.com.

Corporate Structure



Our Global Supply Chain

The scope and nature of IFR's current business activities and jurisdictions of operation, being primarily in through its non-controlling interest in its' subsidiary in Mexico, an OECD country, generally limits exposure to modern slavery risks in our supply chain. IFR does not undertake any importation activities in relation to it's subsidiaries operations in Mexico.

3. OUR SUPPLY CHAIN RISK PROFILE

IFR has started the process of identifying risks and we are in the preliminary stages of assessing our supply chain and thus far IFR has not identified any instances of forced labour or child labour in either our operations or supply chain. The majority of inputs into IFR's supply chains in 2023 came from Canada and Mexico where we have fair and responsible employment practices in place to protect and promote workers' rights.

That said, we recognise that risks of modern slavery may be present in our supply chain in areas such as indirect suppliers. We are also aware of parts of supply chain where subcontracted labour is used. Since a majority of such workers are not employed directly by IFR, we have less control and visibility over their working conditions and employment terms and we continue to tailor our risk management actions to address those risks.

4. ACTIONS TAKEN TO COMBAT SLAVERY RISKS

IFR is committed to consistently evolving and improving and makes every effort, including diligent monitoring of IFR's operations and the performance of our suppliers, to prevent our activities having any negative impact on human rights. Building on the policies and procedures we currently have in place, IFR is in the process of developing and implementing strategies in order to assess and better understand areas of potential risk in our business and supply chain in order to:

- a) Monitor potential risk areas in our business and supply chain; and
- b) Reduce or mitigate the risk of slavery and human trafficking occurring in our business and supply chain.

5. OUR POLICIES ON MODERN SLAVERY

IFR is currently reviewing and considering what policies would be most effective in ensuring that forced labour and child labour are not being used in its activities and supply chains. At the present time we are in the process of:

- adopting a Global Human Rights Policy that, among other things, sets out our global approach to respecting, supporting and safeguarding human rights. The policy applies to IFR and to all employees and other persons in an employment-type relationship with IFR, as well as business partners acting on our behalf; and
- updating our Code of Business Conduct and Ethics (our “Code of Conduct”), which, among other things, will require our employees to participate in annual compliance training and report suspicion of forced labour, child labour and human trafficking; provides resources for the reporting of any such suspicion; and prohibits retaliation against anyone who reports any such suspicion in good faith.

6. DUE DILLIGENCE PROCESSES

In order to identify and manage risks of modern slavery and human trafficking in our own business, we will carry out background checks and periodically reassess our employment practices to ensure we meet or surpass employment standards in all jurisdictions in which we operate.

We expect third parties with which we work to adhere to business principles and values similar to our own and to comply with all applicable laws and regulations. We acknowledge that employees working outside our primary supply chain can be exposed to the potential risk of forced labour or child labour. In order to mitigate this risk, we strive to ensure that any supplier we conduct business with is a reputable vendor, with a strong reputation, is aligned with our values and follows industry standard operating best practices.

7. SUPPLIER ADHERENCE TO OUR VALUES

IFR seeks to do business with suppliers that have similar values, ethics and moral business practices, including those related to human rights. IFR will not tolerate any form of modern slavery and human trafficking within its supply chain.

8. TRAINING

All employees and consultants by acceptance of employment agree to comply and adhere to the Code of Conduct. The Code of Conduct is designed to ensure that personnel are aware of IFR's standards of ethical business practice and expectations regarding ethical conduct, including the obligation to act with fairness and to provide a safe and respectful work environment, where all individuals are treated with dignity and respect. In order to further develop the above-mentioned policies, we plan to include information regarding modern slavery risks in Code of Conduct.

9. REMEDIATION MEASURES

Over the course of the reporting period, we have not identified any instances of modern slavery or human trafficking in our business and supply chains, therefore, we have not been required to take remedial measures.

10. REMEDIATION MEASURES RELATING TO LOSS OF INCOME TO VULNERABLE PERSONS

We recognise that instances of modern slavery and human trafficking often impact the human rights of particularly vulnerable groups, such as migrant labourers, unskilled labourers, indigenous people, women, or children. To date, we have not discovered instances of modern slavery in our business and supply chain, therefore, we have not been required to take measures to remediate the would-be loss of income to vulnerable families.

11. EFFECTIVENESS IN COMBATting MODERN SLAVERY RISKS

To date, IFR has not taken any actions to assess the effectiveness of our actions in preventing and reducing risks of modern slavery in our activities and supply chain. Going forward, we will assess the effectiveness of our actions by evaluating KPIs, namely the number of staff trained, the number of suppliers and contractors screened, the number of reported breaches, and the instances of remedial actions being taken.

12. APPROVAL OF THE STATEMENT

This statement is made in accordance with Section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act and constitutes IFR's modern slavery statement for the financial year commencing on January 1, 2023 and ending on December 31, 2023.

This statement was approved by the Board of Directors of IFR pursuant to Paragraph 11(4)(a) of the Fighting Against Forced Labour and Child Labour in Supply Chains Act on May 29, 2024.

This Report is also available on our website at www.internationalfrontier.com.

13. ATTESTATION

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

By: 
Tony Kinnon
President and CEO
Date: **May 4, 2024**

I have the authority to bind IFR

Forward-Looking Statements

In addition to disclosure of historical information, IFR may make or provide statements or information in this report that are not based on historical facts, and which are considered to be forward-looking information or forward-looking statements under Canadian securities laws. Forward-looking statements relate to future events or future performance and may include, but are not limited to, estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact, including in particular, our modern slavery objectives which include, without limitation, governance objectives, objectives in respect of our internal evaluation and management of modern slavery risks and modern slavery reporting and disclosure objectives.

A statement made is forward-looking when it uses what we know and expect today to make a statement about the future. Forward-looking statements can typically be identified by terminology such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “forecast”, “project”, “intend”, “target”, “potential”, “continue” or the negative of these terms or terminology of a similar nature. Forward-looking statements, by their very nature, are subject to inherent risks and uncertainties and are based on several assumptions, both general and specific, which give rise to the possibility that actual results or events could differ materially from our expectations expressed in, or implied by, such forward-looking statements and that our business outlook, objectives, plans and strategic priorities may not be achieved. These statements are not guarantees of future performance or events, and we caution you against relying on any of these forward-looking statements. Forward-looking statements are presented in this report for the purpose of assisting readers in understanding, in particular key elements of our modern slavery objectives, and in obtaining a better understanding of our anticipated operating environment. Readers are cautioned, however, that such information may not be appropriate for other purposes.

We have made certain operational and other assumptions in preparing the forward-looking statements contained in this report. In particular, our modern slavery objectives are based on a number of assumptions, including, without limitation, assumptions regarding sufficiency of internal and external resources; our ability to maintain effective modern slavery risk management systems and processes; the continuation of supportive stakeholder engagement and collaboration; continued effective management of modern slavery risks and other assumptions described in the “Forward-Looking Statements”. If our assumptions turn out to be inaccurate, actual results or events could be materially different from what we expect.

Important risk factors that could cause actual results or events to differ materially from those expressed in, or implied by, the previously-mentioned forward-looking statements and other forward-looking statements contained in this report, include, but are not limited to factors such as: the failure to implement sufficient corporate and business initiatives; difficulty in accurately measuring, evaluating and disclosing our modern slavery risk management performance; our inability to collect modern slavery risk data from suppliers or the suppliers of acquired companies, including for historical years; as well as other risks detailed from time to time in reports filed by IFR with securities regulators or securities commissions or other documents that IFR makes public, which may cause events or results to differ materially from the results expressed or implied in any forward-looking statement.

Risk factors stated above and other risk factors that could cause actual results or events to differ materially from our expectations expressed in, or implied by, our forward-looking statements are discussed in this report as well as in IFR’s most recent annual Management’s Discussion and Analysis, which section is incorporated by reference into this cautionary statement.

IFR’s forward-looking statements are expressly qualified in their entirety by this cautionary statement. The forward-looking statements contained in report are subject to change. Except as may be required by applicable securities laws, we do not undertake any obligation to update or revise any forward-looking statements contained in this report.