



# **International Frontier Resources Corporation**

## **Condensed Consolidated Interim Financial Statements** *(Expressed in Canadian Dollars)*

For the three months ended March 31, 2025

## Contents

	Page #
Condensed Consolidated Interim Statements of Financial Position	4
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss	5
Condensed Consolidated Interim Statements of Changes in Shareholders' Deficit	6
Condensed Consolidated Interim Statements of Cash Flows	7
Notes to the Condensed Consolidated Interim Financial Statements	8- 20

---

**International Frontier Resources Corporation**  
**Condensed Consolidated Interim Financial Statements**  
For the three month periods ended March 31, 2025 and 2024  
(Unaudited)

---

National Instrument 51-102 Notice

The condensed consolidated interim financial statements of International Frontier Resources Corporation (“the Company”) For the three periods ended March 31, 2025 and 2024 have been compiled by management.

These condensed consolidated interim financial statements have not been reviewed or audited on behalf of the shareholders by the Company’s independent external auditors.

**International Frontier Resources Corporation**  
**Condensed Consolidated Interim Statements of Financial Position**  
*(Expressed in Canadian Dollars)*

As at	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
<b>Assets</b>		
Current		
Cash (Notes 9, 14)	\$ 225,800	\$ 292,620
Receivables (Notes 9, 16)	42,020	40,430
Prepaid expenses (Note 5)	28,565	40,705
	<b>\$ 296,385</b>	<b>\$ 373,755</b>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities (Note 9)	\$ 259,800	\$ 293,255
Due to related parties (Notes 9, 12)	1,601,805	1,574,980
Finance payable (Notes 6, 9)	18,650	27,590
	<b>1,880,255</b>	<b>1,895,825</b>
Long-term debt (Note 7)	56,160	55,610
	<b>1,936,415</b>	<b>1,951,435</b>
<b>Shareholders' Deficit</b>		
Share capital (Note 8a)	59,033,030	59,033,030
Contributed surplus (Note 8b)	13,585,875	13,585,875
Deficit	(74,258,935)	(74,196,585)
	<b>(1,640,030)</b>	<b>(1,577,680)</b>
	<b>\$ 296,385</b>	<b>\$ 373,755</b>

Going concern (Note 2)

On behalf of the Board of Directors

**(Signed) "Steve Hanson"** \_\_\_\_\_ Director      **(Signed) "Anthony Kinnon"** \_\_\_\_\_ Director

See accompanying notes to the condensed consolidated interim financial statements.

**International Frontier Resources Corporation**  
**Condensed Consolidated Interim Statements of Loss and Comprehensive Loss**

Unaudited

(Expressed in Canadian Dollars)

For the three month periods ended March 31,

	2025	2024
<b>Expenses</b>		
General and administration (Note 15)	\$ 33,375	\$ 33,115
Loss on equity investment in Tonalli (Note 12)	29,995	212,410
	<b>63,370</b>	<b>245,525</b>
<b>Finance income (expenses)</b>		
Interest on finance payables (Note 6)	(690)	(615)
Accretion on long term debt (Note 7)	(550)	(550)
Interest long term debt (Note 7)	(740)	(510)
Foreign exchange gain (loss)	3,000	(1,600)
	<b>1,020</b>	<b>(3,275)</b>
<b>Net loss and comprehensive loss</b>	<b>\$ (62,350)</b>	<b>\$ (248,800)</b>
<b>Net loss per share (Note 10)</b>		
Basic and diluted	<b>\$ (0.002)</b>	<b>\$ (0.02)</b>

See accompanying notes to the condensed consolidated interim financial statements.

**International Frontier Resources Corporation**  
**Condensed Consolidated Interim Statements of Changes in**  
**Shareholders' Deficit**

Unaudited

*(Expressed in Canadian Dollars)*

For the three month periods ended March 31,

	March 31, 2025		March 31, 2024	
	Number	Amount	Number	Amount
<b>Common shares</b>				
Balance, beginning of period	38,085,397	\$ 59,033,030	14,955,397	\$ 58,671,850
Balance, end of period	38,085,397	\$ 59,033,030	14,955,397	\$ 58,671,850
<b>Contributed surplus</b>				
Balance, beginning of period		\$ 13,585,875		\$ 12,789,650
Balance, end of period		\$ 13,585,875		\$ 12,789,650
<b>Deficit</b>				
Balance beginning of period		\$ (74,196,585)		\$ (72,109,855)
Net loss		(62,350)		(248,800)
Balance, end of period		(74,258,935)		\$ (72,358,655)
<b>Total shareholders' deficit</b>		\$ (1,640,030)		\$ (897,155)

See accompanying notes to the condensed consolidated interim financial statements.

## International Frontier Resources Corporation

### Condensed Consolidated Interim Statements of Cash Flows

Unaudited

*(Expressed in Canadian Dollars)*

For the three month periods ended March 31,

	2025	2024
<b>Operating</b>		
Net loss	\$ (62,350)	\$ (248,800)
Non-cash items:		
Accretion of long-term debt (Note 7)	550	550
Loss on equity investment in Tonalli (Note 12)	29,995	212,410
Unrealized foreign exchange (gain) loss	(2,915)	1,300
Change in non-cash working capital (Note 14)	(23,095)	33,545
<b>Cash flow used in continuing operating activities</b>	<b>(57,815)</b>	<b>(995)</b>
<b>Financing</b>		
Finance payable (Note 6)	(8,940)	(7,185)
<b>Cash flow from financing activities</b>	<b>(8,940)</b>	<b>(7,185)</b>
Foreign exchange gain (loss) on cash held in foreign currencies	(65)	160
Net change in cash	<b>(66,820)</b>	<b>(8,020)</b>
Cash, beginning of period	292,620	17,130
Cash, end of period	<b>\$ 225,800</b>	<b>\$ 9,110</b>

*Supplemental cash flow information (Note 14)*

See accompanying notes to the interim unaudited condensed consolidated financial statements.

---

# International Frontier Resources Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

Unaudited

*(Expressed in Canadian Dollars)*

For the three month periods ended March 31, 2025 and 2024

---

### 1. Nature of operations

International Frontier Resources Corporation (“IFR” or the “Company”) is an independent Canadian publicly traded company, the principle business of which is to acquire, develop, exploit and produce oil and natural gas in Mexico.

The Company was incorporated under the Canada Business Corporations Act in Alberta, Canada in 1997. The Company is listed on the TSX Venture Exchange, having the symbol IFR-V. The Issuer’s head office is located in Calgary and its registered office is located at 10, 628 - 12 Avenue SW, Calgary, AB T2R 0H6.

The consolidated financial statements include the accounts of the Company and its 99.80% owned Mexican subsidiary, Petro Frontera S.A.P.I de C.V. (“Frontera”), which is accounted for using the consolidation method. All inter-company transactions and balances are eliminated upon consolidation. The consolidated financial statements also include Frontera’s 42.63% investments in Tonalli Energia S.A.P.I. de CV (“Tonalli”), a Mexican company which is accounted for using the equity method and its 99.80% interest in Energia Mex Can (“Mexcan”), a Mexican company which is accounted for using the consolidation method.

### 2. Basis of preparation and statement of compliance

#### Statement of compliance

The condensed consolidated interim financial statements (the “financial statements”) have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee. A summary of the Company’s material accounting policy information is presented in Note 3.

The financial statements have been prepared by management in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. These financial statements do not include all of the information required for the annual financial statements; however, they have been prepared in accordance with the accounting policies outlined and should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2024, which have been prepared in accordance with IFRS as issued by the IASB on January 1, 2024.

These financial statements were approved and authorized for issue by the Board of Directors on May 27, 2025.

#### Basis of measurement

These financial statements have been prepared on a historical cost basis, unless otherwise required.

The Company’s financial statements include the accounts of the Company and its subsidiary and are expressed in Canadian dollars, unless otherwise stated.

#### Going concern

These financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

---

# International Frontier Resources Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

Unaudited

*(Expressed in Canadian Dollars)*

For the three month periods ended March 31, 2025 and 2024

---

### 2. Basis of preparation and statement of compliance (continued)

The Company had a net loss of \$62,350 and cash flows used in operations of \$57,815 for the three-month period ended March 31, 2025 and a working capital deficit of \$1,583,870 as at March 31, 2025. The Company's working capital deficit at March 31, 2025 includes amounts owing to Tonalli with respect to Frontera's share of cash calls plus accrued owing to Tonalli at March 31, 2025. Per the terms of the Tonalli JOA, all amounts owing by Frontera can be converted to shares to the benefit of Operator per Operator's discretion after a period of time as specified in the JOA (see "Investment in Tonalli") which would result in a decrease in Frontera's equity interest in Tonalli. The resulting normalized working capital at March 31, 2025 not including the amounts owing to Tonalli and assuming they had been converted to equity is \$17,935. The Company's only revenue generating activities are related to its investment in Tonalli which has been incurring losses and using cash in its operating activities since inception.

The Company's ability to continue as a going concern is dependent on its ability to raise capital in the near term. Capital is required to fund ongoing general and administrative costs, the working capital deficit and for further development and operations of the Company, including Tonalli. There is no guarantee that capital can be raised, and, if it can, whether the further development of Tonalli will result in successful operating results and cash flows. If the Company does not continue to raise capital in the near term, there is risk that the Company may be required to seek creditor protection or be forced to liquidate assets of the Company. These conditions indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern.

Management believes that the going concern assumption is appropriate for these consolidated financial statements and that the Company will meet its operating and capital requirements. These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. These adjustments could be material.

#### Functional and presentation currency

The consolidated financial statements are presented in Canadian dollars which is the Company's reporting currency. The Company's subsidiaries transact in currencies that other than the Canadian dollar and have a functional currency of Mexican peso. The functional currency of a subsidiary is the currency of the primary economic environment in which the subsidiary operates. Transactions denominated in a currency other than the functional currency are translated at the prevailing rates on the date of the transaction. Any monetary items held in a currency which is not the functional currency of the subsidiary are translated to the functional currency at the prevailing rate as at the date of the consolidated statement of financial position. All exchange differences arising as a result of the translation to the functional currency of the subsidiary are recorded in net earnings.

Translation of all assets and liabilities from the respective functional currencies to the reporting currency are performed using the rates prevailing at the statement of financial position date. The differences arising upon translation from the functional currency to the reporting currency are recorded as currency translation adjustments in other comprehensive income (loss) and are held within accumulated other comprehensive income (loss) until a disposal or partial disposal of a subsidiary. A disposal or partial disposal with then give rise to realized foreign exchange gain or loss which is recorded in net income (loss).

---

**International Frontier Resources Corporation**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
Unaudited  
(Expressed in Canadian Dollars)  
For the three month periods ended March 31, 2025 and 2024

---

**2. Basis of preparation and statement of compliance (continued)**

**Material accounting judgements, estimates and assumptions**

The timely preparation of the consolidated financial statements in accordance with IFRS requires that management make estimates and assumptions and use judgement regarding the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty. Accordingly, actual results may differ from estimated amounts as future confirming events occur. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant judgements, estimates and assumptions made by management in the preparation of these consolidated financial statements are outlined below.

**Significant accounting estimates**

a) Share-based payments

The Company uses the Black-Scholes option pricing model in determining share-based compensation expense, which requires a number of assumptions to be made, including the risk-free interest rate, expected life of options and warrants, forfeiture rate, and expected share price volatility. Consequently, the actual share-based compensation expense may vary from the amount estimated. Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant.

b) Deferred taxes and liabilities

The measurement of a deferred tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful operations of the Company. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future tax provisions or recoveries could be affected.

c) Recoverable amount of cash-generating unit ("CGU")

The recoverable amount of a cash-generating unit ("CGU"), an equity accounted investment or an individual asset requires the use of estimates and assumptions, which are subject to change as new information becomes available. Current geopolitical events, including the invasion of Ukraine, inflation increases and volatility in commodity pricing have increased the risk of measurement uncertainty in determining the estimated recoverable amounts, especially estimating the economic proved and probable oil and gas reserves and the related cash flows, and estimating forecasted oil and gas commodity prices.

---

# International Frontier Resources Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

Unaudited

(Expressed in Canadian Dollars)

For the three month periods ended March 31, 2025 and 2024

---

### 2. Basis of preparation and statement of compliance (continued)

d) Fair Value of Shares Issued to Settle Accounts Payable

The Company issues shares to settle accounts payable, and the determination of the fair value of these shares involves significant accounting estimates. The fair value is measured based on the quoted market price of the shares on the settlement date if the shares are actively traded in a liquid market.

Management exercises judgment in selecting the appropriate valuation method, considering factors such as trading volume, share price volatility, and company-specific conditions. Changes in these estimates could have a material impact on the Company's financial statements.

#### Significant accounting judgements

a) Joint arrangements

The determination of the type of joint arrangement as either a joint operation or a joint venture is based on management's determination of whether it has joint control over another entity and considerations include assessment of contractual agreements for unanimous consent of the parties on decision making of relevant activities. Once classified as a joint arrangement, management assesses whether it is structured through a separate vehicle and whether the legal form and contractual arrangements give the entity the direct right to the assets and obligations for the liabilities within the normal course of business, as well as the entity's rights to the economic benefit of assets and its involvement and responsibility for settling liabilities associated with the arrangement.

b) Income taxes

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters.

c) Going concern

Management has applied judgement in the assessment of the Company's ability to continue as a going concern, considering all available information, and concluded that the going concern assumption is appropriate for a period of at least twelve months following the date of these consolidated financial statements.

d) Identification of impairment and impairment reversal indicators

Judgement is required to assess when indicators of impairment or impairment reversal exist and when a calculation of the recoverable amount is required. The Company's equity accounted investments are reviewed at each reporting date to assess whether there is any indication of impairment or impairment reversal. The assessment considers whether there are significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the associate operates, and indicates that the cost of the investment in the equity instrument may not be recovered and whether there is significant financial difficulty of the associate in determining impairment and any interest from market participants in determining impairment reversal.

---

# International Frontier Resources Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

Unaudited

(Expressed in Canadian Dollars)

For the three month periods ended March 31, 2025 and 2024

---

### 3. Summary of significant accounting policies

The unaudited condensed interim consolidated financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in Note 3 to the audited consolidated financial statements for the fiscal year December 31, 2024.

The preparation of unaudited condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Further information on the Company's significant accounting policies, future changes in accounting policies and estimates can be found in the notes to the audited consolidated financial statements for the year ended December 31, 2024.

### 4. Changes in IFRS Accounting Policies and Future Accounting Pronouncements

Certain pronouncements were issued by the IASB or the *International Financial Reporting Interpretation Committee* that are mandatory for accounting years beginning on or after January 1, 2025. They are not applicable or do not have a significant impact on the Company.

The following standards, amendments to standards, and interpretations have been issued by the IASB and are effective in future accounting periods that the Company has decided not to adopt early.

#### (i) IFRS 18: Presentation and Disclosure in Financial Statements

On April 9, 2024, the IASB issued IFRS 18 "Presentation and Disclosure in the Financial Statements" ("IFRS 18") replacing IAS 1. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 "Statements of Cash Flows" ("IAS 7") were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and also to remove presentation alternatives for interest and dividends paid and received. Similarly, amendments to IAS 33 "Earnings per Share" were issued to permit disclosure of additional earnings per share figures using any other component of the statement of profit or loss, provided the numerator is a total or subtotal defined under IFRS 18. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company is currently assessing the impact of the standard on its consolidated financial statements.

#### (ii) IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures

In June 2023, the ISSB issued a new IFRS Sustainability Disclosure Standard setting out the general requirements for an entity to disclose material information about significant sustainability-related risks and opportunities to which it is exposed. The ISSB also issued a new IFRS Sustainability Disclosure Standard that sets out requirements for identifying, measuring, and disclosing climate-related risks and opportunities as part of an entity's general purpose financial reporting. For Canadian entities, there is currently no mandatory requirement to comply with the ISSB Standards. Canadian authorities including the CSSB and the Canadian Securities Administrators ("CSA") will decide on application in Canada. The Company has not yet determined the impact of the amendments on its consolidated financial statements. The Company is currently assessing the impact of these new accounting standards and amendments and has not yet determined the impact of the amendments on its consolidated financial statements.

---

**International Frontier Resources Corporation**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
Unaudited  
*(Expressed in Canadian Dollars)*  
For the three month periods ended March 31, 2025 and 2024

---

## 5. Prepaid Expenses

Prepaid expenses consists of the following amounts at March 31, 2025:

Insurance	\$	19,965
Software licenses		8,600
<b>Balance at March 31, 2025</b>	<b>\$</b>	<b>28,565</b>

## 6. Finance Payable

In October 2024, the Company entered into an arrangement with a finance company to pay certain invoices in the amount of \$36,625. As per the terms of the agreement dated October 16, 2024, the total amounts financed of \$36,625 were paid to the supplier and are owing to the finance company bearing interest at 11.18% with a maturity date of September 15, 2025.

Principal	\$	38,625
Less: principal payments		(17,975)
Interest accrued		1,285
Interest paid		(1,285)
<b>Balance at March 31, 2025</b>	<b>\$</b>	<b>18,650</b>

## 7. Long-term debt

Principal	\$	60,000
Less: amortized below market interest benefit		(16,540)
Accretion		12,700
Interest accrued		3,510
Interest paid		(3,510)
<b>Balance at March 31, 2025</b>	<b>\$</b>	<b>56,160</b>

In 2020, the Company applied for and received a \$60,000 term loan under the Canada Emergency Business Account (the "CEBA term loan"), which was one of the Canadian government's COVID-19 economic recovery measures. The CEBA term loan is non-interest bearing for the initial term ending on December 31, 2022 (the "Initial Term"). If the loan was paid off by December 31, 2022, 33% of the loan would have been forgiven. In October 2023, the initial term for repayment of the CEBA loan was extended to January 18, 2024. If the CEBA term loan is not fully repaid by the end of the Initial Term, then the unpaid balance will bear interest at the rate of 5% per annum, payable monthly, and will mature on December 31, 2026. The Company did not pay the loan on the deadline for the Initial Term on January 18, 2024 and has paid interest of \$740 for the period ended March 31, 2025 (2024- \$2,770).

In determining the fair value of the loan on initial recognition, the Company applied an effective interest rate of 17% which corresponded to a rate that the Company would have obtained for a similar debt instrument.

## 8. Share capital

### a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value. As at March 31, 2025, the number of issued and outstanding common shares is 38,085,397.

# International Frontier Resources Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

Unaudited

(Expressed in Canadian Dollars)

For the three month periods ended March 31, 2025 and 2024

### 8. Share capital (continued)

	Number of Shares	Issue Price	Amount
<b>Balance at March 31, 2025</b>	<b>38,085,397</b>		<b>\$ 59,033,030</b>

#### b) Share purchase warrants

The Company uses the residual approach when allocating the fair value of the share purchase warrants issued in conjunction with the offering of units through a private placement. The Company determines the fair value of the common share and the residual value is allocated to the share purchase warrant for unit offerings that contain a common share and a share purchase warrant.

	Number of Warrants	Weighted average exercise price
<b>Balance at March 31, 2025</b>	<b>9,798,000</b>	<b>\$ 0.10</b>

As at March 31, 2025, warrants enabling the holders to acquire common shares are as follows:

Expiry Date	Number of warrants	Weighted average remaining life in years	Weighted average exercise price
25-Apr-29	9,798,000	4.82	\$0.10
	<b>9,798,000</b>	<b>4.82</b>	<b>\$0.10</b>

Pursuant to the Financing completed on April 25, 2024, the Company issued 8,165,000 whole warrants entitling the holder to purchase one common share for \$0.10 until April 25, 2029 and 1,633,000 Compensation Warrants (representing 10% of the number of units issued pursuant to the financing) entitling the holder to purchase one common share for \$0.10 until April 25, 2029.

#### c) Stock options

The Company has a stock option plan available to consultants, officers, directors, and employees of the Company to be granted options of up to 10 percent of the issued and outstanding common shares of the Company. Options granted under the plan vest immediately on the grant date and have a term of five years to expiry. The following options were outstanding at March 31, 2025:

##### Outstanding and exercisable

	Number of options	Weighted average exercise price
<b>Balance at March 31, 2025</b>	<b>3,700,000</b>	<b>\$ 0.05</b>

##### March 31, 2025

Exercise Price	Options Outstanding	Weighted Average Contractual Life	Weighted Average Exercise Price	Options Exercisable	Weighted Average Exercise Price
\$0.05 - \$0.06	3,700,000	4.04	\$ 0.05	3,700,000	\$ 0.05

---

# International Frontier Resources Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

Unaudited

(Expressed in Canadian Dollars)

For the three month periods ended March 31, 2025 and 2024

---

### 9. Capital management

In the management of capital, the Company includes certain working capital balances 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, 2025, the Company's capital as defined above is as follows:

Cash	\$ 225,800
Accounts receivable	42,020
Accounts payables and accrued liabilities	(259,800)
Due to related parties	(1,601,805)
Finance payable	(18,650)
	<u>\$ (1,612,435)</u>

The Company is in the business of oil and gas exploration in Mexico. Management determines the Company's capital structure and makes adjustments to it based on funds available to the Company in order to support the acquisition, exploration and development of oil and gas properties. The Board of Directors has not established quantitative return on capital criteria for capital management but rather relies upon the expertise of the management team to sustain the future development of the business.

The majority of the properties in which the Company currently has an interest are in the exploration stage and do not generate any revenue. The Company therefore is dependent upon partnerships with industry and external financing to fund the majority of its future exploration programs. The Company will spend existing working capital and will seek additional financing as needed. The Company will continue to assess new properties and to seek to acquire an interest in additional properties if management feels there is sufficient geologic or economic potential.

Historically, the Company has relied on proceeds from the sale of its common shares to fund its operations. In order to accelerate the Company's current exploration programs, the Company may require additional capital. The timing, pace, scope and amount of the Company's capital expenditures is largely dependent on planned capital expenditure programs and the availability of capital to the Company.

The Company 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 Company's existing shareholders. In the current economic environment, there can be no assurances that the Company can raise capital through the sale of its shares.

### 10. Per share amounts

	Three months ended March 31,	
	2025	2024
Net loss	\$ (62,350)	\$ (248,800)
Weighted average number of shares	38,085,397	14,955,397
Basic loss per share	\$ (0.002)	\$ (0.02)

Basic loss per share is computed by dividing net loss - (the numerator) by the weighted average number of outstanding common shares for the period (the denominator). In the periods ended March 31, 2025 and 2024, Options outstanding have been excluded from computing diluted loss per share because they are anti-dilutive or not in the money.

---

# International Frontier Resources Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

Unaudited

(Expressed in Canadian Dollars)

For the three month periods ended March 31, 2025 and 2024

---

### 11. Related party transactions

At March 31, 2025, \$139,700 (December 31, 2024– \$140,385) was included in accounts payable and accrued liabilities owing to consultants of the Company.

### 12. Investment in associates

At March 31, 2025, the Company, through its Mexcan subsidiary Frontera holds a 42.63% (December 31, 2024 – 42.63%) investment in Tonalli Energia S.A.P.I. de C.V. (“Tonalli”), a Mexican company which is accounted for using the equity method and a 99.80% interest in Energia Mex Can (“Mexcan”), a Mexican company which is accounted for using the consolidation method.

The Company has incurred losses on its equity investment in Tonalli which resulted in the Company’s share of cumulative losses continuing to exceed its investment in Tonalli. As a result, the associated investment in Tonalli is \$Nil at March 31, 2025. For the period ended March 31, 2025, the Company incurred a loss on its equity investment in Tonalli of \$368,045 (2024 - \$1,506,424). As at December 31, 2024, the Company’s cumulative unrecognized share of net losses in Tonalli is \$3,963,055 (2024– \$3,595,010).

For the period ended March 31, 2025, the Company recognized a loss on its equity investment in Tonalli of \$29,995 (2024–\$1,607,635).

In evaluating the Company’s investment in Tonalli at March 31, 2025, the Company took into consideration the potential for a future sale of the Company’s interest in Tonalli. The Company concluded that there were no indications at March 31, 2025 that it would trigger a reversal of the impairment in the Company’s investment in Tonalli.

#### Due to related parties

At March 31, 2025, the following amounts were due to Tonalli from Frontera.

<b>Balance, December 31, 2024</b>	<b>\$1,574,980</b>
Accrued interest (i)	29,995
Foreign exchange gain	(3,170)
<b>Balance, March 31, 2025</b>	<b>\$1,601,805</b>

(iii) At March 31, 2025 Frontera has amounts owing to Tonalli for its share of cash calls issued in 2024 in the amount of \$1,601,805 CAD equivalent (the “Default Amount”). which includes interest accrued and payable at March 31, 2025 of \$47,960. As per the terms of the Tonalli Joint Operating Agreement the Default Amount bears interest at 10% plus SOFR and Frontera has 180 days from the date of issuance of the Notice of Default to make the necessary contributions or its equity interest in Tonalli will be adjusted accordingly. At March 31, 2025 all amounts contributed to Tonalli by Jaguar including interest payable at March 31, 2025 have not been converted to equity as per the terms of the JOA and remain payable at March 31, 2025. There were no additional contributions made in the period ended March 31, 2025 and amounts accrued for interest were less than the Company’s cumulative losses in Tonalli on March 31, 2025 and have been recorded as a loss in the Company’s equity investment in Tonalli in the March 31, 2025 consolidated interim statements of loss and comprehensive loss.

# International Frontier Resources Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

Unaudited

(Expressed in Canadian Dollars)

For the three month periods ended March 31, 2025 and 2024

### 13. Segmented information

The Company's activities are conducted in two geographic segments: Canada and Mexico. All activities relate to exploration for and development of petroleum and natural gas resources.

#### a) Net loss and comprehensive loss

Three months ended March 31, 2025	Canada	Mexico	Total
<b>Expenses</b>			
General and administration	\$ 30,785	\$ 2,590	\$ 33,375
Loss on equity investment in Tonalli	-	29,995	29,995
	30,785	32,585	63,370
<b>Finance income and expenses</b>			
Interest on finance payables	(690)	-	(690)
Accretion on long term debt	(550)	-	(550)
Interest long term debt	(740)	-	(740)
Foreign exchange gain	-	3,000	3,000
	(1,980)	3,000	1,020
<b>Net loss and comprehensive loss</b>	<b>\$ (32,765)</b>	<b>\$ (29,585)</b>	<b>\$ (62,350)</b>

Three months ended March 31, 2024	Canada	Mexico	Total
<b>Expenses</b>			
General and administration	\$ 29,940	\$ 3,175	\$ 33,115
Loss on equity investment in Tonalli	-	212,410	212,410
	29,940	215,585	245,525
<b>Finance income and expenses</b>			
Interest on finance payables	(615)	-	(615)
Accretion on long term debt	(550)	-	(550)
Interest long term debt	(510)	-	(510)
Foreign exchange loss	(230)	(1,370)	(1,600)
	(1,905)	(1,370)	(3,275)
<b>Net loss and comprehensive loss</b>	<b>\$ (31,845)</b>	<b>\$ (216,955)</b>	<b>\$ (248,800)</b>

#### b) Assets

##### As at March 31, 2025

	Canada	Mexico	Total
<b>Total assets</b>	<b>\$ 254,865</b>	<b>\$ 41,520</b>	<b>\$ 296,385</b>

---

## International Frontier Resources Corporation

### Notes to the Condensed Consolidated Interim Financial Statements

Unaudited

(Expressed in Canadian Dollars)

For the three month periods ended March 31, 2025 and 2024

---

#### 14. Supplemental cash flow information

Changes in non-cash working capital items from continuing operations increase (decrease) cash as follows:

	Three months ended March 31,	
	2025	2024
Accounts receivable	\$ (1,590)	\$ 3,610
Prepays	12,140	7,785
Accounts payable	(33,645)	22,150
	<b>\$ (23,095)</b>	<b>\$ 33,545</b>
Operating activities	<b>\$ (23,095)</b>	<b>\$33,545</b>
Interest paid	<b>\$ 1,430</b>	<b>\$ 1,040</b>

Cash and cash equivalents are comprised of:

	Three months ended March 31,	
	2025	2024
Cash on hand - Canada	\$ 223,430	\$ 2,610
Cash on hand - Mexico	2,370	6,500
	<b>\$ 225,800</b>	<b>\$ 9,110</b>

#### 15. General and administration

General and administration expenses include the following costs incurred during the three month periods ended March 31, 2025 and 2024:

	2025	2024
Professional fees	\$ 7,710	\$ 13,395
Rent and corporate costs	7,825	8,670
Filing and transfer fees	17,840	11,050
	<b>\$ 33,375</b>	<b>\$ 33,115</b>

#### 16. Financial risk management

The Company is exposed to financial risk in a range of financial instruments including cash, receivables, due to related parties, finance payable, long-term debt and accounts payable and accrued liabilities. The Company manages its exposure to financial risks by operating in a manner that minimizes its exposure to the extent practical. The main financial risks affecting the Company are discussed below:

##### a) Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at statement of financial position date.

The maximum exposure to loss associated with receivables is the total carrying amounts on the consolidated statement of financial position.

---

**International Frontier Resources Corporation**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
 Unaudited  
*(Expressed in Canadian Dollars)*  
 For the three month periods ended March 31, 2025 and 2024

---

**16. Financial risk management (continued)**

The following table presents the aging of the Company's accounts receivable at March 31, 2025:

<b>Total accounts receivable</b>	<b>0 to 30 days</b>	<b>31 to 60 days</b>	<b>61 to 90 days</b>	<b>Greater than 90 days</b>
\$ 42,020	\$ 155	\$ -	\$ 2,980	\$ 38,885

The maximum exposure to credit risk is represented by the carrying amount on the balance sheet of all the financial assets.

Should the Company determine that the ultimate collection of a receivable is in doubt, it will provide the necessary provision in its allowance based on lifetime expected credit losses experience adjusted for forward looking factors with a corresponding charge to earnings. If the Company subsequently determines an account is uncollectible, the account is written off with a corresponding charge to the allowance account.

**b) Interest rate risk**

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. 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 with respect to funds invested in short term marketable securities. As at March 31, 2025, the Company did not have any financial assets based on variable interest rates and as such the Company has no specific interest rate risk at period-end. The Company does not use interest rate hedges or fixed interest rate contracts to manage the Company's exposure to interest rate risk.

**c) Foreign currency risk**

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and foreign currencies will affect the Company's operating and financial results. The Company is exposed to foreign currency risk as the Company has financial instruments denominated in US dollars and Mexican pesos. The Company's management monitors the exchange rate fluctuations on a regular basis. The Company does not use currency derivative instruments to manage the Company's exposure to foreign currency fluctuations.

At March 31, 2025, the carrying amount of the Company's Mexican pesos denominated net monetary assets was equivalent to approximately \$230. At March 31, 2025, the carrying amount of the Company's U.S. dollar denominated monetary assets was approximately US \$18.

**d) Commodity price risk**

Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for petroleum are impacted by the relationship between the Canadian dollar and Mexican peso, the Canadian dollar and United States dollar, global economic events and Mexican government policies.

The operations of Tonalli are affected by changes in commodity prices, which in turn, will affect the Company's investment in associates.

---

# International Frontier Resources Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

Unaudited

*(Expressed in Canadian Dollars)*

For the three month periods ended March 31, 2025 and 2024

---

### 16. Financial risk management (continued)

#### e) Liquidity risk

Liquidity risk includes the risk that:

- The Company will not have sufficient funds to settle a transaction on the due date.
- The Company will be forced to sell financial assets at a value which is less than what they are worth; or,
- The Company may be unable to settle or recover a financial asset at all.

As of the reporting date, current debt includes a finance payable of \$18,650 (see Note 6), which mature in September 2025. Additionally, amounts due to related parties in the amount of \$1,601,805 are convertible to shares at the discretion of Jaguar, who holds a majority interest in the joint venture. If converted, this would result in the dilution of the Company's equity investment in Tonalli (see Note 12).

Long-term debt includes the Canada Emergency Business Account (CEBA) loan, which matures on December 31, 2026 (see Note 7). The Company continuously evaluates its financing options to ensure it can meet its long-term obligations.

The Company's operating cash requirements, including amounts projected to complete budgeted capital expenditures are continuously monitored and adjusted as input variables change. These variables include, but are not limited to, opening cash balance, available bank lines, oil and natural gas production from existing wells, results from new wells drilled, commodity prices, and cost overruns on capital projects and changes to government regulations relating to prices, taxes, royalties, land tenure, allowable production and access to equity markets. As these variables change, liquidity risks may necessitate the need for the Company to conduct equity issues or obtain project debt financing (see also Note 2).

#### f) Fair value of financial instruments

The Company classifies the fair value of financial instruments at fair value through profit or loss 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.