winfield resources limited

Consolidated Financial Statements

SIX MONTH PERIOD ENDED
JUNE 30, 2008

(Unaudited)

UNAUDITED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the period ended.

WINFIELD RESOURCES LIMITED
Consolidated Balance Sheets

	Note	June 30, 2008 (Unaudited)	December 31, 2007 (audited)
		$	$
ASSETS			
Current			
Cash and cash equivalents		**18,902**	288,061
Short tem investments		**24,380**	33,467
Other receivables		**42,642**	38,513
Prepaid expenses and deposits		**182,007**	31,007
		267,931	391,048
Due from related party	6	**86,167**	53,893
Equipment	3	**11,745**	12,861
Project development costs		**-**	-
		365,843	457,802
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities		**184,416**	169,253
Due to related party	6	**49,000**	-
		233,416	169,253
Shareholders' equity			
Common shares	5	**6,764,835**	5,924,962
Contributed surplus	5	**1,220,115**	966,678
Deficit		**(7,852,523)**	(6,603,091)
		132,427	288,549
		365,843	457,802

Approved on Behalf of the Board:

"Robert Michael Foley" (signed) Director ***"Kenneth Tangen" (signed)*** Director

The accompanying notes are an integral part of these consolidated financial statements.

WINFIELD RESOURCES LIMITED
Consolidated Statements of Operations, Comprehensive Loss and Deficit
(Unaudited)

	Three Month Period Ended June 30, 2008	Three Month Period Ended June 30, 2007 (restated – Note 1)	Six Month Period Ended June 30, 2008	Six Month Period Ended June 30, 2007 (restated – Note 1)
	$	$	$	$
EXPENSES				
Amortization	851	344	1,675	688
Bad debt expense	-	-	2,830	-
Consulting fees	59,610	93,387	439,808	128,616
Insurance	2,758	(3,103)	6,006	-
Interest and bank charges	1,373	(2,360)	3,289	-
Investor relations, marketing and shareholder information	12,000	-	33,500	25,370
Legal, accounting and audit	40,969	43,012	55,969	49,114
Management fees	30,000	15,000	70,000	30,000
Office and general	28,044	26,913	53,511	39,532
Project Development costs	45,717	362,910	208,271	533,721
Regulatory and transfer agent costs	15,779	9,626	19,987	19,675
Rent and occupancy costs	12,403	4,328	35,053	12,203
Stock-based compensation	-	722,000	256,360	742,999
Travel and related costs	19,470	4,473	65,161	5,796
Website	910	2,862	1,895	3,417
Loss before other items	(269,884)	(1,279,392)	(1,253,315)	(1,591,131)
OTHER ITEMS				
Gain on foreign exchange	(5,005)	23,012	2,738	23,012
Interest and other income	(7,543)	-	1,145	-
	(12,548)	23,012	3,883	23,012
Net loss and comprehensive loss for the period	(282,432)	(1,256,380)	(1,249,432)	(1,568,119)
Deficit, beginning of period	(7,577,834)	(3,964,173)	(6,603,091)	(3,652,434)
Deficit, end of period	(7,860,266)	(5,220,553)	(7,852,523)	(5,220,553)
Basic and diluted loss per share	(0.005)	(0.035)	(0.023)	(0.044)
Weighted average number of common shares outstanding	57,453,506	35,570,000	55,312,592	35,570,000

The accompanying notes are an integral part of these consolidated financial statements.

WINFIELD RESOURCES LIMITED
Consolidated Statements of Cash Flows
(Unaudited)

	Three Month Period Ended June 30, 2008	Three Month Period Ended June 30, 2007 (restated – Note 1)	Six Month Period Ended June 30, 2008	Six Month Period Ended June 30, 2007 (restated – Note 1)
	$	$	$	$
OPERATING ACTIVITIES				
Net loss for the period	(282,432)	(1,256,380)	(1,249,432)	(1,568,119)
Items not affecting cash flow				
Amortization	851	344	1,675	688
Stock-based compensation	-	721,500	256,360	742,499
Foreign exchange (gain) or loss	-	-	-	-
Changes in non-cash working capital				
Other receivables	(2,486)	-	(4,129)	-
Prepaid expenses and deposits	-	-	(151,000)	-
Accounts payable and accrued liabilities	27,690	-	15,163	-
Non-cash working capital relating to operating activities	-	5,304	-	(43,920)
Net cash used in operating activities	(256,377)	(529,232)	(1,131,363)	(868,852)
FINANCING ACTIVITIES				
Advances to/from related party	(21,818)	(37,677)	(32,274)	-
Issuance of share capital	150,000	941,350	841,450	1,204,350
Issuance of promissory notes	49,000	-	49,000	
Issuance costs	(4,500)	(9,900)	(4,500)	(27,600)
Increase in share subscriptions receivable	-	19,000	-	-
Non-cash working capital relating to financing activities	-	(9,900)	-	-
Net cash provided by financing activities	172,682	902,873	853,676	1,176,750
INVESTING ACTIVITIES				
Short-term investments	5,745	-	9,087	-
Project development costs	-	-	-	-
Purchase of equipment	(559)	-	(559)	-
Non-cash working capital relating to investing activities	-	(17,349)	-	-
Net cash used in investing activities	5,186	(17,349)	8,528	-
Change in cash and cash equivalents during the period	(78,509)	356,292	(269,159)	307,898
Cash and cash equivalents, beginning of period	97,411	138,397	288,061	186,791
Cash and cash equivalents, end of period	18,902	494,689	18,902	494,689

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF BUSINESS, GOING CONCERN AND BASIS OF PRESENTATION

Winfield Resources Limited ("the Company") is a public corporation incorporated under the British Columbia Company Act on June 19, 1987. On August 2, 2000, the Corporation completed its initial public offering and its shares were listed on the TSX Venture Exchange (TSXV). The Company's intended business includes the building, owning and operating of one or more oil refineries in Northern Africa.

On April 2008, the Company created a 100% wholly owned Barbados subsidiary to manage its international operations, and to operate under the existing income tax treaty signed January 22, 1980 between the Government of Canada and the Government of Barbados. The Barbadian corporate tax rate is 3%.

In May 2006, the Company incorporated a 100% wholly owned Canadian subsidiary, Endeco International Ltd. (BC) ("Endeco"). Endeco has not undertaken any business activity to date.

On July 25, 2006, the Company became fully licensed and registered at (NOC) Libyan National Oil Corporation, and can, operating under Libyan law, engage in all phases of the Libyan Oil and Gas industry. The Company is now seeking participation in the engineering, procurement, construction and management (EPCM) of energy related capital projects; such as Oil Refineries, Liquid Natural Gas (LNG) facilities and Co-Generation Facilities. No definitive contracts or agreements have been negotiated or entered into toward the development of any such project, and there is no assurance any will be negotiated or entered into on terms acceptable to the Company, or at all.

The Company is currently cease traded on the TSXV for failure to file its 2007 annual financial statements.

The Company is in the process of developing various projects and its ability to continue operations is dependent upon successfully raising the necessary financing to complete future development, achieving profitable production or selling its project development costs for proceeds in excess of carrying amounts.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. Continued operations of the Company are dependent on the Company's ability to receive continued financial support, complete public equity financing, or generate profitable operations in the future. The net realizable value of the Company's assets may be materially less than the amounts recorded in these consolidated financial statements should the Company be unable to realize its assets and discharge its liabilities in the normal course of business. The Company has accumulated significant losses since inception and has a current deficit of $7,654,554 (2007: $6,613,393).

The accompanying unaudited interim consolidated financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements and accordingly do not include all disclosures required for annual financial statements.

These unaudited interim consolidated financial statements follow the same significant accounting policies and methods of application as the Company's consolidated financial statements for the year ended December 31, 2007 (the "Annual Financial Statements"), except as described in Note 2. These interim consolidated financial statements should be read in conjunction with the Annual Financial Statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included.

During 2007 the Company retroactively restated its financial statements to reflect the expensing of project development costs. The comparative figures for the consolidated statements of operations, comprehensive loss and deficit and cash flows have been restated to reflect the change.

2. CHANGES IN ACCOUNTING POLICIES

Effective January 1, 2008, the Company adopted CICA Handbook Section 3862, "Financial Instruments - Disclosure" and Section 3863, "Financial Instruments - Presentation" which replace Section 3861, "Financial Instruments - Disclosure and Presentation". Section 3862 increases the emphasis on recognition and management of the risks associated with recognized and unrecognized financial instruments. This section carries forward the former presentation requirements and is effective for fiscal years beginning on or after October 1, 2007. The Corporation does not expect that the adoption of this standard will have a material impact on its financial statements.

Effective January 1, 2008, the Company adopted CICA Handbook Section 1535, "Capital Disclosures", which establishes standards for disclosing information about an entity's capital and how it is managed. This standard is effective for interim and annual financial statements for fiscal years beginning on or after October 1, 2007. The Corporation does not expect that the adoption of this standard will have a material impact on the Corporation's financial statements.

Future accounting changes

Goodwill and Intangible Assets - In October 2007, the CICA approved Handbook Section 3064, "Goodwill and Intangible Assets" which replaces the existing Handbook Sections 3062, "Goodwill and Other Intangible Assets" and 3450 "Research and Development Costs". The standard is effective for years beginning on or after October 1, 2008 and provides guidance on the recognition, measurement and disclosure requirements for goodwill and intangible assets. The Company is assessing the impact of this new section.

International Financial Reporting Standards ("IFRS") - In January 2006, the Accounting Standards Board ("AcSB") formally adopted the strategy of replacing financial reporting under Canadian GAAP with financial reporting under IFRS, for Canadian enterprises with public accountability. The current conversion timetable calls for financial reporting under IFRS for accounting periods commencing on or after January 1, 2011. On February 13, 2008, the AcSB confirmed that the use of IFRS will be required in 2011 for publicly accountable for-profit enterprises. Financial reporting under IFRS will be required for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company will be required to prepare comparative financial statements in accordance with IFRS beginning with the three-month period ended December 31, 2010. The Company is currently assessing the impact of IFRS on its consolidated financial statements

3. EQUIPMENT

			2008	**2007**
	Cost	Accumulated Amortization	**Net Book Value June 30**	**Net Book Value December 31**
	$	$		**$**
Computer Equipment	2,804	829	**1,975**	**2,194**
Office Equipment	13,524	9,895	**3,629**	**3,442**
Automobile	8,500	2,359	**6,141**	**7,225**
	24,828	13,083	**11,745**	**12,861**

4. PROJECT DEVELOPMENT COSTS

	Libya & Tunisia	Rwanda	Mauritania	High Level, AB	Atlin, BC	Ringo, MB	Total
	$	$	$	$	$	$	$
Costs incurred	39,666	-	168,605	-	-	-	208,271
	39,666	**-**	**168,605**	**-**	**-**	**-**	**208,271**

Libya The Company is currently conducting due diligence on various oil and natural gas projects in Libya.

On May 29th, 2008 the Libyan Foreign Investment Board approved the Company's application to build, own and operate a 300,000 bbl/day oil refinery at the Port of Ras Lanuf in the Great Jamahiriya of Libya.

On March 27th, 2008, the Company received conditional approval from the National Oil Corporation ("NOC") of Libya for the allotment of 150,000 bbls/day of crude oil from the NOC, specifically Amna and Sirtica blends for Winfield's proposed new stand alone oil refinery at Ras Lanuf, Libya.

On July 25, 2006, the Company became fully licensed and registered at (NOC) Libyan National Oil Corporation, and can, operating under Libyan law, engage in all phases of the Libyan Oil and Gas industry. The Company is now seeking participation in the engineering, procurement, construction and management (EPCM) of energy related capital projects; such as Oil Refineries, Liquid Natural Gas (LNG) facilities and Co-Generation Facilities. No definitive contracts or agreements have been negotiated or entered into toward the development of any such project, and there is no assurance any will be negotiated or entered into on terms acceptable to the Company, or at all.

Tunisia The Company has applied to build, own and operate a 300,000 barrel per day oil refinery in the Zarzis tax free zone. No definitive contracts or agreements have been negotiated or entered into in this regard, and there is no assurance any will be negotiated or entered into on terms acceptable to the Company, or at all.

Rwanda The Company has engaged TDI Technology Inc. to investigate the potential of the Company engineering, procuring, constructing and managing a new fuel ethanol facility using indigenous feed stocks. The Company intends to identify the most appropriate feedstock and the optimal technology necessary to transforming the biomass into fuel ethanol. The Company is currently seeking 100% debt financing to build a 45 million litre per year facility. No definitive contracts or agreements have been negotiated or entered into in this regard, and there is no assurance any will be negotiated or entered into on terms acceptable to the Company, or at all.

Mauritania On February 5th, 2008, the Government of Mauritania issued the Company a license to refine petroleum products, for a term of 25 years. The Company is investigating opportunities in the oil sector in this country. No contracts or agreements have been negotiated or entered into, and there is no assurance any will be negotiated or entered into on terms acceptable to the Company, or at all.

High Level, Alberta The Company has retained the services of TDI Technology Inc. to conduct a technical feasibility study to direct the Company in undertaking the development of a fuel ethanol capital project in the High Level (or Peace River) area of Alberta. No contracts or agreements have been negotiated or entered into toward the development of any such project, and there is no assurance any will be negotiated or entered into on terms acceptable to the Company, or at all.

Atlin Property, British Columbia On January 16, 2004, the Company paid $15,000 for a 25% interest in the direct ownership of gold mineral claims located in the Atlin Mining District of British Columbia. The Company has an interest in four post claims of 20 units (each unit is 500m X 500m) and two post claims.

Ringo Property, Manitoba The Ringo Property is located within the main camp of the Flin Flon Greenstone Belt. The Ringo Drill Program planned for winter 2009 will test the down dip extension of a laterally extensive and exposed mineralized horizon located parallel to, and just west of the Ringo Property boundary. The mineralized horizon dips east onto the Ringo Property.

5. SHARE CAPITAL AND CONTRIBUTED SURPLUS

	Number	$	Contributed Surplus $
Authorized:			
250,000,000 common shares without par value			
Balance as at December 31, 2006	**33,915,653**	**3,455,876**	**371,115**
Exercise of share purchase warrants	10,775,000	1,593,750	-
Exercise of stock options	1,750,000	175,000	-
Private placements	5,930,000	593,000	-
Transfer from contributed surplus upon exercise of options	-	193,856	(193,856)
Share issuance costs	-	(74,520)	-
Share subscriptions receivable	-	(12,000)	-
Share-based compensation expense – stock options	-	-	742,499
Fair value of warrants issued as finder fees	-	-	46,920
Balance as at December 31, 2007	**52,370,653**	**5,924,962**	**966,678**
Exercise of share purchase warrants	2,589,666	388,450	-
Exercise of stock options	330,000	33,000	-
Private placements	3,000,000	450,000	-
Transfer from contributed surplus	-	2,923	(2,923)
Share issuance costs	-	(4,500)	-
Share subscriptions receivable	-	(30,000)	-
Share-based compensation expense – stock options	-	-	256,360
Balance as at June 30, 2008	**58,290,319**	**6,764,835**	**1,220,115**

2008 Transactions

The Company has issued 2,589,666 common shares upon the exercise of purchase warrants and 1,936,334 purchase warrants have expired.

On January 18, 2008 the Company granted 1,972,000 stock options with an exercise price of $0.20 per share and an expiry date of January 18, 2013 to an officer, a director and a consultant of the Company.

On March 14, 2008 the Company closed a non brokered private placement of 3,000,000 units at $0.15 per unit, each unit being comprised of one common share and one warrant to acquire an additional common share at a price of $0.20 per share on or before

March 14, 2009.

Escrowed Shares

Pursuant to an Escrow Agreement dated March 21, 2000, all 8,877,853 common shares issued prior to the Company's initial public offering were deposited with Pacific Corporate Trust Company to be held in escrow. The Escrow Agreement provides that the escrowed shares may not be traded, released, transferred or dealt in any manner without the consent of the Executive Director of the Alberta Securities Commission. The Executive Director will normally consent to the release of 15% of the escrowed shares upon completion of the offering, a further 25% upon completion of the Company's work program and thereafter, a further 15% on each of the second, third, fourth and fifth anniversaries of the initial release, but may consent to an early release. As at June 30, 2008, there were 2,219,463 shares held in escrow.

6. RELATED PARTY TRANSACTIONS

	June 30, 2008	June 30, 2007
	$	$
Management fees paid to a shareholder corporation which is controlled by a director of the Company	**70,000**	30,000
General consulting fees paid to a shareholder corporation which is controlled by a director of the Company	**5,000**	-
Financial consulting fees paid to a shareholder corporation which is controlled by a director of the Company	**50,000**	-
Administrative expenses paid to a shareholder corporation which is controlled by a director of the Company	**750**	-
	125,750	**30,000**

The above transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

As at June 30, 2008, there is $86,167 (2007 – $53,893) due from a Corporation, which is controlled by a director of the Company. The balance is non-interest bearing, due on demand and will be recovered in the ensuing fiscal year.

As of June 30, 2008, a Corporation controlled by a director advanced $49,000 (2007- Nil) to the Company.

7. SEGMENTED INFORMATION

The Company operates in one business segment and two geographic regions, as follows:

June 30, 2008	Canada	Africa	Total
Net Loss	$ 1,041,161	$ 208,271	$ 1,249,432
Assets	$ 365,843	$ -	$ 365,843

8. MANAGINGCAPITAL

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In the order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders. The Company is not subject to externally imposed capital requirements.

9. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

As an exploration company, Winfield is exposed to various financials risk resulting from its operations and financing activities. The directors and officers of the Company manage those risks and seek to minimize potential adverse effects on the financial performance of the Company.

Financial risk

The main financial risks of which the Company is exposed are the following:

Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the Company's functional currency. Management's policy is to review its exposure on a case by case basis.

Interest risk

Cash and cash equivalents and short term investments bare interest at variable rates. Consequently, the Company is exposed to interest rate fluctuation.

The Company does not use financial derivatives to reduce its exposure to interest risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet the obligations associated with its financial liabilities. Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has at his disposal sufficient sources of financing such as private placement. Obtaining additional funds makes it possible for the Company to continue its operations, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is subject to concentration of credit risk through its cash held in large Canadian Financial institution.

Fair values

The fair value of the cash and cash equivalent s, short term investments, due to related party and accounts payable approximate their book value due to there short term nature.