

WYN DEVELOPMENTS INC.

**Consolidated Financial Statements
January 31, 2008 and 2007**

<u>Index</u>	<u>Page</u>
Auditors' Report to the Shareholders	1
Consolidated Financial Statements	
Consolidated Balance Sheets	2
Consolidated Statements of Operations and Deficit	3
Consolidated Statements of Cash Flows	4
Notes to Consolidated Financial Statements	5 - 23

AUDITORS' REPORT

TO THE SHAREHOLDERS OF WYN DEVELOPMENTS INC.

We have audited the consolidated balance sheets of Wyn Developments Inc. as at January 31, 2008 and 2007 and the consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2008 and 2007 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 20, 2008

WYN DEVELOPMENTS INC.
Consolidated Balance Sheets
January 31

	2008	2007
		(note 3)
Assets		
Current		
Cash	\$ 12,998	\$ 506,581
Accounts receivable	52,712	14,713
Prepaid expenses and deposits	36,940	82,430
	102,650	603,724
Investment in and Expenditures on Mineral Properties (note 7)	910,463	1,309,385
Oil and Natural Gas Interests and Capital Assets (note 6)	1,213,095	8,636,756
	\$ 2,226,208	\$ 10,549,865
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 261,863	\$ 13,968
Short-term loans (note 9)	432,000	-
Related party short-term loan (notes 8 and 9)	100,000	-
	793,863	13,968
Asset Retirement Obligation (note 13)	18,486	-
	812,349	13,968
Shareholders' Equity		
Capital Stock (note 10)	21,867,857	20,864,009
Contributed Surplus (note 10(c))	1,246,931	1,246,931
Share Subscriptions Received (note 10(b))	237,500	-
Deficit	(21,938,429)	(11,575,043)
	1,413,859	10,535,897
	\$ 2,226,208	\$ 10,549,865

Going-Concern (note 2)
Contingency (note 12)
Subsequent Events (note 14)

Approved on behalf of the Board:

"David McMillan"
..... Director
David McMillan

"Robert Krause"
..... Director
Robert Krause

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

	2008	2007
Revenues		
Natural gas sales	\$ 392,870	\$ -
Direct Expenses		
Operating	120,197	-
Royalties	87,087	-
Depletion and accretion	401,389	-
	608,673	-
General and Administrative Expenses		
Professional fees	361,633	102,707
Investor relations	69,746	241,027
Management fees	60,000	40,000
Office	52,196	37,438
Communications	50,489	89,010
Bank charges and interest	47,554	3,214
Consulting fees	37,957	36,460
Travel and entertainment	30,705	33,115
Transfer agent, listing and filing fees	28,377	44,532
Rent	22,262	12,175
Printing and reproduction	2,793	3,522
Stock-based compensation	-	324,226
Amortization	3,270	1,817
	766,982	969,243
Loss Before Other Items and Income Tax	(982,785)	(969,243)
Other Items		
Write-off of mineral properties	(699,147)	(152,225)
Impairment of oil and gas interests – reserve decline (note 6)	(8,736,588)	-
Impairment of oil and gas interests – ceiling test (note 6)	(187,631)	-
Interest revenue	3,703	25,463
	(9,619,663)	(126,762)
Loss Before Income Tax	(10,602,448)	(1,096,005)
Future Income Tax (Recovery) (note 11)	(239,062)	-
Net Loss and Comprehensive Loss for Year	(10,363,386)	(1,096,005)
Deficit, Beginning of Year	(11,575,043)	(10,479,038)
Deficit, End of Year	\$ (21,938,429)	\$ (11,575,043)
Loss Per Share	\$ (\$0.13)	\$ (0.02)
Weighted Average Number of Common Shares Outstanding	77,836,469	63,802,330

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

	2008	2007
Operating Activities		
Net loss	\$ (10,363,386)	\$ (1,096,005)
Items not involving cash		
Amortization, depletion and accretion	404,659	1,817
Stock-based compensation	-	324,226
Interest expense	30,000	-
Impairment of oil and gas interests – reserve decline	8,736,588	-
Write-off of mineral properties	699,147	152,225
Impairment of oil and gas interests – ceiling test	187,631	-
Future income tax recovery	(239,062)	-
	(544,423)	(617,737)
Changes in non-cash working capital		
Accounts receivable	(15,630)	3,534
Prepaid expenses and deposits	45,490	(71,491)
Accounts payable and accrued liabilities	247,895	(132,117)
Cash Used in Operating Activities	(266,668)	(817,811)
Investing Activities		
Purchase of capital assets	-	(18,167)
Exploration costs deferred – oil and gas interests	(1,850,732)	(6,345,552)
Exploration costs deferred – mineral properties	28,407	(38,925)
Cash Used in Investing Activities	(1,822,325)	(6,402,644)
Financing Activities		
Short-term loan due to related parties	100,000	-
Short-term loan	432,000	-
Issue of shares for cash, net of issuance costs	825,910	5,449,607
Share subscriptions received	237,500	-
Cash Provided by Financing Activities	1,595,410	5,449,607
Decrease in Cash	(493,583)	(1,770,848)
Cash, Beginning of Year	506,581	2,277,429
Cash, End of Year	\$ 12,998	\$ 506,581
Supplementary information		
Issue of common shares for mineral properties	\$ 351,000	\$ 80,000
Issue of common shares for oil and gas interests	\$ 36,000	\$ 150,000
Issue of common shares for interest on short-term loan	\$ 30,000	\$ -
Mineral exploration tax credit receivable	\$ 22,369	\$ -
Cash received through mineral exploration tax credit	\$ 105,133	\$ -

WYN DEVELOPMENTS INC.
Notes to Consolidated Financial Statements
Years Ended January 31, 2008 and 2007

1. NATURE OF OPERATIONS

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 for and operation of mineral and oil and gas properties in Canada. 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 consolidated financial statements have been prepared on a going-concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future.

The Company reported net losses of \$10,363,386 and \$1,096,005 for the years ended January 31, 2008 and 2007, respectively, and has an accumulated deficit of \$21,938,429 at January 31, 2008 (2007 - \$11,575,043). The Company has working capital deficit of \$691,213 at January 31, 2008 (2007 - \$589,756 working capital).

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

(a) Basis of consolidation

The consolidated financial statements of the Company include its integrated wholly-owned subsidiary, Wyn Metals Inc. Wyn Metals Inc. was incorporated on February 2, 2007. All intercompany balances and transactions have been eliminated.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Financial Instruments

Effective February 1, 2007, the Company adopted the Canadian Institute of Chartered Accountants' ("CICA") Handbook Section 3855, "Financial Instruments – Recognition and Measurement", which establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. The standard requires the Company to account for certain financial assets and liabilities at fair value at each balance sheet date. Financial instruments must be classified into one of these five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments are measured in the balance sheet at fair value, except for loans and receivables, held-to-maturity investments and other financial liabilities, which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is no longer recognized or impaired, at which time the amounts would be recorded in net income.

The adoption of this section did not impact the Company's consolidated financial statements.

(c) Comprehensive Income

Effective February 1, 2007, the Company also adopted the CICA Handbook Section 1530, "Comprehensive Income", which establishes standards for presentation and disclosure of comprehensive income. Comprehensive income is the overall change in the net assets of the Company for a period, other than changes attributable to transactions with shareholders. It is made up of net income and other comprehensive income. The historical make up of net income has not changed. Other comprehensive income includes gains or losses, which generally accepted accounting principles requires to be recognized in a period but excluded from net income for that period. The Company has no items of other comprehensive income in any period presented. Therefore, net loss as presented in the Company's consolidated statements of operations and deficit equals comprehensive loss.

(d) Mineral 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 mineral 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)

(d) Mineral 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.

(e) 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 or the carrying value of the interests 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 interests represent costs incurred to date less depletion and impairment if any, and do not necessarily reflect present or future values.

(f) Depletion

Depletion of petroleum and natural gas interests is computed using the unit-of-production method whereby the ratio of current year production to estimated future production determines the proportion of depletable costs to be expensed. Undeveloped properties are excluded from the depletion calculation until quantities of proved reserves are found or if impairment occurs.

(g) 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 obligation, rates for amortization, the impairment of mineral property interests, impairment of oil and gas 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 could impact future results of operations and cash flows.

WYN DEVELOPMENTS INC.
Notes to Consolidated Financial Statements
Years Ended January 31, 2008 and 2007

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) 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.

(i) Amortization

Amortization of capital assets is calculated on the straight-line basis at the following annual rates:

Furniture and equipment	– 20%
Leasehold improvements	– 20%

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

(j) Asset retirement obligation

The Company recognizes an estimate of the liability associated with an asset retirement obligation (“ARO”) in the consolidated 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.

(k) Stock-based compensation

The Company accounts for stock-based compensation 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.

WYN DEVELOPMENTS INC.
Notes to Consolidated Financial Statements
Years Ended January 31, 2008 and 2007

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Loss per share

Basic loss per share is computed using the weighted average number of common shares outstanding during the year. Diluted loss per share amounts are calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares using the treasury stock method. The treasury stock method assumes that proceeds received from the exercise of stock options and warrants are used to repurchase common shares at the prevailing market rate. Shares held in escrow, other than where their release is subject to the passage of time, are excluded from the computation of loss per share until the conditions for their release are satisfied.

(m) 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.

(n) 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.

(o) Joint interest operations

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

(p) Revenue recognition

Revenue from the sale of oil and natural gas is recorded when the oil is sold or the natural gas is delivered and collectability is reasonably assured.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Future accounting changes

(i) Capital Disclosures

In February 2007, the CICA issued Handbook Section 1535, "Capital Disclosures", which requires the disclosure of both qualitative and quantitative information that provides users of financial statements with information to evaluate the entity's objectives, policies and procedures for managing capital. The new section is effective for the Company for the year beginning on February 1, 2008. The Company is in the process of assessing the impact of this new section on its consolidated financial statements.

(ii) Financial Instruments

In February 2007, the CICA issued two new standards, Section 3862, "Financial Instruments Disclosures", and Section 3863, "Financial Instruments Presentation". These sections will replace the existing Section 3861, "Financial Instruments Disclosure and Presentation". Section 3862 provides users with information to evaluate the significance of the financial instruments of the entity's financial position and performances, nature and extent of risks arising from financial instruments, and how the entity manages those risks. Section 3863 deals with the classification of financial instruments, related interests, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. The new sections are effective for the Company for the year beginning on February 1, 2008. The Company is in the process of assessing the impact of these new sections on its consolidated financial statements.

(iii) Goodwill and Intangible Assets

In February 2008, the CICA issued Handbook Section 3064, "Goodwill and Intangible Assets", replacing Section 3062, "Goodwill and Other Intangible Assets", and Section 3450, "Research and Development Costs". This section establishes standards for the recognition, measurement, presentation, and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The new section is effective for the Company for the year beginning on February 1, 2008. The Company is in the process of assessing the impact of this new section on its consolidated financial statements.

(iv) International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian generally accepted accounting principles with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own generally accepted accounting principles. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

WYN DEVELOPMENTS INC.
Notes to Consolidated Financial Statements
Years Ended January 31, 2008 and 2007

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Future accounting changes (Continued)

(v) Going-concern

In June 2007, the CICA amended Handbook Section 1400, "General Standards of Financial Statement Presentation", which requires management to make an assessment of a company's ability to continue as a going-concern. When financial statements are not prepared on a going-concern basis, that fact shall be disclosed together with the basis on which the financial statements are prepared and the reason why the company is not considered a going-concern. The new section is effective for the Company for the year beginning on February 1, 2008. The Company is in the process of assessing the impact of this new section on its consolidated financial statements.

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.

WYN DEVELOPMENTS INC.
Notes to Consolidated Financial Statements
Years Ended January 31, 2008 and 2007

6. OIL AND NATURAL GAS INTERESTS AND CAPITAL ASSETS

		2008		
		Cost	Accumulated Amortization and Depletion	Net
Oil and gas interests, and well equipment	\$	1,599,723	\$ 399,708	\$ 1,200,015
Furniture and equipment		3,200	896	2,304
Leasehold improvements		14,967	4,191	10,776
	\$	1,617,890	\$ 404,795	\$ 1,213,095

		2007		
		Cost	Accumulated Amortization and Depletion	Net
Oil and gas properties, and well equipment	\$	8,620,406	-	\$ 8,620,406
Furniture and equipment		3,200	320	2,880
Leasehold improvements		14,967	1,497	13,470
	\$	8,638,573	\$ 1,817	\$ 8,636,756

At January 31, 2008, costs totalling \$43,500 (2007 - \$nil) relating to unproven natural gas reserves, included in oil and natural gas interests, have been excluded from the depletion calculation. No overhead charges have been capitalized to oil and gas properties.

The Company performed a ceiling test calculation as at January 31, 2008 to assess the recoverable value of oil and gas interests. The present value of future net revenues from the Company's proven and probable reserves exceeds the carrying value of the Company's oil and gas properties. The calculation was based on an independent engineering evaluation. The impairment tests were calculated using future prices ranging from \$58.26 to \$65.16 per barrel for natural gas liquids and from \$6.67 to \$8.25 per mcf for gas. The ceiling test resulted in a write-down of the oil and gas interests of \$187,631.

The Company had an assessment completed on its natural gas reserves by an independent engineering firm in order to determine the quantity of proven reserves before production began in February 2007. The assessment resulted in significant proven reserves on the Company's oil and gas interests. When production began, actual production levels declined significantly during the year and the Company had the same engineering firm complete additional testing. The additional testing revealed a significant decline in the proven reserves. Based on the new information, the Company completed an impairment test in order to assess the recoverable value of the oil and gas interests. As a result of the test, the Company wrote-down the oil and gas interests by \$8,736,588, based on the percentage decrease in the the reserves from the new engineering report dated January 31, 2008 and the original engineering report dated January 31, 2007.

WYN DEVELOPMENTS INC.
Notes to Consolidated Financial Statements
Years Ended January 31, 2008 and 2007

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, 2006	\$ 97,501	\$ 38,035	\$ 650,984	\$ 556,165	\$ 1,342,685
Acquisition costs	54,000	-	46,000	15,000	115,000
Exploration costs					
Assay and recording	-	330	-	2,041	2,371
Camp and supplies	-	393	-	-	393
Geology and engineering	-	-	-	-	-
Helicopters	-	-	-	1,631	1,631
Mining tax credits	-	-	-	(470)	(470)
Total additions during year	54,000	723	46,000	18,202	118,925
Less: Write-off of resource properties	(151,501)	(724)	-	-	(152,225)
	(97,501)	(1)	46,000	18,202	(33,300)
Balance, January 31, 2007	-	38,034	696,984	574,367	1,309,385
Acquisition costs	-	-	-	351,000	351,000
Exploration costs					
Equipment	-	-	-	900	900
Geology and engineering	-	-	2,163	25,203	27,366
Staking	-	-	-	38,139	38,139
Other	-	-	-	10,322	10,322
Mining tax credit	-	-	-	(127,502)	(127,502)
Total additions during year	-	-	2,163	298,062	300,225
Write-off of resource properties	-	-	(699,147)	-	(699,147)
	-	-	(696,984)	298,062	(398,922)
Balance, January 31, 2008	\$ -	\$ 38,034	\$ -	\$ 872,429	\$ 910,463

(a) Rand Property

On October 14, 2003, the Company acquired a 100% interest in 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.

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

(a) Rand Property (Continued)

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 any time 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 issuable, should an economically feasible deposit containing greater than 500,000 ounces of 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 optionor 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% net smelter return royalty ("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.

(b) 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 kilometres southeast of Yellowknife, Northwest Territories, subject to regulatory approval (received subsequent to the year ended January 31, 2005), 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 fifth 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 one-half of the NSR (1%) for a one-time payment of \$1,000,000.

For the year ended January 31, 2008, the Company allowed the Hearne Channel/Coni mineral claims to lapse due to difficulties in negotiating further exploration work with the First Nations. The Company has written off all the past capitalized expenditures related to this property.

WYN DEVELOPMENTS INC.
Notes to Consolidated Financial Statements
Years Ended January 31, 2008 and 2007

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

(c) 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, 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 thereof (paid);
 - paying a \$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 (issued in September 2007); and
 - 450,000 shares on or before July 1, 2007 (issued in September 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.

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 Consolidated Financial Statements
Years Ended January 31, 2008 and 2007

8. RELATED PARTY TRANSACTIONS

- (a) Included in management fees is \$60,000 (2007 - \$40,000) paid to a company controlled by a director/officer for management services;
- (b) The Company paid \$14,288 (2007 - \$nil) for rent, office expense, investor relations and accounting fees to a company controlled by a director/officer of the Company for use of shared office space;
- (c) The Company paid \$668 (2007 - \$nil) for exploration expenditures incurred on behalf of the Company by a company controlled by a director/officer; and
- (d) The Company paid a non-arms length party related to a director \$24,500 (2007- \$nil) in corporate communication, advertising and IT support and \$4,653 (2007- \$nil) in finders' fees, travel and promotion expenses;
- (e) Included in travel and promotion and telephone expenses is \$22,173 (2007 - \$21,815) for costs incurred on behalf of the Company by a director/officer of the Company;
- (f) The Company entered into a \$100,000 loan agreement with a company controlled by a director/officer. The loan is repayable within six months from execution. The loan will bear no interest unless it remains outstanding after the maturity, at which time interest will be at a rate of 5% per annum. The Company also paid an administration fee of \$5,000 and issued 60,000 common shares valued at \$0.25 per share. The loan was repaid subsequent to year-end.

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.

9. SHORT-TERM LOANS

- (a) For additional funding on working capital and capital cost commitment, the Company entered into a short-term loan agreement with a company controlled by a director/officer of the Company for a principal amount of \$100,000 on March 9, 2007. The principal and interest payment of the loan was repaid subsequent to year-end.

Concurrently, the Company also entered into another short term loan agreement with an arm's length third party (the "Lender") for a principal amount of \$340,000.

The terms of both March 9, 2007 unsecured loan agreements are as follows:

- (i) Principal is payable by the Company to the Lenders within six months (the "maturity date");
- (ii) Pay interest at a rate of 5% per annum on the portion of the loan amount that remains outstanding after the maturity date, such interest to be calculated from the maturity date; and
- (iii) Pay administration fees of \$5,000 (paid) and issue 60,000 common shares at a fair value of \$0.25 per share (issued) to each of the Lender's upon execution of the loan agreements.

WYN DEVELOPMENTS INC.
Notes to Consolidated Financial Statements
Years Ended January 31, 2008 and 2007

9. SHORT-TERM LOANS (Continued)

- (b) On December 20, 2007, the Company entered into a short-term loan agreement with Score Resources Ltd. ("Score") for a principal amount of \$92,000. The proceeds from the loan were used to fund the Company's working capital and drilling cost on the Prophet River A-38 well. The terms of the unsecured loan agreement are as follows:
- (i) Principal and interest payments are repayable by the earlier of April 30, 2008 (the "maturity date"), event of default or completion of equity financing;
 - (ii) Pay interest at a rate of 12% per annum on the principal of the loan from the date the principal was advanced to the Company until all principal has been repaid; and
 - (iii) Issue 92,000 common shares at a fair value of \$0.10 per share as a bonus to Score (issued subsequent to year-end).

10. CAPITAL STOCK

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

	Number of Shares	Amount
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	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
Returned 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
Issued for cash - private placements	4,182,000	825,910
Issued for property - Trutch East	92,308	36,000
Issued for property - Thrust Project (note 7(c)(ii))	900,000	351,000
Debt - short-term loan agreements (note 9(a)(iii))	120,000	30,000
Income tax effect on flow-through share renoucement	-	(239,062)
Balance - January 31, 2008	79,965,609	\$ 21,867,857

WYN DEVELOPMENTS INC.
Notes to Consolidated Financial Statements
Years Ended January 31, 2008 and 2007

10. CAPITAL STOCK (Continued)

(b) Issued and outstanding (Continued)

- (i) On June 25, 2007, the Company closed a private placement, with two tranches, for gross proceeds of \$871,400 by issuing 700,000 units at \$0.25 per unit and 3,482,000 units at \$0.20 per unit. Each unit consists of one common share and one common share purchase warrant with an expiry date of two years from closing date with an exercise price of \$0.35 per share. The Company paid \$45,490 in finder's fees related to this private placement.
- (ii) The Company issued 92,308 common shares with an fair value of \$36,000 to Tenaka Drilling Consortium Inc. pursuant to the November 20, 2006 Trutch East Participation Agreement.
- (iii) The Company issued 120,000 common shares with an fair value of \$30,000 to a company controlled by a director/officer of the Company and an arms length third party pursuant to the March 9, 2007 loan agreements (note 9(a)(iii)).
- (iv) The Company issued 900,000 common shares with an fair value of \$351,000 pursuant to the April 25, 2005 Thrust Project option agreement (note 7(c)(ii)).
- (v) As at January 31, 2008, the Company received \$237,500 for a private placement that was completed on February 20, 2008 (see note 14(a)).
- (vi) During the year ended January 31, 2008, the Company renounced \$700,650 (2007 - \$nil) of exploration expenditures under its flow-through share program.

(c) Contributed surplus

	2008	2007
Contributed surplus, beginning of year	\$ 1,246,931	\$ 969,270
Stock-based compensation for year	-	324,226
Transferred to capital stock on exercise of stock options	-	(112,500)
Transferred from capital stock upon return of escrow	-	65,935
Contributed surplus, end of year	\$ 1,246,931	\$ 1,246,931

WYN DEVELOPMENTS INC.
Notes to Consolidated Financial Statements
Years Ended January 31, 2008 and 2007

10. CAPITAL STOCK (Continued)

(d) Stock options

	2008		2007	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding and exercisable, beginning of year	5,100,000	\$ 0.42	4,425,000	\$ 0.42
Granted	-	-	1,500,000	\$ 0.39
Forfeited	(3,600,000)	\$ 0.39	(150,000)	\$ 0.39
Exercised	-	-	(675,000)	\$ 0.18
Options outstanding and exercisable, end of year	1,500,000	\$ 0.39	5,100,000	\$ 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, 2008, the Company did not grant stock options (2007 - 1,500,000), which resulted in stock-based compensation totalling \$nil (2007 - \$324,226).

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

	2008	2007
Expected life (years)	N/A	2.00
Interest rate	N/A	4.20%
Volatility	N/A	103%
Dividend yield	N/A	0.00%

As at January 31, 2008, the following share purchase options were outstanding:

Expiry Date	Exercise Price	Number of Options	
		2008	2007
February 14, 2007	\$ 0.36	-	550,000
March 11, 2007	\$ 0.41	-	650,000
September 20, 2007	\$ 0.39	-	2,400,000
March 30, 2008 *	\$ 0.39	350,000	350,000
June 21, 2008	\$ 0.39	1,150,000	1,150,000
		1,500,000	5,100,000

* Options expired subsequent to year-end

WYN DEVELOPMENTS INC.
Notes to Consolidated Financial Statements
Years Ended January 31, 2008 and 2007

10. CAPITAL STOCK (Continued)

(e) Share purchase warrants

A summary of the status of share purchase warrants as of January 31, 2008 and changes during the years ended on those dates is presented below:

	2008		2007	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Warrants outstanding and exercisable, beginning of year	13,429,729	\$ 0.45	3,502,723	\$ 0.42
Granted	4,182,000	\$ 0.35	13,429,729	\$ 0.45
Expired	-	-	(3,502,723)	\$(0.42)
Warrants outstanding and exercisable, end of year	17,611,729	\$ 0.43	13,429,729	\$ 0.45

As at January 31, 2008 and 2007 the following share purchase warrants were outstanding:

Expiry Date	Exercise Price Per Warrant	Number of Warrants	
		2008	2007
May 25, 2008	\$ 0.50	528,000	528,000
May 25, 2008	\$ 0.50	1,957,158	1,957,158
August 28, 2008	\$ 0.45	2,748,571	2,748,571
November 29, 2008	\$ 0.45	7,695,000	7,695,000
November 29, 2008	\$ 0.50	501,000	501,000
April 26, 2009	\$ 0.35	700,000	-
June 25, 2009	\$ 0.35	3,482,000	-
		17,611,729	13,429,729

WYN DEVELOPMENTS INC.
Notes to Consolidated Financial Statements
Years Ended January 31, 2008 and 2007

11. INCOME TAXES

The components of the Company's future tax assets and liabilities are as follows. The tax rate expected to apply when the temporary differences reverse is 26% (2007 - 34.12%):

	2008	2007
Future income tax assets		
Non-capital tax losses carried forward	\$ 818,405	\$ 887,802
Net capital tax losses carried forward	356,436	467,751
Tax value over book value of mineral interest, properties and capital assets	2,746,139	322,434
Future income tax asset arising from share issuance costs	92,576	146,034
Valuation allowance for future income tax asset	(4,013,556)	(1,824,021)
Net future income tax assets	-	-
Future income tax liabilities	-	-
Future income tax assets	\$ -	\$ -

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
2009	\$ 38,500
2010	110,700
2011	343,800
2015	649,700
2026	582,900
2027	727,000
2028	696,000
	\$ 3,148,600

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 \$10,900,000, which may be carried forward indefinitely to apply against future income for Canadian tax purposes.

WYN DEVELOPMENTS INC.
Notes to Consolidated Financial Statements
Years Ended January 31, 2008 and 2007

11. INCOME TAXES (Continued)

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

	2008	2007
Income tax benefit computed at Canadian statutory rates	\$ 3,510,000	\$ 374,000
Income tax recovery resulting from renunciation of flow-through share expenditures	239,062	-
Deferred financing fees	43,000	40,000
Write-off of mineral and oil and gas properties	(3,258,000)	(52,000)
Depletion of oil and gas properties	(237,000)	
Tax rate variation	(1,200,000)	-
Other	(2,000)	(3,000)
Non-deductible stock-based compensation	-	(111,000)
Unrecognized tax expense (recovery)	1,144,000	(248,000)
Future income tax recovery	\$ 239,062	\$ -

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. ASSET RETIREMENT OBLIGATIONS

The Company's AROs result from net ownership interest in oil and gas interests including well sites, gathering systems and processing facilities. The Company estimates the total undiscounted amount of cash flows required to settle its AROs is approximately \$31,042 (2007 - \$nil). These costs will be incurred between 2010 and 2017. A credit-adjusted, risk-free rate of 10% was used to calculate the fair value of the AROs. The discounted amount of \$16,805 is included in the Company's oil and gas interests. Accretion expense of \$1,681 has been recognized for the year.

14. SUBSEQUENT EVENTS

- (a) On February 20, 2008 the Company completed tranche 1 of a non-brokered private placement by issuing 13,500,000 units at \$0.05 per unit for gross proceeds of \$675,000. Each unit consists of one common share and one common share purchase warrant. Each common share purchase warrant entitles the warrant holder to purchase an additional common share for two years at \$0.10 per share. The Company paid \$38,000 and issued 760,000 warrants with similar terms as finders' fees in connection with this private placement.
- (b) On February 22, 2008, the Company issued 92,000 common shares pursuant to the obligation to issue shares (note 10(b)(iii)).

WYN DEVELOPMENTS INC.
Notes to Consolidated Financial Statements
Years Ended January 31, 2008 and 2007

14. SUBSEQUENT EVENTS (Continued)

- (c) On February 28, 2008, the Company repaid principal amount of \$100,000 and interest fees of \$2,349 to a company controlled by a director/officer of the Company for a short-term loan agreement that the Company entered into on March 9, 2007 (note 9(a)).
- (d) On March 17, 2008 the Company completed tranche 2 of a non-brokered private placement by issuing 7,600,000 units at \$0.05 per unit for gross proceeds of \$380,000. Each unit consists of one common share and one common share purchase warrant. Each common share purchase warrant entitles the warrant holder to purchase an additional common share for two years at \$0.10 per share. The Company paid \$21,500 and issued 430,000 warrants with similar terms as finders' fees in connection with this private placement.
- (e) On March 26, 2008, the Company repaid principal amount of \$255,000 and interest fees of \$7,813 to an arm's length third party for a short-term loan agreement that the Company entered into on March 9, 2007 (note 9(a)).
- (f) On April 30, 2008 the Company held its AGM and Special Meeting and approved the following resolutions:
 - (i) Approval for the transfer of all mineral interests held by the Company into its wholly-owned subsidiary, Wyn Metals Inc., and approval of proceeding with a plan of arrangement whereby the shares of Wyn Metals Inc. would be transferred to the Company's shareholders.
 - (ii) Approval for the name change of Wyn Developments Inc. to Canada Gas Corp. or any other name at the Board of Directors' discretion.
 - (iii) The consolidation of 5 common shares of the Company for 1 new share of the Company to be effected after the completion of the plan of arrangement with respect to the shares of Wyn Metals Inc.