

WINFIELD RESOURCES LIMITED

CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)

**FOR THE NINE MONTH PERIOD ENDED
SEPTEMBER 30, 2004**

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 consolidated financial statements for the period ended September 30, 2004.

WINFIELD RESOURCES LIMITED
CONSOLIDATED BALANCE SHEETS
(Unaudited – Prepared by Management)

	September 30, 2004	December 31, 2003 (Audited)
ASSETS		
Current		
Cash	\$ -	\$ 24
Accounts receivable	1,622	2,010
Prepaid expenses and deposits	81,201	73,960
Due from shareholder corporation	<u>-</u>	<u>2,113</u>
	82,823	78,107
Deferred Expenditures	117,236	120,194
Property and equipment (Note 4)	<u>227,319</u>	<u>120,638</u>
	<u>\$ 427,378</u>	<u>\$ 318,939</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current		
Bank overdraft	\$ 53	\$ -
Accounts payable and accrued liabilities	101,628	\$ 95,527
Due to related party	<u>817</u>	<u>-</u>
	<u>102,498</u>	<u>95,527</u>
Shareholders' equity		
Capital stock (Note 6)	1,960,613	1,975,613
Subscriptions received in advance (Note 7)	248,100	-
Contributed surplus (Note 6)	70,400	70,400
Deficit	<u>(1,954,233)</u>	<u>(1,822,601)</u>
	<u>324,880</u>	<u>223,412</u>
	<u>\$ 427,378</u>	<u>\$ 318,939</u>

On behalf of the Board:

"Robert Michael Foley"

Director

"Richard Haderer"

Director

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

WINFIELD RESOURCES LIMITED
CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT
(Unaudited – Prepared by Management)

	Three Month Period Ended September 30, 2004	Three Month Period Ended September 30, 2003	Nine Month Period Ended September 30, 2004	Nine Month Period Ended September 30, 2003
REVENUES				
Interest	\$ -	\$ -	\$ -	\$ 9
	-	-	-	9
EXPENSES				
Amortization	175	218	524	655
Bank charges and interest	576	571	2,264	1,274
Consulting fees	-	1,043	18,800	4,490
Due diligence	17,000	-	22,280	-
Investor relations	-	-	-	22,933
Legal and audit	1,237	1,547	8,056	4,272
Management fees	6,000	6,000	18,000	18,000
Office and general	5,034	2,227	13,464	5,028
Public company costs	1,248	3,231	8,453	9,541
Rent and occupancy costs	12,021	16,022	45,021	46,229
Travel and related	2,000	-	3,377	-
Loss before other items	<u>(45,291)</u>	<u>(30,859)</u>	<u>(140,239)</u>	<u>(112,422)</u>
OTHER ITEMS				
(Loss) on foreign exchange	(9,747)	(15,262)	(4,831)	(15,262)
Gain (Loss) on forgiveness of debt	<u>(2,479)</u>	<u>-</u>	<u>13,438</u>	<u>-</u>
	<u>(12,226)</u>	<u>(15,262)</u>	<u>8,607</u>	<u>(15,262)</u>
Net loss for the period	(57,517)	(46,121)	(131,632)	(127,675)
Deficit, beginning of period	<u>(1,896,716)</u>	<u>(1,730,406)</u>	<u>(1,822,601)</u>	<u>(1,648,852)</u>
Deficit, end of period	\$ (1,954,233)	\$ (1,776,527)	\$ (1,954,233)	\$ (1,776,527)
Basic and diluted loss per share				
	\$ (0.004)	\$ (0.003)	\$ (0.010)	\$ (0.010)
Weighted average number of common shares outstanding				
	13,677,853	13,432,473	13,677,853	13,224,739

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

WINFIELD RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited – Prepared by Management)

	Three Month Period Ended September 30, 2004	Three Month Period Ended September 30, 2003	Nine Month Period Ended September 30, 2004	Nine Month Period Ended September 30, 2003
OPERATING ACTIVITIES				
Net loss for the period	\$ (57,517)	\$ (46,121)	\$ (131,632)	\$ (127,675)
Items not affecting cash flow				
Amortization	175	218	524	655
Loss on foreign exchange	9,747	15,262	4,831	15,262
Gain on forgiveness of debt	2,479	-	(13,438)	-
Net change in non-cash working capital	<u>8,387</u>	<u>6,443</u>	<u>(4,187)</u>	<u>18,122</u>
Net cash used in operating activities	<u>(36,729)</u>	<u>(24,198)</u>	<u>(143,902)</u>	<u>(93,636)</u>
FINANCING ACTIVITIES				
Advances to/from related party	(793)	(75,841)	2,930	(42,360)
Issuance of shares	-	100,000	-	125,000
Share subscriptions received in advance	<u>27,800</u>	<u>-</u>	<u>248,100</u>	<u>-</u>
Net cash provided by financing activities	<u>27,007</u>	<u>24,159</u>	<u>251,030</u>	<u>82,640</u>
INVESTING ACTIVITIES				
Acquisition of mineral property	-	-	(15,000)	-
Deferred expenditures	50,000	-	-	-
Due diligence on mineral properties	<u>(36,866)</u>	<u>-</u>	<u>(92,205)</u>	<u>-</u>
Net cash used in investing activities	<u>13,134</u>	<u>-</u>	<u>(107,205)</u>	<u>-</u>
Change in cash for the period	3,412	(39)	(77)	(10,996)
Cash (bank overdraft), beginning of period	<u>(3,465)</u>	<u>21</u>	<u>24</u>	<u>10,978</u>
Bank overdraft, end of period	\$ (53)	\$ (18)	\$ (53)	\$ (18)

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

WINFIELD RESOURCES LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
SEPTEMBER 30, 2004

1. BASIS OF PRESENTATION

The consolidated financial statements include the accounts of the Company and its wholly owned Bahamian Subsidiary, Macallan Inc. Macallan Inc. has not undertaken any business activity to date.

The interim period consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles. All financial summaries included are presented on a comparative and consistent basis showing the figures for the corresponding period in the preceding year. The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of annual financial statements. Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. These interim period statements should be read together with the audited consolidated financial statements and the accompanying notes included in the Company's latest annual report. In the opinion of the Company, its unaudited interim consolidated financial statements contain all adjustments necessary in order to present a fair statement of the results of the interim periods presented.

2. NATURE OF OPERATIONS

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. The Company's primary focus is the evaluation, acquisition, exploration and development of resource properties.

These financial statements have been prepared in accordance with generally accepted accounting principles 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.

	September 30, 2004	December 31, 2003 (Audited)
Deficit	\$ (1,954,233)	\$ (1,822,601)
Working capital (deficiency)	(19,675)	(17,420)

3. LOSS PER SHARE

Loss per share is calculated using the weighted average number of shares outstanding during the period.

WINFIELD RESOURCES LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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4. PROPERTY AND EQUIPMENT

Mineral Property Costs:

2004	Algeria	Atlin, BC	Ringo, MB	Total
Acquisitions, Opening balance, January 1, 2004	\$ -	\$ -	\$ 72,500	\$ 72,500
Exploration costs, Opening balance, January 1, 2004	-	-	44,646	44,646
Claim/lease	-	15,000	-	15,000
Due diligence	<u>90,297</u>	<u>1,908</u>	<u>-</u>	<u>92,205</u>
Changes during the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>107,205</u>
Balance, September 30, 2004	\$ 90,297	\$ 16,908	\$ 117,146	\$ 224,351

Ringo Property

The Ringo Property is located within the main camp of the Flin Flon Greenstone Belt, one of the most prolific copper-zinc-silver-gold volcanogenic massive sulphide mining districts in the world. Over 148 million tonnes of copper-zinc massive sulphide ore has been mined or is part of the inventory of thirty past producing or producing mines situated within the belt. The Ringo Property is located 5 km east of the Hudson Bay Mining and Smelting's past-producing Flin Flon Mine (62.4Mt @ 2.19% copper and 4.20% zinc), producing Callinan Mine (7 Mt @ 0.60% copper and 10.94% zinc), and 777 Mine Development Project (14.5 Mt @ 2.55% copper and 4.20% zinc). The property is also just 4 km south of the producing Trout Lake Mine (20 Mt @ 1.79% copper and 4.20% zinc). The host volcanic stratigraphy of Trout Lake Mine is believed to strike south onto the Ringo Property.

The Ringo Drill Program 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. Assays containing up to 125 zinc were obtained from samples of the horizon intersected by shallow drill holes collared just west of the Ringo Property. Some of Winfield's drill holes are planned to intersect the mineralized horizon down dip from these high zinc-bearing intervals. Other holes are planned to intersect potential extensions of these intersections at depth.

The Company is in the process of raising additional financing to proceed with a five hole – 2000 meter diamond drilling program on the Ringo property.

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4. PROPERTY AND EQUIPMENT (cont'd...)

Algeria

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

Atlin Property

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

Office Equipment

Historical cost	\$ 6,824
Less: accumulated amortization	<u>(3,856)</u>
Net book value, September 30, 2004	<u>\$ 2,968</u>

5. WELL DEVELOPMENT PROGRAM

The Corporation entered into an Agreement (amended as of April 29, 2004) with Rideau Petroleum Ltd. (Rideau) with respect to a five well development program to be carried out in the Daly Field in southwestern Manitoba. Rideau will act as operator for the program.

The Corporation will be responsible for 50% of the drilling and completion costs related to the program. In return, the Corporation will receive net working interests of 50% on two wells, 30% on two wells and 40% on one well. These interests revert, after payout to, 30% on two wells, 18% on two wells and 24% on one well. All production from the wells will be subject to lessor royalties of 12.5% to 16%, with one well on a sliding scale commencing at 15% and reducing to 5% over a ten year period.

The Corporation's costs with respect to the program are expected to be \$522,000. It intends to finance the program with the proceeds of a private placement.

Terms of the Agreement require the Corporation to issue, to Rideau, 100,000 common shares at a deemed price of \$0.135 per share. A finders fee will be payable to another, arms length party. These payments are subject to the policies of the TSX Venture Exchange.

During the period, the Company and Rideau mutually agreed to cancel the agreement as the Company could not meet the cash calls.

The Company had advanced \$50,000 to Rideau for drilling and completion costs in March 2004. As a result of the cancelled agreement, the Company incurred \$17,000 for mobilization costs which have been expensed to due diligence on the income statement. On August 3, 2004, Rideau refunded the remaining \$33,000 to the Company.

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6. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Capital Stock	Contributed Surplus
Authorized			
250,000,000 common shares without par value			
Issued			
Balance as at December 31, 2003	13,677,853	\$ 1,975,613	\$ 70,400
Share issue costs related to private placement	-	(15,000)	-
Balance as at September 30, 2004	13,677,853	\$ 1,960,613	\$ 70,400

The Company has accrued \$15,000 in accounts payable and share issue costs for a finder's fee related to the private placement.

7. SUBSCRIPTIONS RECEIVED IN ADVANCE

During May, 2004, the Company had announced that it intended to conduct a private placement for a maximum of \$500,000. The private placement was to consist of a maximum of 5,000,000 units at a price of \$0.10 per unit with each unit consisting of one common share and a warrant to purchase an additional common share at an exercise price of \$0.18 per share for a period of 12 months from closing. The proceeds from the private placement were to be used for the development program on the Daly field located in southern Manitoba.

During the period the Company announced that the private placement described above was cancelled.

Subsequent to the quarter ended September 30, 2004, the Company announced a new private placement (Note 11).

8. STOCK OPTIONS

Options

The Corporation has established a Stock Option Plan for the benefit of directors, officers and employees. Under the Plan, the directors may reserve, from treasury, a number of shares not exceeding 10% of the issued and outstanding common shares of the Corporation for the granting of options to designated recipients.

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8. STOCK OPTIONS

At September 30, 2004, the Company had the following stock options available:

	Number of Options Available	Exercise Price	Expiry Date
	200,000	\$ 0.25	August 2, 2005
	100,000	0.25	March 18, 2007
	<u>200,000</u>	0.25	July 24, 2007
TOTAL	500,000		

9. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

Paid or accrued management fees of \$18,000 (2003 - \$18,000) to a shareholder corporation which is controlled by a director of the Company.

Paid or accrued consulting fees of \$7,211 (2003 - \$5,442) to a corporation controlled by a director of the Company.

The \$817 (2003 - \$885) due to a shareholder corporation is non-interest bearing and has no formal terms of repayment.

10. SEGMENTED INFORMATION

The Company conducts all of its operations in North America in one business segment but is conducting due diligence with the intent of expanding outside of North America.

11. SUBSEQUENT EVENTS

On October 7, 2004, the Company announced that it has arranged a private placement for proceeds of \$252,780. The private placement will consist of 2,527,800 units at a price of \$0.10 per unit, with each unit consisting of one common share and a warrant to purchase an additional common share at an exercise price of \$0.18 per share for a period of 12 months from closing. The proceeds from the private placement will be used for general working capital. To date, the Company has received \$248,100 in share subscriptions and the private placement has not yet closed.

The private placement is subject to regulatory approval.