NORTHERN FRONTIER CORP.

ANNUAL INFORMATION FORM

For the year ended December 31, 2013

May 6, 2014

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GENERAL MATTERS

Forward-Looking Statements

This annual information form ("**AIF**") contains certain forward-looking statements and forward-looking information (collectively referred to as "**forward-looking statements**") relating to, but not limited to, the anticipated operations, financial performance, business prospects and strategies of Northern Frontier Corp. and its subsidiaries (the "**Corporation**" or, "**Northern Frontier**"). Forward-looking statements are often (but not necessarily) identified by words such as "seek", "plan", "continue", "estimate", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "expect", "may", "anticipate", "will" or similar words (or the negative of such words) or other comparable terminology suggesting future outcomes and may include plans, expectations, opinions, or guidance that are not statements of historical fact. Information and statements contained in this AIF that are not historical facts may be forward-looking statements.

In particular, this AIF may contain forward-looking statements pertaining to the following:

- the tactical growth strategy of the Corporation and the milestones associated with such strategy;
- anticipated capital and other expenditures;
- oilfield services industry activity levels and the supply and demand for services in the oil sands regions south of Fort McMurray, Alberta and north of Fort McMurray, Alberta (the "**Oil Sands**");
- expectations regarding the Corporation's ability to raise capital;
- expectations concerning the nature and timing of growth within the industries in which the Corporation will operate;
- treatment under governmental regulatory and taxation regimes;
- the Corporation's ability to remain in compliance with the requirements of its lenders as well as to repay its debt;
- the timing of projects involving the Corporation and the Corporation's strategy for growth;
- projections of market prices and costs;
- the Corporation's future operating and financial results;
- the Corporation's business objectives and strategies;
- dependence on equipment suppliers and equipment improvements;
- the availability of required supplies;
- competitive conditions;
- currency exchange rates;
- the expansion of services and operations in Canada;
- expectations regarding the payment of dividends in the future;
- results and impact of legal proceedings involving the Corporation;
- the timing for receipt of regulatory, governmental and stock exchange approvals; and
- operating risk and liability.

With respect to forward-looking statements contained in this AIF, the Corporation has made assumptions regarding, among other things:

- the supply and demand for industrial services and industry activity levels;
- oil and natural gas commodity prices and production levels;
- the integration of the business acquired in connection with the NEC Group Acquisition (as defined herein);
- the regulatory framework governing taxes and environmental matters in Canada;
- the ability of the Corporation to generate sufficient cash flows from operations to meet its current and future obligations;
- the Corporation's ability to obtain qualified staff and equipment in a timely and cost-efficient manner;
- the ability of the Corporation to successfully execute on its growth strategies, including both identifying and acquiring new assets, and attracting new clients for its products and services;
- the ability of the Corporation to successfully compete in an increasingly competitive landscape;
- stable currency valuations and a sufficiently stable and healthy global economic and business environment;

- future development plans for the Corporation's assets unfolding as currently envisioned;
- future capital expenditures to be made by the Corporation;
- the Corporation's future cash flow meeting the expectations stated herein;
- access to, and terms of, future sources of funding for the Corporation's capital program;
- the Corporation's future debt levels;
- the use of the net proceeds from offerings by the Corporation; and
- the continued listing of the common shares in the capital of the corporation ("**Common Shares**") and common share purchase warrants of the Corporation ("**Warrants**") on the TSX Venture Exchange ("**TSXV**").

The Corporation's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this AIF:

- general economic, political, market and business conditions in Canada and elsewhere;
- the demand for oilfield services and industrial services in the Oil Sands;
- volatility in market prices for oil and natural gas and the effect of this volatility on the demand for oilfield services and industrial services generally;
- fluctuations in foreign currency exchange rates and stock market volatility;
- inability to renew existing service and supply contracts on terms favourable to the Corporation, or at all;
- competition;
- reliance on key operational and management personnel;
- actions by governmental authorities, including regulatory, environmental and taxation policies;
- negative cash flows;
- the availability of capital;
- the availability of qualified personnel;
- uncertainties in weather and temperature affecting the duration of the service periods and the activities that can be completed; and
- the other factors described under "Risk Factors".

Readers are cautioned that the foregoing factors are not exhaustive. Consequently, there is no representation by the Corporation that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements. Furthermore, the forward-looking statements contained in this AIF are made as of the date hereof, and the Corporation is not under any obligation, except as required by applicable securities legislation, to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained herein are expressly qualified by this cautionary statement and by the risk factors described in this AIF under the heading "Risk Factors".

Non-GAAP Measures

Certain supplementary measures in this AIF do not have any standardized meaning as prescribed under International Financial Reporting Standards ("**IFRS**") and, therefore, are considered non-Generally Accepted Accounting Principles ("**non-GAAP**") measures. These measures are described and presented in order to provide shareholders and potential investors with additional information regarding the Corporation's financial results, liquidity and its ability to generate funds to finance its operations. This AIF contains reference to "EBITDA", "funded debt" and "working capital" which are non-GAAP measures. Readers are directed to the Corporation's management's discussion and analysis for the year ended December 31, 2013 which contains a definition of such non-GAAP measures and a reconciliation thereof to the most directly comparable measures calculated in accordance with IFRS.

NORTHERN FRONTIER CORP.

Introduction

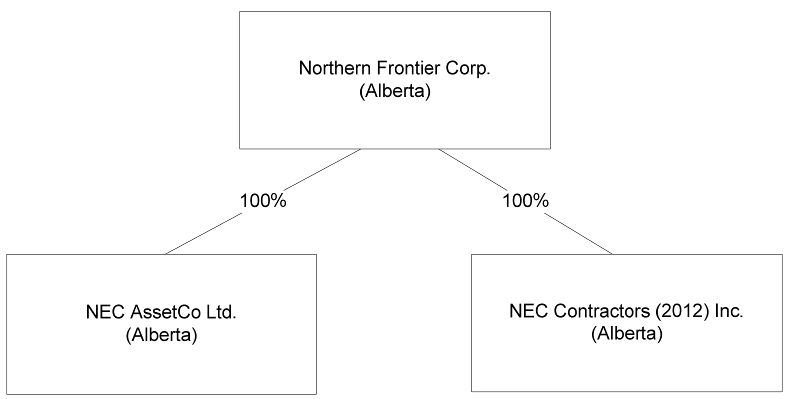
Northern Frontier was incorporated on October 20, 2011 as "Frontier Acquisition Corp." under the *Business Corporations Act* (Alberta) (the "**ABCA**"). Northern Frontier completed its initial public offering as a Capital Pool Company under the policies of the TSXV on February 13, 2012. The Common Shares were listed on the TSXV on February 13, 2012 under the symbol FFF.P. On February 15, 2013, Northern Frontier amended its articles to change its name to Northern Frontier Corp. and consolidate its outstanding Common Shares on a 15:1 basis. The consolidated Common Shares began trading on February 28, 2013 under the symbol "FFF.P" and the Corporation's symbol was changed to "FFF" upon the completion of the NEC Group Acquisition. The Warrants began trading on October 22, 2013 under the symbol "FFF.WT".

The head office of the Corporation is located at 400, 435 – 4th Avenue S.W., Calgary, Alberta, Canada, T2P 3A8 and the registered office of the Corporation is located at 4500 Bankers Hall East, 855 – 2nd Street S.W., Calgary, Alberta, Canada, T2P 4K7.

Subsidiaries

The Corporation has two wholly-owned subsidiaries, NEC AssetCo Ltd. which was incorporated under the ABCA on April 1, 2013 as 1739365 Alberta Ltd. and subsequently changed its name to NEC AssetCo Ltd. in connection with its amalgamation with 794522 Alberta Ltd. ("**794522**") on September 27, 2013, and NEC Contractors (2012) Inc. ("**NEC Contractors**" and, together with 794522, the "**NEC Group**") which was incorporated on November 23, 2011 and became a wholly-owned subsidiary of the Corporation in connection with an internal reorganization completed on September 27, 2013.

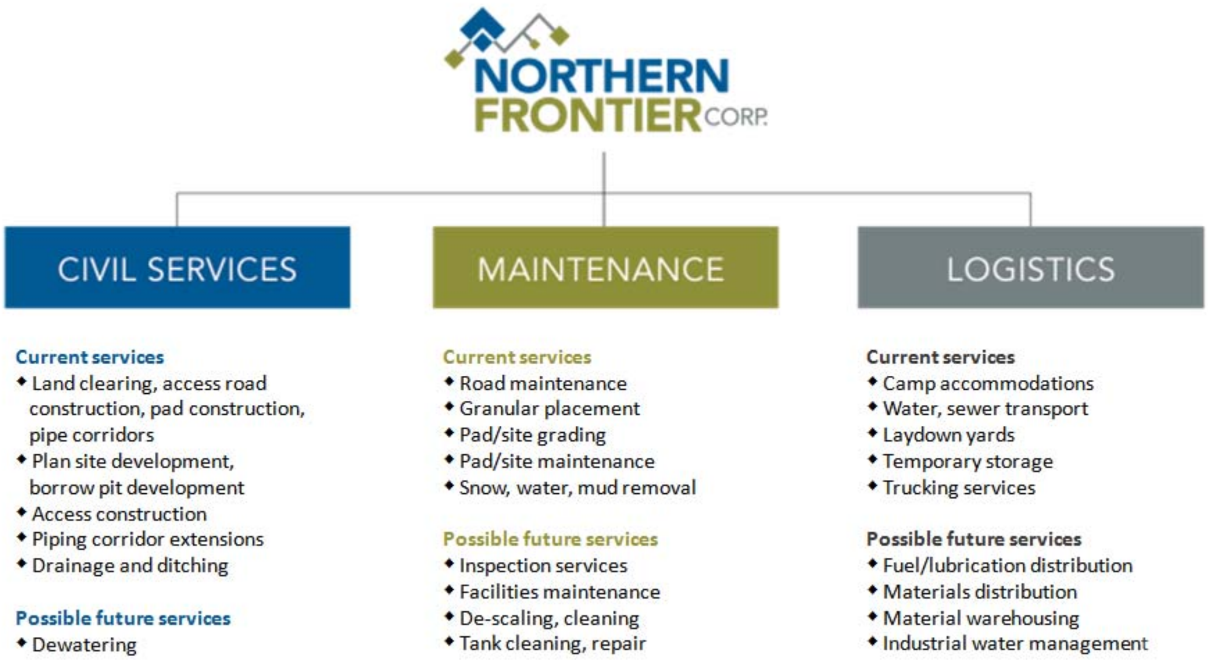
The following diagram illustrates the organizational structure of Northern Frontier and its subsidiaries:



Strategic Objective

Northern Frontier has the strategic objective of creating an integrated resource maintenance, logistics and civil services business through a buy and build growth strategy. The Corporation intends to have a primary focus: (i) in the in situ production segment of the Oil Sands (of which one of the most commonly used extraction methods is steam assisted gravity drainage ("**SAGD**")); (ii) in the mining production segment of the Oil Sands; and (iii) in the traditional mining industry. The Corporation has a geographic focus in the Oil Sands SAGD region primarily south of Fort McMurray, Alberta and the Oil Sands mining region primarily north of Fort McMurray, Alberta and intends to expand its focus to include the three northern Canadian territories.

The following chart outlines typical services that fit within Northern Frontier's strategic objective:



Northern Frontier intends to accomplish its strategic objective by:

- developing a business that is oriented towards the stable recurring maintenance side of the Oil Sands and mining industries to generate reliable operating cash flow;
- investing in additional equipment to facilitate growth;
- building operational scale with multiple locations to better serve customers throughout western Canada and the three northern Canadian territories;
- diversifying the customer base, and operating in multiple geographies and industries to mitigate the negative effects of volatility of the energy and mining industries;
- acquiring, to the extent complementary, existing companies that are currently providing maintenance, logistics and civil services to plants, mines and energy infrastructure in western Canada and the three northern Canadian territories;
- focusing on recurring revenue maintenance businesses in addition to taking advantage of project opportunities that could potentially lead to future maintenance opportunities for the Corporation; and
- continuing to build a professional management team that can grow a diverse, multi-service organization.

GENERAL DEVELOPMENT OF THE BUSINESS

General

2012

The Corporation completed its initial public offering as a Capital Pool Company under the policies of the TSXV on February 13, 2012, whereby the Corporation issued 10,000,000 Common Shares (666,667 Common Shares post 15:1 consolidation) at a price of $0.20 per Common Share ($3.00 per Common Share post 15:1 consolidation) for aggregate gross proceeds of $2.0 million.

2013

In pursuit of its qualifying transaction, on April 22, 2013 the Corporation entered into a definitive arm's length share purchase agreement, as amended (the "**Share Purchase Agreement**") with the NEC Group and its shareholders, as well as a definitive arm's length asset purchase agreement, as amended (the "**Asset Purchase Agreement**" and together with the Share Purchase Agreement, the "**Acquisition Agreements**") with CRC Open Camp & Catering Ltd. ("**CRC**"). Pursuant to the terms of the Acquisition Agreements, a subsidiary of the Corporation acquired all of the issued and outstanding shares of 794522 and certain assets of CRC used in the NEC Group's business on September 27, 2013 (the "**NEC Group Acquisition**"). The NEC Group Acquisition constituted the Corporation's qualifying transaction for the purposes of TSXV Policy 2.4. See "General Development of the Business – Significant Acquisitions".

On September 12, 2013 the Corporation issued 5,231,950 subscription receipts (the "**Subscription Receipts**"), with each Subscription Receipt convertible into one Common Share and one-half of one Warrant at a price of $3.50 per Subscription Receipt for aggregate gross proceeds of approximately $18.3 million (the "**Subscription Receipt Offering**"). Concurrent with the closing of the NEC Group Acquisition, the Subscription Receipts converted into 5,231,950 Common Shares and 2,615,975 Warrants.

The Corporation established the senior credit facilities (the "**Senior Facilities**") with a Canadian chartered bank on the closing of the NEC Group Acquisition. The Senior Facilities consist of: (i) a $15,000,000 extendible revolving operating loan facility; (ii) a $25,000,000 extendible revolving reducing term loan facility; (iii) a $2,000,000 reducing term loan facility; (iv) a treasury risk management facility; and (v) a corporate MasterCard facility for up to $500,000. See "Credit Facilities".

In addition, the Corporation has established a $12,000,000 five-year subordinated credit facility (the "**Subordinated Facility**") with a Canadian financial institution and Claryn Equities Inc., a company controlled by Trevor Haynes, a director of the Corporation, as lenders. Claryn Equities Inc.'s participation in the Subordinated Facility is in the amount of $1,000,000 and is on terms identical to the terms applicable to the Canadian financial institution as co-lender. See "Credit Facilities".

On December 17, 2013 the Corporation completed a public offering of 3,535,100 units of the Corporation at a price of $3.50 per unit, with each unit comprising one Common Share and one-half of one Warrant, for aggregate gross proceeds of $12,372,850, and a concurrent private placement of 42,857 units for aggregate gross proceeds of $150,000 (the "**Unit Offering**").

2014

On January 31, 2014 the Corporation entered into a first amending agreement in respect of the Senior Facilities. The agreement amended certain defined terms contained in the BMO Credit Agreement (as defined herein) as well as the material contracts schedule. See "Credit Facilities".

On January 31, 2014 the Corporation entered into the first amendment to the RBC Credit Agreement (as defined herein). The agreement amended certain defined terms contained in the RBC Credit Agreement as well as covenants restricting certain capital expenditures and distributions. See "Credit Facilities".

Significant Acquisitions

The aggregate purchase price payable by the Corporation in connection with the NEC Group Acquisition was $54.3 million, comprising: (i) $49.3 million in cash (including closing indebtedness paid directly to creditors); (ii) $4.0 million in fair value of Common Shares and Warrants (1,428,571 Common Shares at a deemed price of $3.50 and 714,286 Warrants with an exercise price of $4.00 expiring 18 months after the closing date of the NEC Group Acquisition); and (iii) $1.0 million in a deferred cash payment (paid on December 31, 2013).

The cash portion of the purchase price of the Acquisition was funded by: (i) the Subscription Receipt Offering; and (ii) the Senior Facilities and Subordinated Facility.

The NEC Group Acquisition constituted a significant acquisition under relevant securities laws. Accordingly, a Business Acquisition Report prepared in accordance with Form 51-102F4 was filed with the Canadian securities regulatory authorities in each of the jurisdictions where the Corporation was a reporting issuer on December 11, 2013, and is available on SEDAR at www.sedar.com.

DESCRIPTION OF BUSINESS

General

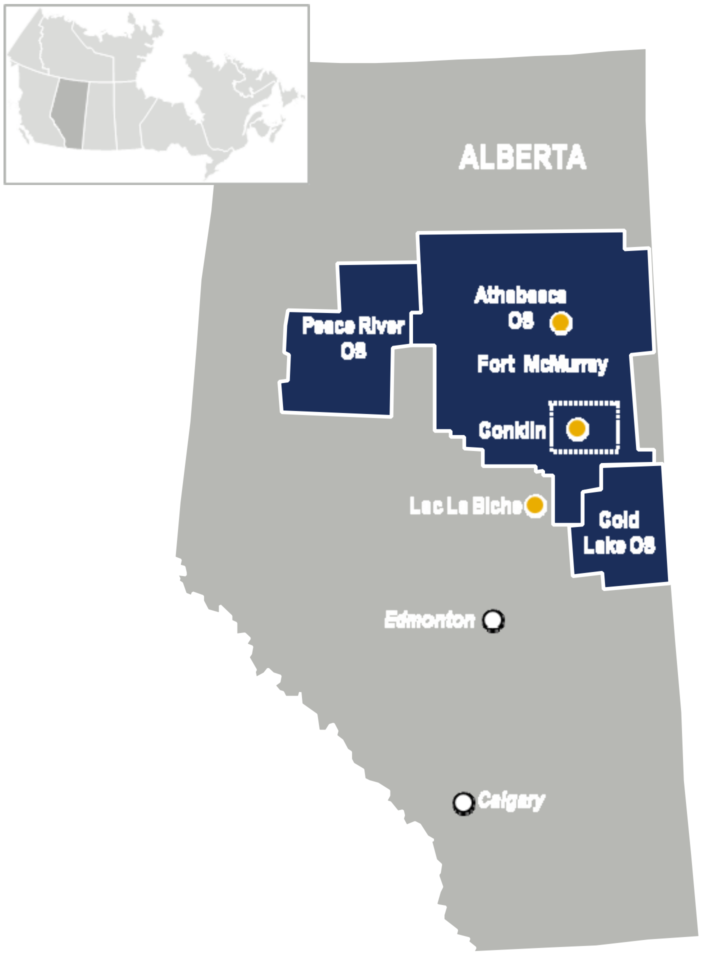
The Corporation provides initial capital, sustaining capital and maintenance services to large industrial energy customers in the SAGD region of northeastern Alberta. Specifically, the Corporation provides civil services related to the construction and maintenance of roads, production pads, piping corridors, facility earthworks and infrastructure. Service demand is driven by the need of producing facilities to replace depleting production wells and pads and develop the interconnecting infrastructure to transport the product to the central processing location. Approximately 60% of the Corporation's revenue is derived from maintenance activities, either through sustaining capital expenditures of clients or direct operating maintenance. For example, the client typically requires three production pads each year for every 35,000 barrels of oil per day ("**bbl/d**") of production. Current combined client production capacity is approximately 100,000 bbl/d and our clients have publicly announced plans to grow their aggregate production to greater than 700,000 bbl/d by 2025, and management expects that the market for this service could significantly increase over the next decade.

The Corporation's operational base is located at 190 Richard Road, Sentinel Industrial Park, Lac La Biche, Alberta. The Corporation's field operations base is in Conklin, Alberta, which is the location of its shop and laydown facilities.

Management of the Corporation believes that its proximity to client operations, localized workforce and convenient infrastructure provides a competitive advantage in the marketplace. The 350-kilometre distance (a four hour drive) between Conklin, Alberta and the closest major center, Edmonton, Alberta, negatively impacts the response time and costs of Edmonton-based service providers that compete with the Corporation.

Market

The map below outlines the overall Oil Sands region in northeastern Alberta.



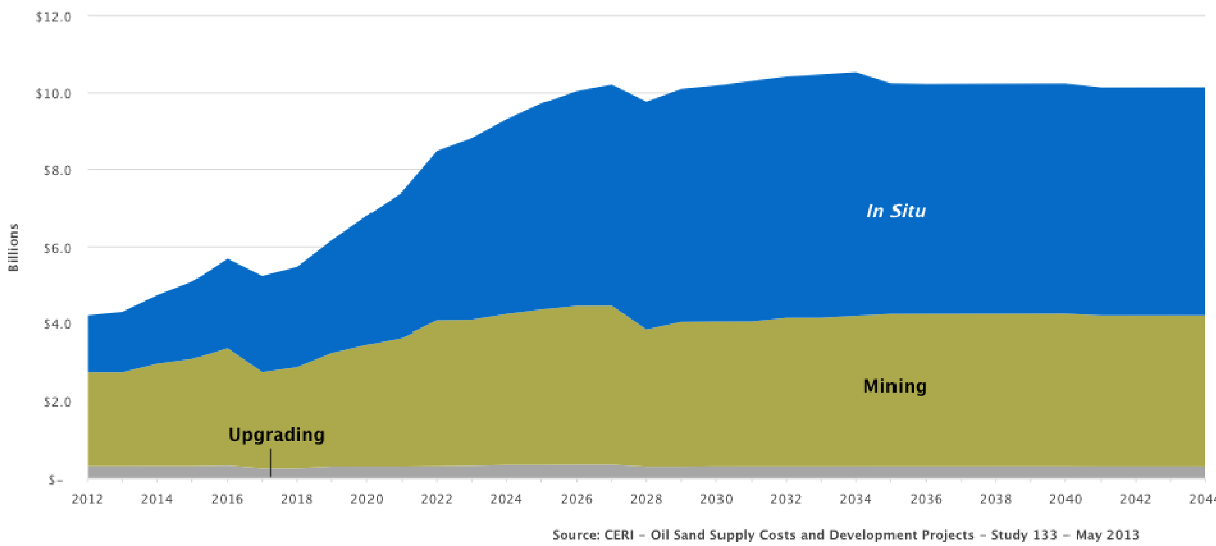
Source: Google Earth.

The Corporation primarily services the SAGD market within the Athabasca Oil Sands region and although the Corporation has performed work in the Oil Sands mining developments of the Fort McMurray region, its primary focus has been in the region immediately surrounding the Corporation's location in Conklin, Alberta. The current volume of work and the volume forecast by developers is expected to consume effectively all of the Corporation's capacity in the immediate term.

The Alberta Government is currently tracking 39 major projects in the Corporation's local area identified as the South Athabasca Region – In Situ. The projects include an estimated 110 individual phases varying in size from 1,000 bbl/d to greater than 100,000 bbl/d. Each of these phases is forecasted to be under construction through to 2025 and will continue to require services of the kind provided by the Corporation.

Expenditures by Oil Sands production companies can be classified into three categories: initial capital, sustaining capital and maintenance expenditures. Based on Canadian Energy Research Institute ("**CERI**") estimates, Northern Frontier expects that the sustaining capital expenditures in the SAGD market will grow from the current year into the next decade by greater than 400%, as reflected in the chart below. Sustaining capital and maintenance expenditures represent approximately 60% of the Corporation's revenue. Initial capital expenditures represent the remaining approximately 40% of revenue. The Corporation's revenue from sustaining capital and maintenance expenditures is currently derived from three customers supporting a current combined 100,000 bbl/d of production. These customers have publicly announced plans to produce more than a combined 700,000 bbl/d of production within the next ten years and management expects that the market for services such as road development, construction of productions pads, piping corridors, accesses and ponds, plant site and infrastructure civil works, drainage services and maintenance of constructed earthworks could significantly increase over the next decade.

Forecast Oil Sands Sustaining Capital Requirements



Northern Frontier expects that these SAGD projects will present significant opportunities for continued revenue growth in the future, although there can be no assurance that such projects will proceed in the manner described above, or that they will result in the Corporation providing additional services to its customers. See "Risk Factors".

Operations

The Corporation's services consist primarily of construction and maintenance of civil works for plant replacement and production sustaining projects.

Large SAGD facilities and other industrial projects are often constructed in remote areas with limited access or local services. The owners and operators of such facilities and projects often sub-contract the construction of civil works to third party providers. The Corporation builds site access roads and other engineered earthworks for sustaining capital works, maintenance operations and some initial development projects for SAGD facilities and other industrial facilities. Engineered earthworks projects typically require clearance, excavation, movement and placement of earth to construct plant sites, production pads, roads and corridors. The development of these structures then requires maintenance support services such as repair, gravel placement, water control, snow removal and other functions on a continuous basis, all of which the Corporation provides.

SAGD facilities, including those necessary to inject the steam into the reservoir and to recover the bitumen emulsion from the reservoir, are constructed on large production pads. The Corporation provides services involved with these SAGD facilities, including the construction of initial and supplemental production pads and the associated roads and corridors necessary to operate such facilities. The ongoing demand for services and support to maintain production levels in the SAGD market is expected to grow with production levels. One of the key drivers of the ongoing maintenance market in the SAGD industry is the annual need for replacement production. Each production pad for a SAGD plant has multiple well pairs. These well pairs can produce a finite amount of bitumen from a particular area. Once the bitumen is removed and produced, there is a need for a new production pad in order to continue bitumen extraction. New production pads are used to replace those with well pairs experiencing declining production and those producing from depleted zones, and are required each year to support the SAGD facility's ongoing production. These projects proceed on a recurring basis for the life of the facility to supplement and replace declining production from previously constructed infrastructure. In 2013, the Corporation constructed approximately two to three production pads (replacement or supplemental) for each 35,000 bbl/d increment of its clients' operational capacity and expects to maintain a similar annual rate going forward.

In addition to activities in the Oil Sands, the Corporation provides similar construction and maintenance services in other civil infrastructure markets, including in support of the construction of powerlines, pipelines and other infrastructure projects.

The Corporation also provides water and sewage hauling services for local camp facilities. The Corporation initially provided these services only to its own camp facilities, but found it profitable to extend them to other third party operated facilities. The Corporation currently provides such services to one other local camp and management believes that there are additional growth opportunities in this area.

The contracts which the Corporation has with its three largest clients, which represents approximately 72% of the Corporation's 2013 revenue, currently provide for services which include the following:

- Oil Sands Project #1. This project is owned and operated by a large multi-national oil and gas company. Pursuant to a road maintenance services agreement entered into on March 31, 2011 and the service contract entered into on October 2, 2012, the Corporation's activities for this project include pad construction, road development, plant site civil works and drainage services. The initial phase of this project was a 10,000 bbl/d facility designed to test and prove concepts for the further successful development of the producer's holdings. The Corporation's current activities are related to the maintenance of the site and its civil infrastructure. The immediate stated plans for this project are to complete the initial phase (40,000 bbl/d) presently under construction and scheduled to be complete by 2017. The producer has announced that it currently has approximately 200,000 bbl/d in projects scheduled for this project.

- Oil Sands Project #2. This project is owned and operated by a national oil and gas company. Pursuant to the master construction services agreement entered into on March 15, 2012, the Corporation's activities for this project include pad construction, road development, and construction of piping corridors, accesses and ponds. This project is the first of a number of projects slated for completion by the producer in the SAGD market. The project has regulatory approvals for a production facility with a design capacity of 210,000 bbl/d. Current production from phase 1 and 2 of the facility is approximately 27,000 bbl/d. The producer has announced that it plans to complete three additional phases in 2016, 2018 and 2020. In addition, in 2012 the producer submitted an application for regulatory approval of a separate 120,000 bbl/d production facility. The producer has announced that it anticipates that the first phase of this production facility will be operating by 2018.

- Oil Sands Project #3. This project is owned and operated by a large multi-national oil and gas company. Pursuant to the master goods and services agreement entered into on November 8, 2010, the Corporation's activities for this project include pad construction, road development, plant site and infrastructure civil works and maintenance of constructed earthworks. Phase 1 of the project (a production facility with a design capacity of 35,000 bbl/d) was completed in 2007 and Phase 2 (an additional 35,000 bbl/d) was completed in 2011. The Corporation has been supporting this producer on a continuous basis since 2005 and is currently working on the maintenance of previously constructed facilities as well as developing Phase 3 of the project (an additional 35,000 bbl/d), with plant start-up expected by year-end 2014. The producer has announced other projects are planned for the region having aggregate additional production capacity of 160,000 bbl/d and that it expects to complete construction on such projects by 2023.

Equipment

The Corporation operates approximately 165 pieces of heavy equipment, numerous pieces of support and service equipment and many light vehicles. The Corporation also owns and operates a camp facility that has 168 beds, a kitchen and supporting equipment which are used for the operation of the camp.

Premises

The Corporation has two locations for its operations. In Lac La Biche, Alberta, NEC Contractors leases a six acre lot with a 12,000 square foot shop and a 6,400 square foot office from CRC. In Conklin, Alberta, the Corporation owns a 20 +/- acre lot with shop and laydown facilities and sub-leases from CRC a portion of a 20 acre parcel for its camp and associated infrastructure.

The Lac La Biche, Alberta facility supports the maintenance and care of the equipment assets. The facility has two bays for heavy equipment maintenance, one bay for truck and light vehicle maintenance, one warehouse and one welding shop. Miscellaneous storage facilities and fleet parking are also provided in Lac La Biche.

The Conklin, Alberta location provides field operations offices, shop and camp facilities, a fueling station, water and sewer base of operations and laydown yards for materials and equipment.

Employees

The Corporation currently employs approximately 240 personnel in functions ranging from equipment operators to supervisors, administrative support staff and mechanics. These personnel are mostly located in the Conklin area and reside in camp for shift cycles that vary according to client demand.

Approximately 80% of the Corporation's personnel are non-resident and travel to and from the region to work, as the Conklin, Alberta region's workforce is not large enough to perform a significant amount of the work in the region. The Corporation's provision of its own camp facilities to its employees provides a base of operations familiar to the staff and provides support in limiting turnover and encouraging long-term employment with the Corporation.

Competition

The Corporation operates in a competitive environment. The principal competitive factors in this market include: equipment availability, availability of skilled labor, service quality, technical knowledge and experience of employees, performance record and reputation for safe operations. Large national and regional contractors compete with the Corporation in this market. Some of these competitors may have more financial resources and services than the Corporation which could give those competitors an advantage.

The Corporation has a number of unique competitive advantages including: being a local contractor with local experience and facilities, owning and leasing land and facilities near the worksites, having experienced employees, owning and operating its own camp, and having a successful and safe operating history in the area. The combination of being a local contractor and having staff located close to its clients' worksites allows for a timely response to client requests and a resulting cost advantage.

The Corporation's primary competitor in the sustaining capital and maintenance expenditures market is:

- Swamp Cats (privately owned) – a locally-based competitor. This competitor has a substantial market share at Cenovus Energy Inc.'s projects and incremental market share outside of that client.

The Corporation's primary competitors in the initial capital market are:

- Graham Construction – a large privately owned construction firm based in Calgary, Alberta;
- Voice Construction Ltd. – a medium sized privately owned construction firm based in Edmonton, Alberta;
- North American Energy Partners Inc. – a large publicly traded mining and piling contractor based in Edmonton, Alberta; and
- Thompson Bros (Constr.) L.P. – a medium sized privately owned construction firm based in Edmonton, Alberta.

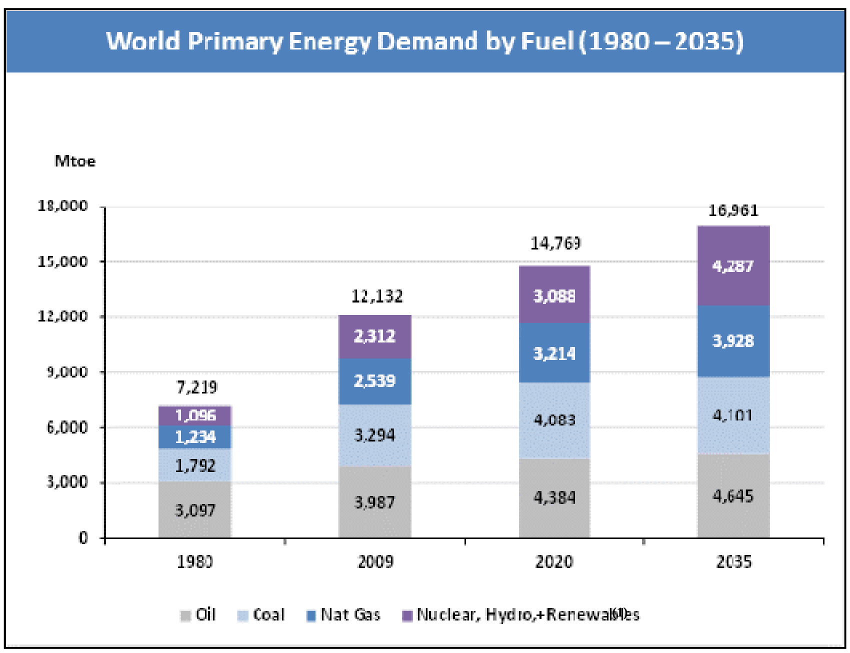
INDUSTRY OVERVIEW

Summary

The Corporation's primary market is the large industrial energy development in northeastern Alberta, and, in particular, the multi-year industrial assets in the SAGD region in the proximity of Conklin, Alberta. The growth in the market is driven by worldwide oil demand, oil prices and the expected return on capital for the developers who own the projects. Management of the Corporation expects the Oil Sands to continue to grow for the reasons outlined in this section and believes that the market for industrial energy service companies such as the Corporation will continue to grow as a result of the overall growth in oil production.

Global Energy Demand

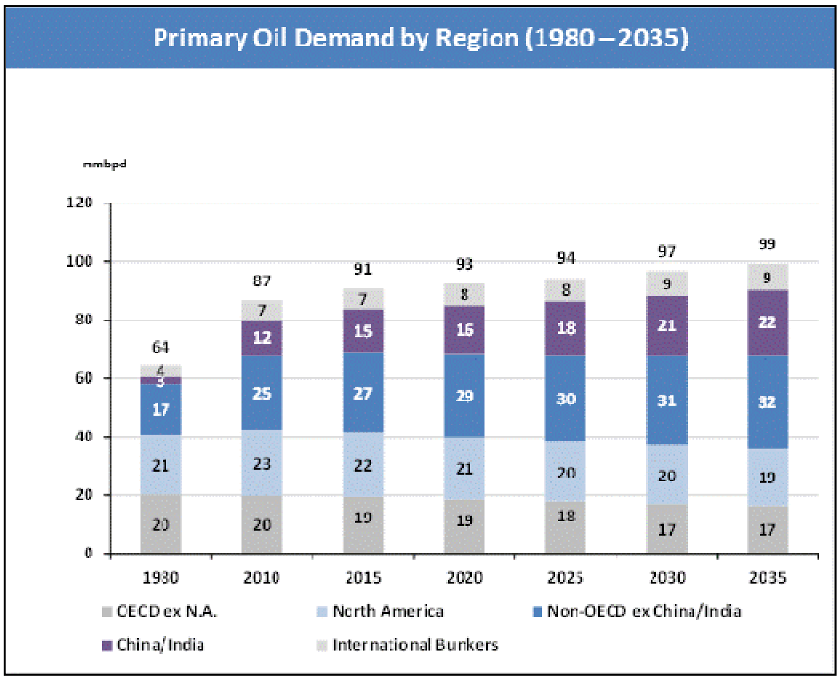
The International Energy Agency ("**IEA**") projects that world primary energy demand will maintain steady growth over the next two decades, increasing on average by 1.3% per year from 2009 - 2035, resulting in cumulative demand growth of approximately 40%. Fossil fuels, primarily crude oil, coal and natural gas, are expected to remain the dominant sources of energy, accounting for nearly 60% of this demand growth. Oil, in particular, is expected to remain the single largest fuel source throughout this period, accounting for 27% of expected demand in 2035. The following graph sets out historic and anticipated world energy demand by fuel type for the period between 1980 and 2035.



Source: IEA, World Energy Outlook 2011
(1) Includes biomass and waste

Global Oil Demand

According to the IEA, worldwide demand for oil was 87 million bbl/d in 2010 and is expected to grow to 99 million bbl/d by 2035, an annual growth rate of approximately 0.5%. Although the majority of this growth is expected in non-OECD countries such as China and India, North America is projected to be a large consumer of oil, representing 19% of total demand in 2035. The following graph sets out historic and anticipated global oil demand by geographic region for the period between 1980 and 2035.

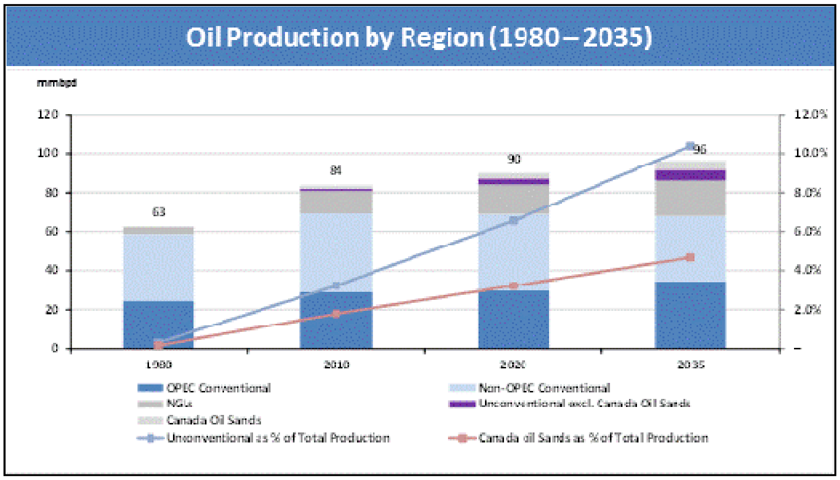


Source: IEA, World Energy Outlook 2011

Oil Supply and Production Rates

The IEA estimates that approximately one-third of the world's recoverable conventional oil resources have already been produced. Non-OPEC conventional production is not expected to be sufficient to keep pace with rising demand and oil markets are expected to become more reliant on OPEC production and unconventional sources of crude oil.

According to the IEA, Unconventional oil production, including bitumen from Oil Sands, is expected to grow as a percentage of total world production from approximately 3.2% in 2010 to 10.4% by 2035. Canada expects rapid growth in oil production throughout the projection period, with the majority of the growth coming from unconventional sources. According to the IEA, Oil Sands output is expected to grow from 1.5 million bbl/d in 2010 to 4.5 million bbl/d in 2035, representing an 8% average annual growth rate. Consequently, according to the IEA, Oil Sands production as a percentage of global demand is expected to increase from 2% in 2010 to nearly 5% by 2035, as reflected in the following graph.



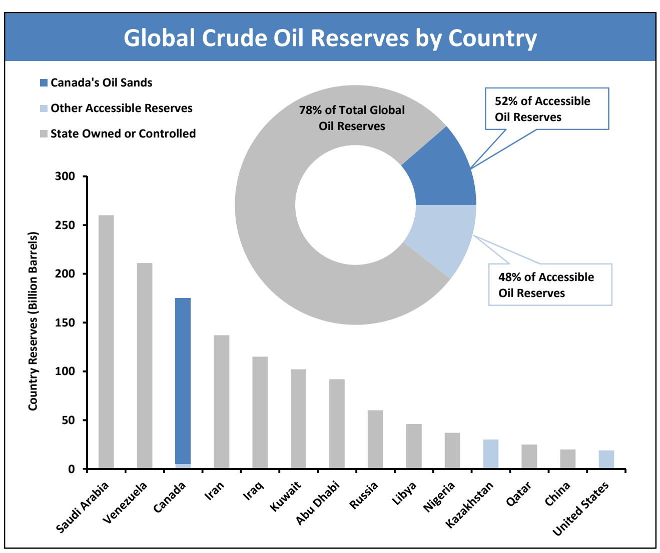
Source: IEA, World Energy Outlook 2011

Canada's Oil Reserves and Production Rates

The percentage of total oil supply derived from unconventional sources is forecast by the IEA to grow from 3.2% of total oil supply in 2010 to 10.2% in 2035. This substantial increase is a key contributor to the IEA's expectation that Oil Sands will grow its output from 1.5 million bbl/d in 2010 to 4.5 million bbl/d in 2035.

With an estimated 175 billion barrels of economically recoverable oil (source: Oil & Gas Journal), Canada holds the third largest proven oil reserves in the world. The vast majority of the country's resource (i.e. 170 billion barrels, or 97%) comes from the Alberta Oil Sands, representing one of the world's largest reserve base open to private sector investment.

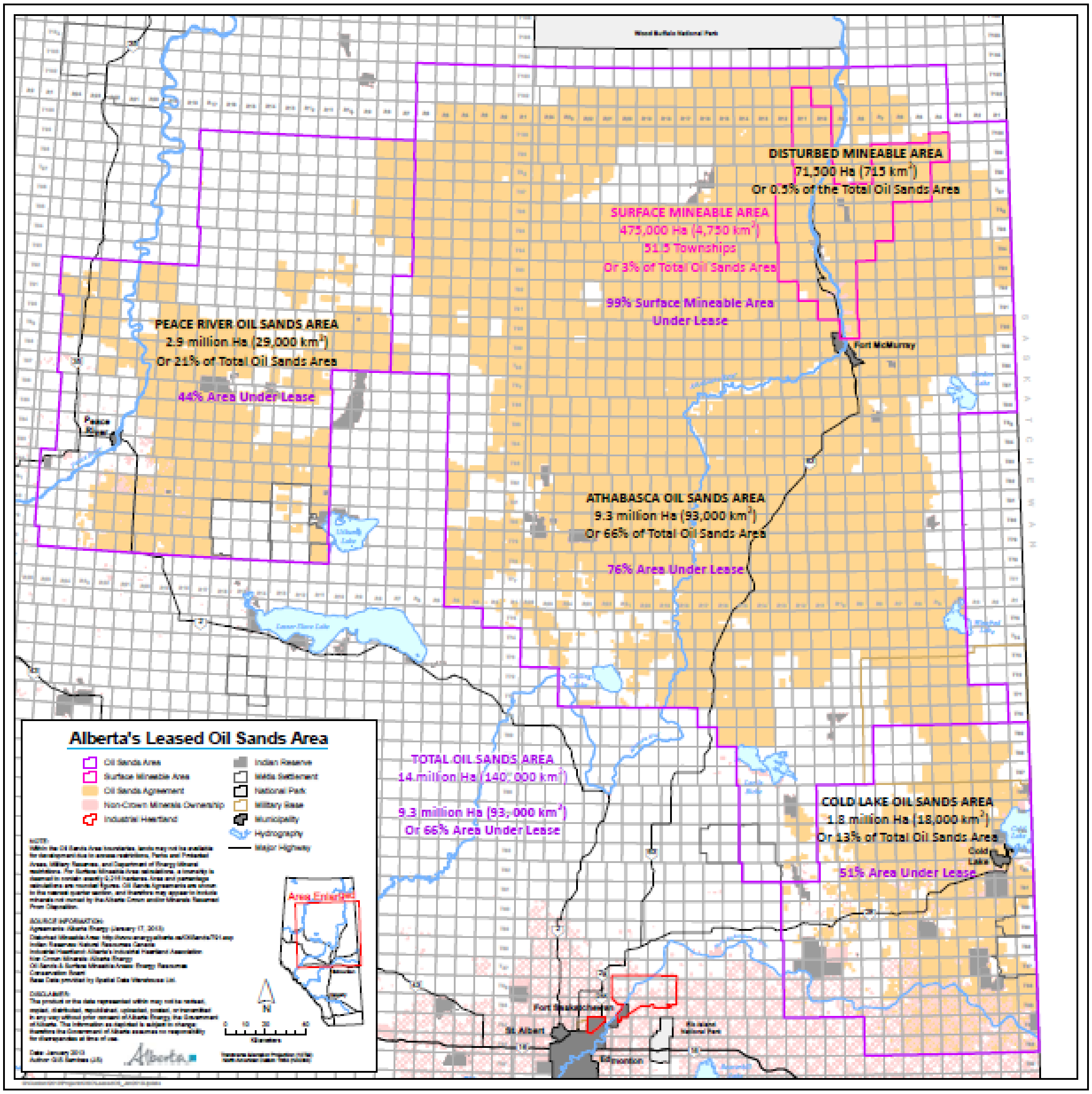
The Oil Sands are an important resource base as they make up approximately 55% of the investable reserves left worldwide. SAGD or other *in situ* extraction methods are expected to be the extraction method for approximately 80% of the total Oil Sands reserves. Investable reserves are those reserves that are not controlled by governments or OPEC (approximately 80% non-investable), which collectively represent approximately 20% of total global oil reserves (Source: "The Facts on: Oil Sands"; Canadian Association of Petroleum Producers, November 2012). These non-investable reserves are not available for private development. The following graph sets out the percent of global oil reserves that are accessible to private development and the geographic location of such reserves.



Source: Oil & Gas Journal, December 2010

Oil Sands

The Oil Sands resource encompasses approximately 140,000 square kilometers, split among three designated regions: Athabasca (Fort McMurray area), Peace River (northwest of Grand Prairie) and Cold Lake (north of Lloydminster). The graphs below illustrate the geographic location of the three principal regions in the Oil Sands.



Source: Alberta Department of Energy

Bitumen is recovered from the Oil Sands primarily using two methods: open-pit mining or *in situ* methods. Open-pit mining is used to obtain bitumen which lies at depths less than 100 meters. The bitumen is separated from the sand and clay with hot water in an extraction plant and subsequently cleaned in a froth treatment processing plant. For depths greater than 100 meters (representing approximately 80% of the Oil Sands resource), the industry predominately uses *in situ* thermal process where steam is injected into a reservoir, liquefying the bitumen and allowing it to be pumped to the surface. Recovery rates for open-pit mining are in the 90% range while *in situ* recovery rates can vary, but are generally up to 60%. The Athabasca region is estimated to hold the majority of the

Oil Sands resource and currently represents 75% of total production. The Oil Sands are estimated to hold 1.8 billion barrels of economically recoverable bitumen of which 80% is expected to be recovered through *in situ* recovery methods, including SAGD. (source: CAPP and ERCB Alberta's Energy Reserves & Supply/Demand Outlook report, June 20, 2012 and IEA oil market report). The following table describes the initial in-place volumes and established reserves in the Alberta Oil Sands.

In-Place Volumes and Established Reserves of Crude Bitumen

Recovery Method	**Initial Volume In-Place**	**Initial Established Reserves**	**Cumulative Production**	**Remaining Established Reserves**	**Remaining Established Reserves under Active Development**
Mining ($10m^3$)	20.8	6.16	0.82	5.34	3.59
In Situ ($10m^3$)	272.3	21.94	0.47	21.46	0.48
Total ($10m^3$)	**293.1**	**28.09**	**1.29**	**26.80**	**4.06**
Bbl Equiv (Bbbl)	1,844	176.8	8.1	168.7	25.6

Note:

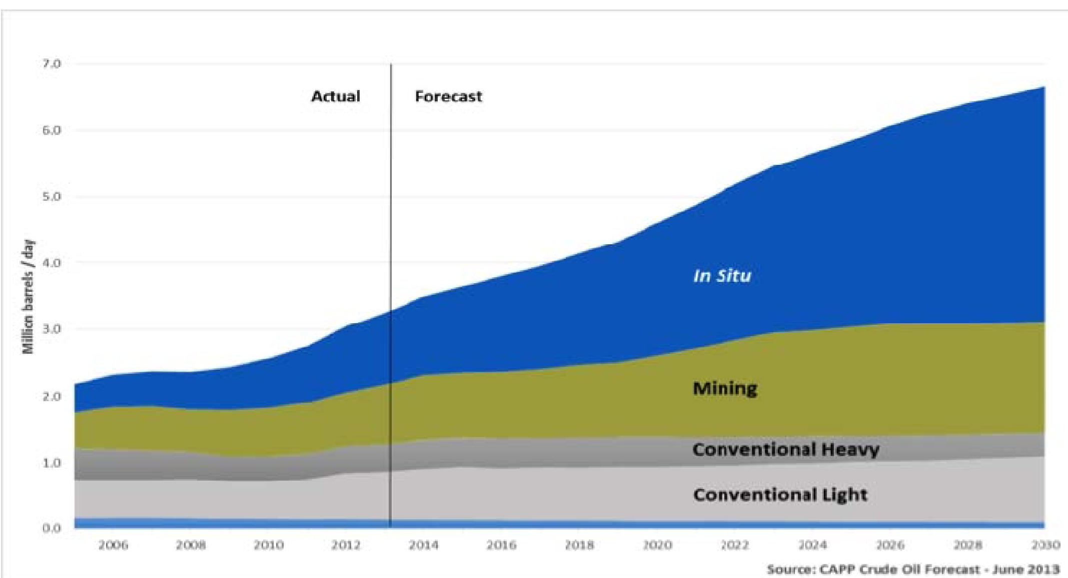
1. Columns may not add due to rounding

Source: ERCB Alberta's Energy Reserves & Supply/Demand Outlook report, June 20, 2012.

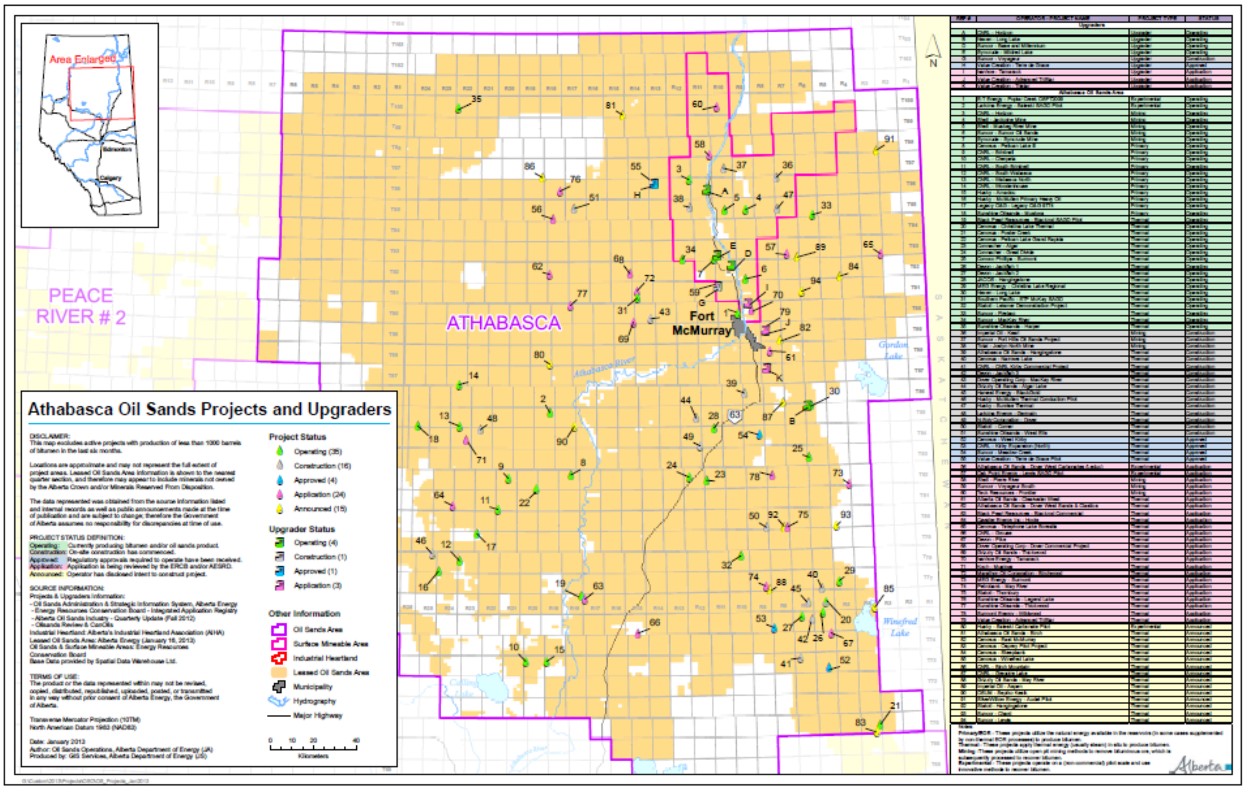
Forecast Alberta Oil Sands Production

Production from Alberta's Oil Sands is a key source for the global oil supply with increasing importance. In 2011, Oil Sands production was 1.7 million bbl/d, accounting for approximately 2% of the global supply; however, Oil Sands production is forecast to increase by 112% to 3.7 million bbl/d by 2021, representing approximately 4% of global supply (source: ERCB Alberta's Energy Reserves & Supply/Demand Outlook report, June 20, 2012). The vast majority of this increase is expected to be driven by *in situ* extraction methods, including SAGD. The following graph sets out historic and forecast production in the Alberta Oil Sands, together with the percentage attributable to open-pit mining, over the period from 2005 to 2030.

Western Canada Oil Production Forecast



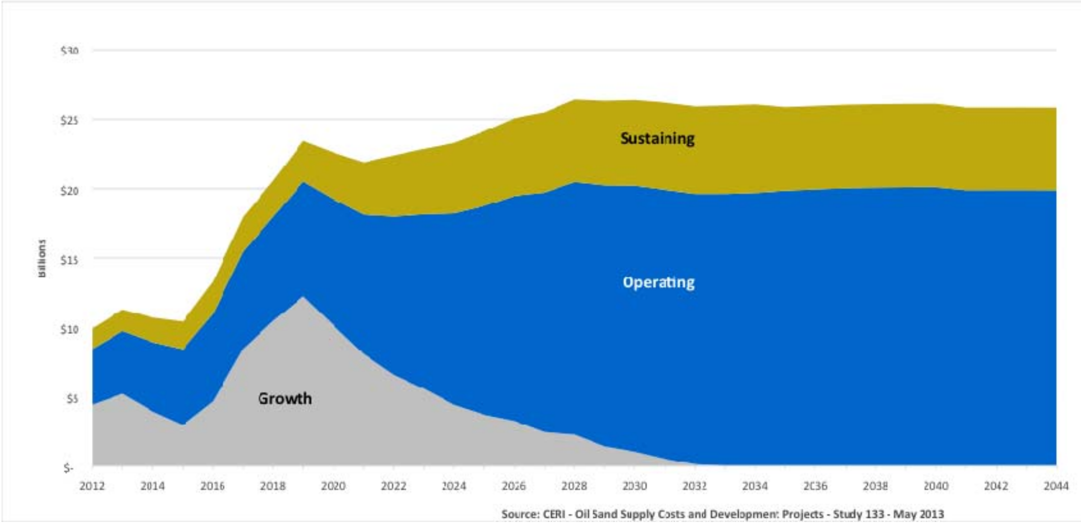
The forecasted increase in Oil Sands production is based largely on nine projects currently under construction as well as 54 projects that have been approved for development or are under review (source: ERCB Alberta's Energy Reserves & Supply/Demand Outlook report, June 20, 2012). Production from the Oil Sands could increase by up to 3.8 million barrels per day as a result of development of projects approved or under review (source: ERCB Alberta's Energy Reserves & Supply/Demand Outlook report, June 20, 2012), requiring extensive capital commitments by Oil Sands operators. The following graph sets out the location of projects under construction, approved and under review in the Athabasca region. The Athabasca region represents the Corporation's primary market and many of these locations represent existing or prospective service opportunities.



Source: Alberta Department of Energy

The Canadian Association of Petroleum Producers ("**CAPP**") estimated that capital expenditures reached $23.0 billion in 2013, up from $18.1 billion in 2008 and $22.7 billion in 2011. In addition to initial capital expenditures to develop and construct an Oil Sands project, ongoing operating and maintenance capital requirements are significant. In 2010, the ERCB estimated that total Oil Sands operating costs (including upgrades) totaled $13.3 billion, or $23 per barrel per day, and total operational spending reached $15 billion in 2011. One of the more significant maintenance capital expenditure categories relates to building replacement pads at the production facilities. Approximately two to three replacement pads are required to be constructed each year for every 35,000 bbl/d of production, for which management estimates its potential revenue opportunity is approximately $1.0 - $3.0 million per pad. This cost category alone represents annual recurring revenue market potential of over $120 million at current *in situ* production levels of 0.8 million bbl/d, which would increase to over $300 million if *in situ* production levels hit over 2.0 million bbl/d as projected in 2021. Other key sustaining capital expenditures include civil works and infrastructure such as roads and piping corridors. The following graph sets out the historical and forecasted capital and operating expenditures for *in situ* Oil Sands operations.

Forecasted Total In Situ Expenditure



CREDIT FACILITIES

Senior Facilities

The Corporation established the Senior Facilities in connection with the closing of the NEC Group Acquisition. The Senior Facilities consist of: (i) a $15,000,000 extendible revolving operating loan facility ("**Facility 1**"); (ii) a $25,000,000 extendible revolving reducing term loan facility ("**Facility 2**"); (iii) a $2,000,000 reducing term loan facility; (iv) a treasury risk management facility; and (v) a corporate MasterCard facility for up to $500,000.

The Senior Facilities were made available to the Corporation pursuant to a credit agreement among the Corporation, as borrower, 1739365 Alberta Ltd. and the other direct or indirect subsidiaries of the Corporation from time to time parties thereto, as guarantors, Bank of Montreal and the other banks and financial institutions from time to time parties thereto, as lenders, and Bank of Montreal, as agent for the lenders and swap lenders, dated as of September 27, 2013 (the "**BMO Credit Agreement**"). The Corporation is required to satisfy certain customary affirmative and negative covenants in accordance with the terms of the BMO Credit Agreement. The terms of the BMO Credit Agreement provide the Corporation with the option to borrow under the Senior Facilities using Canadian prime rate loans, US base rate loans, LIBOR advances or bankers' acceptances, as applicable, as well as by way of letters of credit. The margins above prime rate, base rate, LIBOR or bankers' acceptances, as applicable, for the Senior Facilities are subject to a pricing grid based on the applicable ratio of senior funded debt to EBITDA (the "**Margin Ratio**").

The BMO Credit Agreement also provides for a standby fee calculated quarterly in arrears and payable quarterly in arrears to the lenders calculated on the unused balances of Facility 1 and Facility 2 at a percentage based on the applicable Margin Ratio, and certain other fees. The Senior Facilities are secured by a first ranking security interest over all of the tangible and intangible assets of the Corporation and its existing and future material subsidiaries and a first ranking collateral mortgage in the amount of $100,000,000 registered over commercial properties owned by the Corporation and its existing and future material subsidiaries. The Senior Facilities are guaranteed by all of the existing and future material subsidiaries of the Corporation.

Pursuant to the BMO Credit Agreement, the Corporation is required to maintain certain financial covenants, which are tested quarterly and are determined on a consolidated trailing 12 month basis, including: (i) a maximum ratio of funded debt to EBITDA of 2.25:1; (ii) a maximum ratio of total funded debt to EBITDA of 2.75:1; and (iii) a minimum fixed charge coverage ratio of 1.25:1.

The BMO Credit Agreement provides for customary negative covenants which, among other things, may limit the Corporation from paying dividends to its shareholders in certain circumstances. The BMO Credit Agreement also includes other customary negative covenants, including but not limited to, limitations on amalgamations, consolidations, liquidations, the assumption of contingent liabilities, transactions involving the transfer of a material portion of the Corporation's assets, liens, indebtedness, use of proceeds for any acquisition that is hostile, hedging arrangements, asset dispositions, change in distribution policy and special distributions, capital expenditures, financial assistance, acquisitions, investments and changes in the business. A failure to comply with any of the affirmative and negative covenants would result in an event of default which, if not cured or waived, would permit, among other things, the acceleration of the indebtedness pursuant to the terms of the BMO Credit Agreement.

The BMO Credit Agreement was amended by a first amending agreement dated January 31, 2014 among the Corporation, as borrower, NEC Asset Co Ltd. and NEC Contractors (2012) Inc. and the other direct and indirect subsidiaries of the Corporation from time to time parties thereto, as guarantors, Bank of Montreal and the other banks and financial institutions from time to time parties to the BMO Credit Agreement, as lenders, and Bank of Montreal, as agent for the lenders and swap lenders (the "**BMO Amending Agreement**"). The BMO Amending Agreement, among other things, amended the definition of "Fixed Asset Lending Value", "Funded Debt", "Funded Debt to EBITDA Ratio", "Growth Capital Expenditure", "Level I", "Level II", "Level III", "Level IV" and "Level V", "Permitted Encumbrances" and "Total Funded Debt to EBITDA Ratio". The BMO Amending Agreement also amended the material contracts schedule to the BMO Credit Agreement to include documents related to the Subordinated Facility. See "Material Contracts".

Subordinated Facility

In connection with the closing of the NEC Group Acquisition, the Corporation also established the Subordinated Facility. The Subordinated Facility was made available to the Corporation pursuant to a credit agreement among the Corporation, as borrower, 1739365 Alberta Ltd. and the other direct or indirect subsidiaries of the Corporation from time to time parties thereto, as guarantors, and Royal Bank of Canada through its division, RBC Capital Partners, and Claryn Equities Inc., a company controlled by Trevor Haynes, a director of the Corporation, as lenders (the "**RBC Credit Agreement**"). In connection with the Subordinated Facility, the Corporation paid a transaction fee of 2.0% of the amount committed and pays interest on the loan plus any accrued but unpaid interest at the rate of 14.0% per annum, payable monthly. The Subordinated Facility is subordinate to the Senior Facilities.

Pursuant to the RBC Credit Agreement, the Corporation is required to maintain certain financial covenants, including: (i) a maximum ratio of senior funded debt to EBITDA of 2.25:1, subject to annual step downs; (ii) a maximum ratio of total funded debt to EBITDA of 2.75:1, subject to annual step downs; and (iii) a minimum fixed charge coverage ratio of 1.25:1, subject to annual step ups. The Corporation is also required to satisfy certain customary affirmative and negative covenants, including but not be limited to, change of control provisions, maintenance of insurance, and restrictions on each of the following: additional indebtedness, capital expenditures, asset dispositions, dividends and other capital distributions, related party transactions (including management and consulting fees), redemption of shares, mergers or acquisitions, provision of guarantees, and change in auditors.

Pursuant to the terms of the RBC Credit Agreement, the Corporation will be required to pay a prepayment premium to the lenders as follows: (i) if the Corporation prepays (whether voluntary or mandatory) all or any portion of the loan during the first 24 months following the closing date of the loan, the Corporation shall pay, in addition to the principal amount prepaid, an amount equal to 24 months' interest, including any interest paid-in-kind, on the amount prepaid less the amount of interest paid to date on the amount prepaid; and (ii) if the Corporation prepays (whether voluntary or mandatory) all or any portion of the loan during months 25 to 36 following the closing date of the loan, the Corporation shall pay, in addition to the principal amount prepaid, an amount equal to 3% on the amount prepaid.

The RBC Credit Agreement includes a mandatory prepayment provision that requires the Corporation to make prepayments to the loan in the following amounts: (i) 100% of the net cash proceeds of all asset sales by the Corporation or any subsidiary of the Corporation (including sales of stock of subsidiaries) other than permitted dispositions, (ii) 100% of the net proceeds from the issuance by the Corporation or any of its subsidiaries of any public or private indebtedness, except for capital leases, and other additional permitted indebtedness on terms satisfactory to the lenders, and (iii) 100% of proceeds from excess insurance received by the Corporation or any subsidiary of the Corporation following customary reinvestment to be mutually agreed upon by the Corporation and the lenders.

The Subordinated Facility shall be guaranteed by all of the existing and future material subsidiaries of the Corporation, subject only to the prior charge of the senior lenders under the Senior Facilities.

The RBC Credit Agreement was amendment by a first amendment to the credit agreement dated January 31, 2014 among the Corporation, as borrower, NEC Asset Co Ltd. and NEC Contractors (2012) Inc. and the other direct and indirect subsidiaries of the Corporation from time to time parties to the RBC Credit Agreement, as guarantors, Royal Bank of Canada, through its division, RBC Capital Partners, and Claryn Equities Inc., as lenders, and Royal Bank of Canada, through its division, RBC Capital Partners, as collateral agent for the lenders (the "**RBC Amendment**"). The RBC Amendment, among other things, amended the definition of "Funded Debt to EBITDA Ratio", "Permitted Encumbrances" and "Total Funded Debt to EBITDA Ratio". The RBC Amendment also amended covenants restricting certain capital expenditures and distributions. See "Material Contracts".

DIVIDENDS

Prior to 2014, the Corporation had not historically paid any dividends on its Common Shares. On November 29, 2013, the Board approved a dividend policy (the "**Dividend Policy**") for dividends to be paid on a quarterly basis in the amount of $0.065 per common share commencing in 2014. The dividend for the first quarter of 2014 was declared by the Board on March 20, 2014, in the amount of $0.065 per Common Share. The first dividend payment was paid on April 15, 2014 to holders of record of Common Shares on April 3, 2014.

The Board will review the Dividend Policy on an ongoing basis, and may amend the policy at any time in light of the Corporation's then current financial position, profitability, cash flow, applicable legal requirements and other factors considered relevant by the Board.

DESCRIPTION OF CAPITAL STRUCTURE

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares. As at the date hereof, 11,220,409 Common Shares are issued and outstanding, and no Preferred Shares are issued and outstanding.

Common Shares

The Northern Frontier Shareholders are entitled: (i) to one vote per Common Share at all meetings of the Northern Frontier Shareholders (other than meetings at which only holders of specified classes of shares are entitled to vote); (ii) to receive dividends declared by the Corporation on the Common Shares as a class, subject to the prior rights and privileges attaching to any other class of shares of the Corporation; and (iii) the right to receive (share ratably) the remaining property and assets of the Corporation upon dissolution, subject to the prior rights and privileges attaching to any other class of shares of the Corporation.

Preferred Shares

The Preferred Shares may be issued from time to time in one or more series, each series consisting of a number of Preferred Shares as determined by the Board, who may fix the designations, rights, privileges, restrictions and condition attaching to the shares of each series of Preferred Shares.

PRICE RANGE AND TRADING VOLUMES

The Common Shares are listed and posted for trading on the TSXV under the symbol "FFF". The following table sets out information concerning the monthly price ranges and trading volumes of the Common Shares on the TSXV for the periods indicated.

2013	High $	Low $	Volume
January	0.39	0.26	240,225
February[(1)]	0.28	0.20	38,000
March	3.50	3.15	503
April	5.50	4.00	13,799
May	4.90	4.90	Nil[(2)]
June	4.90	4.90	Nil[(2)]
July	4.90	4.90	Nil[(2)]
August	4.90	4.90	Nil[(2)]
September	4.90	4.90	Nil[(2)]
October	4.00	3.35	32,807
November	3.50	3.30	54,275
December	3.50	3.30	61,893

Notes:

1. The Common Shares were consolidated on a 15:1 basis as of February 15, 2013.
2. Trading in the Common Shares was halted by the TSXV from April 19, 2013 to October 2, 2013 as part of the Corporation's qualifying transaction process.

The Warrants are listed and posted for trading on the TSXV under the symbol "FFF.WT". The following table sets out information concerning the monthly price ranges and trading volumes of the Warrants on the TSXV for the periods indicated.

2013	High $	Low $	Volume
October 22 – 31[(1)]	0.11	0.11	1,000
November	0.11	0.11	4,300
December	0.20	0.08	2,750

Note:

1. The Warrants began trading on the TSXV on October 22, 2013.

PRIOR SALES

In the twelve month period ended December 31, 2013, the Corporation issued: (i) 5,231,950 Common Shares and 2,615,975 Warrants on September 27, 2013 pursuant to the conversion of Subscription Receipts at a price of $3.50 per Subscription Receipt; (ii) 1,428,571 Common Shares and 714,286 Warrants on September 27, 2013 as partial payment of the purchase price pursuant to the NEC Group Acquisition; and (iii) 3,577,957 Common Shares and 1,788,979 Warrants (with such Common Shares and Warrants being issued as a unit, with each unit being comprised of one Common Share and one-half of one Warrant) on December 17, 2013 at a price of $3.50 per unit.

Additionally, during the twelve month period prior to the date of this AIF, the Corporation granted an aggregate of 498,000 Options, which were granted to certain directors, officers and employees of the Corporation, the particulars of which are set forth below:

Date of Issue	Description	Number of Common Shares Under Option	Exercise Price Per Common Share	Expiration Date
October 4, 2013	Options to purchase Common Shares	498,000	$3.50	October 4, 2018

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

The following table sets out the securities of the Corporation which are subject to escrow restrictions as at the date of this AIF:

Designation of Class	Number of Securities in Escrow or Subject to Contractual Restriction on Transfer	Percentage of Class
Common Shares	1,551,074(1)(2)(3) Common Shares	13.8%
Warrants	714,286(3) Warrants	14.0%

Notes:

1. As of the date of this AIF, there are 122,503 Common Shares held in escrow pursuant to an escrow agreement dated January 30, 2012 among the Corporation, Alliance Trust Company, as depository, and the holders of seed common shares of the Corporation (the "**TSXV Escrow Agreement**"). Under the TSXV Escrow Agreement, 61,249 of the escrowed Common Shares will be released from escrow on October 1, 2014 and 61,254 of the escrowed Common Shares will be released from escrow on April 1, 2015.
2. As of the date of this AIF, there are 1,428,571 Common Shares held in escrow in accordance with the terms of an escrow agreement (the "**Escrow Agreement**") among the Corporation, 1739365 Alberta Ltd., Alliance Trust Company, as escrow agent, and Kevin Benson Family Trust, The Albert and Colette Benson Family Trust, 1351600 Alberta Ltd., 1351601 Alberta Ltd., Kevin Benson and Colette Benson (the "**NEC Group Vendors**") for potential indemnification obligations arising under the Share Purchase Agreement. Pursuant to the Escrow Agreement, and subject to any such indemnification obligations, such escrowed shares will be released from escrow 18 months following the closing of the NEC Group Acquisition.
3. On September 12, 2013 the NEC Group Vendors entered into lock-up agreements (the "**Lock-Up Agreements**") with the Corporation, 794522, NEC Contractors and GMP Securities L.P. pursuant to which they agreed that they would not sell or transfer the Common Shares and Warrants issued to them pursuant to the NEC Group Acquisition for a period of 12 months following the closing of the NEC Group Acquisition. As at the date of this AIF there are 1,428,571 Common Shares and 714,286 Warrants subject to a contractual restriction on transfer pursuant to the Lock-Up Agreements.

DIRECTORS AND OFFICERS

Name and Jurisdiction of Residence	Position with the Corporation	Principal Occupation During the Past Five Years	Director Since(1)	Common Shares Held (#/%)(2)
Chris R. Yellowega Alberta, Canada	President and Chief Executive Officer and Director	Chief Executive Officer of the Corporation since September 27, 2013. Vice President, Construction and prior thereto Vice President, Operations of North American Energy Partners Inc. from 2008 to 2012. Vice President, Upstream of Synenco Energy Inc. from 2005 to 2008.	September 27, 2013	35,800/0.3%
Monty R. Balderston Alberta, Canada	Executive Vice President, Chief Financial Officer and Corporate Secretary	Executive Vice President, Chief Financial Officer and Corporate Secretary of the Corporation since September 27, 2013. Chief Financial Officer of Silica North Resources Ltd. from 2011 to 2012. Chief Financial Officer and prior thereto Vice President, Finance and Administration and prior thereto Corporate Controller of Peak Energy Services Ltd. from 2003 to 2011.	N/A	37,600/0.3%
Bradford N. Creswell(4) Washington, USA	Director	Partner, NCA Management LLC, a private equity firm.	October 2011	114,428/1.0%
John R. Jacobs Washington, USA	Director	Partner, NCA Management LLC, a private equity firm.	October 2011	124,428/1.1%

Name and Jurisdiction of Residence	Position with the Corporation	Principal Occupation During the Past Five Years	Director Since[1]	Common Shares Held (#/%)[2]
Trevor Haynes[4] Alberta, Canada	Chairman and a Director	President and Chief Executive Officer and Director of Black Diamond Group Limited since 2003. From February 2007 to October 2009, director of Aqueous Capital Corp.	October 2011	163,200/1.5%
Donald Basnett[4] Alberta, Canada	Director	President and Chief Executive Officer of PTW Energy Services Ltd., a privately-owned company offering electrical/instrumentation maintenance and steel fabrication and industrial structures construction services to companies in the petroleum, petrochemical, mining, wood products, agricultural and industrial sectors, since April 16, 2014. Prior thereto, President and Chief Executive Officer of Pyramid Corporation, a privately-owned company, offering products and services to companies in the petroleum, petrochemical, mining, wood products, agricultural and industrial sectors.	October 2011	76,133/0.7%
Darin R. Coutu[3] Alberta, Canada	Director	Chief Financial Officer of NC Services Group Ltd. from 2011 until present. Chief Financial Officer of ZCL Composites Inc. from October 2007 to December 2010.	October 2011	32,200/0.3%
Robert Hunt[4] Alberta, Canada	Director	Currently a retired business executive, Chairman of Golconda Resources Ltd. and director of Northwestel Inc. Former President of Horizon North Logistics Inc.	March 2012	102,167/0.9%
Edward J. Redmond[3] Alberta, Canada	Director	President and Chief Executive Officer of NC Services Group Ltd. from 2010 to present. Executive Vice President of the Energy Products and Services Segment of McCoy Corporation from 2006 to 2010.	October 2011	59,833/0.5%
Murray Schur[3] Alberta, Canada	Director	General Manager of Calnash Trucking Ltd., a privately-owned company providing oilfield transportation services.	October 2013	35,700/0.3%
				1,428,571/12.8%[5]

Notes:

1. A director's term of office shall be from the date on which he is elected or appointed, as the case may be, until his successor is elected or appointed. The Corporation's executive officers are appointed by and serve at the discretion of the Board.

2. Includes Common Shares beneficially owned or controlled, directly or indirectly. Percentage holdings are calculated on a non-diluted basis.
3. Member of the Audit Committee of the Corporation. Darin Coutu is the Chair of the Audit Committee.
4. Member of the Corporate Governance, Compensation and Nomination Committee of the Corporation. Robert Hunt is the Chair of the Corporate Governance, Compensation and Nomination Committee.
5. 1,428,571 Common Shares are held by 719502 Alberta Ltd. Mr. Schur is a representative of the principal of 719502 Alberta Ltd.

As at the date hereof, the directors and officers of the Corporation, as a group, beneficially owned, controlled or directed, directly or indirectly, 781,489 Common Shares, or approximately 6.96% of the outstanding Common Shares (on a non-diluted basis).

The following are brief biographies of each of the officers and directors of the Corporation, including a description of their present occupations and their principal occupations during the last five years.

Officers

Chris R. Yellowega – President, Chief Executive Officer and Director

Mr. Yellowega was appointed as the President and Chief Executive Officer and a director on September 27, 2013. Mr. Yellowega is an experienced senior executive and Professional Engineer. He has over 20 years of varied experience in engineering, operations, maintenance and senior management roles in the mining and energy industries. Mr. Yellowega brings a depth of experience in operating and service markets in the target business areas for Northern Frontier and has a strong business focus on strategy, execution and cost. From 2008 to 2012, Mr. Yellowega was Vice President, Construction and prior thereto Vice President, Operations with North American Energy Partners Inc. ("**North American**"), a provider of mining, heavy construction, industrial, piling and pipeline services in western Canada. North American is listed on the New York Stock Exchange ("**NYSE**") and the Toronto Stock Exchange ("**TSX**") under the trading symbol "NOA". From 2005 to 2008, he was Vice President, Upstream with Synenco Energy Inc. ("**Synenco**"), a former Oil Sands resource development company involved in the Northern Lights upstream mining and bitumen extraction project which was listed on the TSX. Synenco was acquired by Total SA in 2008. From 2000 to 2005, Mr. Yellowega was a senior manager with Shell's Oil Sands group, involved with the Muskeg River Mine development for Albian Sands Energy Inc.

Mr. Yellowega graduated from the University of Alberta in 1993 with a Bachelor of Science degree in Mining Engineering.

Monty R. Balderston – Executive Vice President, Chief Financial Officer and Corporate Secretary

Mr. Balderston was appointed as the Executive Vice President, Chief Financial Officer and Corporate Secretary on September 27, 2013. Mr. Balderston is a Chartered Accountant with over 18 years of experience, including over 10 years in senior leadership roles with publicly traded companies. From June 2011 to April 2012, he acted as Chief Financial Officer of Silica North Resources Ltd., a privately held start-up company focused on developing deposits and supplying proppant (frac sand) to the oil and natural gas industry. From May 2003 to June 2011, Mr. Balderston held various senior financial roles including Chief Financial Officer from March 2008 to June 2011 of Peak Energy Services Ltd. ("**Peak**"), a diversified energy services company providing drilling and production services to its customers in both the conventional and unconventional oil and natural gas industry in western Canada and the United States, as well as the Oil Sands regions of western Canada. Peak was listed on the TSX until it was purchased by Clean Harbors Inc. in June 2011. From May 2000 to July 2002, he held senior financial roles with International Properties Group Ltd., a real estate company, which was listed on the TSX until late 2002. From September 1995 to April 2000, Mr. Balderston was with the accounting firm PricewaterhouseCoopers LLP and held various progressive finance related roles in both the audit and management consulting practices.

Mr. Balderston graduated from the Northern Alberta Institute of Technology with a Finance Diploma (with Honors) in 1991 and graduated from the University of Alberta with a Bachelor of Commerce degree (with Distinction) in 1995. He earned his Chartered Accountant designation in the Province of Alberta in 1998.

Directors

In addition to Mr. Yellowega, the following individuals are the directors of the Corporation:

Donald Basnett – Director

Mr. Basnett is a director of the Corporation. Mr. Basnett has over 38 years of experience in providing electrical/instrumentation maintenance and construction services during his tenure as the President and Chief Executive Officer of Pyramid Corporation (now PTW Energy Services Ltd. ("**PTW**") following a business combination transaction), a privately-owned company, offering products and services to companies in the petroleum, petrochemical, mining, wood products, agricultural and industrial sectors, as well as steel fabrication and industrial structures. Mr. Basnett currently serves as a member of the board of directors of NCSG Crane & Heavy Haul Corporation ("**NCSG**") and PTW.

Darin R. Coutu – Director

Mr. Coutu is a director of the Corporation and is the Chair of the Audit Committee. Mr. Coutu is a chartered accountant with over 22 years experience, including nine years in senior leadership roles with publicly traded companies. Currently, Mr. Coutu is the Chief Financial Officer for NCSG, an Edmonton, Alberta-based crane and heavy haul company serving the refining, oil and natural gas and wind energy sectors in western Canada and the northwestern United States. NCSG owns and operates NCSG Crane & Heavy Haul Services Ltd., Mullen Crane & Transport, Inc. and Trans Tech Contracting Inc. a heavy haul trucking company. From October 2007 to December 2010, Mr. Coutu acted as Chief Financial Officer of ZCL Composites Inc., a designer, manufacturer and supplier of fiberglass tank systems to the petroleum industry, which is listed on the TSX under the trading symbol "ZCL". From July 2005 to October 2007, he served as the Chief Financial Officer of Rentcash Inc., a provider of alternative financial products and services. Mr. Coutu also held the position of Chief Accountant with Canadian Western Bank from January 2003 to July 2005 and was with the accounting firm of KPMG LLP from December 2000 to December 2002 as a Senior Principal with the firm.

Mr. Coutu graduated from the University of Alberta with a Bachelor of Commerce degree in 1989 and also earned his Chartered Accountant designation in the Province of Alberta in 1992. Mr. Coutu has also served as director of non-for-profit organizations, including Junior Achievement.

Bradford N. Creswell –Director

Mr. Creswell is a director of the Corporation. Mr. Creswell is a partner and co-founder of NCA Management LLC (formerly Northwest Capital Appreciation, Inc.) ("**NCA**"), a private equity firm which he co-founded in Seattle, Washington in 1992. In 2006, a limited liability partnership organized by NCA acquired NCSG.

Mr. Creswell currently serves on the board of directors of NCSG and is a member of the audit committee, and on the board of directors of PTW. Mr. Creswell previously served on the board of directors and audit and compensation committees of numerous private companies, and was Chief Financial Officer of Carson Products Corporation, a public, global manufacturer and marketer of hair care products listed on the NYSE.

Prior to founding NCA, from 1986-1992, Mr. Creswell was a Vice President in the Corporate Finance and Investment Banking Group of Bankers Trust Company in New York.

Mr. Creswell earned a Bachelor of Arts degree in Business Administration from the University of Puget Sound in 1982. Mr. Creswell began his career as a Certified Public Accountant with Arthur Young & Company in Denver, Colorado. After practicing for three years he attended business school at The Amos Tuck School of Business at Dartmouth where he earned a Masters of Business Administration degree in 1987.

Trevor Haynes – Chairman and Director

Mr. Haynes is the Chairman and a director of the Corporation. From 2003 to present, Mr. Haynes has served as the President, Chief Executive Officer and a director of Black Diamond Group Limited, a modular building, remote lodging and energy services company headquartered in Calgary, Alberta and listed on the TSX under the trading symbol "BDI". From February 2007 to October 2009, Mr. Haynes was also a director of Aqueous Capital Corp., a former capital pool company listed on the TSXV. From January 2003 to May 2005, he was the President and Chief Executive Officer of Kettleby Investment Management, a private holding company involved in construction and real estate development. From February 1992 to December 2002, he held various positions of increasing responsibility with ATCO Structures & Logistics Ltd., a company that at the time was primarily involved in modular structures and remote accommodations. Mr. Haynes is currently a director of NCSG, Petroleum Services Association of Canada and The Fig Tree Foundation.

Mr. Haynes graduated from the University of Toronto with a Bachelor of Arts degree in 1991.

Robert Hunt – Director

Mr. Hunt is a director of the Corporation and is the Chair of the Corporate Governance, Compensation and Nomination Committee. Mr. Hunt is a retired business executive with over 33 years experience in management, senior leadership roles and strategy development with both private and public resource companies in Canada and the United States. He is currently a director of Northwestel Inc., a wholly-owned subsidiary of Bell Canada. Mr. Hunt is also a director and chairman of Golconda Resources Ltd. and sits on a number of advisory boards for private companies. Prior to retiring at the end of 2008, Mr. Hunt was the President of Horizon North Logistics Inc. a company listed on the TSX under the trading symbol "HNL", that provides workforce accommodation solutions, camp management and catering services, and road and access matting solutions, from 2006-2009. From 1988 to 2006, he was the Senior Vice President of Akita Drilling Ltd. which is listed on the TSX under the trading symbol "AKT".

John R. Jacobs –Director

Mr. Jacobs is a director of the Corporation. Mr. Jacobs is also a partner with NCA. At NCA, Mr. Jacobs is involved with the Corporation's organization activities and serves on the board of directors of NCSG**.** Mr. Jacobs is a member of the board of directors of PTW. Mr. Jacobs previously has served on the board of directors of numerous private companies, and was a board member and the chair of the compensation committee and member of the audit committee of Fuel Systems Solutions, Inc., a NASDAQ listed public company, between 2004 and 2007.

Prior to joining NCA, Mr. Jacobs spent 23 years in investment banking and commercial banking in New York and Seattle. For more than 15 years, Mr. Jacobs worked for Piper Jaffray & Co. ("**Piper Jaffray**"), a U.S. New York Stock Exchange publicly listed investment banking firm. For more than 10 years, Mr. Jacobs led Piper Jaffray's Seattle-based investment banking practice and founded the firm's global technology practice. Prior to joining Piper Jaffray, Mr. Jacobs was employed by The Chase Manhattan Bank in New York City where he worked with the commercial bank as well as the investment bank.

Mr. Jacobs graduated with honors from Ohio Wesleyan University with a Bachelor of Arts degree in 1976 in addition to earning his Masters of International Management degree from the Thunderbird School of Global Management in 1981.

Edward J. Redmond – Director

Mr. Redmond is a director of the Corporation. Mr. Redmond is the President and Chief Executive Officer and a director of NCSG. Mr. Redmond has more than 25 years of operating, transactional and business advisory experience in the crane, transportation, energy, and utilities industries.

For the last 14 years, Mr. Redmond has held senior leadership roles including as the President, Chief Executive Officer, and Executive Vice President for a number of private and public organizations including: (i) Executive Vice-President of the Energy Products and Services Segment of McCoy Corporation, which is listed on the TSX under the trading symbol "MCB" that provides equipment and services to the upstream oil and natural gas industry, from November 2006 to August 2010; (ii) investment banking partner specializing in turnaround management and sell-side mergers and acquisitions for Kirchner & Company, a private company, from September 2004 through November 2006; (iii) Chief Executive Officer of Lacent Technologies Inc., a private company that designed, manufactured and sold laser cutting equipment for the automotive and garment industries, from March 2003 to September 2004 taking the company through a sale process and selling to Lectra S.A. based in France; and (iv)

President of Surface Engineered Products Corp., a private company that designed and provided specialized coatings for petrochemical companies and other industries, from January 1997 through March 2003.

Mr. Redmond obtained a Master of Business Administration degree from the Stanford Business School in 1990, a Master of Science degree in Engineering from the University of Toronto in 1985 and a Bachelor of Science degree in Engineering from the University of Alberta in 1983.

Murray L. Schur – Director

Mr. Schur is a director of the Corporation. Murray Schur is the General Manager of Calnash Trucking Ltd. ("**Calnash**"), a Ponoka, Alberta-based transportation company serving the oil and natural gas industry in western Canada. Mr. Schur has more than 26 years of managerial experience in the Transportation, Hospitality and Packaged Goods industries. Since 2002, Mr. Schur has been the General Manager of Calnash and is responsible for the overall strategic direction and management of Calnash's operations, sales and marketing, finance and administration. From 1994 to 2002, Mr. Schur was the Customer Service Manager / Sales and Marketing Manager of Speedy Heavy Hauling Division of Cage Logistics. From 1990 to 1993, Mr. Schur was the owner of the Halkirk Hotel in Halkirk, Alberta. From 1985 to 1990, Mr. Schur was in progressive sales roles with Duracell Canada Inc.

Mr. Schur graduated from the Southern Alberta Institute of Technology in 1985 with a Diploma in Applied Arts, Business Administration (major in Industrial Marketing).

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

As of the date hereof, none of the directors, executive officers or shareholders anticipated to hold a sufficient number of securities of the Corporation to affect materially the control of the Corporation is, or has been in the last ten years, a director, chief executive officer or chief financial officer of any company (including the Corporation) that: (i) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days that was issued while the director or executive director was acting in the capacity as director, chief executive officer of chief financial officer; or (ii) was subject to such an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in such a capacity.

Except as disclosed in the following paragraphs, as of the date of this AIF, none of the directors, executive officers or shareholders anticipated to hold a sufficient number of securities of the Corporation to affect materially the control of the Corporation is as of the date of this AIF, or has been in the last ten years before the date of this AIF, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Bradford Creswell

<u>Port Townsend Paper</u>

On January 29, 2007, Port Townsend Paper Company, a private company located in Port Townsend, Washington, filed a voluntary petition for bankruptcy. Mr. Creswell was a director from 1995 and resigned as a director on August 20, 2007. Port Townsend Paper had completed a leveraged recapitalization in 2004 and issued $125 million of high yield bonds. After a downturn in its industry, Port Townsend Paper negotiated a plan of reorganization with the bond holders. The plan was confirmed by the court on February 9, 2009 and Port Townsend Paper emerged from bankruptcy.

<u>New Northwest Broadcasters</u>

On May 4, 2010, New Northwest Broadcasters, a private company located in Seattle Washington, in consultation with its lender, filed an assignment for the benefit of the creditors appointing a receiver. The company had tried for over two years to sell itself but was unsuccessful finding a buyer and was negatively impacted by the 2008/2009 recession. Mr. Creswell was a director from 2000 and resigned on May 17, 2010. The receiver conducted an auction and sold the company.

Coast Crane Company

Mr. Creswell was a board member of Coast Crane Company, a private company located in Seattle, Washington. The company's cash flow was negatively impacted by the 2008/2009 recession and in particular the substantial decline in the commercial construction sector. The company had signed a definitive agreement outside of bankruptcy, with a purchaser which was ultimately not consummated. Therefore, on September 22, 2010 Coast Crane Company filed a voluntary petition for bankruptcy. Mr. Creswell was a director from May 2007 and resigned on October 23, 2010. The company conducted a sales process under section 363 of the bankruptcy code and was successfully sold on November 16, 2010.

John Jacobs

Coast Crane Company

Mr. Jacobs was a board member of Coast Crane Company, a private company located in Seattle, Washington. The company's cash flow was negatively impacted by the 2008/2009 recession and in particular the substantial decline in the commercial construction sector. The company had signed a definitive agreement outside of bankruptcy, with a purchaser which was ultimately not consummated. Therefore, on September 22, 2010 Coast Crane Company filed a voluntary petition for bankruptcy. Mr. Jacobs was a director from May 2007 and resigned on October 23, 2010. The company conducted a sales process under section 363 of the bankruptcy code and was successfully sold on November 16, 2010.

None of the directors, executive officers or shareholders anticipated to hold a sufficient number of securities of the Corporation to affect materially the control of the Corporation has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

None of the directors, executive officers or shareholders anticipated to hold a sufficient number of securities of the Corporation to affect materially the control of the Corporation has, within the ten years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Conflicts of Interest

There are no known existing or potential material conflicts of interest between the Corporation and any director or officer of the Corporation, with the exception of the Subordinated Facility as previously disclosed. Certain of the directors and officers also serve as directors and/or officers of other public companies that may be involved in the industrial and oil and natural gas services industry, and therefore it is possible that a conflict may arise between their duties as directors or officers of the Corporation and their duties as directors and/or officers of such other companies. The Corporation and the directors attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the Board, a director who has such a conflict will abstain from voting for or against the approval of such items of which they are conflicted. In appropriate cases, the Corporation will establish a special committee of independent directors to review a matter in which directors, or management, may have a conflict. In accordance with the *Business Corporations Act* (Alberta), the directors of the Corporation are required to act honestly, in good faith and in the best interests of the Corporation. In determining whether or not the Corporation will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to the Corporation, the degree of risk to which the Corporation may be exposed and its financial position at that time. Other than as indicated, the Corporation has no other procedures or mechanisms to deal with conflicts of interest.

PROMOTERS

Messrs. Creswell and Jacobs may be considered to be Promoters of the Corporation in that they took the initiative in founding and organizing the Corporation. Each of Messrs. Creswell and Jacobs were granted 408,750 Options (27,250 post-consolidation) at an exercise price per Common Share of $0.20 ($3.00 post-consolidation) on February 13, 2012, and 76,000 Options at an exercise price per Common Shares of $3.50 on October 4, 2013.

Each of Messrs. Creswell and Jacobs are the record and beneficial owners of 114,428 and 124,428 Common Shares, respectively, each representing about 1% of the issued and outstanding Common Shares.

Mr. Creswell and Mr. Jacobs are also partners with the private equity firm NCA, based in Seattle, Washington, USA, which provides strategic and acquisition financing support to the Corporation pursuant to a written services agreement. The maximum annual fees paid by the Corporation to NCA pursuant to the services agreement are $250,000, other than for any investment banking fees that may be agreed to by the board of directors of the Corporation, in their sole discretion, in respect of any opportunities that may be presented to the Corporation by NCA and accepted by the board of directors of the Corporation. The services provided by NCA are not investor relations services as contemplated under the policies of the TSXV.

Except as disclosed in this AIF, nothing of value, including money, property, contracts, options or rights of any kind have been received or is presently contemplated to be received by Mr. Creswell and Mr. Jacobs, respectively, directly or indirectly from the Corporation. In addition, except as disclosed in this AIF, no assets, services or other consideration has been received or is presently contemplated to be received by the Corporation from Mr. Creswell or Mr. Jacobs.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no outstanding legal proceedings to which the Corporation is subject, nor are there any proceedings known to be contemplated.

There are no: (i) penalties or sanctions imposed against the Corporation by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date of this AIF; (ii) other penalties or sanctions imposed by a court or regulatory body against the Corporation that the Corporation believes would likely be considered important to a reasonable investor in making an investment decision; or (iii) settlement agreements the Corporation entered into before a court relating to securities legislation or with a securities regulatory authority during the most recently completed financial year.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of Northern Frontier, no: (i) director or executive officer of the Corporation; (ii) person that is the beneficial owner of, or who exercises direct or indirect control or direction over, more than ten percent of the outstanding Common Shares; or (iii) any associate or affiliate of any person referred to in (i) or (ii) above has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect Northern Frontier, other than as disclosed elsewhere in this AIF.

RISK FACTORS

The following information describes certain significant risks and uncertainties inherent in the Corporation's business. This section does not describe all risks applicable to the Corporation, its industry or its business, and it is intended only as a summary of certain material risks. If any of such risks or uncertainties actually occur, the Corporation's business, financial condition or operating results could be harmed substantially and could differ materially from the plans and other forward-looking statements discussed in this AIF.

Reliance on Major Customers

The top three customers of the Corporation accounted for approximately 72% of the Corporation's revenue for fiscal 2013.

The Corporation's objective is to secure long term contracts. However, due to the nature of some of the business segments in which the Corporation operates, long term contracts are not always industry standard. As a result, there can be no assurance that the current customers will continue their relationship with the Corporation. The loss of one or more major customers, or any significant decrease in services provided to a customer, prices paid or any other changes to the terms of service with customers, could have a material adverse effect on the profitability of the Corporation, the Corporation's financial results and cash flows and the overall financial condition of the Corporation.

Agreements and Contracts

The business operations of the Corporation depend, in part, on agreements with the Corporation's customer base that are cancellable at any time by either the Corporation or its respective customers. In other cases, services are provided on a one-off basis without an ongoing contract. The key factors that will determine whether a customer continues to use the services of the Corporation include service quality and availability, reliability and performance of equipment, experience and technical knowledge of employees, reputation for safety and competitive prices. There can be no assurance that the relationships of the Corporation with its existing customers will continue, and a significant reduction or total loss of the business from these customers, if not offset by sales to new or existing customers, could have a material adverse effect on the Corporation's financial results and cash flows and the overall financial condition of the Corporation.

Shortages of Skilled Labour, Work Stoppages or Other Labour Disruptions

The ability of the Corporation to provide high-quality services on a timely basis requires an adequate number of skilled workers such as engineers, trades people and equipment operators. The Corporation may not be able to maintain an adequate skilled labour force, or the Corporation's labour expenses may increase. A shortage of skilled labour would require the Corporation to curtail its planned internal growth or may require the Corporation to use less skilled labour which could adversely affect its ability to perform work.

Cyclicality of the Energy Industry

The demand for oilfield services is largely dependent on the activity levels of oil and natural gas exploration and development companies. Industry conditions are influenced by numerous factors over which the Corporation has no control, including: the level of oil and natural gas prices and production; expectations about future oil and natural gas prices; the cost of exploring for, producing and delivering oil and natural gas; the expected rates of declining production from maturing basins; the discovery of new oil and natural gas reserves; available pipeline and other oil and natural gas transportation capacity; weather conditions; global political stability, military actions, regulatory and economic conditions; the ability of oil and natural gas companies to raise capital for conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas; and technological advances in fuel economy and energy generation devices.

The level of activity in the oil and natural gas exploration and production industry is volatile. No assurance can be given that expected trends in oil and natural gas production activities will continue or that demand for oilfield services will reflect the level of activity in the industry.

Any prolonged substantial reduction in oil and/or natural gas prices would likely reduce both exploration and production levels, which in turn would reduce aggregate demand for oilfield services, which could have a material adverse effect on the Corporation's financial results and cash flows and the overall financial condition of the Corporation.

A decline in exploration for new oil and natural gas reserves and the associated capital spending in the Oil Sands may reduce oilfield service activity which would have a material adverse effect on services that may be provided by the Corporation.

Regulations Affecting the Energy Industry

The principal customers of the Corporation are energy companies involved in the development of the Oil Sands. The operations of these companies, including mining and SAGD operations in the Oil Sands, are subject to or impacted by a wide array of regulations in the jurisdictions where they operate, including those directly impacting mining and SAGD activities and those indirectly affecting their businesses, such as applicable environmental laws. As a result of changes in regulations and laws relating to the energy production industry, including the operation of mines, the operations of customers of the Corporation could be disrupted or curtailed by governmental authorities. The high cost of compliance with applicable regulations may induce customers to discontinue or limit their operations, and may discourage companies from continuing development activities. As a result, demand for the services of the Corporation could be substantially affected by regulations adversely impacting the energy industry.

Oil Prices

The revenue, cash flow and earnings of the Corporation are substantially dependent upon, and affected by, the level of activity associated with oil exploration and production. Both short-term and long-term trends in oil and natural gas prices affect the level of such activity. Worldwide military, political and economic events, including initiatives by OPEC, may affect both the demand for, and the supply of, oil and natural gas. Weather conditions, governmental regulation, levels of consumer demand, the availability of pipeline capacity, and other factors beyond the Corporation's control may also affect the supply of and demand for oil and natural gas and lead to future price volatility.

The Corporation believes that any prolonged reduction in oil prices would depress the level of exploration and production activity, which would likely result in a corresponding decline in the demand for the Corporation's services and could have a material adverse effect on revenues, cash flows and profitability. Lower oil prices could also cause the Corporation's customers to seek to terminate, renegotiate or fail to honour contracts, affecting the fair market value of the assets of the Corporation which in turn, could trigger a write-down for accounting purposes, affect the ability of the Corporation to retain skilled personnel, and affect the ability of the Corporation to obtain access to capital to finance and expand its business. The Corporation cannot guarantee that the future level of demand for the services of the Corporation or future conditions in the Oil Sands and oilfield services industries will not decline.

Any decline in the price of oil, or decrease in the demand for oil, may render exploration for and exploitation of unconventional sources of oil economically unviable and, in turn, reduce demand for oilfield services.

Dependence on Management and Operational Personnel

The success of the Corporation has been largely, and will likely continue to be, dependent on the skills and expertise of management and operational personnel. Additionally, sales and marketing activities of the Corporation will be largely dependent on maintaining key relationships and contacts in the Oil Sands industry and upon the industry profile and reputation of the Corporation, and its management and operational personnel.

Although Northern Frontier has entered into non-competition agreements with certain members of management of the NEC Group, such agreements only have a term of five years following the closing date of the NEC Group Acquisition. The Corporation does not currently carry "key man" insurance that would compensate them for the loss of any senior executives or operational personnel. Loss of a key member of management or key member of the Corporation's operating personnel could have a material adverse effect on the ability of the Corporation to conduct normal business operations, on its financial results and cash flows and the overall financial condition of the Corporation.

Equipment and Technology Risks

The ability of the Corporation to meet customer demands in respect of performance and cost depends upon continuous improvements in operating equipment and there can be no assurance that the Corporation will be successful in their efforts in this regard or that they will have the resources available to meet this continuing demand. Failure by the Corporation to do so could have a material adverse effect on their business. No assurances can be given that competitors will not achieve technological advantages over the Corporation.

Competition

The Corporation faces competition from a variety of competitors. Many of these competitors have strong financial, marketing and other resources. There can be no assurance that such competitors will not substantially increase the resources devoted to the development and marketing of Oil Sands and oilfield services that compete with those of the Corporation or that new competitors will not enter the various markets in which the Corporation is active. Also, there can be no assurance that the Corporation will be able to compete successfully against their current or future competitors or that competition will not have a material adverse effect on the Corporation's financial results and cash flows and the overall financial condition of the Corporation.

The Corporation has not sought or obtained patent or other similar protection in respect of any tools, equipment or technology it has developed independently. The Corporation may seek patents or other similar protections in respect of particular tools, equipment and technology; however, the Corporation may not be successful in such efforts. Competitors may also develop similar tools, equipment and technology to those of the Corporation thereby adversely affecting the competitive advantage of the Corporation in one or more of their businesses. Additionally, there can be no assurance that certain tools, equipment or technology developed by the Corporation may not be the subject of future patent infringement claims or other similar matters which could result in litigation, the requirement to pay licensing fees or other results that could have a material adverse effect on the Corporation's financial results and cash flows and the overall financial condition of the Corporation.

Potential Replacement or Reduced Use of Services

Certain of the Corporation's equipment or systems may become obsolete or experience a decrease in demand through the introduction of competing products that are lower in cost, exhibit enhanced performance characteristics or are determined by the market to be more preferable for environmental or other reasons. The Corporation will need to keep current with the changing market for energy services and technological and regulatory changes. If the Corporation fails to do so, this could have a material adverse effect on the Corporation's financial results and cash flows and the overall financial condition of the Corporation.

A change in Strategy by Our Customers to Reduce Outsourcing Could Adversely Affect Our Results

The election by one or more of our customers to perform initial capital, sustaining capital or maintenance services themselves, rather than outsourcing the work to us, could have a material adverse impact on our business and results of operations. Certain customers perform some of this work internally and may choose to expand on the use of internal resources to complete this work if they believe they can perform this work in a more cost effective and efficient manner using their internal resources.

Cost Overruns by Our Customers on Their Projects May Cause Our Customers to Terminate Future Projects or Expansions That Could Adversely Affect the Amount of Work We Receive From Those Customers

Oil Sands development projects require substantial capital expenditures. In the past, several companies engaged in Oil Sands development have experienced significant cost overruns in respect of their Oil Sands projects, affecting their returns. If cost overruns challenge any of our customers, they could reassess future projects and expansions that could adversely affect the amount of work we receive from our customers.

Sources, Pricing and Availability of Equipment and Equipment Parts

During periods of high activity of oil and natural gas exploration and development, the demand for equipment and equipment parts increases. The Corporation generally sources its equipment and equipment parts from a variety of suppliers. Should suppliers of the Corporation be unable to provide the necessary equipment or parts or otherwise fail to deliver equipment or parts in the quantities required on a timely basis, any resulting delays in the provision of services or in the time required to find new suppliers could have a material adverse effect on the Corporation's financial results and cash flows and the overall financial condition of the Corporation.

Operating and Safety Risks and Insurance

The Corporation is subject to hazards inherent in the energy and services industry, such as equipment defects, malfunction and failures, and natural disasters which result in fires, vehicle accidents and explosions that can cause personal injury, loss of life, suspension of operations, damage to facilities, business interruption and damage to or destruction of property, equipment and the environment. These risks could expose the Corporation to substantial liability for personal injury, wrongful death, property damage, pollution, and other environmental damages. The frequency and severity of such incidents will affect operating costs, insurability and relationships with customers, employees and regulators.

Management of the Corporation monitors the activities of the Corporation for quality control and safety. However, there are no assurances that the Corporation's safety procedures will always prevent such damages. Although the Corporation maintains insurance coverage that management of the Corporation believes to be adequate and customary in the industry, there can be no assurance that such insurance will be adequate to cover the liabilities of the Corporation. In addition, there can be no assurance that the Corporation will be able to maintain adequate insurance in the future at rates reasonable and commercially justifiable. The occurrence of a significant uninsured claim against the Corporation, a claim in excess of the insurance coverage limits maintained by the Corporation or a claim against the Corporation at a time when the Corporation is not able to obtain liability insurance, could have a material adverse effect on the ability of the Corporation to conduct normal business operations, and could have a material adverse effect on the financial results and cash flows and the overall financial condition of the Corporation.

Environmental and Other Liability Risks

The Canadian energy industry is regulated by a number of federal and provincial governmental bodies and agencies under a variety of complex federal and provincial legislation that sets forth numerous prohibitions and requirements, with respect to planning and approval processes related to land use, waste management, responsibility for the release of presumed hazardous materials, protection of wildlife and the environment and the health and safety of workers. Legislation provides for restrictions and prohibitions on the transport of dangerous goods and the release or emission of various substances, including substances used and produced in association with certain energy and services industry operations. The legislation addresses various permits, access road construction, camp construction, installation of surface equipment, air monitoring, waste management and access to remote or environmentally sensitive areas.

Because the Corporation operates under parts of this regime, it is subject to a complex and increasingly stringent array of legal requirements and potential liabilities, including with respect to the ownership and management of property, the need to obtain and comply with permits and approvals, the health and safety of employees, the handling, use, storage, disposal, intentional or accidental release, and transportation of certain substances, including hazardous materials and dangerous goods. Failure to comply with these requirements could expose the Corporation to substantial potential penalties, including in relatively extreme cases, potential imprisonment. Canadian laws also generally impose potential liability on present or former owners or occupants of properties on which contamination has occurred without regard to whether such owner or occupant played a role in the original contaminating event.

The Corporation routinely deals with hazardous materials and dangerous goods, including fuel, oil, specialty fluids, sewage and other waste products. The Corporation has programs to address compliance with current environmental standards, to the extent necessary, and monitor its practices concerning the handling of such environmentally hazardous materials. However, there can be no assurance of this, or that such procedures will prevent environmental damage occurring from spills of materials handled by the Corporation on sites on which the Corporation provides services or the respective facilities of the Corporation.

The Corporation is not aware of any contamination which they believe, if remediation or clean up were required, would have a material adverse effect on the results and cash flows of the Corporation and on the overall financial condition of the Corporation. However, there can be no assurance that the Corporation will not be required, at some future date, to incur significant costs to comply with environmental laws, or that their operations, business, assets or cash flow will not be materially adversely affected by existing conditions or by the requirements or potential liability under current or future environmental laws.

The occurrence of any of the matters above, including new legislation or more rigorous enforcement of existing legislation may result in significant liability to the Corporation, which could have a material adverse affect on the Corporation's financial results and cash flows and the overall financial condition of the Corporation.

Global Financial Conditions

Global financial conditions include the commodity and equity markets that have recently been volatile as investors react to the sovereign-debt crisis in Europe. Investors fear global economies are heading into another recession and central banks and the government will be required to increase debt loads in an effort to avoid it. As a result of these global conditions, the Corporation is subject to increased counterparty risk and liquidity risk. The Corporation is exposed to various counterparty risks including, but not limited to: (i) financial institutions that hold the cash of the Corporation or provide available funding on the revolving credit facility; and (ii) the insurance providers of the Corporation. As a result, the cash of the Corporation may become exposed to credit related losses in the event of non-performance by counterparties to these financial instruments. In the event that a counterparty fails to complete its obligations, the Corporation would bear the risk of loss of the amount expected to be received under these financial instruments in the event of the default or bankruptcy of a counterparty.

The Corporation is also exposed to liquidity risk in the event their cash positions decline or become inaccessible for any reason, or additional financing is required to advance their projects or growth strategy and appropriate financing is unavailable, or demand for energy and services falls. Any of these factors may impact the ability of the Corporation to obtain further equity based funding, loans and other credit facilities in the future and, if obtained, on terms favourable to the Corporation. If these increased levels of volatility and market turmoil were to continue, the results of operations and planned growth of the Corporation could be adversely impacted.

Third Party Merger and Acquisition Activity

Merger and acquisition activity in the oil and natural gas exploration and production sector may impact demand for the Corporation's services as customers focus on reorganizing their business prior to committing funds to exploration and development projects. Further, the acquiring company may have preferred supplier relationships with oilfield service providers other than the Corporation.

Interest Rates

The Corporation is exposed to interest rate risk in relation to the banking facilities the Corporation. In the event that the Corporation draws upon its banking facilities, the cost of servicing the debt under its banking facilities may preclude the Corporation from pursuing other opportunities that may arise.

Foreign Currency Exchange Rates

Since revenue received from the sale of bitumen and bitumen blends is generally referenced to a price denominated in U.S. dollars, and the Corporation's customers incur most of their operating and other costs in Canadian dollars, the Corporation's customers are impacted by exchange rate fluctuations between the U.S. dollar and Canadian dollar. Any foreign currency exchange losses incurred by the Corporation's customers could have a negative effect on their operations and result in less of the Corporation's services being requested by such customers. Additionally, most of the Corporation's equipment is built outside of Canada, and while the price of such equipment is denominated in Canadian dollars, the price is determined based on the strength of the Canadian dollar. As a result, fluctuations in the foreign currency exchange rates could have a negative effect on the overall financial condition of the Corporation.

Legal Proceedings

The Corporation may be involved in litigation from time to time in the ordinary course of business. Although the Corporation is not currently a party to any material legal proceedings, legal proceedings could be filed against the Corporation in the future. No assurance can be given as to the final outcome of any legal proceedings or that the ultimate resolution of any legal proceedings will not have a material adverse effect on the Corporation's financial results and cash flows and the overall financial condition of the Corporation.

Regulation and Taxation of Energy Industry

Material changes to the regulation and taxation of the energy industry in the jurisdictions in which the Corporation operate may reasonably be expected to have an impact on the energy services industry. Generally, a significant increase in the regulation or taxation of the energy industry or material uncertainty regarding such issues may be expected to result in a decrease in industry production activity in the applicable jurisdiction.

Provincial Royalty Rate Changes

The provincial government of Alberta collects royalties on the production of hydrocarbons from crown lands. This fiscal royalty regime is reviewed and adjusted from time to time by the government of Alberta for appropriateness and competitiveness. As an example, during 2009 and 2010, changes were announced to the royalty regimes and/or drilling incentive programs in Alberta. These changes, as well as the potential for future changes in these and other jurisdictions, add uncertainty to the outlook of the oilfield services sector.

Market Conditions

Fixed costs, including costs associated with leases, labour costs and depreciation, account for a significant portion of the expenses of the Corporation. As a result, reduced productivity resulting from reduced demand, equipment failure, weather, or other factors could significantly affect the business, financial condition, results of operations and cash flows of the Corporation.

Credit Risk

A substantial portion of the accounts receivable of the Corporation are with customers involved in the energy and services industry whose revenues may be impacted by fluctuations in commodity prices. Collection of these receivables could be negatively influenced by any prolonged substantial reduction in oil and/or natural gas prices which could have a material adverse effect on the Corporation's financial results and cash flows and the overall financial condition of the Corporation.

Alternatives to and Changing Demand for Energy Products

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices could reduce the demand for oil and other liquid hydrocarbons. The Corporation cannot predict the effect of changing demand for oil and natural gas products, and any major changes may materially and adversely affect the Corporation's business, financial condition, results of operations and cash flows.

Volatility of Market Price of Common Shares and Warrants

The market price of the Common Shares and Warrants may be volatile. The volatility may affect the ability of holders to sell the Common Shares or Warrants at an advantageous price. Market price fluctuations in the Common Shares and Warrants may be due to the Corporation's operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts' estimates, governmental regulatory action, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Corporation or its competitors, along with a variety of additional factors, including, without limitation, those set forth under "Forward-Looking Statements" herein. In addition, the market price for securities in the stock markets, including the TSXV, has recently experienced significant price and trading fluctuations. These fluctuations have resulted in volatility in the market prices of securities that often has been unrelated or disproportionate to changes in operating performance. These broad market fluctuations may adversely affect the market prices of the Common Shares and Warrants.

Performance of Obligations

The Corporation's success depends in large part on whether the Corporation fulfills its obligations with clients and maintains client satisfaction. If the Corporation fails to satisfactorily perform its obligations, or make professional errors in the services that they provide, its clients could terminate contracts, including master service agreements, exposing the Corporation to loss of its professional reputation and risk of loss or reduced profits or, in some cases, the loss of a project.

Equipment Risks

The Corporation's ability to meet customer demands in respect of performance and cost will depend upon continuous improvements in the Corporation's operating equipment. There can be no assurance that the Corporation will be successful in its efforts in this regard or that it will have the resources available to meet this continuing demand. The Corporation's failure to do so could have a material adverse effect on its business. No assurances can be given that competitors will not achieve technological advantages over the Corporation.

Indebtedness of the Corporation

The Corporation is required to comply with covenants contained in the credit agreements in respect of the Senior Facilities and the Subordinated Facility. In the event that it does not comply with such covenants, access to capital could be restricted or repayment could be required on an accelerated basis by the lender. The lender has security over substantially all of the assets of the Corporation. If the Corporation becomes unable to pay its debt service charges or otherwise commits an event of default that is not cured, the lender may foreclose on or sell the Corporation's assets. Variations in interest rates and scheduled principal repayments could result in significant changes in the amount required to be applied to debt service. Although management believes the Senior Facilities and the Subordinated Facility will be sufficient for the near term, there can be no assurance that the amount will be adequate for the Corporation's future financial obligations including its future capital expenditure programs, or that additional funds will be able to be obtained. Failure to obtain financing necessary for the Corporation's capital expenditure plans may result in a delay in, or halt to, the Corporation's growth prospects.

A high level of indebtedness increases the risk that the Corporation may default on its debt obligations. The Corporation's ability to meet its debt obligations and to reduce its level of indebtedness depends on future performance. General economic conditions, oil and natural gas prices and financial, business and other factors affect operations and future performance. Many of these factors are beyond the Corporation's control. The Corporation may not be able to generate sufficient cash flows to pay the interest on debt and future working capital or to repay all or part of its indebtedness and borrowings or equity financing may not be available to pay or refinance such debt on commercially reasonable terms. Factors that will affect the ability to raise cash through an equity offering or a refinancing of debt include financial market conditions, the value of assets and performance at the time the Corporation needs capital. The occurrence of any of these events could have a material adverse effect on the Corporation's results of operations and financial condition.

Future Acquisitions

The Corporation may undertake future acquisitions of businesses and assets in the ordinary course of business. Achieving the benefits of acquisitions depends in part on having the acquired assets perform as expected, successfully consolidating functions, retaining key employees and customer relationships, and integrating operations and procedures in a timely and efficient manner. Such integration may require substantial management effort, time and resources and may divert management's focus from other strategic opportunities and operational matters and ultimately the Corporation may fail to realize anticipated benefits of other acquisitions.

Future Financing

The Corporation may require future financing through the issuance of equity or debt to fund its future operations. There can be no assurance that additional financing will be available to the Corporation when needed or on terms acceptable to the Corporation. The Corporation's inability to raise funding to support ongoing operations and to fund capital expenditures or acquisitions may limit the Corporation's growth or may have a material adverse affect upon the Corporation. The Corporation cannot predict the size of future issuances of equity or the issuance of debt or the effect, if any, that future issuances and sales of the Corporation's securities will have on the market price of the Common Shares.

Unit-price Contracts May Expose Us to Losses When Our Estimates of Project Costs Are Lower Than Actual Costs

In the future certain of our customers may request that our services be provided under unit-price contracts. Unit-price contracts would require us to guarantee the price of the services we provide and thereby expose us to losses if our estimates of project costs are lower than the actual project costs we incur. Our profitability under these contracts will be dependent upon our ability to accurately predict the costs associated with our services. The costs we actually incur may be affected by a variety of factors including those that are beyond our control. Factors that may contribute to actual costs exceeding estimated costs and which therefore affect profitability include, without limitation:

- site conditions differing from those assumed in the original bid;
- scope modifications during the execution of the project;
- the availability and cost of skilled workers;
- the availability and proximity of materials;
- unfavourable weather conditions hindering productivity;
- inability or failure of our customers to perform their contractual commitments;
- equipment availability, productivity and timing differences resulting from project construction not starting on time; and
- the general coordination of work inherent in all large projects we undertake.

When we are unable to accurately estimate and adjust for the costs of unit-price contracts, or when we incur unrecoverable cost overruns, the related projects result in lower margins than anticipated or may incur losses, which could adversely affect our results of operations, financial condition and cash flow.

Forward-Looking Statements May Prove Inaccurate

Investors are cautioned not to place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties are found in this AIF under the heading "Forward-Looking Statements".

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditor of the Corporation is MNP LLP, 7th Floor, 715-5th Ave. S.W., Calgary, Alberta T2P 2X6.

Alliance is the registrar and transfer agent for the Common Shares at its principal office in Calgary, Alberta at #1010, 407 – 2nd Street S.W., T2P 2Y3.

AUDIT COMMITTEE INFORMATION

The Board has adopted a written mandate for the Audit Committee, which sets out the Audit Committee's responsibilities to assist the Board in matters relating to accounting, financial reporting, audits, internal controls and risk management. In particular, the Audit Committee is responsible for: (i) the review of the Corporation's annual and interim financial statements; (ii) the integrity and quality of the Corporation's financial reporting and systems of internal control and financial risk management; (iii) the Corporation's compliance with legal and regulatory requirements; and (iv) the qualifications, independence, engagement, compensation and performance of the Corporation's external auditors. A copy of the Audit Committee Mandate is set forth in Appendix "A" attached hereto.

Composition of the Audit Committee

The following table sets forth the name of each of the current members of the Audit Committee, whether such member is "independent" and "financially literate" as those terms are defined by National Instrument 52-110 *Audit Committees* and the relevant education of each such member.

Name	Independent	Financially Literate	Relevant Education and Experience
Darin Coutu[(1)]	Yes	Yes	Darin Coutu, the Chair of the Audit Committee, is a chartered accountant with over 22 years experience, including nine years in senior leadership roles with publicly traded companies. Mr. Coutu is currently the Chief Financial Officer for NCSG, an Edmonton, Alberta-based crane and heavy haul company serving the refining, oil and natural gas and wind energy sectors in western Canada and the Northwestern United States. From October 2007 to December 2010, Mr. Coutu acted as Chief Financial Officer of ZCL Composites Inc., a public company which trades on the TSX. From July 2005 to October 2007, Mr. Coutu served as the Chief Financial Officer of Rentcash Inc., a provider of alternative financial products and services. Additionally, Mr. Coutu held the position of Chief Accountant with Canadian Western Bank from January 2003 to July 2005 and was with the accounting firm of KPMG LLP from December 2000 to December 2002 as a Senior Principal with the firm.
Edward Redmond	Yes	Yes	Edward Redmond is the President and Chief Executive Officer and a director of NCSG, an Edmonton, Alberta-based crane and heavy haul company serving the refining, oil and natural gas and wind energy sectors in western Canada and the Northwestern United States. Mr. Redmond has more than 25 years of operating, transactional and business advisory experience in the Crane, Transportation, Energy and Utilities industries. Additionally, for the last 14 years Mr. Redmond has held senior leadership roles including as the President, Chief Executive Officer and Executive Vice President for a number of private and public organizations.
Murray Schur	Yes	Yes	Murray Schur is the General Manager of Calnash, a Ponoka, Alberta-based transportation company serving the oil and natural gas industry in western Canada. Mr. Schur has more than 26 years of managerial experience in the Transportation, Hospitality and Packaged Goods industries. Since 2002, Mr. Schur has been the General Manager of Calnash and is responsible for the overall strategic direction and management of Calnash's operations, sales and marketing, finance and administration. From 1994 to 2002, Mr. Schur was the Customer Service Manager / Sales and Marketing Manager of Speedy Heavy Hauling Division of Cage Logistics. From 1990 to 1993, Mr. Schur was the owner of the Halkirk Hotel in Halkirk, Alberta. From 1985 to 1990, Mr. Schur was in progressive sales roles with Duracell Canada Inc. Mr. Schur graduated from the Southern Alberta Institute of Technology in 1985 with a Diploma in Applied Arts, Business Administration (major in Industrial Marketing).

Note:
1. Chair of the Audit Committee.

Reliance on Certain Exemptions

The Corporation is a "venture issuer" as defined in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") and is relying in part on the exemption contained in Section 6.1 of NI 52-110, which exempts the Corporation from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110. At no time has the Corporation relied on the exemption in Section 2.4 of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any procedures for the engagement of non-audit services.

External Auditor Service Fees

The following table sets forth the aggregate fees billed by the Corporation's auditors for the 2012 and 2013 fiscal years. Ernst & Young LLP was the Corporation's auditor until the fiscal period ended June 30, 2013. MNP LLP is the Corporation's current auditor.

	2013	2012
Audit Fees	$ 75,000	$ 7,000
Audit Related Fees(1)	$176,940	$ 54,000
Tax Fees(2)	$ -	$ 1,000
All Other Fees	$ -	$ -
Total	$ 251,940	$ 62,000

Notes:

1. The audit related fees paid to Ernst & Young LLP for 2012 relate to three quarterly reviews ($9,000) and services provided in connection with the Corporation's preliminary long-form prospectus dated September 12, 2012 ($45,000). The audit related fees: (i) paid to Ernst & Young LLP for 2013 relate to two quarterly reviews ($13,790) and services provided in connection with the Corporation's prospectus prepared in connection with the Subscription Receipt Offering ($101,000); and (ii) paid to MNP LLP for 2013 relate to due diligence and purchase price allocation in connection with the NEC Group Acquisition ($17,000) and quarterly reviews ($25,000).
2. The tax fees paid to Ernst & Young LLP in 2012 relate to services provided in connection with the filing of a nil tax return.

MATERIAL CONTRACTS

The only material contracts entered into by the Corporation during the most recently completed financial year, or before the most recently completed financial year that are still in effect, other than during the ordinary course of business, are as follows:

1. TSXV Escrow Agreement – See "Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer";

2. Share Purchase Agreement – See "General Development of the Business";

3. Asset Purchase Agreement – See "General Development of the Business";

4. Amending Agreement – The Corporation entered into an amending agreement dated effective August 12, 2013 among the Corporation, 1739365 Alberta Ltd., the NEC Group and the NEC Group Vendors amending certain terms of the Asset Purchase Agreement and the Share Purchase Agreement to, among other things, extend the time to complete the NEC Group Acquisition until September 30, 2013, remove non-solicitation provisions, remove the termination fee being payable to the Corporation in certain circumstances, convert the contingent payment to a deferred payment payable on March 31, 2014, adjust the rent payable under a new lease to be entered into by the Corporation, and to include a proportionate amount of Warrants (714,285 Warrants) in the $5,000,000 of Common Shares to be paid to the NEC Group Vendors as partial consideration under the Share Purchase Agreement;

5. Agency Agreement – The Corporation entered into an agency agreement dated effective September 4, 2013 with GMP Securities L.P., Acumen Capital Finance Partners Limited and Cormark Securities Inc. (the "**Agents**") with respect to the Subscription Receipt Offering (the "**Agency Agreement**"). Pursuant to the Agency Agreement, the Corporation paid the Agents a fee of 6% of the gross proceeds from the sale of the Subscription Receipts. See "General Development of the Business";

6. Warrant Indenture – The Corporation entered into a warrant indenture with Alliance Trust Company, dated September 12, 2013 (the "**Warrant Indenture**") creating and governing the Warrants issued in connection with the Subscription Receipt Offering. See "General Development of the Business";

7. BMO Credit Agreement – See "General Development of the Business" and "Credit Facilities";

8. RBC Credit Agreement – See "General Development of the Business" and "Credit Facilities";

9. Amending Agreement – The Corporation entered into an amending agreement dated effective September 27, 2013 among the Corporation, 1739365 Alberta Ltd., the NEC Group and the NEC Group Vendors amending certain terms of the Asset Purchase Agreement and the Share Purchase Agreement to, among other things, replace the schedule of operating assets of CRC, replace the form of escrow agreement, replace the definition of Permitted Indebtedness and to replace the schedule of equipment to be purchased by the NEC Group prior to closing of the NEC Group Acquisition;

10. Underwriting Agreement – The Corporation entered into an underwriting agreement among the Corporation, Acumen Capital Finance Partners Limited and GMP Securities L.P. (the "**Underwriters**") dated December 3, 2013 in respect of the Unit Offering (the "**Underwriting Agreement**"). Pursuant to the Underwriting Agreement, the Corporation paid the Underwriters a fee of $0.21 per Unit purchased. See "General Development of the Business";

11. Supplemental Indenture – The Corporation entered into a first supplemental indenture to the Warrant Indenture between the Corporation and Alliance Trust Company dated December 17, 2013 creating and governing the Warrants to be issued in connection with the Unit Offering. See "General Development of the Business";

12. BMO Amending Agreement – See "General Development of the Business" and "Credit Facilities"; and

13. RBC Amendment – See "General Development of the Business" and "Credit Facilities".

INTERESTS OF EXPERTS

MNP LLP, Chartered Accountants, have audited the financial statements of Northern Frontier for the year ended December 31, 2013. MNP LLP is independent in accordance with the Rules of Professional Conduct as outlined by the Institute of Chartered Accountants of Alberta.

ADDITIONAL INFORMATION

Additional information, including information as to the remuneration of directors and officers of the Corporation, principal holders of the Corporation’s securities and securities authorized for issuance under equity compensation plans, is contained in the Corporation's information circular and proxy statement, dated March 25, 2013, and additional information statements in respect of the Corporation are provided in the Corporation's most recent interim and annual financial statements and associated management's discussion and analysis, and may be found under the Corporation's profile on SEDAR at www.sedar.com.

APPENDIX A

MANDATE OF THE AUDIT COMMITTEE

1. Establishment of Audit Committee

The Board of Directors (the "**Board**") of Northern Frontier Corp. (the "**Company**") hereby establishes a committee to be called the Audit Committee (the "**Committee**"). The mandate of the Committee is as described below.

2. Composition of the Committee

The membership of the Committee shall be as follows:

(a) the Committee shall consist of a minimum of three directors of the Company;

(b) unless agreed upon by the Board, a majority of the members of the Committee shall be "independent", as such term is defined for the purpose of audit committees in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), with at least one-half of the members to be resident Canadians;

(c) all members of the Committee shall be "financially literate" within the meaning of NI 52-110;

(d) members of the Committee shall be appointed annually by the Board from among directors of the Company;

(e) the Chair of the Committee and Audit Committee members shall be appointed by the Board;

(f) a member of the Committee shall *ipso facto* cease to be a member of the Committee upon ceasing to be a director of the Company; and

(g) any member of the Committee may be removed or replaced at any time by resolution of the directors of the Company. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains.

3. Objectives of the Committee

The Committee's primary purpose is to assist the Board in fulfilling its oversight responsibilities for the Company's financial reporting process, including: (a) the integrity of annual and quarterly financial statements any other financial information relating to the Company to be provided to shareholders and regulatory bodies; (b) compliance with accounting and finance based legal and regulatory requirements; (c) the independent auditor's qualifications and independence; (d) the system of internal accounting and financial reporting controls that management has established; (e) performance of the audit process and of the independent auditor; and (f) oversight of the disclosure policy.

4. Duties and Responsibilities of the Committee

Audit Process

The Committee shall:

(a) review the audit plan with the Company's external auditors and with management;

(b) discuss with management and the external auditors any proposed significant changes to or any new or pending developments in accounting principles, policies or principles, the presentation and impact of significant risks and uncertainties and key estimates and judgments of management that may be material to financial reporting;

(c) review with management and with the external auditors significant financial reporting issues arising during the most recent fiscal period and the resolution or proposed resolution of such issues;

(d) review any problems experienced or concerns expressed by the external auditors in performing an audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;

(e) review with senior management the process of identifying, monitoring and reporting the principal risks that could affect financial reporting;

(f) review audited annual financial statements and related documents in conjunction with the report of the external auditors and obtain an explanation from management of all significant variances between comparative reporting periods; and

(g) review and approve the Company's hiring policies regarding partners, employees, former partners and former employees of the present and former external auditors.

Internal Controls

The Committee shall:

(a) review with management and the external auditors, the adequacy and effectiveness of the internal controls over financial reporting and disclosing controls and procedures, any material weaknesses or deficiencies and subsequent follow-up to any identified weaknesses; and

(b) ensure the preparation and filing of the annual and interim certifications of the Chief Executive Officer and Chief Financial Officer in accordance with NI 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*.

Disclosure

The Committee shall:

(a) review with financial management and the external auditors the quarterly unaudited financial statements and management discussion and analysis before release to the public; and

(b) before release, review and if appropriate, recommend for approval by the Board, all public disclosure documents containing audited or unaudited financial information, including any prospectuses, annual reports, annual information forms, management discussion and analysis and press releases, which review should include discussions with management, the internal auditors and the external auditors of significant issues regarding accounting principles, practices and judgments.

Relationship with External Auditors

The Committee shall:

(a) evaluate the independence and performance of the external auditors and annually recommend to the Board the appointment of the external auditor or the discharge of the external auditor when circumstances are warranted;

(b) ensure compliance by the Company's external auditor with the requirements set forth in National Instrument 52-108 – *Auditor Oversight*;

(c) recommend to the Board the compensation of the external auditor;

(d) pre-approve all non-audit services to be provided to the Company or its subsidiary entities by its external auditors', or the external auditors of the Company's subsidiary entities;

(e) approve the engagement letter for non-audit services to be provided by the external auditors or affiliates, together with estimated fees, and considering the potential impact of such services on the independence of the external auditors;

(f) when there is to be a change of external auditors, review all issues and provide documentation related to the change, including the information to be included in the Notice of Change of Auditors and documentation required pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations* and the planned steps for an orderly transition period; and

(g) review all reportable events, including disagreements, unresolved issues and consultations, as defined by applicable securities policies, on a routine basis, whether or not there is to be a change of external auditors.

Risk Management

The Committee shall:

(a) discuss guidelines and policies with respect to risk assessment and risk management, including the processes management uses to assess and manage the Company's risk;

(b) discuss major financial risk exposures and steps management has taken to monitor and control such exposures; and

(c) review reports from management with respect to risk assessment, risk management and major financial risk exposures.

Other Committee Responsibilities

The Committee shall oversee the financial affairs of the Company, its subsidiaries or affiliates, and, if deemed appropriate, make recommendations to the Board, external auditors or management.

(a) The Committee shall review the amount and terms of any insurance to be obtained or maintained by the Company with respect to risks inherent in its operations and potential liabilities incurred by the directors or officers in the discharge of their duties and responsibilities.

(b) The Committee shall enquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters, which are directed to the Committee by any member of the Board, a shareholder of the Company, the external auditors or management.

(c) The Committee shall periodically review with management the need for an internal audit control/procedural function.

(d) The Committee shall review the Company's accounting and reporting of environmental costs, liabilities and contingencies.

(e) The Committee shall establish and maintain procedures for:

(i) the receipt, retention and treatment of complaints received by the Company regarding accounting controls, or auditing matters; and

(ii) the confidential, anonymous submission by employees of the Company or concerns regarding questionable accounting or auditing matters.

(f) The Committee shall review and submit for approval of the Board, the Company's whistleblowing procedures.

(g) The Committee shall review the appointments of the Chief Financial Officer and any key financial managers who are involved in the financial reporting process.

(h) The Committee shall review and approve the Company's hiring policies regarding partners, employees, former partners and former employees of the present and former external auditors.

(i) The Committee shall review with the Company's legal counsel, as and when appropriate, any legal matter that could have a significant impact on the Company's financial statements, and any enquiries received from regulators or government agencies.

Reporting to the Board

The Committee shall, at the earliest opportunity after each meeting, report to the Board the results of its activities and any reviews undertaken and make recommendations to the Board as deemed appropriate.

Authority of the Committee

The Committee shall have the authority to:

(a) inspect any and all of the books and records of the Company, its subsidiaries and affiliates;

(b) discuss with the management and employees of the Company, its subsidiaries and affiliates, any affected party and the external auditors, such accounts, records and other matters as any member of the Committee considers necessary and appropriate;

(c) engage independent counsel and other advisors as it determines necessary to carry out its duties; and

(d) to set and pay the compensation for any advisors employed by the Committee in (c) above.

The Committee shall be provided with resources and support to carry out its duties and responsibilities delegated to it by the Board, including administrative support.

Other

The Committee shall:

(a) have the authority to make non-material and technical amendments to this Mandate to honour the spirit and intent of applicable law as it evolves, which proposed amendments must be reported to the Board prior to adoption thereof; and

(b) assess, on an annual basis, the adequacy of this Mandate and the performance of the Committee.

5. Meetings of the Committee

(a) Subject to the following requirements, the Committee may determine its own meeting procedures.

(b) The Committee shall meet at least four times each year, with scheduled meetings to correspond with the review of the year-end and quarterly financial statements. The Chair of the Committee may call additional meetings as required. In addition, a meeting may be called by the Chairman of the Board, the Board or the external auditors.

(c) Notice of each meeting of the Committee shall be given to each member of the Committee. The external auditors may attend any meeting upon the request of the Committee.

(d) Notice of a meeting of the Committee shall: (i) be in writing, (ii) state the nature of the business to be transacted at the meeting in reasonable detail; (iii) to the extent practicable, be accompanied by copies of documentation to be considered at the meeting; and (iv) be given at least two business days prior to the time stipulated for the meeting or such shorter period as the members of the Committee may permit.

(e) A quorum for the transaction of business at a meeting of the Committee shall consist of a majority of the members of the Committee.

(f) A member or members of the Committee may participate in a meeting of the Committee by means of telephone or other communication facilities as permits all persons participating in the meeting to communicate adequately with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.

(g) The Chair of the Committee shall preside at all meetings of the Committee. In the absence of the Chair of the Committee, the members of the Committee shall choose one of the members present to be Chair of the meeting. In addition, the members of the Committee shall choose one of the persons present to be the Secretary of the meeting.

(h) The Chairman of the Board, senior management of the Company and other parties may attend meetings of the Committee; however, the Committee (i) shall meet with the external auditors independent of management, and (ii) may meet separately with management.

(i) The Committee shall meet in a separate, non-management, in camera session at each meeting. The Committee may invite such officers, directors and employees of the Company or affiliates as it see fit from time to time to attend meetings of the Committee and to assist thereat in the discussion of matters being considered by the Committee.

(j) Minutes shall be kept of all meetings of the Committee and shall be signed by the Chair and the Secretary of the meeting. In-camera sessions will not be minuted.