

WINFIELD RESOURCES LIMITED

FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)

THREE MONTH PERIOD ENDED
MARCH 31, 2006

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 financial statements for the period ended March 31, 2006.

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

	March 31, 2006	December 31, 2005 (Audited)
ASSETS		
Current		
Cash	\$ 161,950	\$ 1
Accounts receivable	27,353	2,382
Share subscriptions receivable	10,000	-
Prepaid expenses and deposits	3,850	6,756
Due from shareholder corporation	<u>-</u>	<u>898</u>
	203,153	10,037
Deferred Expenditures	109,280	109,101
Property and equipment (Note 4)	<u>308,256</u>	<u>299,434</u>
	<u>\$ 620,689</u>	<u>\$ 418,572</u>

LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)

Current		
Accounts payable and accrued liabilities	121,241	112,825
Subscriptions received in advance	-	47,500
Due to related party	<u>28,916</u>	<u>-</u>
	<u>150,157</u>	<u>160,325</u>
Shareholders' equity (deficiency)		
Capital stock (Note 5)	2,661,629	2,390,129
Contributed surplus (Note 5)	157,978	157,978
Deficit	<u>(2,349,075)</u>	<u>(2,289,860)</u>
	<u>470,532</u>	<u>258,247</u>
	<u>\$ 620,689</u>	<u>\$ 418,572</u>

On behalf of the Board:

“Robert Michael Foley” (signed) Director “Kenneth Tangen” (signed) Director

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

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

	Three Month Period Ended March 31, 2006	Three Month Period Ended March 31, 2005
EXPENSES		
Amortization	\$ 348	\$ 273
Bank charges and interest	243	364
Consulting fees	14,073	-
Investor relations	2,200	-
Legal, accounting and audit	4,173	2,296
Management fees	15,000	6,000
Office and general	7,870	4,191
Public company costs	8,270	4,212
Rent and occupancy costs	5,913	8,210
Travel and related	-	545
Website	1,305	-
Loss before other items	<u>(59,395)</u>	<u>(26,091)</u>
OTHER ITEMS		
Gain on foreign exchange	<u>180</u>	<u>510</u>
	<u>178</u>	<u>510</u>
Net loss for the period	(59,215)	(25,581)
Deficit, beginning of period	<u>(2,289,860)</u>	<u>(2,067,923)</u>
Deficit, end of period	<u>\$ (2,349,075)</u>	<u>\$ (2,093,504)</u>
Basic and diluted loss per share	<u>\$ (0.003)</u>	<u>\$ (0.002)</u>
Weighted average number of common shares outstanding	<u>21,061,209</u>	<u>14,913,666</u>

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

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

	Three Month Period Ended March 31, 2006	Three Month Period Ended March 31, 2005
OPERATING ACTIVITIES		
Net loss for the period	\$ (59,215)	\$ (25,581)
Items not affecting cash flow		
Amortization	348	273
Gain on foreign exchange	(179)	(510)
Net change in non-cash working capital	<u>(1,510)</u>	<u>8,464</u>
Net cash used in operating activities	<u>(60,556)</u>	<u>(17,354)</u>
FINANCING ACTIVITIES		
Advances from related party	29,814	15,560
Decrease in share subscriptions received in advance	(47,500)	(250,280)
Issuance of shares	275,000	252,780
Share issue costs	(3,500)	-
Increase in share subscriptions receivable	(10,000)	-
Net change in non-cash working capital	<u>12,000</u>	<u>-</u>
Net cash provided by financing activities	<u>255,814</u>	<u>18,060</u>
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	-	(5,340)
Due diligence on mineral properties	(9,170)	-
Net change in non-cash working capital	<u>(24,139)</u>	<u>-</u>
Net cash used in investing activities	<u>(33,309)</u>	<u>(5,340)</u>
Change in cash for the period	161,949	(4,634)
Cash, beginning of period	<u>1</u>	<u>6,667</u>
Cash, end of period	<u>\$ 161,950</u>	<u>\$ 2,033</u>

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

WINFIELD RESOURCES LIMITED
NOTES TO FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
MARCH 31, 2006

1. BASIS OF PRESENTATION

The financial statements contained herein include the accounts of Winfield Resources Limited. (the “Company”)

The interim period 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 financial statements and the accompanying notes included in the Company's latest annual report. In the opinion of the Company, its unaudited interim 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.

	March 31, 2006	December 31, 2005
		(Audited)
Deficit	\$ (2,349,075)	\$ (2,289,860)
Working capital (deficiency)	52,996	(150,288)

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 FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
MARCH 31, 2006

4. PROPERTY AND EQUIPMENT

Mineral Property Costs:

2005	Algeria and Libya	Atlin, BC	Encinitas Field, USA	Ringo, MB	Total
Acquisitions, Opening balance, January 1, 2006	\$ -	\$ 15,000	\$ -	\$ 72,500	\$ 87,500
Exploration costs, Opening balance, January 1, 2006	65,348	94,982	-	44,646	204,976
Changes during the period	<u>2,706</u>	<u>-</u>	<u>6,464</u>	<u>-</u>	<u>9,170</u>
Balance, March 31, 2006	<u>\$ 68,054</u>	<u>\$ 109,982</u>	<u>\$ 6,464</u>	<u>\$ 117,146</u>	<u>\$ 301,646</u>

Algeria and Libya

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

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).

Encinitas Field

The Company is currently conducting due diligence on the Encinitas Field located in Brooks County, Texas, USA. The property presently has 12 oil wells producing 800 BOPD and 5.3 MMCFGPD. Loudon Exploration, the current owner, is asking \$35,000,000 US for the sale of the property.

J.W. Dick & Associates, Reservoir Engineers, are conducting reservoir and reserve confirmations.

The Company is negotiating 100% debt financing via non-recourse loans subject to full geological due diligence and regulatory approval. (See note 9)

WINFIELD RESOURCES LIMITED
NOTES TO FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
MARCH 31, 2006

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

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.

Office Equipment

Historical cost	\$ 12,537
Less: accumulated amortization	<u>(5,927)</u>
Net book value, March 31, 2006	<u>\$ 6,610</u>

5. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Capital Stock	Contributed Surplus
Authorized			
250,000,000 common shares without par value			
Issued common shares			
Balance as at December 31, 2005	20,205,653	\$ 2,390,129	\$ 157,978
Private placement	5,500,000	275,000	-
Share issue costs	<u>-</u>	<u>(3,500)</u>	<u>-</u>
Balance as at March 31, 2006	<u>25,705,653</u>	<u>\$ 2,661,629</u>	<u>\$ 157,978</u>

5. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)

On March 17, 2006, the Company issued 5,500,000 units at \$0.05 per unit for gross proceeds of \$275,000. Each unit is comprised of one common share and one non-transferable share purchase warrant. Each warrant enables the holder to acquire an additional common share at \$0.15 per share until March 17, 2008.

The Company paid \$3,500 for finder's fees related to this private placement.

Escrowed Shares

Pursuant to an Escrow Agreement dated March 21, 2000, all 8,877,853 common shares issued prior to the Company's initial public offering were deposited with Pacific Corporate Trust Company to be held in escrow. The Escrow Agreement provides that the escrowed shares may not be traded, released, transferred or dealt in any manner without the consent of the Executive Director of the Alberta Securities Commission. The Executive Director will normally consent to the release of 15% of the escrowed shares upon completion of the offering, a further 25% upon completion of the Company's work program and thereafter, a further 15% on each of the second, third, fourth and fifth anniversaries of the initial release, but may consent to an early release. As at March 31, 2006, there were 2,219,463 shares subject to escrow.

6. STOCK OPTIONS AND WARRANTS

Options

The Company 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.

At March 31, 2006, the Company had the following stock options available:

Number of Options Available	Exercise Price	Expiry Date
100,000	\$ 0.25	March 18, 2007
100,000	0.25	July 24, 2007
1,800,000	0.10	November 1, 2010

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NOTES TO FINANCIAL STATEMENTS
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MARCH 31, 2006

6. STOCK OPTIONS AND WARRANTS (cont'd...)

Warrants

Outstanding warrants as at March 31, 2006 are:

Number of Options Available	Exercise Price	Expiry Date
4,000,000	\$ 0.15	October 4, 2006
5,500,000	0.15	March 17, 2008

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

7. 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.

8. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

Paid or accrued management fees of \$15,000 (2005 - \$6,000) 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 \$28,916 (2005 – \$18,152) due to a shareholder Company, which is controlled by a director of the Company, is non-interest bearing and has no formal terms of repayment.

9. SUBSEQUENT EVENTS

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.

Private Placement

On May 10, 2006, the Company announced that it has proposed a non-brokered private placement of up to 3,000,000 units at \$0.10 per unit. Each unit will consist 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 for a period of two years after closing of the financing.

Finder's fees may be paid in connection with the financing in accordance with applicable securities laws and TSX Venture Exchange policies.

Proceeds from the proposed financing will be used for general working capital.

The private placement is subject to regulatory approval.