

# **WYN DEVELOPMENTS INC.**

## **MANAGEMENT DISCUSSION & ANALYSIS**

For the Twelve-month Periods Ended January 31, 2007 and 2006

(May 31, 2007)

### **FORWARD LOOKING STATEMENTS**

Certain statements contained in the report constitute forward-looking statements. When used in this document the words “anticipate”, “believe”, “estimate”, “expect”, “plan”, “future”, “intend”, “may”, “will”, “should”, “predicts”, “potential”, “continue”, and similar expressions, as they relate to Wyn Developments Inc. or its management, are intended to identify forward-looking statements. Such statements reflect current views of Wyn Developments Inc. with respect to future events and are subject to certain known and unknown risks, uncertainties and assumptions. These statements should not be relied upon. Many factors could cause the actual results, performance or achievements to be materially different for many future results, performance or achievements that may be expressed or implied by such forward-looking statements. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward looking statements prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. Wyn Developments Inc. does not intend, and does not assume any obligation to update these forward looking statements.

### **DESCRIPTION OF BUSINESS**

The Company is engaged in the business of acquiring, exploring and, if warranted, developing mineral, and gas resource properties. The Company is currently exploring the following property groups;

1. Bougie Trutch and Trutch East area gas prospects in north eastern British Columbia - participation agreement with Tenaka Drilling Consortium Ltd.
2. Prophet River- Northeastern British Columbia
3. Polymetallic Thrust Project. – Northeastern British Columbia
4. Ferguson Lake Project in Nunavut Territory,
5. Blustry/Rand Project in the Clinton Mining Division of British Columbia
6. Hearne Channel Mineral Claims – Northwest Territories

### **RESOURCE PROPERTIES**

#### **Bougie/Trutch Area – Participation Agreement**

In 2004, the Company entered into a participation agreement (the “Agreement”) with Tenaka Drilling Consortium Ltd. (“Tenaka”), wherein the Company was granted the right to participate in the drilling and completion of a gas test well on the Bougie/Trutch area prospect in northeastern British Columbia. This well, which was drilled and abandoned in late March 2005, completed the Company’s obligation.

In May 2005, the Company earned its 15% working interest in 26 sections (26 square miles) from the top of the Slave Point formation to the basement rock pursuant to the participation agreement. The Company has also earned its working interest under varying terms and conditions in all Producing Natural Gas (“PNG”) zones from the surface to those zones shallower than the top of the Slave Point.

Management has allocated funds from treasury and intends to participate in the drilling of at least three wells to continue to earn rights shallower than the top of the slave point in an additional 18 square miles of the Bougie/Trutch land package. The Company has received formal notification for the drilling of the first **shallow gas well** by the Farmout Corporation involved in the Shell-et-al Bougie/Trutch play in North Eastern British Columbia.

The Company was informed by the Operator of the C-036-A/094-G-15 well that this well was spudded on December 12, 2005.

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### BOUGIE/TRUTCH AREA – PARTICIPATION AGREEMENT (continued)

The company is participating in its 15% per-cent working interest in the C-036-A/094-G-15 shallow gas well by the farm-out corporations involved in the Shell et al. Bougie/Trutch play in northeastern British Columbia. Upon reaching total depth, the well will represent an additional six sections (six square miles) from the surface to all zones shallower than the Slave Point added to the company's landholdings.

On February 6, 2006, the Company received a completion notice from the Operator of the A-13-B/94-G-15 well in Northeastern British Columbia.

Focus Energy Trust (FET.UN), the Operator, updated the participants with respect to the results of this winter's two-well drilling program. The two wells have been completed and flow tested and the results are currently being evaluated. The partners are working together to develop the scope of the 2006/2007 winter drilling program, the details of which should be available in August.

The C-36-A well was originally classified as a "Development Well" as defined by the *Petroleum and Natural Gas Act; Drilling and Production Regulation*, under the enforcement of the British Columbia Oil and Gas Commission. As such, per the section 57 (4)(a) the Operator of well C-36-A is entitled to keep well data confidential up until "2 calendar months after the date of release of the drilling rig for (the) well or portion of (the) well classified as a development well." In light of the Operator's interpretation of the C-36-A well and prior to the release of the well data, the C-36-A well was reclassified by the British Columbia Oil & Gas Commission at the request of the Operator to an "Exploration Wildcat" well. The completion results of this "Exploration Wildcat" well are now classified as "tight" at the request of the Operator and therefore no information on the well will be released until Feb 13, 2007 unless approved by the Operator.

As previously reported, the two "Halfway" wells drilled in December 2005 and January 2006 at Bougie Trutch were successful, as the Operator tested and set production casing on both wells. The BC Oil and Gas Commission also confirmed that the c-36-A well proved the existence of a new gas pool. In the upcoming 2006/2007 winter season, the Company will be building upon this success by drilling two additional "Halfway" formation delineation wells near the original C-36-A well. If successful, these three wells should be tied-in for production by March 2007.

The FET et al Tommy c-36-A well was spudded on December 12, 2005 and reached a Total Depth of 1275 meters on December 19, 2005 within the Triassic Montney Formation. Schlumberger well logs have indicated a (25.7 meter gross) Triassic Halfway Formation sandstone reservoir. This well was perforated over a six meter interval and after a 4 day flow test the well was shut-in (January 9, 2006) with a final rate of 46.73 E3M3/d (**1.65 Million Cubic Feet per day**) on a 38.1mm choke. The British Columbia Oil & Gas Commission has confirmed this is a New Pool Discovery. Two offsetting wells have been licensed by the Operator, Focus Energy Trust, for the upcoming 2006/2007 winter drill season, and if successful, these offset wells and c-36-A will be tied-in for production late 1<sup>st</sup> Quarter 2007.

The FET et al Trutch a-13-B well was spudded on January 20, 2006 and reached a Total Depth of 1223 meters on January 25, 2006 within the Triassic Doig Formation. Schlumberger well logs have indicated a (24 meter gross) Triassic Halfway Formation sandstone reservoir. This well was perforated and completed by the Operator in the Triassic Halfway Formation and after a 5 day flow test the well was shut-in (February 16, 2006) with a final rate of 23.32 E3M3/d (**827.8 Thousand Cubic Feet per day**) on a 38.1mm choke. In addition, 18 meters of Triassic Charlie Lake Formation was present and log analysis suggests gas saturation during this interval, although this formation has not yet been perforated or stimulated for testing. This well is not producing at present. The a-13-B well is located 5.5 kilometers west-southwest of c-36-A and both are now confirmed Triassic Halfway Formation sandstone reservoirs.

# **WYN DEVELOPMENTS INC.**

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### **THE TRUTCH EAST PROPERTY**

The Trutch East is located in the prolific natural gas producing Western Canadian Sedimentary Basin in northeastern British Columbia on trend with the East to West industry expansion of pipeline and support infrastructure. The Trutch East lands consist of 15 sections (district spacing units) of which at least 12 hold the potential for a total of up to 24 Triassic Halfway development wells (upon half-spacing drilling targets). The property adjoins the Company's 26 square-mile Bougie Trutch lands and is situated between the successful c-36-A/94-G-15 Triassic Halfway Discovery well and the Tommy Lake Triassic Halfway Field. Possible undeveloped reserves for the Trutch East are estimated at 60 billion cubic feet (Bcf) of natural gas in the Triassic Halfway Formation based on both 2D and 3D seismic interpretation (non 51-101 compliant).

Under the terms of the Trutch East Participation Agreement (the "Participation Agreement"), the Company will have the right to earn a 15% rolling working interest in 15 sections of the Trutch East lands. This rolling interest will include all zones from the surface through to the Halfway horizon. By participating in the c-25-A/94-G-15 Triassic Halfway development well, the Company will earn the right to participate in additional option wells on the property. The Company will earn each section drilled plus an additional section (of the original 15), as well as the opportunity to participate in the option well (and earning blocks) that follow.

Upon the execution of this Participation Agreement the Company will issue the Farmor, Tenaka Drilling Consortium, both cash and non-assessable common shares as finders' fees at three defined stages in the following amounts:

- (a) CAD \$3,000 non-refundable deposit upon signing the Right of First Refusal (paid).
- (b) CAD \$6,000 non-refundable deposit upon execution of the Participation Agreement (paid).
- (c) CAD \$36,000 in stock. The shares issued will be based on the average market price based on the previous ten (10) days from execution of the Participation Agreement (issued).

### **PROPHET RIVER**

On February 2, 2006, the Company signed a Letter of Agreement to acquire a Right of First Refusal ("ROFR") to participate for a 21<sup>2/3</sup>% 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<sup>2/3</sup>% working interest in 11 sections of leases and the test well from the surface to the deepest depth drilled by paying 33<sup>1/3</sup>% of the cost of the 3D seismic program and the drilling, completion, and tie-in of the test well. The Company will also have the option to earn an additional 10 sections by drilling an option well and will earn the option well and the 10 sections to the total depth drilled.

The Operator of this well, a North American Major Oil and Gas Producer 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 their 35% working interest to a 12.5% non-convertible overriding royalty 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<sup>2/3</sup>% working interest to a 33 1/3% working interest.

Upon the execution of this Agreement, the following will apply; Wyn Developments will issue, in the name of the Farmor, Tenaka Drilling Consortium, a number of fully paid and non-assessable common shares of the Company in three defined stages for the following amounts:

- 1) \$75,000 CAD upon TSX-Venture Exchange approval; (paid);
- 2) \$75,000 CAD upon completion of test well spudding; (paid) and
- 3) \$200,000 CAD subsequent to proven and probable reserves in excess of 75 BCF of gas that are established (all zones) on any or all of the Operator Lands.

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### PROPHET RIVER – (Continued)

The shares issued will be based on the average market price on the date of issuance.

On February 21, 2006, the Company was listed on the Frankfurt Stock Exchange under the trading symbol YXE allowing the company's European shareholder base to have greater access to purchase and sell Wyn shares.

During March 2006, the Company acquired 33.33% of the Prophet River 3-D seismic program, including data, related interpretation, and full trading rights for \$600,000. The terms of the acquisition include a sublicense of the data without trading rights to the contract operator.

The 2D and 3D seismic data has been reviewed by qualified and experienced representatives of all Partner Companies and the major Canadian oil and gas company, who have unanimously approved the well plan. Their interpretation and consensus confirms the following:

- The main target of this project, the Slave Point formation, is a closed, five cycle (full Slave Point) buildup and contains two prospective zones within the formation.
  - i) The first prospective horizon is stratigraphically equivalent to the producing zone of the nearby Adsett field. Porosity distribution, as interpreted from the 3D seismic, is comparable to that of Adsett producing wells. Adsett has produced 91.6 Billion Cubic Feet (Bcf) of gas from four (4) Slave Point pools to March, 2006. (Source: BC Oil and Gas Commission "Reserves Data for all oil & gas pools in BC").
  - ii) The second prospective horizon (upper Slave Point) is productive in the prolific Clarke Lake Field where 1.65 Trillion Cubic Feet (Tcf) of gas has been produced from the Clarke Lake Slave Point A pool to March, 2003. (Source: BC Oil and Gas Commission "Reserves Data for all oil & gas pools in BC").
- Three additional secondary natural gas targets have been identified, including the Halfway, Debolt, and Banff formations.
- The Slave Point "prospective resource estimate" for the Prophet River gas project, as determined through 2D and 3D seismic interpretation and analogue producing wells, ranges between 96 Bcf (Pmean) to 227 Bcf (P10 probabilistic confidence level). For investor reference, the Canadian Oil and Gas Evaluation Handbook defines prospective resources as;

*"those quantities of oil and gas estimated on a given date to be potentially recoverable from undiscovered accumulations. If discovered, they would be technically and economically viable to recover. If discovered, there is no certainty that any discovery will be technically or economically viable to produce."*

There is no certainty that this prospective resource will be discovered. This Prophet River Slave Point "prospective resource estimate" was conducted internally by a qualified evaluator of the Operator; however, the Company has not verified the estimate.

The Company also announced that this well is not classified as a tight hole. Shareholders will be promptly informed of results after all project data has been interpreted.

The Company has a 21 2/3% working interest in eleven (11) sections of 'A' lands, and will earn this interest to the total depth drilled. The Company will also earn the right to drill an option well on the ten (10) sections of 'B' lands adjacent to the 'A' lands, for a 21 2/3% working interest to total depth drilled.

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On June 23, 2006 the Company announced that the Prophet River Slave Point exploratory well (**d-60-E/94-G-15**) will be spudded no later than June 26, 2006. The well is expected to take approximately sixty-five (65) to seventy (70) days to reach total depth and an additional two (2) to three (3) weeks for testing and completion, if warranted. The drilling of this test well has been contracted to a major Canadian oil and gas company.

During August, the Company announced that the Prophet River Slave Point exploratory well is progressing as anticipated, both on time and on budget. This well is expected to reach total depth in early September, at which time the Company will decide whether testing and completion of the well is warranted. This testing and completion would take approximately 20 days and provide a commercial evaluation of the well's potential.

On September 28, 2006 the Company announced that the d-60-E/94-G-15 Prophet River Devonian exploratory well has reached total depth, and the partners have elected to complete the well.

The well was set with two strings of production casing from surface to the top of the Devonian horizon prior to drilling through this horizon to total depth. The drill rig will be released on Friday, September 29, 2006 and a completion rig has been ordered for the project. The completion rig will be used to test potential payzones of natural gas and complete the well for production. This well is non-confidential status, and subject to contractual confidentiality provisions, more information will be disclosed as operations progress. The completion rig will arrive on site in October and the completion process is expected to take four to six weeks.

Testing and completion of the Prophet River (d-60-E/94-G-15) exploratory well is underway. This testing and completion (of the Devonian horizon) will provide a commercial evaluation and prepares the d-60-E/94-G-15 well for future production. It may require up to forty (40) days to finish this phase of the project and the Company's share of the Cdn\$1.8 million budget is \$600,000. Shareholders will be informed of results once this well has been evaluated.

### **Polymetallic Thrust Project**

On April 25, 2005, the Company entered into an option agreement to acquire a 100% interest in the Polymetallic Thrust project located in North Eastern British Columbia. First explored in the late 1960's and early 1970's the Polymetallic Thrust Project encompasses more than 100,000 acres containing many recorded mineral occurrences.

Wyn will pay \$75,000 for the option and issue 450,000 shares per year for 3 years to United Exploration Group. The vendor will retain a 2.5% net smelter royalty of which the Company may purchase 1% for \$1,000,000. The Company will pay advance royalty payments of \$15,000 per year starting on June 1<sup>st</sup>, 2006. The Company will also issue 1.6 million shares should the property attain commercial production.

The Company has completed an airborne Mag & EM survey and are awaiting receipt of the final report. The Company has recently staked an additional 7,746 acres west of the original property.

Wyn developments Inc. has in place a rigorous QA/QC program consistent with National Instrument 43-101 and uses best industry practice. Acme Analytical Labs of Vancouver, BC are responsible for all the Wyn Developments Inc. assaying.

### **Easter Island Property**

In 2004, 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 2500 Acres, 70 miles southeast of Yellowknife, Northwest Territories. An initial surface sampling program has been completed and the Company is presently assessing the status.

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### **Ferguson Lake Property**

The Company was awaiting a report from Starfield Resources, the operator of the exploration program in order to assess the status of the property. As at the date of these statements, no report has been received from Starfield Resources, and given minimal exploration activity, the Company has decided to write-down its investment in the Ferguson Lake Property.

### **Blustry Mountain Project**

The Company has finalized its IP survey to assist in identification of drill targets and is now awaiting the final drill permit in which the initial holes will target the geophysical and geochemical anomalies outlined in the previous exploration phases. Due to various difficulties encountered in regards to continued exploration efforts, the Company wrote down its investment in the Blustry Mountain Project.

### **Hearne Channel Mineral Claims**

In 2004, the Company entered into an option agreement to purchase a 100% interest in certain mineral claims known as the Coni mineral claims situated in the South Mining District of the Northwest Territories. The Company has now established a full exploration camp onsite. The Company completed an airborne electromagnetic and magnetometer survey over the total Hearne Channel high grade nickel property. The Company has also completed a detailed gravity survey which identified potential niccolite zones. The targets for the survey were breccia-hosted Niccolite zones which have assayed in excess of 35% nickel, as well as significant cobalt showings.

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### **CORPORATE INTERNAL CONTROLS**

The Company practices strict internal controls through proper segregation of responsibilities and internal reporting of its personnel. Agreements and commitments that involve cash and/or share capital distribution such as private placements, stock option grant, property, service, and consulting agreements require Board of Directors approval through Directors' Resolution. The Company's drilling and exploration programs and budgets are planned and approved by the Company's President & CEO, Vice President of Exploration and Director. All cash distribution requires the Company's President & CEO, and CFO approval to ensure that all expenses are accurate and aligned with the Company's budget. Approved share capital distribution is executed through Treasury Orders that requires final approval from the Company's President & CEO, and CFO. These internal control procedures are established and strictly practiced to ensure the Company's goals and best interest are effectively carried out.

### **OPERATING RESULTS, FINANCIAL CONDITION, LIQUIDITY AND SOLVENCY**

The Company's operating loss was \$1,096,005 for the twelve-month period ended January 31, 2007, compared to \$2,318,556 for the previous year. General and administrative expenses were for the twelve-month periods of 2007 and 2006 were comparable. The difference of \$1,222,551 in the net loss for 2006 over the current period is attributable to the write-off of some of the mineral properties and a greater stock-based compensation expense recorded in 2006.

During the twelve month period ended January 31, 2007, there was a total of \$48,925 (2006 – \$882,983) incurred for exploration expenditures on mineral properties, as well as \$35,000 (2006 - \$485,500) on acquisition costs, a combination of cash and Wyn Development shares, for property payments as part of the Company's option agreement commitments. The Company also incurred \$6,236,552 (2006 – \$522,699) in deferred exploration costs on its oil and gas properties as part its working interest in the drilling of a Slave Point test well located in the Prophet River area. Acquisition costs, a combination of cash and Wyn Development shares, of \$259,000 (2006 – \$120,000) were also incurred on the oil and gas properties.

In the current period, consulting fees of \$36,460 were incurred compared to \$15,376 for 2006. General office and travel costs also decreased for the current period compared to 2006. The Company record \$324,226 for stock-based compensation in the current year compared to \$856,770 for the comparative period of 2006.

Investing activities consumed \$6,447,644 in cash resources for the period which was mainly comprised of exploration work on the Company's acquisition and drilling costs for the Bougie Trutch and Prophet River oil and gas investments. (See attached exploration expenditures statement for more details).

On June 2, 2006 the Company announced that further to its news release dated April 4, 2006, it had completed a private placement in the amount of 1,056,000 flow-through units of the Company at a price of \$0.45 per unit and 3,914,315 non flow-through units of the Company at a price of \$0.38 per unit (collectively the "Unit") for gross proceeds of \$1,962,639.70. Each Unit consists of one common share in the capital stock of the Company and one half share purchase warrant (the "Warrant"). Each full Warrant is exercisable at a price of \$0.50 and will entitle the placee to acquire an additional common share of the Company for a one- year period. The shares and underlying shares are subject to hold periods expiring September 26, 2006. The Company paid finder's fees in the amount of \$164,985 in connection with the private placement. The proceeds of the private placement will be used to fund the Company's obligations under the Prophet River Participation Agreement and for general working capital.

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### **OPERATING RESULTS, FINANCIAL CONDITION, LIQUIDITY AND SOLVENCY (Continued)**

The Company completed a private placement announced August 28th, 2006 for 2,748,571 units at a price of \$0.35 per unit for gross proceeds of \$962,000. Each Unit consists of one common share in the capital stock of the Company and one share purchase warrant (the "Warrant"). Each Warrant is exercisable at a price of \$0.45 and will entitle the placee to acquire an additional common share of the Company for a one-year period. The proceeds of the private placement will be used for Wyn's ongoing resource exploration, development and general working capital. The shares and underlying shares are subject to a hold period expiring January 26, 2007. The Company paid finder's fees in the amount of \$76,325 in connection with the private placement.

The Company completed the private placement announced October 25, 2006 in the amount of 501,000 flow-through units of the Company at a price of \$0.45 per unit and 7,695,000 non flow-through units of the Company at a price of \$0.35 per unit for gross proceeds of \$2,918,700. Each flow-through unit is comprised of one flow-through common share and one share purchase warrant entitling the holder to purchase one additional non flow-through common share at a price of \$0.50 for a period of 12 months. Each non flow-through unit is comprised of one non flow-through common share and one share purchase warrant entitling the holder to purchase one additional non flow-through common share at a price of \$0.45 for a period of 12 months.

The shares and underlying shares are subject to hold periods expiring March 30, 2007. The Company paid finder's fees in the amount of \$207,120 in connection with the private placement.

The proceeds of the private placement will be used to fund the Company's ongoing resource exploration, development and general working capital.

On March 30, 2006, the Company entered into a Consulting Agreement with Small Cap Invest Ltd. ("SCI"). SCI is a European public relations firm for small and medium-sized public companies with Mr. Alexander Friedrich as President & CEO. SCI will provide investor relations advisory services at a cost of 5,000 Euros per month for an initial three-month term and is subject to a 30-day termination clause by either party.

The Company also announced that it has entered into an Investor Relations Agreement with Yes International. ("YES"), a U.S. public relations firm for small and medium sized public companies with Mr. Rich Kaiser as President. YES will provide investor relations advisory services to the Company, including, but not limited to, disseminating corporate information, establishing a profile of the Company with American retail, financial and institutional investors. In consideration for their services, the Company will pay to YES a fee of \$US2,500.00 per month plus expenses as well as 100,000 options exercisable at \$0.39 Cdn for a two-year period. The agreement becomes effective June 1, 2006 for an initial six-month term.

Effective June 1, 2006, the Company appointed David McMillan to President and CEO. McMillan has been a Director of the Company for the past three years, and has made significant contributions towards the Company's current potential. Mr. McMillan was an investment advisor from 1983-2000, of which 1987-2000 was spent at Yorkton Securities Inc. From 1992-2000 McMillan served as Director and Vice President of Yorkton and from 1995-2000 he was Senior Vice President responsible for Retail Sales from the Vancouver office. Since 2000, McMillan has acted as a consultant and advisor to venture companies and is currently President and CEO of Sonora Gold Corp. (TSX: SGG), and Secretary and Director of TTM Resources Inc. (TSX: TTQ), and a Director of Pacific Cascade Minerals Inc. (TSX:PCV). Former President and CEO Daniel Kesonon was appointed to Chairman of the Board and will liaise between the Vancouver office and investors across North America and Europe. In addition, the Company announced the appointment of Marc Tran as Chief Financial Officer. Tran holds a Bachelor of Commerce in Finance, a Bachelor of Science in Economics and is currently completing his CGA designation. He has been working in finance and accounting since 1999 in the oil and gas, service and mining sectors, and is currently Corporate Secretary of Sonora Gold Corp. (TSX:SGG). Tran replaces Ronald Jorgensen who resigned as Director and Chief Financial Officer effective May 31, 2006.

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### **OPERATING RESULTS, FINANCIAL CONDITION, LIQUIDITY AND SOLVENCY (Continued)**

The Company also welcomed several individuals joining the Company. These include Angus Sutherland C.A., B.Comm, as an Independent Director and Chairman of the Audit Committee, Brian Fagan as Independent Director and Member of the Audit Committee, as well as John MacRae B.Sc., M.Sc., P.Geol. and Thom Bainbridge B.App. Sc., P.Geol. as advisors to the Board.

Angus Sutherland C.A. B.Comm, is a Chartered Accountant and President of Silvercreek Development Corporation. Silvercreek Development Corporation specializes in the development of mid to large size residential subdivisions in Alberta and British Columbia. As a Chartered Accountant, Mr. Sutherland has worked with Thorne, Riddell & Co., Eaton's Canada, and Canada Post Corporation and has developed single and multi family development projects for twelve (12) years with A.D. Sutherland and Associates Ltd. The Company looks forward to Mr. Sutherland lending his accounting and multi-million dollar project management expertise to the continuing evolution of the Company.

Brian Fagan is another exceptional addition to the Company's Board of Directors. Mr. Fagan has over thirty (30) years experience in the formation, financing, and day-to-day management of publicly traded junior mineral exploration companies. Previously as President, CEO, and COO of several mineral exploration companies, he has conceptualized and managed exploration programs in Canada, the United States, Mexico, and Argentina. For the ten year period ended December 31, 2004, as editor of *The Fagan Report*, a mining stock advisory newsletter, he was a frequent TV, radio, newspaper, and media commentator on the subject of Gold and Gold mining stocks, as well as a speaker at many related conferences. Mr. Fagan has recently returned to North America from an 18 month engagement managing a mineral exploration company in Northwest Argentina, and the Company looks forward to his contributions.

John MacRae, M.Sc., B.Sc., P.Geol. is another highly accomplished individual joining the Company. Mr. MacRae spent sixteen (16) years with the Province of British Columbia Ministry of Energy & Mines, serving as Reservoir Geologist (1982-1986), Section Head Reservoir Geology (1986-1988), and Director of Petroleum Geology (1988-1998). Through his private consulting company, Hummingbird Energy, MacRae is currently an advisor to a major Canadian gas producing company among others. Mr. MacRae has a current and comprehensive knowledge of, and experience with, the geology and undiscovered petroleum and natural gas potential of the Western Canada Sedimentary Basin, as well as all British Columbia onshore and offshore sedimentary basins. He is also a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta, the Canadian Society of Petroleum Geologists, and past President of the Geological Association of Canada, Pacific Section.

Another key advisor joining the Company is oil and gas consultant Thom Bainbridge B.App. Sc., P.Geol. Mr. Bainbridge is currently President and Owner of Wakanda Resources Limited, a private Alberta company incorporated in 1981 which has historically been engaged in several aspects of the oil and gas and mineral exploration industries. He is very familiar with the inner working of the oil & gas industry, has undertaken geological studies throughout Canada, the United States, Australia and France, and worked as a consultant to numerous oil companies in Canada, with particular emphasis in the northeastern British Columbia gas producing region. Mr. Bainbridge is also a member of the Association of Professional Engineers, Geologists, and Geophysicists of Alberta (APEGGA) and the Canadian Society of Petroleum Geologists (CSPG).

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### SELECTED ANNUAL FINANCIAL INFORMATION

The Company's year end is January 31. Please refer to Notes to the Financial Statements for accounting policies. Unless otherwise indicated all dollar amounts refer to Canadian dollars.

	Year ended January 31, 2007	Year ended January 31, 2006	Year ended January 31, 2005
Revenues	-	-	-
G&A Expenses	969,243	1,503,967	791,168
Net Loss(Gain)	1,096,005	2,318,556	791,860
-per share basic & diluted	0.02	0.04	0.03
Working Capital (Deficiency)	544,756	2,160,530	1,186,346
Total Assets	10,549,865	5,774,154	3,666,228
Deferred Resource Property Expenditures	9,974,791	3,467,539	2,397,275
Liabilities(L.T.)	-	-	-
Cash Dividends	-	-	-

### SELECTED QUARTERLY FINANCIAL INFORMATION

	4 <sup>th</sup> Quarter Ended January 31, 2007	3 <sup>rd</sup> Quarter Ended October 31, 2006	2 <sup>nd</sup> Quarter Ended July 31, 2006	1 <sup>st</sup> Quarter Ended April 30, 2006
(a) Revenue	-1	Nil	Nil	Nil
(b) Loss for period	-	168,872	231,778	111,019
(c) Loss per share	-	0.003	0.004	0.001
	4 <sup>th</sup> Quarter Ended January 31, 2006	3 <sup>rd</sup> Quarter Ended October 31, 2005	2 <sup>nd</sup> Quarter Ended July 31, 2005	1 <sup>st</sup> Quarter Ended April 30, 2005
(d) Revenue	Nil	Nil	Nil	Nil
(e) Loss for period	1,467,193	73,952	461,339	316,072
(f) Loss per share	0.04	0.001	0.01	0.01
	4 <sup>th</sup> Quarter Ended January 31, 2005	3 <sup>rd</sup> Quarter Ended October 31, 2004	2 <sup>nd</sup> Quarter Ended July 31, 2004	1 <sup>st</sup> Quarter Ended April 30, 2004
(a) Revenue	Nil	Nil	Nil	Nil
(b) Loss for period	424,495	170,616	104,331	92,418
(c) Loss per share	0.03	0.005	0.004	0.004

# **WYN DEVELOPMENTS INC.**

## **MANAGEMENT DISCUSSION & ANALYSIS**

For the Twelve-month Periods Ended January 31, 2007 and 2006

### **SUBSEQUENT EVENTS**

On March 29, 2007, the Company entered into a loan agreement for total proceeds of CAD \$200,000 to support the Company's near term commitments. Dave McMillan, President and CEO, and Ron Fisher (the "Lenders"), have agreed to loan CAD \$100,000 each to the Company, subject to the following key terms:

- These loans are repayable within 6 months (the "maturity date");
- 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, such interest to be calculated from the maturity date;
- In accordance with the policies of the Toronto Venture Exchange, 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 a deemed price of \$0.25 per share, subject to a four month hold.

This transaction is subject to Toronto Venture Exchange approval.

On April 4, 2007, the Company received the initial production summary from the three producing Trutch Triassic Halfway wells. The summary concerns the period of February 7<sup>th</sup> to 28<sup>th</sup>, 2007.

c-25-A/94-G-15 produced approximately 1.4 Million Cubic Feet per day (MMcf.d).

c-36-A/94-G-15 produced approximately 1.154 MMcf.d.

b-56-A/94-G-15 produced approximately 807.3 Thousand Cubic Feet per day (Mcf.d).

These wells have not produced any water.

The total approximate production for February equals 3.361 MMcf.d over the 21 day period for approximate gross production 70.58 MMcf. The Company's first compensation pursuant to its 15% gross working interest in these wells is anticipated late April.

Given known geological, geophysical and geochemical data of the Triassic Halfway Formation, including the production characteristics of other nearby Triassic Halfway wells, the Company reasonably estimates a prospective resource estimate of 4 to 5 Billion Cubic Feet OGIP in the Triassic Halfway Formation per drilling spacing unit (DSU). The Company has successfully drilled wells on 4 DSUs to date within the Bougie Trutch and Trutch East lands, and is currently drilling a 5<sup>th</sup>. In addition, on earned and optioned lands, the Company has established this prospective resource estimate in the Triassic Halfway Formation over an additional 14 DSUs. The Bougie Trutch and Trutch East lands are located adjacent to the Tommy Lake Triassic Halfway field, which serves as a comparable measure of regional Triassic Halfway well production characteristics.

Initial revenues have been received by the Company but due to inadequate joint interest billing the revenues from each well is still being calculated.

On April 16, 2007, the following updates were released:

### **THE TRUTCH b-A86-A/94-G-15 TRIASSIC HALFWAY DEVELOPMENT WELL**

The Company announced that the b-A86-A/94-G-15 Triassic Halfway development well has been drilled to target depth. Casing has been run and the rig has been released. By drilling this well, the Company has now earned an additional six sections (6 drill spacing units). On the Bougie Trutch lands, the Company has now earned a total of 18 Halfway focused sections (18 drill spacing units) from the surface to above the Slave Point Formation.

# **WYN DEVELOPMENTS INC.**

## **MANAGEMENT DISCUSSION & ANALYSIS**

For the Twelve-month Periods Ended January 31, 2007 and 2006

### **THE PROPHET RIVER NATURAL GAS EXPLORATION AND DEVELOPMENT PROJECT**

A thorough review of all known data from the Prophet River Lands, including 2D and 3D seismic and the d-60-E/94-G-15 exploratory well data has continued since the crew left the drill site late January 2007. Upon the Operator's interpretation of pressure, seismic, petrophysical and petrographic data, and confirmation of the results by the British Columbia Oil & Gas Commission, the d-60-E/94-G-15 well has been re-classified as an 'Exploratory Wildcat Well' and New Pool Discovery.

According to the *British Columbia Oil and Gas Handbook*, "an Exploratory Wildcat classification is assigned when the proposed well is greater than seven kilometers from a designated oil or gas pool. Exploratory Wildcat well information is held confidential for one year after the rig release date," although this is at the discretion of the Company.

A "pool", as defined in the *Petroleum and Natural Gas Act*, "is an underground reservoir containing an accumulation of petroleum or natural gas, or both, separated or apparently separated from another reservoir or accumulation."

According to the *British Columbia Oil and Gas Handbook*, a "Discovery" well classification is best described as one in which "geological, geophysical and engineering data and...interpretive analysis, (have) clearly demonstrate(d) that a new pool has been discovered." The Company will benefit from three years of government royalty free production as a result of this discovery well classification, a credit offered as an exploration incentive due to the higher cost and lower success rates of such projects.

Two additional developments have also occurred on the Prophet River project. The Operator, per the option agreement on the property, has elected to convert its 35% working interest to a 12.5% non-convertible overriding royalty on Block A of the Prophet River project lands. This election to convert now increases the Company's working interest in the Prophet River Block A lands from 21 2/3% to 33 1/3%. Further, the Company has confirmed its election to drill on the 10 square mile Prophet River option Block B, and has selected the first location. The Company is required to spud a well on the Block B lands by March 31, 2008.

Also on April 16, 2007, the Company announced that in order to meet current obligations and proceed with adequate working capital for strategic initiatives, the Company is announcing a private placement of up to 4 million units at CAD \$0.25 for gross proceeds of up to CAD \$1,000,000. Each unit consists of one share and one purchase warrant exercisable at \$0.35 for a period of two years from closing.

On April 27, 2007 - Bighorn Petroleum Ltd. (TSXV: BHP), Flying A Petroleum Ltd. (TSXV: FAB), Tenaka Drilling Consortium Ltd. and Wyn Developments Inc. (TSXV: WL, FWB: YXE, OTCBB: WYDPF), collectively the "Parties," announced that they have entered into a non-binding letter of intent ("LOI") dated April 27, 2007, to enter into negotiations to formalize a business combination.

The terms of the LOI provide that the parties complete a due diligence review of each others' interests for a period of 120 days. During this due diligence period, it is anticipated that a NI 51-101 compliant reserves evaluation report will be prepared for all properties owned by the parties. The final structure of the business combination will be determined by the parties upon a review of tax, accounting, corporate and securities law issues.

The share exchange ratio and/or other consideration to be tendered by each party will be determined through negotiation between the parties upon receipt of all due diligence materials and in compliance with regulatory policies. The LOI provides that all share purchase warrants of the parties outstanding immediately prior to the closing of the business combination will be transferred to an equivalent number of warrants of the agreed upon successor entity.

# **WYN DEVELOPMENTS INC.**

## **MANAGEMENT DISCUSSION & ANALYSIS**

For the Twelve-month Periods Ended January 31, 2007 and 2006

The parties have agreed to negotiate with each other for the 120 day due diligence period and to exchange confidential information with a view to completing their due diligence investigations and settling a definitive agreement as soon as possible. If a definitive agreement is reached, it is expected to contain typical conditions for a transaction of this type, including the approval of the parties' shareholders and all necessary regulatory and court approvals.

The parties will provide news releases with updates on their progress with respect to this transaction in a timely manner during the coming months.

The parties are currently active partners on three property areas; the Prophet River, Bougie Trutch, and Trutch East natural gas development projects, all located in the Foothills region of the prolific natural gas bearing Western Canadian Sedimentary Basin, in northeastern British Columbia, Canada. The Western Canadian Sedimentary Basin is home to many world-class oil and gas fields, featuring extensive logistical infrastructure. The combined assets of all participants include:

- A 100% working interest in the Prophet River 'A' lands.
- A 65% working interest in the Prophet River 'B' lands.
- A 32.5% gross working interest in the Bougie Trutch lands, including a third party overriding royalty, subject to various terms.
- A 19.5% working interest in the Trutch East lands, including third party overriding royalty, subject to various terms.
- Milestone bonuses and stock payments for successful tie-in on the Trutch lands and minimum proven reserves on the Prophet River project.
- A British Columbia Oil and Gas Commission issued Operator's license.
- A combination of tax pools, government royalty credits, exploration credits, etc.
- A 32.5% interest in 14,217 meters of six inch pipeline from the Tommy Lake field to the c-36-A well, and a total of 1,688 meters of four inch pipeline from c-36-A to the b-56-A and c-25-A wells.
- A 100% ownership of the Prophet River 'A' and 'B' land 3D seismic data.
- The recently drilled d-60-E/94-G-15 Prophet River well, which as previously announced, yielded an initial unstabilized gas flow of up to 7.943 MMcf.d. from the Mississippian Horizon and excellent gas detection in the Triassic Halfway Formation, earning 11 square miles of leases from the surface to the Sulphur Point Formation. (The British Columbia Oil and Gas Commission has recently reclassified the d-60-E/94-G-15 well as an 'exploratory wildcat' well, and the Mississippian formation as a 'new pool discovery.')
- The right to earn an additional 10 square miles on the Prophet River 'B' Lands.
- 4 Triassic Halfway Formation wells: Two Triassic Halfway wells are currently producing since February 2007 which include the c-36-A/94-G-15 'new pool discovery' which the Operator has advised averaged 1.154 MMcf.d and b-56-A/94-G-15 which averaged 807.3 Mcf.d according to February 2007 production figures. The two other Triassic Halfway Formation wells are a-13-B/94-G-15 which tested 827.8 Mcf.d and b-086-A/94-G-15 which was recently drilled and cased.
- The producing c-25-a/94-G-15 Trutch East Halfway well which the Operator advised averaged 1.4 MMcf.d according to February 2007 production figures.

This transaction is subject to shareholder and regulatory approval.

# **WYN DEVELOPMENTS INC.**

## **MANAGEMENT DISCUSSION & ANALYSIS**

For the Twelve-month Periods Ended January 31, 2007 and 2006

On May 18, 2007, the Company announced one year extensions to the expiry dates of warrants issued in connection with three private placements which were completed in 2006. The exercise price of the warrants will not be amended.

The expiry date of an aggregate of 2,485,158 warrants exercisable at a price of \$0.50 per warrant and granted in connection with a private placement of units completed by the Company on May 25, 2006 will be extended from May 25, 2007 to May 25, 2008.

The expiry date of an aggregate of 2,748,571 warrants exercisable at a price of \$0.45 per warrant and granted in connection with a private placement of units completed by the Company on September 25, 2006 will be extended from September 25, 2007 to September 25, 2008.

The expiry date of an aggregate of 7,695,000 warrants exercisable at a price of \$0.45 per warrant and granted in connection with a private placement of units completed by the Company on November 29, 2006 will be extended from November 29, 2007 to November 29, 2008.

The expiry date of an aggregate of 501,000 warrants exercisable at a price of \$0.50 per warrant and granted in connection with a private placement of units completed by the Company on November 29, 2006 will be extended from November 29, 2007 to November 29, 2008.

The above is subject to TSX Venture Exchange approval.