

International Frontier Resources Corporation

Financial Statements

March 31, 2003

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International Frontier Resources Corporation

Statements of Loss and Deficit

Unaudited

Three months Ended March 31

	2003	2002
Revenue		
Interest	\$ <u>1,781</u>	\$ <u>5,633</u>
Expenses		
Depreciation	549	1,024
General and administration	18,383	17,325
Interest and bank charges	8,003	23
Professional fees	<u>3,400</u>	<u>25,590</u>
	<u>30,335</u>	<u>43,962</u>
Loss before income taxes	(28,554)	(38,329)
Future income taxes recovered	<u>(11,975)</u>	<u>(11,077)</u>
Net loss	\$ <u>(16,579)</u>	\$ <u>(27,252)</u>
Loss per share		
Basic and diluted (Note 4)	\$ <u>(0.00)</u>	\$ <u>(0.00)</u>

Deficit, beginning of period	\$ (276,342)	\$ (105,641)
Net loss	<u>(16,579)</u>	<u>(27,252)</u>
Deficit, end of period	\$ <u>(292,921)</u>	\$ <u>(132,893)</u>

See accompanying notes to the financial statements

International Frontier Resources Corporation

Balance Sheets

Unaudited	March 31, 2003	December 31, 2002
Assets		
Current		
Cash and cash equivalents	\$ 89,288	\$ 50,411
Receivables	18,364	14,929
Prepays	<u>6,199</u>	<u>6,199</u>
	113,851	71,539
Restricted cash	292,426	292,426
Property and equipment	1,883,675	1,862,458
Investment	3,675	3,675
Deferred financing charges	<u>8,500</u>	<u>-</u>
	<u>\$ 2,302,127</u>	<u>\$ 2,230,098</u>
<hr/>		
Liabilities		
Current		
Payables and accruals	\$ 134,450	\$ 133,867
Convertible debentures	364,823	364,823
Future income taxes	<u>137,439</u>	<u>149,414</u>
	<u>636,712</u>	<u>648,104</u>
Shareholders' Equity		
Share capital (Note 3)	1,923,159	1,823,159
Equity component of convertible debenture	35,177	35,177
Deficit	<u>(292,921)</u>	<u>(276,342)</u>
	<u>1,665,415</u>	<u>1,581,994</u>
	<u>\$ 2,302,127</u>	<u>\$ 2,230,098</u>

Subsequent events (Note 6)

On behalf of the Board

(Signed) "Patrick Boswell" _____ Director **(Signed) "Thomas Berg"** _____ Director

See accompanying notes to the financial statements.

International Frontier Resources Corporation

Statements of Cash Flows

Unaudited

Three Months Ended March 31,

2003

2002

Increase (decrease) in cash and cash equivalents

Operating

Net loss	\$ (16,579)	\$ (27,252)
Depreciation	549	1,024
Future income tax recovery	<u>(11,975)</u>	<u>(11,077)</u>
Cash flow used in operating activities	(28,005)	(37,305)
Change in non-cash operating working capital	<u>8,000</u>	<u>8,088</u>
	<u>(20,005)</u>	<u>(29,217)</u>

Investing

Additions to petroleum and natural gas properties	(21,766)	(300,248)
Change in non-cash investing working capital	<u>(18,852)</u>	<u>141,872</u>
	<u>(40,618)</u>	<u>(158,376)</u>

Financing

Private placement	100,000	-
Deferred financing charges	(8,500)	-
Change in non-cash financing working capital	<u>8,000</u>	<u>-</u>
	<u>99,500</u>	<u>-</u>

Net increase (decrease) in cash and cash equivalents **38,877** (187,593)

Cash and cash equivalents,

Beginning of period	<u>342,837</u>	<u>1,000,192</u>
End of period (Note 5)	<u>\$ 381,714</u>	<u>\$ 812,599</u>

See accompanying notes to the financial statements.

International Frontier Resources Corporation

Notes to the Financial Statements

Unaudited
March 31, 2003

1. Basis of presentation

The financial statements of the Company have been prepared by management in accordance with accounting principles generally accepted in Canada. Certain information and disclosure normally required to be included in notes to annual financial statements have been condensed or omitted. The interim financial statements should be read in conjunction with the audited financial statements and the notes thereto in the Company's annual report for the year ended December 31, 2002. The interim financial statements have been prepared following the same accounting policies and methods of computation as the audited financial statements for the year ended December 31, 2002, except as discussed below.

2. Initial adoption of accounting policy

Deferred financing charges

The deferred charges incurred during the period related to costs associated with future financing efforts. If a financing activity is successful these costs will be allocated to the cost of the offering. If a financing activity is not successful these costs will be expensed.

3. Share capital

a) Authorized

Unlimited common shares
Unlimited preferred shares

b) Issued

	<u>2003</u>		<u>2002</u>	
	<u>Number of Shares</u>	<u>Amount</u>	<u>Number of Shares</u>	<u>Amount</u>
Common shares				
Beginning of period	6,526,002	\$ 1,823,159	6,526,002	\$ 1,823,159
Issued in the period	<u>833,333</u>	<u>100,000</u>	-	-
End of period	<u>7,359,335</u>	<u>\$ 1,923,159</u>	<u>6,526,002</u>	<u>\$ 1,823,159</u>

International Frontier Resources Corporation

Notes to the Financial Statements

Unaudited
March 31, 2003

3. Share capital (Continued)

During the period, the Company issued 833,333 common shares at \$0.12 per share to directors of the Company. The remaining 166,667 common shares of the 1,000,000 common share private placement were issued subsequent to March 31, 2003.

c) Stock options

The Company has a stock option plan available to officers, directors, employees of the Company, and to key consultants. On March 14, 2003, 851,998 options previously granted with exercise prices ranging between \$0.25 and \$0.49 were cancelled. On March 14, 2003, the Company reported the intent to grant 850,000 new stock options at an exercise price of \$0.25 per share. As at March 31, 2003, these options had not been approved by the TSX Venture Exchange. Subsequent to March 31, 2003, approval was granted by the TSX Venture Exchange. The effective date of the granting of the options will be the TSX Venture Exchange approval date (see Note 6 b)).

<u>Outstanding and exercisable</u>	<u>2003</u>		<u>2002</u>	
	<u>Number of</u> <u>Options</u>	<u>Weighted</u> <u>Average</u> <u>Exercise</u> <u>Price</u>	<u>Number of</u> <u>Options</u>	<u>Weighted</u> <u>Average</u> <u>Exercise</u> <u>Price</u>
Beginning of period	651,998	\$ 0.49	651,998	\$ 0.49
Granted	-	\$ -	-	\$ -
Cancelled	(651,998)	\$ 0.49	-	\$ -
End of period	-	\$ -	651,998	\$ 0.49

4. Per share amounts

The weighted average number of common shares outstanding during the period, calculated under the treasury stock method, used in computing basic loss per share was 6,674,150 (2002 – 6,526,002). In computing diluted loss per share, Nil shares were added to the weighted average number of common shares outstanding during the period March 31, 2003 (2002 – Nil shares) for the dilutive effect of employee stock options, warrants and convertible debentures. No adjustments were required to the reported loss in computing diluted per share amounts.

International Frontier Resources Corporation

Notes to the Financial Statements

Unaudited
March 31, 2003

5. Supplemental cash flow information

	March 31, <u>2003</u>	December 31, <u>2002</u>
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Cash and cash equivalents is represented by:

Cash and temporary investments	\$ 89,288	\$ 50,411
Restricted cash	<u>292,426</u>	<u>292,426</u>
	<u>\$ 381,714</u>	<u>\$ 342,837</u>
Interest paid	<u>\$ 8,000</u>	<u>\$ -</u>

6. Subsequent events

- a) On April 4, 2003, the Company entered into an agreement to acquire 100% of the issued and outstanding shares of Sidox Chemicals Ltd.

This transaction is subject to the approval of the TSX Venture Exchange.

- b) On April 10, 2003, the Company received approval from the TSX Venture Exchange with respect to the 850,000 stock options granted to directors, officers, employees and consultants of the Company. The options are exercisable at a price of \$0.25 per share and expire on March 14, 2008.
- c) On May 7, 2003, the Company issued a private placement of 1,000,000 units at \$0.12 per unit. Each unit consists of one common share and one warrant, one warrant entitles the holder to acquire one common share at \$0.15 for a period of 180 days from the date of issue. The proceeds from the offering will be used for the Company's ongoing exploration program in the Northwest Territories and for working capital requirements.