

WINFIELD RESOURCES LIMITED
FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2004

The following discussion and analysis, prepared as of May 31, 2005, should be read together with the audited consolidated financial statements for the year ended December 31, 2004 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 year ended December 31, 2003 and 2002, 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 or the Company's website at www.winfieldresources.com.

Description of Business

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.

Performance Summary

The following is a summary of significant events and transactions that occurred during the year:

1. In January of 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.
2. The Company incurred \$92,705 in development expenditures consisting of due diligence on an oil and natural gas project in Algeria.
3. The Company amended an Agreement with Rideau Petroleum Ltd. ("Rideau") with respect to a five well development program to be carried out on the Daly Field in southwestern Manitoba. The Company's portion of costs will be \$522,000. The Company and Rideau have mutually agreed to cancel the agreement, as the Company could not meet the cash calls.
4. The Company held its Annual General and Special Meeting of Members on June 30, 2004. All proposed resolutions were passed.
5. On October 7, 2004, the Company announced that it has arranged to conduct 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 twelve months from closing. This private placement closed on January 27, 2005.
6. During October and December 2004, the Company received \$42,500 in share subscription in advance. On March 30, 2005 the Company announced a private placement of up to 2,500,000 units of the Company at \$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 \$0.15 per share for a period of two years from closing.

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.

	Year Ended December 31, 2004	Year Ended December 31, 2003	Year Ended December 31, 2002
Total revenues	\$ -	\$ 9	\$ 155
Net loss before extraordinary items	(245,322)	(173,749)	(424,856)
Net income (loss)	(245,322)	(173,749)	(424,856)
Basic and diluted earnings (loss) per share	(0.018)	(0.013)	(0.034)
Total assets	385,626	318,939	365,287
Total long-term liabilities	-	-	-
Cash dividends	-	-	-

The Company's accounting policy is to record its mineral properties at cost. Exploration and development expenditures relating to mineral properties are deferred until either the properties are brought into production, at which time they are amortized on a unit of production basis, or until the properties are sold or abandoned, at which time the deferred costs are written off.

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

The Company incurred a loss of \$245,322 (2003 - \$173,749) during the year ended December 31, 2004. Some of the significant expenses are as follows: paid or accrued \$2,659 (2003 - \$2,510) in bank charges and interest, \$83,625 (2003 - \$31,310) in consulting fees, \$22,280 (2003 - \$Nil) in due diligence costs, \$15,582 (2003 - \$9,222) in legal and audit, \$24,000 (2003 - \$24,000) in management fees, \$9,215 (2003 - \$12,757) in public company costs, and \$58,087 (2003 - \$64,035) in rent and occupancy costs.

Consulting fees in the current year were considerably higher than the previous year as a result of the Company hiring qualified experts to conduct due diligence on an oil and natural gas project in Algeria.

Due diligence fees in the current year increased due the Company hiring a geologist to evaluate a five well development program to be carried out on the Daly Field in southwestern Manitoba.

Accounting and audit fees increased due to an increase in Company activity.

Legal fees were significantly higher than the previous year due to the Company's financing and due diligence activities.

Property Summary

Algeria

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

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 (62.4 Mt @ 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 potential extensions of these intersections at depth.

The Company is in the process of raising additional financing to proceed with a five hole - 2000 metre diamond drilling program on the Ringo Property.

Atlin Property

During the year ended December 31, 2004, the Corporation 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 Corporation 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).

Summary of Quarterly Results (unaudited except for periods ending December 31)

	For the Quarters Ended			
	December 31, 2004	September 30, 2004	June 30, 2004	March 31, 2004
Total assets	\$ 385,626	\$ 427,378	\$ 448,479	\$ 428,355
Mineral properties and deferred costs	353,290	341,587	364,001	311,338
Working capital (deficiency)	(378,623)	(19,675)	(9,404)	11,192
Shareholders' equity	(21,910)	324,880	354,597	325,847
Revenues	-	-	2,918	1,998
Net Loss	(113,690)	(57,517)	(23,550)	(50,565)
Earnings (loss) per share	(0.009)	(0.004)	(0.002)	(0.003)

	For the Quarters Ended			
	December 31, 2003	September 30, 2003	June 30, 2003	March 31, 2003
Total assets	\$ 318,939	\$ 321,702	\$ 337,016	\$ 355,694
Mineral properties and deferred costs	237,340	241,888	251,501	251,501
Working capital (deficiency)	(17,420)	(1,112)	(64,822)	(38,028)
Shareholders' equity	223,412	244,486	190,607	217,619

Revenues	9	-	-	-
Net Income (loss)	(46,074)	(46,121)	(52,012)	(29,542)
Earnings (loss) per share	(0.003)	(0.003)	(0.004)	(0.002)

Significant changes in key financial data from 2002 to 2004 can be attributed to the following:

- During March 2004, deferred expenditures increased by \$50,000 for an advance given to the Company's former joint venture partner, Rideau Petroleum, to begin work in the Daly Field. As a result of the cancelled Daly Field 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 Petroleum refunded the remaining \$33,000 to the Company.
- Consulting fees increased during the current year as a result of the Company hiring qualified experts to conduct due diligence on several projects throughout the world.

Liquidity

The Company has financed its operations to date primarily through the issuance of common shares and exercise of stock options. 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.

	December 31, 2004	December 31, 2003 (Audited)
Working capital (deficiency)	\$ (378,623)	\$ (17,420)
Deficit	(2,067,923)	(1,822,601)

Net cash used in operating activities for the year ended December 31, 2004, was \$168,873 compared to \$115,596 during the previous year. The cash used in operating activities for the period consists primarily of the operating loss and a change in non-cash working capital.

Net cash used for investing activities for the year ended December 31, 2004, was \$107,705 compared to \$Nil during the previous year. Cash used during the current period consists primarily of \$92,705 in due diligence costs on resources properties and a \$15,000 payment to purchase a 25% interest in a mineral property.

Financing activities provided cash of \$283,221 during the year ended December 31, 2004, compared to \$104,642 for the previous year. Cash provided during the current year consisted of share subscriptions received in advance of \$295,280 for two private placements and advances of \$4,705 from a shareholder Company.

Capital Resources

The Company received \$252,780 in subscription funds to purchase 2,527,800 units at \$0.10 per unit. Each unit consists 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 twelve months from closing of the private placement. This private placement closed on January 27, 2005.

During October and December 2004, the Company received \$42,500 in share subscription in advance. On March 30, 2005 the Company announced a private placement of up to 2,500,000 units of the Company at \$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 \$0.15 per share for a period of two years from closing.

Related Party Transactions

The Company entered into the following transactions with related parties:

Paid or accrued management fees of \$24,000 (2003 - \$24,000) to a shareholder Company, which is controlled by a Mr. Michael Foley, the CEO and a director of the Company.

Paid or accrued consulting fees of \$5,000 (2003 - \$6,010) to a Company controlled by Mr. Richard Haderer, the Secretary and 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 \$2,592 (2003 – (\$2,113)) due to (from) a shareholder Company, which is controlled by a Mr. Michael Foley, the CEO and a director of the Company, is non-interest bearing and has no formal terms of repayment.

Financial Instruments

The Company's financial instruments consist of cash, accounts receivable, prepaid expenses and deposits, accounts payable and accrued liabilities and an amount due to a shareholder Company. The Company's management has utilized valuation methodologies available as at the year-end and has determined that the carrying amounts of such financial instruments approximate their fair value in all cases.

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

Subsequent Events

1. On January 27, 2005 the Company closed a private placement for proceeds of \$252,780. The private placement consisted 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 on or before January 27, 2006.
2. On March 30, 2005 the Company announced a private placement of up to 2,500,000 units of the Company at \$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 \$0.15 per share for a period of two years from closing.