

WYN DEVELOPMENTS INC.

**Financial Statements
January 31, 2007**

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AUDITORS' REPORT

TO THE SHAREHOLDERS OF WYN DEVELOPMENTS INC.

We have audited the balance sheets of Wyn Developments Inc. as at January 31, 2007 and 2006 and the statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2007 and 2006 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

"Smythe Ratcliffe LLP" (signed)

Chartered Accountants

Vancouver, British Columbia
May 14, 2007, except for notes 7 and 10
which are as of May 30, 2007.

WYN DEVELOPMENTS INC.**Balance Sheets**

January 31

	2007	2006
Assets		
Current		
Cash	\$ 506,581	\$ 2,277,429
Accounts receivable	14,713	18,247
Prepaid expenses and deposits	37,430	10,939
	558,724	2,306,615
Capital Assets (note 6)	16,350	0
Investment in and Expenditures on Resource Properties (note 7)	1,354,385	1,342,685
Oil and Gas Interests (note 8)	8,620,406	2,124,854
	\$ 10,549,865	\$ 5,774,154
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 13,968	\$ 146,085
Stockholders' Equity		
Capital Stock (note 10)	20,864,009	15,137,837
Contributed Surplus (note 10(c))	1,246,931	969,270
Deficit	(11,575,043)	(10,479,038)
	10,535,897	5,628,069
	\$ 10,549,865	\$ 5,774,154

Going-Concern (note 2)

Contingency (note 12)

Subsequent Events (note 13)

Approved on behalf of the Board:

"David McMillan"..... Director
David McMillan*"Robert Krause"*..... Director
Robert Krause

WYN DEVELOPMENTS INC.
Statements of Operations and Deficit
Years Ended January 31

	2007	2006
		(note 3)
General and Administrative Expenses		
Stock-based compensation	\$ 324,226	\$ 856,770
Investor relations	241,027	201,488
Professional fees	102,707	42,954
Communications	89,010	53,602
Transfer agent, listing and filing fees	44,532	45,817
Management fees	40,000	24,500
Office	37,438	63,684
Consulting fees	36,460	15,376
Travel and entertainment	33,115	156,975
Rent	12,175	31,889
Printing and reproduction	3,522	9,064
Bank charges and interest	3,214	1,848
Amortization	1,817	0
Loss Before Other Items	969,243	1,503,967
Other Items		
Write-off of resource properties	152,225	819,178
Interest revenue	(25,463)	(6,275)
Foreign exchange loss	0	1,686
	126,762	814,589
Net Loss for Year	1,096,005	2,318,556
Deficit, Beginning of Year	10,479,038	8,160,482
Deficit, End of Year	\$ 11,575,043	\$ 10,479,038
Loss Per Share	\$ (0.02)	\$ (0.04)
Weighted Average Number of Common Shares Outstanding	63,802,330	52,240,115

WYN DEVELOPMENTS INC.
Statements of Cash Flows
Years Ended January 31

	2007	2006
Operating Activities		
Net loss	\$ (1,096,005)	\$ (2,318,556)
Items not involving cash		
Amortization	1,817	0
Shares issued for services	0	74,700
Stock-based compensation	324,226	856,770
Write-off of resource properties	152,225	819,178
	(617,737)	(567,908)
Changes in non-cash working capital		
Accounts receivable	3,534	3,957
Prepaid expenses and deposits	(26,491)	26,455
Accounts payable and accrued liabilities	(132,117)	99,673
Cash Used in Operating Activities	(772,811)	(437,823)
Investing Activities		
Purchase of capital assets	(18,167)	0
Exploration costs deferred - oil and gas interests	(6,345,552)	(841,243)
Exploration costs deferred – resource properties	(83,925)	(522,699)
Cash Used in Investing Activities	(6,447,644)	(1,363,942)
Financing Activities		
Due to related parties	0	(36,195)
Issue of shares for cash, net of issuance costs	5,449,607	3,736,034
Common stock subscriptions received	0	(830,000)
Cash Provided by Financing Activities	5,449,607	2,869,839
Increase (Decrease) in Cash	(1,770,848)	1,068,074
Cash, Beginning of Year	2,277,429	1,209,355
Cash, End of Year	\$ 506,581	\$ 2,277,429
Supplementary information, non-cash transactions		
Issue of common shares for resource properties	\$ 80,000	\$ 405,500
Issue of common shares for oil and gas interests	\$ 150,000	\$ 120,000

WYN DEVELOPMENTS INC.
Notes to Financial Statements
Years Ended January 31, 2007 and 2006

1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Wyn Developments Inc. (the "Company") was incorporated under the *Company Act* of British Columbia on February 1, 1984. The Company is involved with the exploration of mineral and oil and gas properties and is considered to be an exploration stage enterprise. The Company presently operates in one geographical area, namely Canada. The Company is publicly traded and is listed on the TSX Venture Exchange (the "Exchange") in Canada.

2. GOING-CONCERN

These financial statements have been prepared on a going-concern basis, which presumes the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future.

The Company reported net losses of \$1,096,005 and \$2,318,556 for the years ended January 31, 2007 and 2006, respectively, and has an accumulated deficit of \$11,575,043 at January 31, 2007 (2006 - \$10,479,038). The Company has working capital of \$544,756 at January 31, 2007 (2006 - \$2,160,530).

The Company's ability to continue operations is uncertain and is dependent upon its ability to obtain necessary financing to meet the Company's liabilities and commitments as they become payable and to complete the exploration and development of resource properties and oil and gas interests, the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims and oil and gas reserves, and the attainment of future profitable production or sufficient proceeds from the disposition thereof. The outcome of these matters cannot be predicted at this time. These financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

3. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform to the current year's presentation.

4. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and reflect the following significant accounting policies.

(a) Resource properties

The Company defers exploration and development expenditures directly related to specific mineral projects or an area of interest until such time as the extent of mineralization has been determined and mineral properties are either developed or the Company's mineral rights are allowed to lapse. At that time, the costs will either be written off or amortized over the expected life of the ore body.

All deferred resource property expenditures are reviewed annually, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the deferred costs, provision is made for the impairment in value.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Resource properties (Continued)

The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims allowed to lapse. From time to time the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received.

(b) Oil and gas interests

The Company follows the full cost method of accounting for petroleum and natural gas interests whereby all costs of exploration for and development of petroleum and natural gas reserves are capitalized. These costs include lease acquisition costs, geological and geophysical expenses, drilling costs of successful as well as unsuccessful wells and overhead charges related directly to exploration.

If the interests are sold or abandoned, the proceeds will be applied against capitalized costs unless such sale significantly impacts the rate of depletion.

Costs associated with unproven reserves are reviewed by management to determine whether they have become impaired. If impairment occurs, the carrying value of the related interest will be reduced to reflect the estimated net realizable value. The estimate will be based on the then current conditions and it is possible that changes could occur that would adversely affect management's estimates resulting in further write-downs of the carrying value of the interest.

The amounts shown for petroleum and natural gas properties represent costs incurred to date plus depletion and depreciation, if any, and do not necessarily reflect present or future values.

(c) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates include determination of environment obligations, asset retirement obligations, rates for amortization, the impairment of mineral property interests, valuation allowance for future tax assets and the assumptions used in estimating the fair value of stock-based compensation. Management believes the estimates are reasonable; however, actual results could differ from those estimates and would impact future results of operations and cash flows.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Foreign currency translation

Amounts recorded in foreign currency are translated into Canadian dollars as follows:

- (i) Monetary assets and liabilities, at the rate of exchange in effect as at the balance sheet date;
- (ii) Non-monetary assets and liabilities, at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities; and
- (iii) Revenues and expenses (excluding amortization, which is translated at the same rate as the related asset), at the average rate of exchange for the year.

The effects of translation are credited or charged to the statement of operations as foreign exchange gain or loss.

(e) Amortization

Amortization of capital assets is calculated at the following annual rates:

- Furniture and equipment – 20% declining-balance
- Leasehold improvements – 20% declining-balance

Additions during the year are amortized at one-half of the annual rates.

(f) Asset retirement obligation

The Company recognizes an estimate of the liability associated with an asset retirement obligation (“ARO”) in the financial statements at the time the liability is incurred. The estimated fair value of the ARO is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The capitalized amount is depleted on a straight-line basis over the estimated life of the asset. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. The ARO can also increase or decrease due to changes in the estimates of timing of cash flows or changes in the original estimated undiscounted cost. Actual costs incurred upon settlement of the ARO are charged against the ARO to the extent of the liability recorded. At present, the Company has no material AROs to record in the financial statements.

(g) Stock-based compensation

The Company accounts for stock-based compensation expense using the fair value based method with respect to all stock-based payments to directors, employees and non-employees, including awards that are direct awards of stock and call for settlement in cash or other assets, or stock appreciation rights that call for settlement by the issuance of equity instruments. Under this method, stock-based payments are recorded as an expense over the vesting period or when the awards or rights are granted, with a corresponding increase to contributed surplus. When stock options are exercised, the corresponding fair value is transferred from contributed surplus to capital stock.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method for calculating diluted loss per share. However, diluted loss per share is not presented where the effects of various conversions and exercise of options and warrants would be anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, have not been included in the calculation of the weighted average number of common shares outstanding.

(i) Income taxes

The Company uses the asset and liability method for accounting for income taxes. Under this method of tax allocation, future income tax assets and liabilities are determined based on differences between the financial statement carrying values and their respective income tax basis, and losses carried forward. Future income tax assets and liabilities are measured using the tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on future income tax assets and liabilities of a change in tax rates is included in operations in the period in which the change is enacted or substantially assured. The amount of future income tax assets recognized is limited to the amount of the benefit that is more likely than not to be realized.

(j) Flow-through shares

Flow-through shares entitle a company that incurs certain resource expenditures in Canada to renounce them for tax purposes allowing the expenditures to be deducted for income tax purposes by the investors who purchased the shares. A future income tax liability arises from the renunciation of mineral exploration costs to investors of flow-through shares.

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date represent the funds received from flow-through share issuances that have not been spent and are held by the Company for such expenditures. As at January 31, 2007, the amount of flow-through proceeds remaining to be expended is \$nil (2006 - \$nil).

(k) Joint interest operations

The Company's petroleum and natural gas exploration and production activities are conducted jointly with others and, accordingly, the financial statements reflect only the Company's proportionate interest in such activities.

WYN DEVELOPMENTS INC.
Notes to Financial Statements
Years Ended January 31, 2007 and 2006

5. FINANCIAL INSTRUMENTS

(a) Fair value

The carrying values of cash, accounts receivable, and accounts payable and accrued liabilities approximate their fair values due to the short-term to maturity of these financial instruments.

(b) Interest rate risk

The Company is not exposed to significant interest rate price risk due to the short-term to maturity of its monetary assets and liabilities.

(c) Credit risk

The Company is exposed to credit risk with respect to its cash; however, the risk is minimized as cash is held at a major financial institution.

6. CAPITAL ASSETS

	2007		2006	
	Cost	Accumulated Amortization	Net	Net
Leasehold improvements	\$ 14,967	\$ 1,497	\$ 13,470	\$ 0
Furniture and equipment	3,200	320	2,880	0
	\$ 18,167	\$ 1,817	\$ 16,350	\$ 0

WYN DEVELOPMENTS INC.
Notes to Financial Statements
Years Ended January 31, 2007 and 2006

7. INVESTMENT IN AND EXPENDITURES ON RESOURCE PROPERTIES

Expenditures incurred on the Company's resource properties are as follows:

	Duffy Easter/ Ferguson	Blustry/ Rand Project	Hearne Channel	Thrust Project	Total
Balance, January 31, 2005	\$ 345,906	\$ 297,455	\$ 271,759	\$ 0	\$ 915,120
Acquisition costs	97,500	40,500	88,000	259,500	485,500
Exploration costs					
Geophysics	0	75,643	41,723	152,812	270,178
Helicopter and equipment rental	0	43,000	7,479	92,803	143,282
Staking, recording fees and general	2,250	31,432	34,290	24,977	92,949
Camp and supplies	0	18,786	57,377	9,573	85,736
Drilling	0	0	85,000	0	85,000
Geology and engineering	0	15,338	50,187	16,500	82,025
Site personnel	0	22,217	0	0	22,217
Travel	0	0	9,365	0	9,365
Assay and recording	0	0	5,804	0	5,804
Expense recovery	0	(35,313)	0	0	(35,313)
Total additions during year	99,750	211,603	379,225	556,165	1,246,743
Less: Write-off of resource properties	(348,155)	(471,023)	0	0	(819,178)
	(248,405)	(259,420)	379,225	556,165	427,565
Balance, January 31, 2006	97,501	38,035	650,984	556,165	1,342,685
Acquisition costs	54,000	0	46,000	15,000	115,000
Exploration costs					
Assay and recording	0	330	0	2,041	2,371
Camp and supplies	0	393	0	0	393
Geology and engineering	0	0	0	45,000	45,000
Helicopters	0	0	0	1,631	1,631
Mining tax credits	0	0	0	(470)	(470)
Total additions during year	54,000	723	46,000	63,202	163,925
Less: Write-off of resource properties	(151,501)	(724)	0	0	(152,225)
	(97,501)	(1)	46,000	63,202	11,700
Balance, January 31, 2007	\$ 0	\$ 38,034	\$ 696,984	\$ 619,367	\$ 1,354,385

(a) Ferguson Lake Property

During the year ended January 31, 2006, given minimal exploration activity, the Company wrote-down its investment in the Ferguson Lake Property to \$1 and during the year ended January 31, 2007 wrote-off its investment.

7. INVESTMENT IN AND EXPENDITURES ON RESOURCE PROPERTIES (Continued)

(b) Blustry Mountain Project

On July 1, 2003 (as amended January 1, 2004), the Company signed a letter of intent whereby the Company has been granted an option to acquire a 100% interest in 70 units, comprising approximately 3,640 acres in the Clinton Mining Division, British Columbia and referred to as the Blustry Mountain Project. The property is located 18 kilometres southeast of Lillooet within the Fountain-Lytton ranges of southern British Columbia.

In order to exercise the option, the Company must undertake an exploration work program of \$1,000,000, issue an aggregate of 350,000 common shares of the Company, and make option payments totalling \$120,000 over a four-year period as follows:

- (i) Payment of \$10,000 on or before July 1, 2003 (paid);
- (ii) Payment of \$15,000 (paid), issuance of 50,000 common shares (issued) upon signing amended agreement on January 1, 2004;
- (iii) Payment of \$10,000 on or before July 1, 2004 (paid);
- (iv) Incurring expenditures on the claims of \$100,000 by July 31, 2004 (incurred);
- (v) Payment of \$10,000 (paid), issuance of 50,000 common shares (issued), and incurring expenditures on the claims of an additional \$200,000 by December 31, 2004 (the Company has received a verbal extension on this date such that all obligations will be caught up as of July 1, 2006);
- (vi) Payment of \$15,000 on or before July 1, 2005; \$7,500 paid July 2005, balance paid October 2005;
- (vii) Payment of \$15,000, issuance of 100,000 common shares, and incurring expenditures on the claims of an additional \$300,000 by December 31, 2005;
- (viii) Payment of \$25,000 on or before July 1, 2006; and
- (ix) Payment of \$25,000, issuance of 100,000 common shares, and incurring expenditures on the claims of an additional \$400,000 by December 31, 2006.

The claims are subject to a 2.5% NSR. The Company has the option to purchase 1.5% of the NSR for a lump sum of \$1,500,000 upon or prior to commencement of commercial production (thereby reducing the NSR to 1%).

7. INVESTMENT IN AND EXPENDITURES ON RESOURCE PROPERTIES (Continued)

(b) Blustry Mountain Project (Continued)

In addition, should a positive feasibility be completed and/or any commercial production attained, a bonus of 650,000 common shares of the Company shall be payable to the optionors within 12 months of the event. As well, an advance on royalties of \$20,000 per year is payable to the optionor, commencing October 1, 2008.

During the year ended January 31, 2006, due to various difficulties encountered with respect to continued exploration efforts, the Company wrote-down its investment in the Blustry Mountain Project. During the year ended, January 31, 2007, the Company wrote-off their investment in the Blustry Mountain Project.

(c) Rand Property

On October 14, 2003, the Company acquired a 100% interest in an additional 668 mineral property units adjacent to the Blustry Mountain Project known as the Rand Property. The claims cover approximately 16,700 hectares tying onto the north and south of the Blustry Mountain Project in the Clinton Mining Division of southwest British Columbia. The property is located approximately 18 kilometres southeast of Lillooet within the Fountain-Lytton mountain ranges.

Under the terms of the agreement, the Company paid for reimbursement of staking costs in the amount of \$28,789 and issued 2,000,000 warrants. Each warrant is exercisable into one common share of the Company at a price of \$0.15 per share at anytime over a two-year period until October 14, 2005, of which 1,800,000 were exercised and the balance of 200,000 expired. In addition, 1,000,000 bonus common shares of the Company are payable, should an economically feasible deposit containing greater than 500,000 ounces gold-silver be placed into production from the claims.

As part of the inclusive sale price, the optionor will provide geological consulting services for the claims and will maintain the claims in good standing for a period of 12 months with fees to be advanced by the Company prior to the anniversary dates. Additionally, for a period of 36 months from the date of signature of the agreement, and except for mining claims owned at the date of signature of the agreement, the optionor grants the Company the right to purchase any mining claims owned or purchased by the Company located within a one-mile distance from any of the claims purchased in the Rand Property for a price equivalent to the cost of acquiring such claims by the optionor.

The claims are subject to a 2% NSR. The Company has the option to purchase 1% of the NSR for a lump sum of \$1,000,000 within 12 months from commencement of commercial production. Advance royalties of \$25,000 will be paid annually commencing October 14, 2008.

7. INVESTMENT IN AND EXPENDITURES ON RESOURCE PROPERTIES (Continued)

(d) Hearne Channel Property/Coni Mineral Claims

On March 21, 2004, the Company entered into an option agreement with Impala Resource Service Ltd. ("Impala"), to purchase a 100% interest in certain mineral claims known as the Coni mineral claims which comprises approximately 4,000 acres in the Hearne Channel area located some 135 kilometers southeast of Yellowknife, Northwest Territories, subject to regulatory approval (received subsequent to year-end), in consideration of the following:

- cash payments totalling \$30,000 and share issuances totalling 600,000 common shares of the Company to be paid and or issued as follows:
 - (a) Payment of \$10,000 on or before the 5th business day following regulatory approval (approval received May 14, 2004) (paid);
 - (b) Issuance of 200,000 common shares on or before May 14, 2004 (issued);
 - (c) Payment of \$10,000 on or before May 14, 2005 (paid);
 - (d) Issuance of 200,000 common shares on or before May 14, 2005 (issued);
 - (e) Payment of \$10,000 on or before May 14, 2006; (paid); and
 - (f) Issuance of 200,000 common shares on or before May 14, 2006 (issued).

An annual royalty equal to 2% of the NSR, as defined in Section 1(c) of the Agreement, subject only to the Company's option to purchase ½ of the NSR (1%) for a one-time payment of \$1,000,000.

(e) Duffy and Easter Claims

- (i) The Company acquired the right to earn 100% interest in a group of claims (Duffy 1 and 2 and the Easter 1, 2, and 3 claims) on Easter Island encompassing approximately 2,500 acres, 70 miles southeast of Yellowknife, Northwest Territories by paying a total of \$30,000 and 650,000 shares in staged payments over time. This property covers a geological environment similar to Wyn's Hearne Channel nickel - cobalt project, some 50 kilometres northeast.

7. INVESTMENT IN AND EXPENDITURES ON RESOURCE PROPERTIES (Continued)

(e) Duffy and Easter Claims (Continued)

- (ii) On February 23, 2005, the Company entered into an option agreement with WGT Consultants (NWT) Ltd. ("WGT") wherein the Company will acquire the right to earn a 100% interest in a group of claims on Easter Island (Duffy 1 and 2, and Easter 1, 2 and 3) encompassing approximately 2,500 acres and located 70 miles southeast of Yellowknife, Northwest Territories, in consideration of the following:

The Company will pay to WGT:

- \$10,000 cash on or before the fifth business day following acceptance of the Agreement by the Exchange (the "Effective Date") (paid);
- \$10,000 cash on or before the date 12 months following the Effective Date (February 2006) (paid); and
- \$10,000 cash on or before the date 24 months following the Effective Date (February 2007).

The Company will issue to WGT:

- 250,000 common shares on or before the Effective Date (issued);
- 200,000 common shares on or before the date 12 months following the Effective Date (February 2006) (issued); and
- 200,000 common shares on or before the date 24 months following the Effective Date (February 2007).

During the year ended January 31, 2007, due to various difficulties encountered with respect to continued exploration efforts, the Company wrote-off its investment in the Duffy and Easter claims.

7. INVESTMENT IN AND EXPENDITURES ON RESOURCE PROPERTIES (Continued)

(f) Thrust Project

On April 25, 2005, the Company entered into an option agreement with United Exploration Management Inc. ("United") to acquire a 100% interest in and to 151 mineral claims located in the Liard Mining Division, subject to the NSR royalty, in consideration of \$75,000 in property payments and the issuance of 1,350,000 shares to United as follows:

- (i) The Company shall earn the interest by:
- paying \$25,000 to United upon the execution hereof (paid);
 - paying \$50,000 property payment to United on the sooner of the Exchange's approval or August 1, 2005 (paid); and
 - paying \$15,000 advance royalty payments to United on or before July 1 of each year starting 2006.
- (ii) Issuing 1,350,000 shares to United as follows:
- 450,000 shares on or before July 1, 2005, subject to the Exchange's acceptance (issued);
 - 450,000 shares on or before July 1, 2006; and
 - 450,000 shares on or before July 1, 2007.

The Company shall issue to United 1,500,000 shares, upon the completion of a positive feasibility report recommending that the Property be put into production. These shares shall also be issued in the event of a takeover or merger of the Company or the Project prior, to the Company attaining commercial production.

Subsequent to January 31, 2007, the Company was granted an extension on the payment of the \$15,000 advance royalty payment due to July 1, 2006 and the 450,000 shares to be issued on or before July 1, 2006 to June 1, 2007.

The investment in and expenditures on resource properties comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

WYN DEVELOPMENTS INC.
Notes to Financial Statements
Years Ended January 31, 2007 and 2006

8. OIL AND GAS INTERESTS

Expenditures incurred on the Company's oil and gas interests during the years ended January 31, 2007 and 2006 are as follows:

	Bougie/ Trutch Property	Trutch East Property	Prophet River Property	Total
Balance, January 31, 2005	\$1,482,155	\$ 0	\$ 0	\$1,482,155
Acquisition costs	120,000	0	0	120,000
Exploration costs				
Drilling and supplies	467,758	0	0	467,758
General fees	43,101	0	0	43,101
Geology and engineering	12,310	0	0	12,310
Expense recovery	(470)	0	0	(470)
Total additions during year	642,699	0	0	642,699
Balance, January 31, 2006	2,124,854	0	0	2,124,854
Acquisition costs	0	9,000	250,000	259,000
Exploration costs				
Drilling and supplies	165,215	310,506	4,705,595	5,181,316
Equipping	0	27,581	0	27,581
General fees	16,028	2,333	11,954	30,315
Geology and engineering	0	0	3,792	3,792
Seismic 3D	0	0	600,000	600,000
Trutch & Bougie Tie-In	0	390,856	0	390,856
Trutch farm	0	2,692	0	2,692
Total additions during year	181,243	742,968	5,571,341	6,495,552
Balance, January 31, 2007	\$2,306,097	\$ 742,968	\$5,571,341	\$8,620,406

(a) Bougie Trutch Oil and Gas Property

The Company entered into a participation agreement (the "Agreement") with Tenaka Drilling Consortium Ltd. ("Tenaka") dated as of December 6, 2004, wherein the Company was granted the right to participate in the drilling and completion of a test well on the Bougie/Trutch area prospect in north eastern British Columbia to earn:

- (i) a 15% working interest in the well and the Slave Point to basement zones in 26 sections of land (the "Farmout Lands") subject to a 3% gross overriding royalty ("GORR") with respect to the Slave Point to basement zones;

WYN DEVELOPMENTS INC.
Notes to Financial Statements
Years Ended January 31, 2007 and 2006

8. OIL AND GAS INTERESTS (Continued)

(a) Bougie Trutch Oil and Gas Property (Continued)

- (ii) a 15% working interest in all zones from surface to a depth shallower than the top of the Slave Point formation in the Spacing Unit of the Test Well subject to a convertible GORR of net 3% together with a 15 % working interest in five additional contiguous sections (the "Earning Block");
- (iii) the right to participate with Tenaka for one year from the Test Well rig release in the drilling of such additional well as Tenaka may elect to drill (the "Option Well") on any block not earned by the Test Well to earn a 15% working interest in the Earning Block on the same terms as the Test Well;
- (iv) the right to participate in the drilling of wells (the "Joint Wells") proposed by Tenaka over a period of six months from the earning in the Test Well on the Farmout Lands or the Earning Block for the following consideration:

The Company paid:

- (i) \$25,000 as a non-refundable fee for a right of first refusal (paid);
- (ii) \$50,000 upon the signing of the Agreement (paid);
- (iii) \$1,221,000 upon receipt of a cash call for the drilling of a test well, representing 15% of the total cost of drilling the test well (paid); and
- (iv) upon receipt of a cash call, its proportionate share of the drilling, completion and tie-in costs of any Option or Joint Wells (paid).

The Company had to issue to Tenaka:

- (i) 300,000 common shares upon execution of the Agreement (issued); and
- (ii) 300,000 common shares upon spudding of the test well (issued), and 375,000 common shares upon tie-in of the test well. At this time, the Company will also issue 375,000 common share purchase warrants, exercisable for a period of two years at the maximum discount allowed by the Exchange (not completed due to abandonment of well). The exercise price of the warrants will be determined at the time of issuance of shares on the tie-in of the test well.

In connection with the acquisition, the Company paid a finder's fee to Gatmar Management Corporation ("Gatmar") of 402,692 common shares of the Company (the "Finder's Fee") for introducing the project to the Company (issued).

(b) The Trutch East Property

On November 20, 2006, the Company acquired a 15% working interest in the 15 square-mile Trutch East Natural Gas Lease Package ("Trutch East").

Under the terms of the Trutch East Participation Agreement (the "Participation Agreement"), the Company has the right to earn a 15% rolling working interest in 15 sections of the Trutch East lands.

8. OIL AND GAS INTERESTS (Continued)

(b) The Trutch East Property (Continued)

Upon execution of this Participation Agreement, the Company issued to Tenaka both cash and common shares as finders' fees at three defined stages in the following amounts:

- (i) \$3,000 non-refundable deposit upon signing the Right of First Refusal (paid);
- (ii) \$6,000 non-refundable deposit upon execution of the Participation Agreement (paid);
and
- (iii) \$36,000 in common shares. The shares issued will be based on the average market price based on the previous ten days from execution of the Participation Agreement (issued subsequent to 2007 fiscal year end) (note 10(a)).

(c) Prophet River Property

On February 2, 2006, the Company signed a letter of agreement ("Agreement") to acquire a right of first refusal ("ROFR") to participate in a 21.33% working interest in the drilling of a Slave Point test well located in the Prophet River area of northeastern British Columbia, as well as a 3-D seismic program. The Company paid \$50,000 for this ROFR and will have the right to earn a 21.33% working interest in 11 sections of leases and the test well from the surface to the deepest depth drilled by paying 33.33% of the cost of the 3-D seismic program and 33.33% of the costs of drilling, completion and tie-in of the test well.

The operator will test multiple potential pay zones of natural gas including the Slave Point Formation. This working interest is subject to a non-convertible 2.5% overriding royalty to the 100% working interest. The operator has the right to convert its 35% working interest to a 12.5% non-convertible GORR within 30 days of receipt of production test information.

If the operator converts its working interest to a royalty, the Company's working interest will increase from a 21.67% working interest to a 33.33% working interest.

The Company entered into a participation agreement with Tenaka dated as of March 30, 2006 wherein the Company has been granted the right to participate in the drilling and completion of a test well on the Prophet River area prospect in order to earn:

- (i) 33.33% of the interest Tenaka earns or acquires in the Farmout Lands;
- (ii) 33.33% of the Pre Farmout working interest Tenaka earns or acquires;
- (iii) 33.33% of Tenaka's right to participate in the area encompassing one natural gas spacing unit around the Farmout Lands known as the "Mutual Interest Lands";
and

WYN DEVELOPMENTS INC.
Notes to Financial Statements
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8. OIL AND GAS INTERESTS (Continued)

(c) Prophet River Property (Continued)

(iv) The Company paid:

- (i) \$50,000 for the right to participate (paid); and,
- (ii) \$50,000 upon the signing of the Agreement (paid);

The Company issued to Tenaka:

- (i) common shares with a value of \$75,000 upon execution of the Agreement (issued);
- (ii) common shares with a value of \$75,000 upon spudding of the test well (issued);
- (iii) common shares with a value of \$200,000 as of the date of the Agreement should proven and probable reserves in excess of 75 billion cubic feet of gas be established.

Subsequent to January 31, 2007, the operator of the property converted its 35% working interest to a 12.5% non-convertible GORR.

9. RELATED PARTY TRANSACTIONS

- (a) Included in management fees is \$nil (2006 - \$12,500) paid to a company controlled by a former director/officer for management services;
- (b) Included in management fees is \$40,000 (2006 - \$nil) paid to a company controlled by a director/officer for management services;
- (c) Included in rent is \$nil (2006 - \$13,889) paid to a company controlled by a former director/officer of the Company for use of shared office space;
- (d) Included in investment in and expenditures on resource properties is \$nil (2006 - \$10,699) for exploration expenditures incurred on behalf of the Company by a company controlled by a director/officer; and
- (e) Included in travel and promotion and telephone expenses is \$21,815 (2006 - \$152,426) for costs incurred on behalf of the Company by a director/officer of the Company.

All of the above transactions and balances 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.

WYN DEVELOPMENTS INC.
Notes to Financial Statements
Years Ended January 31, 2007 and 2006

10. CAPITAL STOCK

- (a) Authorized
 Unlimited common shares without par value
- (b) Issued and outstanding

	Number of Shares	Amount
Balance - January 31, 2005	41,363,576	\$ 10,445,087
Issued for cash - Private placements	4,483,223	1,613,960
Issued for property		
For Blustry Mountain (note 7(b))	250,000	45,500
For Hearne Channel (note 7(d))	450,000	175,500
For Bougie/Trutch property (note 8(a))	300,000	120,000
For Thrust Project (note 7(f))	450,000	184,500
Issued for cash - Exercise of warrants	7,835,000	1,890,450
Issued for cash - Exercise of stock options	2,515,000	367,200
Transferred from contributed surplus on exercised stock options	-	356,516
Share issuance costs	-	(60,876)
Balance - January 31, 2006	57,646,799	15,137,837
Issued for cash - Private placements	15,914,886	5,843,340
Issued for property – Prophet River (note 8(c))	384,616	150,000
Issued for property – mineral		
For Hearne Channel	200,000	36,000
For Duffy/Easter Claims	200,000	44,000
Issued for cash - Options exercised	675,000	121,500
Return to treasury	(100,000)	(36,000)
Cancellation of escrow shares	(250,000)	(65,935)
Transferred from contributed surplus on exercised stock options	-	112,500
Share issuance costs	-	(479,233)
Balance - January 31, 2007	74,671,301	\$ 20,864,009

On February 8, 2005, pursuant to a subscription agreement, the Company issued an aggregate of 2,222,223 units at \$0.36 each for cash proceeds of \$800,000. Each unit consists of one common share and one share purchase warrant, exercisable into one additional common share for payment of \$0.42 for a period of one year from the date of closing (extended to June 8, 2006 as of January 12, 2006).

WYN DEVELOPMENTS INC.
Notes to Financial Statements
Years Ended January 31, 2007 and 2006

10. CAPITAL STOCK (Continued)

(b) Issued and outstanding (Continued)

On March 14, 2005, pursuant to a subscription agreement, the Company issued an aggregate of 300,000 units at \$0.36 each for cash proceeds of \$108,000. Each unit consists of one common share and one non-transferable common share purchase warrant, exercisable into one additional common share for payment of \$0.42 for a period of one year from the date of closing.

On August 26, 2005, pursuant to a subscription agreement, the Company issued an aggregate of 1,961,000 units at \$0.36 each for cash proceeds of \$705,960. Each unit consists of one common share and one-half share purchase warrant, exercisable into one additional common share for payment of \$0.45 for a period of one year from the date of closing.

On May 25, 2006, pursuant to a subscription agreement, the Company issued 3,914,315 non-flow-through units at \$0.38 each for cash proceeds of \$1,487,440. Each unit consists of one common share and one-half share purchase warrant, exercisable into one additional non-flow-through common share for payment of \$0.50 for a period of one year from the date of closing. Finder's fees of \$164,985 and share issuance costs of \$10,313 were paid in cash.

On May 25, 2006, pursuant to a subscription agreement, the Company issued 1,056,000 flow-through units at \$0.45 each for cash proceeds of \$475,200. Each unit consists of one flow-through common share and one-half share purchase warrant, exercisable into one additional non-flow-through common share for payment of \$0.50 for a period of one year from the date of closing.

On August 28, 2006, pursuant to a subscription agreement, the Company issued 2,748,571 non-flow-through units at \$0.35 each for cash proceeds of \$962,000. Each unit consists of one common share and one share purchase warrant, exercisable into one additional non-flow-through common share for payment of \$0.45 for a period of one year from the date of closing. Finder's fees of \$76,325 and share issuance costs of \$5,398 were paid out in cash.

On November 29, 2006, pursuant to a subscription agreement, the Company issued 7,695,000 non-flow-through units at \$0.35 each for cash proceeds of \$2,693,250. Each unit consists of one common share and one share purchase warrant, exercisable into one additional non-flow-through common share for payment of \$0.45 for a period of one year from the date of closing. Finder's fees of \$207,119 were paid in cash and share issuance costs of \$15,093 were incurred.

On November 29, 2006, pursuant to a subscription agreement, the Company issued 501,000 flow-through units at \$0.45 each for cash proceeds of \$225,450. Each unit consists of one flow-through common share and one flow-through purchase warrant, exercisable into one additional non-flow-through common share for payment of \$0.50 for a period of one year from the date of closing.

The Company was required to return 100,000 shares to treasury due to the purchaser being involved in a dispute regarding the financing of the purchase.

WYN DEVELOPMENTS INC.
Notes to Financial Statements
Years Ended January 31, 2007 and 2006

10. CAPITAL STOCK (Continued)

(c) Contributed surplus

	2007	2006
Contributed surplus, beginning of year	\$ 969,270	\$ 469,016
Stock-based compensation for year	324,226	856,770
Transferred to capital stock on exercise of stock options	(112,500)	(356,516)
Transferred from capital stock upon return of escrow shares to treasury	65,935	0
Contributed surplus, end of year	\$ 1,246,931	\$ 969,270

(d) Stock options

	2007		2006	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Options outstanding and exercisable, beginning of year	4,375,000	\$ 0.42	3,150,000	\$ 0.22
Granted	1,500,000	\$ 0.39	3,850,000	\$ 0.39
Cancelled	(150,000)	\$ 0.39	0	\$ 0.00
Exercised	(675,000)	\$ 0.18	(2,625,000)	\$ 0.15
Options outstanding and exercisable, end of year	5,050,000	\$ 0.42	4,375,000	\$ 0.42

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for stock options. During the year ended January 31, 2007, 1,500,000 (2006 - 3,850,000) options were granted, which resulted in stock-based compensation totalling \$324,226 (2006 - \$856,770).

The fair value of each option grant is calculated using the following weighted average assumptions:

	2007	2006
Expected life (years)	2.00	2.00
Interest rate	4.20%	3.00%
Volatility	103%	122%
Dividend yield	0.00%	0.00%

WYN DEVELOPMENTS INC.
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10. CAPITAL STOCK (Continued)

(d) Stock options (Continued)

As at January 31, 2007, the following share purchase options were outstanding:

Expiry Date	Exercise Price	Number of Shares	
		2007	2006
October 26, 2006	\$ 0.18	0	675,000
February 14, 2007	\$ 0.36	550,000	550,000
March 11, 2007	\$ 0.41	650,000	650,000
September 20, 2007	\$ 0.39	2,350,000	2,500,000
March 30, 2008	\$ 0.39	350,000	0
June 21, 2008	\$ 0.39	1,150,000	0
		5,050,000	4,375,000

Subsequent to January 31, 2007, 550,000 options with an expiry date of February 14, 2007 and 650,000 options with an expiry date of March 11, 2007 expired unexercised.

(e) Share purchase warrants

A summary of the status of share purchase warrants as of January 31, 2007 and changes during the years ended on those dates is presented below:

	2007		2006	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Warrants outstanding and exercisable, beginning of year	3,502,723	\$ 0.42	7,510,000	\$ 0.23
Granted	13,429,729	\$ 0.45	3,502,723	\$ 0.43
Expired	(3,502,723)	\$(0.42)	(250,000)	\$(0.17)
Exercised	0	\$ 0.00	(7,260,000)	\$(0.24)
Warrants outstanding and exercisable, end of year	13,429,729	\$ 0.45	3,502,723	\$ 0.42

WYN DEVELOPMENTS INC.
Notes to Financial Statements
Years Ended January 31, 2007 and 2006

10. CAPITAL STOCK (Continued)

(e) Stock purchase warrants (Continued)

As at January 31, 2007 and 2006 the following share purchase warrants were outstanding:

Expiry Date	Exercise Price Per Share	Number of Shares	
		2007	2006
June 8, 2006	\$ 0.42	0	2,222,223
March 14, 2006	\$ 0.42	0	300,000
November 29, 2006	\$ 0.45	0	980,500
May 25, 2007	\$ 0.50	528,000	0
May 25, 2007	\$ 0.50	1,957,158	0
August 28, 2007	\$ 0.45	2,748,571	0
November 29, 2007	\$ 0.45	7,695,000	0
November 29, 2007	\$ 0.50	501,000	0
		13,429,729	3,502,723

Subsequent to January 31, 2007, the expiry dates of the warrants expiring May 25, 2007, August 28, 2007 and November 29, 2007, were each extended for a period of one year.

(f) Escrow shares

At January 31, 2007, the Company had a balance of 510,000 shares still in escrow and are to be released as follows:

- (i) 255,000 – February 16, 2007
- (ii) 255,000 – August 16, 2007.

11. INCOME TAXES

The components of future income tax assets are as follows:

	2007	2006
Future income tax assets		
Non-capital loss carry-forwards for Canadian income tax purposes	\$ 2,602,000	\$ 2,254,700
Net capital loss carry-forwards for Canadian income tax purposes	2,741,800	2,741,800
Share issue costs	428,000	63,600
Canadian property resource expenditures	945,000	4,519,000
	6,716,800	9,579,100
Tax rate	34.12%	34.12%
	2,291,772	3,268,389
Valuation allowance	(2,291,772)	(3,268,389)
	\$ 0	\$ 0

WYN DEVELOPMENTS INC.
Notes to Financial Statements
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11. INCOME TAXES (Continued)

The valuation allowance reflects the Company's estimate that the tax assets, more likely than not, will not be realized.

The Company has available approximate non-capital losses that may be carried forward to apply against future years' income for Canadian income tax purposes. The losses expire as follows:

Available to	Amount
2008	\$ 148,400
2009	38,500
2010	110,700
2014	343,800
2015	649,700
2016	582,900
2027	728,000
	\$ 2,602,000

The Company has approximately \$2,741,800 of net capital losses that can be applied against future taxable capital gains in Canada, which carry-forward indefinitely.

The Company has resource tax pool deductions of approximately \$10,920,000, which may be carried forward indefinitely to apply against future income for Canadian tax purposes.

The reconciliation of income tax provision computed at statutory rates to the reported income tax provision is as follows:

	2007	2006
	34.12%	34.12%
Income tax benefit computed at Canadian statutory rates	\$ 374,000	\$ 791,000
Deferred financing fees	40,000	7,000
Write-off of resource properties	(52,000)	(280,000)
Non-deductible stock-based compensation	(111,000)	(292,000)
Other	(3,000)	(27,000)
Unrecognized tax losses	(248,000)	(199,000)
	\$ 0	\$ 0

12. CONTINGENCY

Commencing in March 2005, the Company received letters from the operators of the Bougie Trutch Oil and Gas property requesting additional funding in the amount of \$137,326 for payment of expenditures. In 2007, the Company requested an external audit of the Bougie Trutch Oil and Gas property from the operators. One week prior to the commencement of the audit the operators requested payment of these expenditures. It is the Company's position that the operators' request is without merit. The Company believes it has not received sufficient documentation from the operators to justify payment of the expenditures. The Company believes the operators should not be incurring these expenditures on the premise that the well has been abandoned by the operators for a significant period of time.

13. SUBSEQUENT EVENTS

- (a) On February 20, 2007 the Company issued 92,308 common shares to Tenaka at a calculated value of \$36,000 (note 8(b)(iii)). These shares represent payment of finder's fees owed for the Participation Agreement.
- (b) The Company has entered into two loan agreements for total proceeds of \$200,000. The president of the Company and a third party (collectively known as "Lenders") have each agreed to loan \$100,000 to the Company subject to the following terms:
 - (i) Loans are repayable within six months ("maturity date");
 - (ii) The Company is required to pay interest at a rate of 5% per annum on the portion of the loan amount which remains outstanding after the maturity date; and
 - (iii) The Company has agreed to pay bonuses to the Lenders equal to 15% of the loan amount, payable in common shares of the Company at an agreed price of \$0.25 per share, subject to Exchange policies.
- (c) The Company signed a letter of intent on March 27, 2007 to pursue a potential business merger with Big Horn Petroleum Ltd. and Flying A Petroleum Ltd. (the "Participants") and Tenaka (the "Vendor") The proposal involves incorporating a new corporate entity ("Newco") that will issue equity instruments to acquire the net assets of the Company, the Participants and the Vendor. Each party's share in Newco will depend on their market capitalization, net assets, future income tax assets and working interest in the Natural Gas Projects at acquisition date.
- (d) On February 16, 2007, the Company released 255,000 common shares from escrow.