

WINFIELD RESOURCES LIMITED

FORM 51-102F1 MANAGEMENT DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2005

The following discussion and analysis, prepared as of March 7, 2006, should be read together with the audited financial statements for the year ended December 31, 2005 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, 2004 and 2003, 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

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.

On May 13, 2005, the British Columbia Securities Commission suspended trading of the Company's common shares for failing to file the year-end December 31, 2004 financial statements and management discussion and analysis. On July 6, 2005, trading of the Company's common shares was reinstated.

Performance Summary

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

1. On February 15, 2005, the Company issued 2,527,800 units for a private placement priced 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 \$0.18 per share for a period of twelve months from closing. Proceeds were \$252,780 less \$27,764 in share issuance costs.
2. On March 30, 2005, the Company announced that it has proposed a non-brokered private placement of up to 2,500,000 units at \$0.10 unit, each unit comprising of one common share and one common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share at a price of \$0.15 per share for a period of two years after the closing of the financing. On July 6, 2005, the Company announced the cancellation of this private placement.

3. On May 13, 2005, trading of the Company's common shares was suspended for failing to file the year-end December 31, 2004 financial statements and management discussion and analysis. On July 6, 2005, trading of the Company's common shares was reinstated.
4. On July 29, 2005, the Company held its annual general meeting. All proposed resolutions were passed. Mr. Otto Rieve did not stand for re-election as a director. The Company wishes to thank Mr. Rieve for his many years of valuable service.
5. On August 31, 2005, the Company announced the appointment of Dr. Kenneth Tangen as a Company director.
6. On September 30, 2005, the Company announced the resignation of Mr. Richard Haderer as director and secretary of the Company. The Company wishes to thank Mr. Haderer for his many years of valuable service.
7. On October 4, 2005, the Company issued 4,000,000 units at a price of \$0.05 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 twelve months from closing. Proceeds were \$200,000 less \$10,500 in share issuance costs.
8. On October 27, 2005, the Company announced that it has proposed a \$200,000 non-brokered private placement of up to 4,000,000 units at \$0.05 per unit, each unit comprising of one common share and one common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share at a price of \$0.15 per share for a period of two years after closing of the financing. The Company received \$5,000 of the total proceeds which have been recorded as share subscriptions received in advance.
9. On November 1, 2005, the Company announced that it granted 1,800,000 stock options exercisable at \$0.10 until November 1, 2010 to directors and consultants of the Company. The Company recognized \$87,578 in stock-based compensation on the income statement with a corresponding entry to contributed surplus on the balance sheet in the December 31, 2005 financial statements.

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, 2005	Year Ended December 31, 2004	Year Ended December 31, 2003
Total revenues	\$ -	\$ -	\$ 9
Net loss before extraordinary items	(221,937)	(245,322)	(173,749)
Net loss	(221,937)	(245,322)	(173,749)
Basic and diluted loss per share	(0.013)	(0.018)	(0.013)
Total assets	418,572	385,626	318,939
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. Net loss in the current year was reduced as a result of the Company moving to a smaller office and minimal business activity.

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 net loss of \$221,937 (2004 - \$245,322), comprised of some of the following significant expenses:

\$33,000 (2004 - \$24,000) in management fees
\$25,833 (2004 - \$58,087) in rent and occupancy costs
\$18,592 (2004 - \$9,215) in public company costs
\$17,368 (2004 - \$15,582) in legal, accounting and audit
\$14,636 (2004 - \$14,642) in office and general
\$8,650 (2004 - \$83,625) in consulting fees
\$5,000 (2004 - \$Nil) in investor relations costs
\$2,694 (2004 - \$524) in website costs
\$2,056 (2004 - \$2,659) in interest and bank charges
\$1,776 (2004 - \$5,993) in travel and related
\$1,549 (2004 - \$699) in amortization
\$Nil (2004 - \$22,280) in due diligence costs

Management fees in the current year are higher than the comparative year as a result of increased complexity of business activities and volume of financing arrangements.

The decrease in rent and occupancy costs in the current year is attributed to the Company relocating to a smaller office.

Public company costs are significantly higher than the comparative year as a result of incurring filing fees related to the private placements.

Legal and audit fees are higher in the current year as a result increased corporate activity.

Consulting fees in the current year were considerably lower than the previous year as a result of the Company reducing its outsourcing.

During the current year the Company acquired office furniture which resulted in higher amortization expense.

Due diligence costs in the comparative year were primarily incurred on a well development program on the Daly Field.

Stock-based compensation was recognized on 1,800,000 options granted during the current fiscal year.

Property Summary

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.

Algeria and Libya

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

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, 2005	September 30, 2005	June 30, 2005	March 31, 2005
Total assets	\$ 418,572	\$ 414,559	\$ 388,066	\$ 384,238
Mineral properties and deferred costs	401,577	374,933	360,971	354,430
Working capital (deficiency)	(150,288)	(237,942)	(197,187)	(157,001)
Shareholders' equity (deficiency)	258,247	144,375	171,736	205,289
Revenues	-	-	-	-
Net Loss	(135,442)	(27,361)	(33,553)	(25,581)
Loss per share	(0.007)	(0.002)	(0.002)	(0.002)

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	353,920	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)
Loss per share	(0.018)	(0.004)	(0.002)	(0.003)

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 to 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, 2005	December 31, 2004 (Audited)
Working capital (deficiency)	\$ (150,288)	\$ (378,623)
Deficit	(2,289,860)	(2,067,923)

Net cash used in operating activities for the year ended December 31, 2005, was \$121,461 compared to \$174,748 during the previous year. The cash used in operating activities for the period consists primarily of the operating loss, stock-based compensation and a change in non-cash working capital.

Net cash used for investing activities for the year ended December 31, 2005, was \$75,715 compared to \$105,330 during the previous year. Cash used during the current year consists of \$5,715 for acquisition of office furniture, \$67,625 related to due diligence in Algeria and Libya and a \$2,375 change in non-cash working capital.

Financing activities provided net cash of \$190,510 during the year ended December 31, 2005, compared to \$286,721 for the previous year. Private placements and share subscriptions received in advance are the primary sources for financing activities during the current year.

Capital Resources

On February 15, 2005, the Company issued 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. Proceeds were \$252,780 less \$27,764 in share issuance costs.

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Related Party Transactions

The Company entered into the following transactions with related parties:

Paid or accrued consulting fees and public company costs of \$8,650 (\$2004 - \$5,000) to companies controlled by former officers and directors of the Company.

Paid or accrued management fees of \$33,000 (2004 - \$24,000) 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 amount of \$898 (2004 – (\$2,592)) due from (to) 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, due from a shareholder corporation, accounts payable and accrued liabilities and subscriptions received in advance. 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 Corporation is not exposed to significant credit risk or interest rate risk.

Subsequent Events

The following transactions occurred subsequent to December 31, 2005:

Expired Warrants

On February 15, 2006, 2,527,800 warrants exercisable at \$0.18 per warrant expired unexercised.

Private Placement

The Company received \$275,000 for the upcoming non-brokered private placement of 5,500,000 units (an increase from the 4,000,000 units proposed on October 27, 2005) priced at \$0.05 per unit. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at a price of \$0.15 per share until March 8, 2008.

Investor Relations

On March 20, 2006, the Company announced that it entered into an investor relations agreement with Badshah Communications Group Ltd ("Badshah"). As consideration, the Company will pay Badshah \$2,000 per month. The Company also granted 500,000 stock options exercisable at \$0.10 per option until March 20, 2011.

Letter of Intent

On April 7, 2006, the Company entered into a letter of intent with respect to the acquisition of an interest in producing petroleum and natural gas properties in the United States. Cost of the interests is US\$35,000,000. The Corporation is negotiating debt financing with respect to the proposed purchase, which is subject to due diligence, financing and shareholder and regulatory approval.

Proposed Financing

On April 21, 2006, the Company proposed a non-brokered private placement of up to 2,000,000 units at \$0.10 per unit. Each unit will be comprised of one common share and one common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share at a price of \$0.15 per share for a period of two years after closing of the financing. The proposed financing is subject to regulatory approval.