



MANAGEMENT DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2007

The following discussion and analysis of the operations, results, and financial position of the Company for the year ended December 31, 2007 should be read in conjunction with the December 31, 2007 and 2006 Audited Consolidated financial statements and related Notes, which are prepared in accordance with Canadian generally accepted accounting principles. The effective date of this report is June 26, 2009. All amounts are stated in Canadian dollars unless otherwise indicated.

DESCRIPTION OF BUSINESS

Winfield Resources Limited (the "Company" or "Winfield") 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 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.

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.

The Company's intended business includes the building of, ownership and operating of one or more oil refineries in Northern Africa.

On July 25, 2006, the Company became fully licensed and registered at Libyan National Oil Corporation (NOC), and can, operating under Libyan law, engage in all phases of the Libyan Oil and Gas industry. The Company has made applications to engineer, procure, construct and manage oil refineries in North Africa on a build, own, and operate basis.

No definitive contracts or agreements have been negotiated or entered into toward the development of any specific project as yet, and there remains no assurance any will in fact be negotiated or entered into on terms acceptable to the Company, or indeed at all.

OVERALL PERFORMANCE

During the year ended December 31, 2007 the Company spent \$1,474,297 on project development costs compared to \$269,856 for the year ended December 31, 2006.

The Company incurred a loss of \$2,950,657 for the year ended December 31, 2007 compared to a loss of \$1,070,098 for the year ended December 31, 2006. The loss increased during 2007 primarily due to an increase in project developments costs and an increase in stock based compensation expense.

The Company raised \$2,297,239 during the year ended December 31, 2007 compared to \$998,370 for the year ended December 31, 2006. As at December 31, 2007 the Company had working capital of \$221,795 compared to working capital of \$138,749 as at December 31, 2006.

The following is a summary of significant events and transactions that occurred during the year ending on December 31, 2007:

On December 21, 2007 the Company issued a news release clarifying the prior disclosure and advising that the shares of the Company were being transferred to the NEX board of the TSX Venture Exchange. The Company shares commenced trading under the symbol WWF.H on the NEX on December 27, 2007.

The Company's shares were halted from trading by the TSX Venture Exchange on August 7, 2007 pending clarification of the Company's business and affairs, and specifically whether a change of business had occurred. The TSX Venture Exchange announced on August 23, 2007 that this halt was to be continued pending a clarification of Company affairs and a possible change of business. The Company cooperated fully with the TSX Venture Exchange's review. On November 26, 2007 the Company was suspended from trading its shares until such time as the TSX Venture Exchange was satisfied with its review of the Company's affairs and clarification of a change of business.

On July 26, 2007 the Company announced it had received a non-binding Letter of Interest with SK Engineering & Construction of Seoul, South Korea, indicating a willingness to participate in the Company's refinery proposed projects in Libya and Tunisia. Upon the acceptance of each Company's proposal to build, own, operate and transfer oil refineries by the responsible authorities in Libya and Tunisia, it is therefore proposed that definitive agreements will be negotiated with SK Engineering & Construction. No definitive contracts or agreements have as yet 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.

On July 16, 2007 the Company announced it had received two non-binding Letters of Interest from AX Energy Holdings Ltd. to finance through debt instruments 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 the Company, they are conditional upon review of the projects to be undertaken by the Company, and no approval of any transaction has yet been sought or under any bank's credit approval process. No definitive contracts or agreements have been negotiated or entered into toward the development of any project, and there is no assurance any will be negotiated or entered into on terms acceptable to the Company, or at all.

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 \$330,000. Each unit consisted of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to acquire one additional common share at a price of \$0.15 per share on or before June 22, 2009.

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 consisted of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to acquire one additional common share at a price of \$0.15 per share on or before March 28, 2009.

On March 12, 2007 the Company announced that it was in receipt of a feasibility report authored by TDI Technology Inc. ("TDI") for a proposed new integrated ethanol feedlot facility to be located near High Level in Alberta. The Company hopes to use the feasibility report as a basis to raise funding for the future construction and operation of such a facility. No definitive contracts or agreements have been negotiated or entered into toward the development of such project or the financing thereof, and there is no assurance any will be negotiated or entered into on terms acceptable to the Company, or at all.

On March 5, 2007, the Company engaged TDI to prepare a full feasibility report on a wood waste to ethanol facility for a northern British Columbia location. The Company announced that TDI was reviewing three distinct approaches to deriving fuel ethanol from wood waste with a brief to select the method which provided the highest yields per dry ton and lowest ethanol costs per litre.

On March 5, 2007 the Company announced that it had engaged TDI 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 transform 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 toward the development of such project or the financing thereof, and there is no assurance any will be negotiated or entered into on terms acceptable to the Company, or at all.

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 Tunisian Port of Zarzis, tax free zone, on a build, own, operate and transfer basis. No definitive contracts or agreements have been negotiated or entered into toward the development of such refinery, and there is no assurance any will be negotiated or entered into on terms acceptable to the Company, or at all.

On February 8, 2007, the Company announced that it was awarded a US\$250,000 contract to service the NOC oil refinery in Tobruk, Libya. This verbal award has since been rescinded as the Libyan authorities have revised their contracting process from tender to either joint venture or to private investment applications. No definitive contracts or agreements have since 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.

On December 28, 2006 the Company announced that it had retained the services of TDI Technology Inc. to conduct a technical feasibility study regarding an undertaking to develop a fuel ethanol capital project in the High Level (or Peace River) area of Alberta. 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.

RESULTS OF OPERATIONS

During the year ended December 31, 2007 the Company incurred a loss of \$2,950,657 compared to a loss of \$1,070,098 for the year ended December 31, 2006. The loss increased during the year ended December 31, 2007 primarily due to an increase in the amount of funds raised from financing activities and spent on project development costs compared to the year ended December 31, 2006. Project development costs include expenses such as due diligence, travel, engineering and consulting. For more information on project developments costs please refer to Project Development Summary. Increased losses can also be attributed to an increase in expenses related to financing activities such as stock-based compensation expense and regulatory and transfer agent costs. In addition, also as a result of the increase in financing activities and project development activities during the year ended December 31, 2007 there were higher expenditures on office and general expenses and consulting fees.

The other receivables of \$38,513 are GST owed to the Company by Canada Revenue Agency. The prepaid expenses and deposits are comprised of \$10,000 paid to Jim Dick, a consultant of the Company; \$13,622 paid to Maitland & Company, the Company's legal counsel and \$4,000 paid to Nazima Ali, a consultant of the Company. The \$53,893 is due from Chase Development Corporation ("Chase"), a company controlled by Michael Foley, an officer and director of the Company. This amount is a combination of cash advances paid to Chase reduced by expenses Chase incurs on behalf of the Company. In some cases advances are offset with management fees or direct expenses incurred by Chase on behalf of the Company.

INVESTOR RELATIONS

On August 28, 2007 the Company announced that Anwar Badshah, due to personal commitments, had resigned as the Company's Investor Relations consultant. The Company subsequently learned that the British Columbia Securities Commission was investigating Badshah Communications Group Inc. for matters potentially related to investor fraud. The Company advises that its relationship with Badshah was for investor relations only, and the Company did not look to Badshah for financing or receive funds from Badshah.

The Company has retained the services of Nazima Ali to provide investor relations services. Ms. Ali formerly worked with Badshah, and was the Company's representative at Badshah. Ms. Ali was engaged upon her leaving employment at Badshah. Company's management also provides investor relations services. On April 10, 2008 the Company announced that it has terminated all investor relations contracts and activities in accordance with NEX policies.

PROJECT DEVELOPMENT SUMMARY

The following information relating to the Company's Development Projects is forward-looking information.

The reader is cautioned that assumptions used in the preparation of forward-looking information, which are considered reasonable by Winfield at the time of preparation, may prove to be incorrect. Actual results achieved will vary from the information provided and the variations may be material. The material risk factors that could cause actual results to differ materially from the forward-looking information below include unavailability of financing and, a shortage of qualified personnel.

The material factors or assumptions used to develop the forward-looking information below include adequate financing and, sufficient qualified personnel.

The Company's policy on updating forward-looking is on a quarterly basis to evaluate the assumptions, material factors and material risk factors and update the forward-looking information accordingly.

ALBERTA

On December 22, 2006 the Company retained the services of TDI Technology Inc. ("TDI") 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 had received TDI's feasibility report for a proposed new integrated ethanol feedlot facility to be located near High Level in Alberta. The Company hopes to use the feasibility report as a basis to raise funding for the construction and operation of such a facility. 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.

Category	Alberta Project Development Costs for the year ended December 31, 2007	Alberta Project Development Costs for the year ended December 31, 2006
Consulting Fees	\$150,000	-
Feasibility Study	218,819	-
TOTAL	\$368,819	-

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). The Company has not received any cash call toward any work program on the Atlin Property. The property is presently on care and maintenance, with the majority owners investigating sale or joint venture opportunities.

RINGO PROPERTY

The Company maintains an option to acquire a 60% interest in the 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 Company anticipates a winter 2009 drilling program consisting of up to 2000 metres, subject to weather conditions and drilling rig availability. 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. There is no guarantee that the drilling program will result in a commercially viable resource as better defined by NI 43-101.

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 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.

On February 8, 2007, the Company announced that it was awarded a US\$250,000 contract to service the NOC oil refinery in Tobruk, Libya. This verbal award has since been rescinded as the Libyan authorities have revised their contracting process from tender to joint venture or to private investment applications. 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.

On June 6, 2008 the Company announced that it has received approval from the Libyan Foreign Investment Board ("LFIB") with respect to the Company's application to build, own and operate a new 300,000 barrel per day stand alone oil refinery at Ras Lanuf, in the Great Jamahiriya of Libya.

In addition, The Libyan Ministry of Economy, Trade and Investment ("METI") has issued a decree, dated May 29, 2008, granting Winfield the license to refine oil for a term of 25 years.

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. 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.

Category	Libya and Tunisia Project Development Costs for the year ended December 31, 2007	Libya and Tunisia Project Development Costs for the year ended December 31, 2006
Due Diligence	\$417,223	\$216,230
Engineering	133,343	-
Legal	10,000	89,707
Geological Consulting	28,890	9,260
Office	23,993	-
Salaries	109,502	-
Travel	120,221	10,968
Registration and filing	-	77,966
Other	-	520
TOTAL	\$843,172	\$404,651

MAURITANIA

The Company announced on February 5, 2008 that it has received a license to refine oil from the Islamic Republic of Mauritania – Ministry of Water, Energy, Information Technology and Communications. This license is a result of Winfield's application for its own account to build, own and operate a new 300,000 bbl/day oil refinery at the Port of Nouakchott, Mauritania.

The license is subject to a number of conditions, including: (i) giving priority to acquiring feedstock from sources within Mauritania; (ii) abiding by all applicable environmental laws; (iii) giving priority to selling refined petroleum products to consumers in Mauritania; and (iv) paying royalties in favour of the National Oil Commission.

Category	Mauritania Project Development Costs for the year ended December 31, 2007	Mauritania Project Development Costs for the year ended December 31, 2006
Due Diligence	\$2,255	-
Financial Consulting	15,690	-
Travel	17,869	-
TOTAL	\$35,814	-

RWANDA

The Company has engaged TDI to investigate the potential of the Company 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 transform the selected 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.

Category	Rwanda Project Development Costs for the year ended December 31, 2007	Rwanda Project Development Costs for the year ended December 31, 2006
Due Diligence	\$208,492	-
TOTAL	\$208,492	-

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, 2007	Year Ended December 31, 2006	Year Ended December 31, 2005
Total income	\$ -	\$ -	\$ -
Net loss before other items	(2,994,508)	(1,054,763)	(218,732)
Other items	43,851	(15,335)	(3,205)
Net loss and comprehensive loss for the year	(2,950,657)	(1,070,098)	(221,937)
Basic and diluted loss per share	(0.07)	(0.04)	(0.013)
Total assets	457,802	271,942	418,572

Net losses have increased during the past two years primarily due to a change in accounting policy whereby project development costs have been expensed instead of being capitalized. During 2006 and 2007 the Company raised more capital than 2005 for its project development costs which were expensed during each of these years resulting in significant increases in net losses.

SUMMARY OF QUARTERLY RESULTS

For the Quarters Ended

	December 31, 2007	September 30, 2007	June 30, 2007	March 31, 2007
Total assets	\$ 457,802	\$ 1,298,245	\$ 548,928	\$ 223,837
Working capital	221,795	1,259,402	519,307	122,237
Shareholders equity	288,549	1,259,402	519,307	122,237
Revenues	-	-	-	-
Net loss	(968,786)	(417,720)	(1,256,380)	(311,739)
Loss per share	(0.019)	(0.010)	(0.035)	(0.009)

For the Quarters Ended

	December 31, 2006	September 30, 2006	June 30, 2006	March 31, 2006
Total assets	\$ 271,942	\$ 261,835	\$ 352,147	\$ 203,153
Working capital	138,749	61,201	120,427	52,996
Shareholders equity	174,557	61,201	120,427	52,996
Revenues	-	-	-	-
Net loss	(626,692)	(100,648)	(279,373)	(68,385)
Net loss per share	(0.024)	(0.003)	(0.01)	(0.003)

The availability of financing for project development costs is the main factor in variations over the quarters. The Company's business is not seasonal. The Company had significant increases in losses during the quarters ended December 31, 2006 and June 30, 2007 as a result of an increase in the amount of project developments costs incurred and then expensed during these quarters.

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.

	December 31, 2007	December 31, 2006
Deficit	\$ (6,603,091)	\$ (3,652,434)
Working capital (deficiency)	221,795	138,749

Net cash used in operating activities for the year ended December 31, 2007, was \$2,152,266 compared to \$810,086 during the previous comparative period. The cash used in operating activities for the period consists primarily of the expenditures related to project project developments costs.

Financing activities provided net cash of \$2,297,239 during the year ended December 31, 2007, compared to \$998,370 in the previous comparative period. The primary sources of cash during the current period were \$593,000 from private placements and \$1,768,750 from the exercise of stock options and warrants.

Net cash used in investing activities for the year ended December 31, 2007, was \$43,703 compared to \$1,494 during the comparative period.

CAPITAL RESOURCES

During the year ended December 31, 2007 the Company received \$175,000 upon the exercise of 1,750,000 stock options.

During the year ended December 31, 2007 the Company received \$1,593,750 upon the exercise of 10,775,000 share purchase warrants.

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 entitles 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 with respect to the private placement.

On June 22, 2007, the Company completed a 3,300,000 unit non-brokered private placement at \$0.10 per unit for gross proceeds of \$330,000. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles 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, valued at \$46,920 using the Black-Scholes option pricing method, with respect to the private placement.

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.

On April 22, 2009 Winfield completed a private placement of 3,000,000 units at a price of \$0.05 per unit. Each unit consisted of one common share and a warrant to purchase an additional common shares at an exercise price of \$0.10 per share on or before April 22, 2011.

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.

RELATED PARTY TRANSACTIONS

	2007	2006
	\$	\$
Financial consulting fees paid to Mark Parfitt , a director of the Company	20,000	-
Consulting fees paid to June Ballant, an officer of the Company for providing internal accounting	5,000	-
Management fees paid to a corporation which is controlled by Michael Foley, a director and officer of the Company	60,000	60,000

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 December 31, 2007, there is \$53,893 (2006 – \$28,928) due from a corporation, which is controlled by Michael Foley, a director and officer of the Company.

FOURTH QUARTER

The Company shares commenced trading on December 27, 2007 under the symbol WWF.H on the NEX board of the TSX Venture Exchange. During the fourth quarter of 2007 the Company incurred a loss of \$968,786 compared to a loss of \$626,692 during the fourth quarter of 2006. The loss increased during the fourth quarter of 2007 primarily as a result of an increase in project development costs.

FINANCIAL RISK FACTORS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company is not subject to any interest rate risks.

(b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in US Dollars (US).

CHANGES IN ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

Mineral Property – Exploration Costs:

Effective January 1, 2007, the Company changed its accounting policy for mineral properties from deferring exploration costs incurred during the exploration stage to expensing such costs in the year incurred. The Company believes the information is more reliable and representative of the results if expensed when incurred. This change has been applied retroactively and the comparative figures in the consolidated financial statements have been restated. The effect of this change on the restated consolidated balance sheet of December 31, 2006 and 2005 is to decrease project development costs and increase accumulated deficit by \$236,128 and \$227,128, respectively. The effect of this change on the restated consolidated statements of operations for the year ended December 31, 2006 and 2005 is to increase net loss by \$9,000 and \$227,128 respectively; and the restated net loss per share increased by \$0.00 and \$0.01, respectively.

Accounting changes

In July 2006, the Accounting Standards Board ("AcSB") issued a replacement of CICA Handbook Section 1506, Accounting Changes. The new standard allows for voluntary changes in accounting policy only when they result in the financial statements providing reliable and more relevant information, requires changes in accounting policy to be applied retrospectively unless doing so is impracticable, requires prior period errors to be corrected retrospectively and calls for enhanced disclosures about the effects of the changes in accounting policies, estimates and errors on the financial statements. The adoption of Section 1506, effective January 1, 2007, had no impact on these financial statements.

Financial Instruments, Comprehensive Income and Hedging Relationships

Effective January 1, 2007, the Company adopted the following new accounting standards relating to financial instruments, as issued by the Canadian Institute of Chartered Accountants: Section 3855, Financial Instruments – Recognition and Measurement ("Section 3855"); Section 3861, Financial Instruments – Disclosure and Presentation ("Section 3861"); Section 1530, Comprehensive Income ("Section 1530"); and Section 3865, Hedges (Section 3865"). These changes in accounting policy were applied prospectively in accordance with the transitional provisions contained in each of these sections. Prior year figures were not re-stated.

Financial Instruments

Sections 3855 and 3861 provide guidance for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. These standards require financial assets, liabilities and derivatives to initially be recognized at fair value. After initial recognition, financial instruments are measured at fair value, amortized cost or cost, depending on the classification of the financial instrument. These standards also require the Company to recognize and measure derivative instruments embedded in host contracts that were issued on or after January 1, 2007.

Upon the adoption of the new standards on January 1, 2007, the Company has classified its financial instruments as follows:

- Cash and cash equivalents and short-term investments are classified as held-for trading and are measured at fair value with changes in fair value recognized in net loss. This classification had no impact on the Company's financial statements at the time of adoption.
- Other receivable and amount due from related party are classified as loans and receivables, which are measured at amortized cost using the effective interest method. This classification had no impact on the Company's financial statements at the time of adoption.
- Accounts payable and accrued liabilities are classified as other financial liabilities and are measured at amortized cost using the effective interest method. This classification had no impact on the Company's financial statements at the time of adoption.

Comprehensive Income

Section 1530 establishes standards for the reporting and display of comprehensive income. The Company does not have any items that required separate recognition outside of net loss, and, as a result, the adoption of this section did not have any impact on the Company's financial statements.

Hedges

Section 3865 establishes standards on when and how hedge accounting may be applied. Hedge accounting under this section is optional. The Company does not have any hedges in place, so the adoption of this section did not have any impact on the Company's financial statements.

Recent Accounting Pronouncements

In January 2006, the CICA Accounting Standards Board ("AcSB") adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies will converge with International Financial Reporting Standards ("IFRS"). On February 13, 2008, the AcSB confirmed that the standards will become effective for all publicly accountable enterprises in interim and annual financial statements for fiscal years beginning on or after January 1, 2011. The Corporation continues to monitor and assess the impact of convergence of Canadian GAAP and IFRS.

In December 2006, the Accounting Standards Board issued 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.

In October 2006, the Accounting Standards Board issued 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.

CURRENT OUTSTANDING SHARE DATA

Common shares (basic)	60,940,319
Options and Warrants	<u>7,292,000</u>
Common shares (fully-diluted)	68,232,319

Stock Options

Number	Exercise Price	Expiry Date
1,472,000	\$0.20	January 18, 2013
1,950,000	\$0.40	June 27, 2012
170,000	\$0.10	December 13, 2011
700,000	\$0.10	November 1, 2010
4,292,000		

Warrants

Number	Exercise Price	Expiry Date
3,000,000	\$0.10	April 22, 2011
3,000,000		

INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the statutory Canadian federal and provincial income tax rate:

	2007	2006 (Restated – Note 3 & 14)
Canadian statutory income tax rate	34.12%	34.12%
	\$	\$
Income tax recovery at statutory rate	(1,007,000)	(465,000)
Tax effect of:		
Expiry of non-capital losses	16,800	19,900
Permanent differences and other	255,000	71,200
Change in enacted tax rates	135,000	12,100
Change in valuation allowance	600,200	361,800
Provision for income taxes	-	-

The tax effect of the significant temporary differences which comprise future tax assets and liabilities are as follows:

	2007	2006 (Restated – Note 3 & 14)
	\$	\$
Future income tax assets		
Non-capital loss carry-forwards	674,000	685,000
Equipment and other assets	744,000	121,100
Share issuance costs	34,000	40,500
Other	-	5,200
Total gross future income tax assets	1,452,000	851,800

Valuation allowance		(1,452,000)		(851,800)
Net future income tax asset		-		-

The Company has non-capital losses for income tax purposes of \$2,174,600, which may be carried forward and offset against future taxable income. These losses expire as follows:

2008	\$	192,400
2009		213,200
2010		150,400
2014		236,700
2015		131,400
2026		531,500
2027		719,000
	\$	2,174,600

SUBSEQUENT EVENTS

The Company has cancelled 150,000 common shares subsequent to year-end, due to duplicate shares issued for purchase warrants exercised during the fiscal year (see Note 6 to the financial statements).

The Company has issued 1,719,666 common shares upon the exercise of purchase warrants for gross proceeds of \$257,950 and 10,350,834 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 February 5, 2008 the Government of Mauritania issued the Company a license to refine petroleum products, for a term of 25 years.

On February 11, 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%.

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.

On March 27, 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 May 29, 2008 the Libyan Foreign Investment Board approved the Company's application to build, own and operate 300,000 bbl/day oil refinery at the Port of Ras Lanuf in the Great Jamahiriya of Libya.

On April 22, 2009 Winfield completed a private placement of 3,000,000 units at a price of \$0.05 per unit. Each unit consisted of one common share and a warrant to purchase an additional common shares at an exercise price of \$0.10 per share on or before April 22, 2011.

RESTATEMENT OF 2006 CONSOLIDATED FINANCIAL STATEMENTS

The 2006 consolidated financial statements have been restated to reflect the expensing of project development costs. Management has determined that the amounts capitalized as mineral resource properties do not meet the criteria's under Canadian GAAP; therefore, amounts are expensed as project development costs. The effect of this change on the restated consolidated balance sheets of December 31, 2006 and 2005 is to decrease project development costs and increase accumulated deficit by \$335,204 and \$65,348, respectively. The effect of this change on the restated consolidated statements of operations for the year ended December 31, 2006 and 2005 is to increase net loss by \$269,856 and \$65,348 respectively; and the restated net loss per share increased by \$0.01 and \$0.00, respectively.