MEXICO: THE NEXT ENERGY LEADER

TSX-V: IFR | OTCQB: IFRTF
Corporate Presentation | APRIL 2019
Safe Harbor

This presentation is for informational purposes only. It is not an offer for the sale of securities and it is not to be relied upon. Although all information is derived from sources which International Frontier Resources Corp. and Tonalli and both of its officers, directors and advisors believe to be reliable and accurate, neither International Frontier Resources Corp. nor Tonalli Energía, and each of its officers, directors or advisors warrant its accuracy. Recipients are advised to conduct their own due diligence.

FORWARD-LOOKING STATEMENTS

Any "financial outlook" or "future oriented financial information, as such terms are defined by applicable securities legislation, contained in this presentation, has been approved by management of IFR. Such financial outlook or future oriented financial information is provided for the purpose of providing information about management's current expectations and plans relating to the future. Investors are cautioned that reliance on such information may not be appropriate for other purposes.

This presentation includes certain statements that constitute “forward-looking statements” within the meaning of section 27A of the Securities Act of 1933, section 21E of the Securities Exchange Act of 1934 and the United States Private Securities Litigation Reform Act of 1995 and “forward-looking information” for the purposes of Canadian securities regulation (collectively, "forward-looking statements"). All forward-looking statements are based on our beliefs and assumptions based on information available at the time the assumption was made. IFR has tried to identify such forward-looking statements by use of such words as "could", "should", "can", "anticipate", "expect", "believe", "will", "may", "intend", "projected", "sustain", "continues", "strategy", "potential", "projects", "grow", "take advantage", "estimate", "forecast", "well-positioned" and similar expressions, but these words are not the exclusive means of identifying such statements.

These forward-looking 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. IFR believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. These statements speak only as of the date specified in the statements. By their nature, such forward-looking statements are subject to a number of risks, uncertainties and assumptions, which could cause actual results or other expectations to differ materially from those anticipated, expressed or implied by such statements, including those material risks and assumptions discussed in our most recently filed annual Management's Discussion & Analysis and Annual Information Form.

This information contains certain forward-looking estimates that involve substantial known and unknown risks and uncertainties, certain of which are beyond IFR's control. Such risks and uncertainties include, but are not limited to: financial risk of marketing reserves at an acceptable price given market conditions; volatility in market prices for oil and natural gas; delays in business operations, pipeline restrictions, blowouts; the risk of carrying out operations with minimal environmental impact; industry conditions including changes in laws and regulations and the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced; uncertainties associated with estimating oil and natural gas reserves; risks and uncertainties related to oil and gas interests and operations on tribal lands; economic risk of finding and producing reserves at a reasonable cost; uncertainties associated with partner plans and approvals; operational matters related to non-operated properties; increased competition for, among other things, capital, acquisitions of reserves and undeveloped lands; competition for and availability of qualified personnel or management; incorrect assessments of the value of acquisitions and exploration and development programs; unexpected geological, technical, drilling, construction and processing problems; availability of insurance; fluctuations in foreign exchange and interest rates; stock market volatility; failure to realize the anticipated benefits of acquisitions; general economic, market and business conditions; uncertainties associated with regulatory approvals; uncertainty of government policy changes; uncertainties associated with credit facilities and counterparty credit risk; changes in income tax laws, tax laws, government royalty rates and incentive programs relating to the oil and gas industry; and other factors, many of which are outside the control of IFR. The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as each of these are interdependent and IFR's future course of action depends on management's assessment of all information available at the relevant time.

Therefore, IFR’s actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking estimates and if such actual results, performance or achievements transpire or occur, or if any of them do so, there can be no certainty as to what benefits IFR will derive therefrom. We do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required pursuant to applicable securities laws. All subsequent forward-looking statements, whether written or oral, attributable to IFR or persons acting on the Company's behalf are expressly qualified in their entirety by these cautionary statements.
Why Mexico?

Huge Potential and Urgent Need for Investment

- Highest oil and gas prices in North America
- Risk profile and quality of oil and gas assets in Mexico far exceeds that of other assets available in North America
- Massive undeveloped conventional and unconventional reserves
- Starting in 2013, Mexico’s government has implemented massive reforms to allow foreign investment and independent operators

Huge Potential and Urgent Need for Investment
Mexico’s Reserve Estimates by Basin and Sector Distribution*

<table>
<thead>
<tr>
<th>Geologic basin</th>
<th>1P</th>
<th>3P</th>
<th>Prospective Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southeast</td>
<td>46.3</td>
<td>8.9</td>
<td>18.1</td>
</tr>
<tr>
<td>Tampico Misantla</td>
<td>7.2</td>
<td>0.9</td>
<td>6.7</td>
</tr>
<tr>
<td>Burgos</td>
<td>2.3</td>
<td>0.2</td>
<td>0.6</td>
</tr>
<tr>
<td>Veracruz</td>
<td>0.8</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Sabinas</td>
<td>0.1</td>
<td>0</td>
<td>0.1</td>
</tr>
<tr>
<td>Deepwater</td>
<td>0</td>
<td>0.1</td>
<td>0.5</td>
</tr>
<tr>
<td>Total Mexico</td>
<td>56.8</td>
<td>10.2</td>
<td>26.1</td>
</tr>
<tr>
<td>Total Pemex</td>
<td>56.8</td>
<td>9.6</td>
<td>22.2</td>
</tr>
<tr>
<td>Non Pemex Resource</td>
<td>0.6</td>
<td>3.9</td>
<td></td>
</tr>
</tbody>
</table>

*source SENER, PEMEX, and CNH

These two areas have similar reserves to the world wide reserves of a Super Major
The Mexican Commodity Price Advantage

- Mexican Crude Oil (Isthmus) has been receiving a premium to WTI

- US refinery demand plus Brent pricing drives premium pricing for Mexican oil

- Many analysts (Bank of America, Barclays, JPMorgan, Goldman Sachs, RBC, UBS and others), predict that crude oil pricing will rebound in 2019*

*CNBC December 31, 2018
Shortage of gas in Mexico drives the highest gas prices in North America, consistently above Henry Hub. (Average of IPGN Mex 6 Regions shown above)

- IFR’s partner, IDESA, is one of the largest natural gas users in Mexico
- Numerous Pemex fields in Southern Mexico may become available for Service Contracts ("CSIEE") or through Farmout Rounds
- BTU content can generate additional pricing premiums

Mexico National Oil and Gas Supply and Demand*

- Average capital expenditures ("CapEx") in the Mexican oil and gas sector since 2005 was $12 Billion USD/year*

- On average oil and gas production declined 10% per year since 2005*

- According to Forbes, Mexico’s GDP is growing at 3-5% per year (highest growth in OECD). Oil and gas supplies 85% of Mexico’s energy needs.

*SENER data
# MEXICO OIL AND GAS

- Publicly listed pure play on Mexico Oil and Gas
- Experienced Mexican Operator that is positioned for growth
- Large ownership position by board, management and key shareholders

---

**Analyst Coverage**

A rare opportunity to invest in a publicly traded company with a focus on Mexico’s oil and gas sector
LEADERSHIP

Experienced Board and Executive Team

Board and Advisors:

- **Ignacio Quesada** – Independent Director, Former CFO and Director PEMEX
- **Dr Gary Lyons** – Vice Chairman, Independent Director, 50+ years business experience (medical, oil and gas, and real estate)
- **Glen Dawson** – Independent Director, 38 years of executive experience running several successful domestic and international oil and gas companies
- **Colin Mills** – Independent Director, Former Director General TransAlta Mexico
- **Enrique Miranda, Advisor/Director Tonalli, (Mexican subsidiary)**, Founder and CEO Miranda Mining (discovered one of Mexico’s most prolific gold districts)

Executives:

- **Steve Hanson** – President and CEO, IFR, 25+ years finance and business development experience
- **Tony Kinnon** – Chairman, 23+ years finance, structuring, and advisory
- **Andy Fisher** – COO, 25+ years of domestic and international oil and gas experience
- **Margaret Souleles** – CFO, 20+ years experience with 8 years in the audit department of Grant Thornton LLP
- **Kevin Gunning** – Reservoir Engineering, Economic Modelling, Regulatory Compliance, 19+ years oil and gas experience
- **Curtis Hess** – Exploration and Development Geologist, 14 years domestic and international experience
- **Gavin Elsley** – Exploration Geophysics, 20+ years of domestic and international experience

Every Team member above has significant IFR ownership

See Canadian Government Insider Discloser website
www.sedi.ca
LEADERSHIP

Mexico Onshore Drilling Statistics

- Total Blocks Awarded: 111
- Onshore Bid Round Blocks: 48
- Drilling Licenses Issued Onshore: 8
- Wells Drilled Onshore: 5
- Wells on Production: 3

- 75 companies from 20 countries in total
- 27 companies with onshore bid round blocks

*TEC-11 to be completed 2019

Source: www.gob.mx/cnh December 2018
Industry Leading Joint Venture

- In August 2015, Grupo IDESA ("IDESA") and IFR formed joint venture Tonalli Energia
- Tonalli combines IFR’s Canadian geoscience, engineering, and finance team with IDESA’s Mexican regulatory, engineering and logistics team
- Through its JV, IFR is the first foreign company to drill onshore conventional oil under license contract in Mexico in over 80 years
- Strategic option by IFR where IDESA becomes IFR’s largest shareholder, board representation, and becomes fully aligned with IFR shareholders

Current Structure: 50/50 ownership of Tonalli

Post Option Exercise: IDESA Largest Shareholder of IFR
- One of the largest petrochemical companies in Mexico with 60 years of experience

- Produces, markets and distributes petrochemicals and chemical products into diverse Mexican and international industries

- Owner of various petrochemical, port, and distribution facilities

- Recent Projects:
  - 25% owner of *Etileno XXI*: US $5.2 billion polyethylene plant began production in spring 2016
  - 50% owner of US$135 million sodium cyanide plant began production in September 2016
IFR Partners with Export Development Canada (EDC)

- IFR partnered with the EDC in January 2016 and is its first upstream financial partner in Mexico

- The EDC is Canada’s international trade finance agency

- The facility covers IFR’s required bond for Tecolutla

- IFR receives the Government of Canada AAA credit rating on certain financing needs
INDUSTRY LEADER

Proven Ability to Execute in Mexico

Approved Operator
- Second company in Mexico to drill on-shore wells as part of the Energy Reform
- First company to bring on production from new drilling since 1938
- Created 150+ direct and indirect Mexican jobs through our investment

Environment and Safety
- Industry leader in the implementation of the new Mexican standards
- On the forefront of SAISOPA compliance

Leaders in Regulatory Compliance
- Recognized by Mexican regulators as a leader in regulatory processes and compliance
- Built and trained a staff of Mexican professionals who have become experts in the Mexican Energy Reform regulatory process

Commitment to Social Programs
- Highly successful grass roots social program
- Efficient stakeholder engagement and investments in the community
- Strong relationship-building and open communication

Successfully Transporting & Marketing Product
- Successfully marketing crude oil in Mexico with reference prices at a premium to US and Canadian benchmarks
- Negotiated and implemented logistics for product handling and marketing
- Continuing to make improvements and working to create alternatives
Model for Success

- Tonalli awarded the Tecolutla block on May 12, 2016
- Successfully navigated permitting and regulatory process
- TEC-2 work-over in April 2018
- Drilled “TEC-10” vertical well – Commenced commercial production in October 2018
- Drilled and cased “TEC-11” horizontal well in late December 2018. Completion and production testing planned for early Q2
- Up to 3 additional wells planned and construction of facilities
Tecolutla Block

- Seven wells drilled between 1956-1972 before 3D seismic was acquired
- Two wells TEC-10 and TEC-11 drilled in 2018 by Tonalli
- Evaluation Phase of License Contract is satisfied: Proceeding with Development Plan

---

**Reservoir Characteristics**

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formation</td>
<td>El Abra (Golden Lane)</td>
</tr>
<tr>
<td>Depth</td>
<td>-2300m SSTVD</td>
</tr>
<tr>
<td>API</td>
<td>30°</td>
</tr>
<tr>
<td>Gross Pay*</td>
<td>100m</td>
</tr>
<tr>
<td>Lithology</td>
<td>Clean Limestone</td>
</tr>
<tr>
<td>Average Porosity*</td>
<td>11%</td>
</tr>
<tr>
<td>Perm Range*</td>
<td>13-78mD</td>
</tr>
<tr>
<td>Current Pressure*</td>
<td>24.7 Mpa</td>
</tr>
</tbody>
</table>

*Internal estimates

---

Miguel Hidalgo received a USD$26.5 million signing bonus in the last onshore bid round
TEC-10: Commercialization

- Trucking of oil to PEMEX sales point started in Q4 2018
- **Q4 2018 Estimates (USD)**
  - 146 Barrels/Day Average Sales Volume in Q4
  - $60.21/Barrel Average Realized Price in Q4
  - $17.07/Barrel Operating Costs (*utilizing rental facilities; month over month reductions*)
  - $25.00/Barrel Royalties and Fees
  - $18.10/Barrel Operating Net Back
- Expect Operating Costs of < $10.00/barrel with on-going efficiencies and facility construction.
TECOLUTLA

TEC-11: Drilled and Ready to Complete

- Drilled in December 2018 and cased to a total measured depth of 2865m
- Geological data indicates a similar geological section to TEC-2 well has been encountered (TEC-2 cumulative oil production since 1972 of 316,000 bbl)
- Oil shows were encountered along the horizontal
- Identified new up hole oil formation (Tantoyuca formation)
- Finalizing completion program and intend to bring on production in early Q2
Horizontal Well Type Curve forecast for TEC-11 is derived from in-house analytical modelling.
Forecasts an approximate 2X multiple of the Vertical Well Type Curve.
Cumulative Oil forecast is 690,000 bbl (based on 180 meters of proposed completion interval).
Proposed Drilling Locations: Development Phase
(Top Cretaceous Depth Map Interpretation - PSDM Volume)

- Upon Approval of the Development Plan up to three additional wells are planned
- Location of TEC-14 subject to TEC-12 and TEC-13 results
Future Growth

Open Running Room

Tecolutla Block Region

- El Abra Trend extends for 120 km onshore and 120 km offshore
- IHS Markit identified the Tampico Misantla Basin as an onshore “Super Basin” with multiple reservoirs and source rocks
- PEMEX investment has been focused offshore
- Limited on-shore drilling since the 1950’s. Massive opportunity for exploitation of fields
Onshore Bid Rounds 1.3, 2.2, and 2.3 Joint Venture Opportunities

- IFR/Tonalli is well positioned to Joint Venture on existing blocks from Bid Round 1, Bid Round 2, and Migrated Service Contracts.

- As a result of its existing operator status in Mexico and proven ability to execute IFR has been invited by various oil and gas companies to review their blocks.

Source: www.gob.mx/cnh, Round 1, 2, 3, and migrated service contracts.
Future Growth – Actionable Opportunities

Migrated and Un-Migrated Service Contracts held by private companies

Yellow shapes indicate PEMEX existing service contracts
Pink shapes indicate PEMEX fields without partners

Service Contract names and contract holders: Mision, Santuario, Magallanes and Arenque, Panuco, Ebano and Miquetla, Altamira, Olmos, Nejo, Tierra Blanca and San Andres, Amatitlán, Miahuapan, Pitepec, Humapa, Soledad, Cuervito and Fronterizo, Pirineo, Monclova, Carrizo.
Service Contracts on Producing PEMEX Blocks (“CSIEE”)

- PEMEX is expected to start announcing new service contracts (“CSIEE”) in Q2 2019

- PEMEX needs to be aggressive in awarding CSIEE’s and additional Farm-out Blocks to meet its production target of 2.6 MM bbls/day

Source: www.gob.mx/cnh
Future Growth – Actionable Opportunities

PEMEX Farm-out Bid Round: October 2019

IFR PARTNERSHIP SECURED TO BID ON BLOCKS WITH LARGE UPSIDE POTENTIAL

- Tonalli has entered into a joint bidding agreement with Lifting MX* to participate in PEMEX farm-outs
- Farm-outs cover 7 onshore conventional exploration and production areas
- Auction scheduled for October 9, 2019

* Lifting MX is a subsidiary of leading Mexican service provider Cotemar
Future Growth – Actionable Opportunities

PEMEX Farm-out Bid Round

- 7 blocks with existing production and reserves
- Tonalli has completed initial evaluations of the blocks at the CNH data room

*Production volumes and reserves based on publicly available data from the CNH [www.gob.mx/cnh](http://www.gob.mx/cnh)
Future Growth – Actionable Opportunities

Netbacks on PEMEX Farmout Rounds

Estimated Netback US$36 @ $60 Isthmus Price

Source of Royalty Estimates www.gob.mx/cnh; Operating Costs Estimates are internally generated by IFR
VALUE CREATION

Why IFR?

**GROW**
Mexico has Massive Running Room

- Additional Drilling at Tecolutla
- PEMEX farmouts (Oct 2019)
- PEMEX new service contracts
- Additional JV opportunities

**EXECUTE**
A Model for Success

- Tecolutla cash flow
- Work commitment complete
- Strong understanding of costs, services, regulatory compliance
- First Mover Advantage

**BUILD**
A Foundation for Growth

- Experienced Mexican team
- Joint Venture w/ Grupo IDESA
- Experienced CDN technical team
- Strong board with industry depth
- TSX/CDN public listing
Contact

For further information, please visit www.internationalfrontier.com or contact:

**Steve Hanson** – President and CEO  
(403) 215-2780  
shanson@internationalfrontier.com

**Tony Kinnon** – Chairman, VP Corporate Development  
(403) 215-2780  
tkinnon@internationalfrontier.com

Company’s shares trade on:  
TSX Venture Exchange – TSX-V: IFR  
OTC markets – OTCQB: IFRTF