



**FORM 51-102F1  
MANAGEMENT DISCUSSION AND ANALYSIS  
SIX MONTH PERIOD ENDED JUNE 30, 2007**

The following discussion and analysis, prepared as of August 28, 2007, should be read together with the unaudited consolidated financial statements for the six month period ended June 30, 2007 and related notes attached thereto, which are prepared in accordance with Canadian generally accepted accounting principles. All amounts are stated in Canadian dollars unless otherwise indicated.

The reader should also refer to the annual audited financial statements for the years ended December 31, 2006 and 2005, and the Management Discussion and Analysis for those years.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Additional information related to the Company is available for view on SEDAR at [www.sedar.com](http://www.sedar.com) or the Company's website at [www.winfieldresources.com](http://www.winfieldresources.com).

**DESCRIPTION OF BUSINESS**

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

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 has made application to engineer, procure, construct and manage oil refineries on a build, own, operate and transfer basis.

**PERFORMANCE SUMMARY**

The following is a summary of significant events and transactions that occurred during the six month period ended June 30, 2007:

1. On February 8, 2007, the Company announced that it was awarded a US\$250,000 contract to service the National Oil Corporation of Libya (NOC) oil refinery in Tobruk, Libya.
2. On March 5, 2007, the Company announced that it has made application to engineer, procure, construct and manage a 300,000 barrel per day oil refinery in the Port of Zarzis, tax free zone, on a build, own, operate and transfer basis. The Company has negotiated a crude oil feedstock contract with SONATRACH, the Algerian state oil company subject to the completion of the proposed new Port of Zarzis oil refinery. The Company has arranged 100% debt financing subject to certain performance covenants.
3. On December 28, 2006 the Company announced that it 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.

4. On March 5, 2007, the Company announced that TDI Technology Inc. ("TDI"), is reviewing three distinct approaches to deriving fuel ethanol from wood waste. The chosen licensee will provide the highest yields per dry ton and lowest costs per litre to produce fuel ethanol from wood waste. The Company will then engage TDI, to prepare a full feasibility report on a wood waste to ethanol facility for a northern British Columbia location. Project financing is in place pending acceptance of the full feasibility report.
5. On March 5, 2007 the Company announced that it had 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 in Rwanda. 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.
6. On March 12, 2007 the Company announced that it is in receipt of TDI Technology's feasibility report for a proposed new integrated ethanol feedlot facility to be located near High Level in Alberta.
7. On March 28, 2007, the Company announced that it had completed a 2,630,000 unit non-brokered private placement at \$0.10 per unit for gross proceeds of \$263,000. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant will entitle the holder to acquire one additional common share at a price of \$0.15 per share on or before March 28, 2009.
8. On June 22, 2007, the Company announced that it had completed a 3,300,000 unit non-brokered private placement at \$0.10 per unit for gross proceeds of \$263,000. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant will entitle the holder to acquire one additional common share at a price of \$0.15 per share on or before June 22, 2009.

## SELECTED ANNUAL INFORMATION

The following table provides a brief summary of the Company's financial operations. For more detailed information, refer to the Financial Statements.

	Six Month Period Ended June 30, 2007	Six Month Period Ended June 30, 2006
Total revenues	\$ -	\$ -
Net loss	(1,033,898)	(176,671)
Basic and diluted loss per share	(0.03)	(0.007)
Total assets	1,660,861	927,456
Cash dividends	-	-

The Company has not paid any dividends on its common shares. The Company has no present intention of paying dividends on its common shares, as it anticipates that all available funds will be invested to finance the growth of its business.

## RESULTS OF OPERATIONS

During the six month period ended June 30, 2007, the Company incurred a net loss of \$1,033,898 (2006 – \$176,671). Some of the significant expenses are as follows: paid or accrued \$128,616 (2006 - \$18,023) in consulting fees, \$49,114 (2006 - \$6,303) in legal, accounting and audit, \$39,532 (2006 - \$17,854) in office and general, \$30,000 (2006 - \$30,000) in management fees and \$25,370 (2006 - \$20,900) in investor relations.

## GENERAL & ADMINISTRATIVE EXPENSES

Description of Expense	Six Month Period Ended June 30, 2007	Six Month Period Ended June 30, 2006
Amortization	\$688	\$725
Consulting Fees	\$128,616	\$18,023
Investor relations	\$25,370	\$20,900
Legal, accounting and audit	\$49,114	\$6,303
Management fees	\$30,000	\$30,000
Office and general	\$39,532	\$17,584
Public company costs	\$19,675	\$16,602
Rent and occupancy costs	\$12,203	\$10,672
Stock-based compensation	\$742,499	\$48,160
Travel and related	\$5,796	\$959
Website	\$3,417	\$1,391
<b>TOTAL</b>	<b>\$1,056,910</b>	<b>\$171,589</b>

## PROPERTY AND BUSINESS DEVELOPMENT SUMMARY

### **ALBERTA**

On December 22, 2006 the Company 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. On March 12, 2007 the Company announced that it is in receipt of TDI Technology's feasibility report for a proposed new integrated ethanol feedlot facility to be located near High Level in Alberta.

### **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 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).

### **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 the Company's drill holes are planned to intersect the 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.

### **LIBYA**

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

On July 25, 2006, the Company became fully licensed and registered with the Libyan National Oil Corporation (NOC), and can, operating under Libyan law; engineer, procure, construct and manage Oil Refineries and Petrochemical Factories.

The Company has made application to engineer, procure, construct and manage oil refineries on a build, own, operate and transfer basis.

On February 8, 2007 the Company announced that it was awarded a US\$250,000 contract to service the NOC oil refinery located at Tobruk, Libya.

#### **TUNISIA**

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

The Company has made application to engineer, procure, construct and manage a 300,000 barrel per day oil refinery in the Port of Zarzis, tax free zone, on a build, own, operate and transfer basis. The Company has negotiated a crude oil feedstock contract with SONATRACH, the Algerian state oil company, subject to the completion of the proposed new Port of Zarzis oil refinery. The Company has arranged 100% debt financing subject to certain performance covenants.

#### **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.

#### **DEFERRED EXPENDITURES**

<b>Property</b>	<b>Six Month Period Ended June 30, 2007</b>	<b>Six Month Period Ended June 30, 2006</b>
Western Canada	\$91,239	-
Algeria and Libya	\$356,842	\$150,524
Atlin, BC	\$1,350	\$4,500
Encinitas Field, USA	-	\$16,064
Ringo, MB	-	-
Rwanda	\$64,486	-
Tunisia	\$20,492	-
<b>Total</b>	<b>\$534,409</b>	<b>\$171,088</b>

#### **SUMMARY OF QUARTERLY RESULTS**

##### **For the Quarters Ended**

	June 30, 2007	March 31, 2007	December 31, 2006	September 30, 2006
Total assets	\$ 1,660,861	\$ 972,860	\$ 843,274	\$ 839,419
Deferred expenditures	1,101,933	749,023	578,212	577,584
Working capital	519,307	122,237	167,677	61,201
Shareholders equity	1,631,240	871,260	745,889	638,785
Revenues	-	-	-	-
Net loss	(915,982)	(140,928)	(516,621)	(97,950)
Loss per share	(0.11)	(0.004)	(0.020)	(0.003)

**For the Quarters Ended**

	June 30, 2006	March 31, 2006	December 31, 2005	September 30, 2005
Total assets	\$ 927,456	\$ 620,689	\$ 418,572	\$ 414,559
Deferred expenditures	471,290	410,926	408,535	374,933
Working capital	120,427	52,996	(150,288)	(237,942)
Shareholders equity	695,736	470,532	258,247	144,375
Revenues	-	-	-	-
Net loss	(117,456)	(59,215)	(135,442)	(27,361)
Net loss per share	(0.004)	(0.003)	(0.007)	(0.002)

**LIQUIDITY**

The Company has financed its operations to date primarily through the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The financial statements have been prepared on a going concern basis which assumes that the Company will be able realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

	June 30, 2007	December 31, 2006
Deficit	\$ (4,115,000)	\$ (3,081,102)
Working capital (deficiency)	519,307	167,677

Net cash used in operating activities for the six month period ended June 30, 2007, was \$334,443 compared to \$86,311 during the previous comparative period. The cash used in operating activities for the period consists primarily of the operating loss and a change in non-cash working capital.

Financing activities provided net cash of \$1,176,750 during the six month period ended June 30, 2007, compared to \$511,121 in the previous comparative period. The primary source of cash during the current period was private placements completed during the period and the exercise of stock options and warrants.

Net cash used in investing activities for the six month period ended June 30, 2007, was \$534,409 compared to \$241,281 during the comparative period.

**CAPITAL RESOURCES**

On March 28, 2007, the Company completed a 2,630,000 unit non-brokered private placement at \$0.10 per unit for gross proceeds of \$263,000. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant will entitle the holder to acquire one additional common share at a price of \$0.15 per share on or before March 28, 2009. The Company paid or accrued \$17,700 in finder's fees on the private placement.

On June 22, 2007, the Company completed a 3,300,000 unit no-brokered private placement at \$0.10 per unit for gross proceeds of \$263,000. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant will entitle the holder to acquire one additional common share at a price of \$0.15 per share on or before June 22, 2009. The Company paid or accrued \$9,900 and issued 204,000 warrants in finder's fees on the private placement.

The Company received \$611,350 pursuant to the exercise of stock options and warrants during the period.

## RELATED PARTY TRANSACTIONS

During the six month period ended June 30, 2007, the Company entered into the following transactions with related parties:

Paid or accrued management fees of \$30,000 (2006 - \$30,000) to a shareholder Company which is controlled by a director of the Company.

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.

The \$2,151 (December 31, 2006 – \$28,928) due from a shareholder Company, which is controlled by a director of the Company, is non-interest bearing and has no formal terms of repayment.

## FINANCIAL INSTRUMENTS

The Corporation's financial instruments consist of cash, accounts receivable, advances from a shareholder corporation and accounts payable and accrued liabilities. The Company's management has utilized valuation methodologies available as at March 31, 2007 and has determined that the carrying amounts of such financial instruments approximate their fair value in all cases due to the immediate or short term maturity thereof.

The Corporation is not exposed to significant credit risk or interest rate risk.

## OUTSTANDING SHARE DATA AS AT AUGUST 28, 2007

Common shares (basic)	50,222,653
Options and Warrants	<u>22,819,000</u>
Common shares (fully-diluted)	73,041,653

## Stock Options

Number	Exercise Price	Expiry Date
1,950,000	\$0.40	June 27, 2012
300,000	\$0.10	December 13, 2011
1,000,000	\$0.10	November 1, 2010
<b>3,250,000</b>		

## Warrants

Number	Exercise Price	Expiry Date
3,504,000	\$0.15	June 22, 2009
2,630,000	\$0.15	March 28, 2009
4,500,000	\$0.15	December 20, 2008
2,110,000	\$0.15	May 30, 2008
4,775,000	\$0.15	March 8, 2008
2,050,000	\$0.15	September 27, 2007
<b>19,569,000</b>		

## SUBSEQUENT EVENTS

The Company received a non-binding Letter of Interest with SK Engineering & Construction of Seoul, South Korea, to participate in the Company's proposed refinery projects in Libya and Tunisia. Upon the acceptance of the Company's proposals to build, own, operate and transfer oil refineries by the responsible Authorities in Libya and Tunisia, definitive agreements will be negotiated with SK Engineering & Construction.

The Company received two non-binding Letters of Interest from AX Energy Holdings Ltd. to debt finance the Company's proposed new oil refinery projects in Tunisia and in Libya. CAUTIONARY NOTE; these two non-binding Letters of Interest are not commitment letters, since they create no binding obligation on either AX Energy or Winfield Resources and approval of any transaction has not been obtained at present time under the Bank's Credit Approval Process.

The Company's shares were halted from trading by the TSX Venture Exchange on August 7, 2007 pending clarification of a change of business. The TSX Venture Exchange announced on August 23, 2007 that the halt would be continued pending clarification of company affairs and clarification of a change of business. The Company is cooperating with the TSX Venture Exchange's review.