

Beaufield Resources Inc.

Management's Discussion & Analysis

Nine-months ended May 31, 2008

Beaufield Resources Inc.

P.O. BOX 11385 Station H, Ottawa, Ontario, K2H 7V1

Tel.: (613) 721-2919 Fax: (613) 828-7268

Website: www.beaufield.com

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Management's Discussion and Analysis

For the nine-month period ended May 31, 2008

The following discussion and analysis (the "MD&A") of the financial condition and results of the operations of Beaufield Resources Inc. ("Beaufield" or "the Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the period of nine months ended May 31, 2008. This MD&A should be read in conjunction with the Company's financial statements for the third quarter ended May 31, 2008 and related notes and with the Company's MD&A included in the 2007 Annual Report. All figures are in Canadian dollars unless otherwise noted.

Further information regarding the Company and its operations are filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) in Canada and can be accessed at www.sedar.com.

Nature of activities

Beaufield is a mineral exploration and development company, which acquires, explores, joint ventures and develops mineral properties in Canada.

Operating activities

The Company reported a net income of \$4,033 in the nine-month period ended May 31, 2008 ("Q3-08") compared to a net loss of \$98,555 in the nine-month period ended May 31, 2007 ("Q3-07").

Interest income for Q3-08, consisting of interest earned from cash balances with financial institutions or highly liquid short-term investments was \$217,493 compared with \$240,351 in Q3-07. This reduction is due primarily to less cash available for investing and lower interest rates on the market.

Administrative expenses for Q3-08 were \$385,362 (\$285,906 in Q3-07). The change in expenses is due primarily to:

- a) Administrative services that increased to \$117,138 in Q3-08 as compared to \$94,813 in Q3-07. Beaufield relocated its Ottawa office to a new location in October 2007. The rent has increased to \$22,500 in Q3-08 from \$9,000 in Q3-07;
- b) A \$52,000 stock-based compensation cost was recorded Q3-08 for the 400,000 options granted to a new director in April 2008 (\$4,750 in Q3-08);
- c) Directors' fees including employers' benefit total \$47,204 in Q3-08 (nil in Q3-07). Effective after 2007 year-end, the Board of Directors approved an annual payment of \$15,000 each to the three non-executive Directors.

The \$48,098 non-cash asset write-off relating to the Storm Lake property reflects the Corporation's decision to drop the claims.

Investing activities

a) Addition to mineral properties Troilus, Quebec

The principle change to the Company's mineral assets portfolio consisted of the acquisition of Xstrata's 50% interest in Troilus. In November 2007, the Company paid \$700,000 in cash and Xstrata retains a 1% NSR royalty on the property.

Following the transaction, Beaufield owns 100% of the entire property, which contains the Tortigny and Moleon base metal deposits (copper-zinc-silver) and a very large property package (approximately 21,000 hectares) containing many other exploration targets uncovered during the Xstrata-Beaufield exploration program.

The property is located in the Frotet Evans mineral belt which hosts Inmet's Troilus gold- copper mine. This belt is located approximately 100km north of Chibougamau and is easily accessible by an all weather road. Under the terms of the transaction, Xstrata has the right to purchase the concentrates from any eventual mining operation on the property, at commercial and competitive terms in the marketplace.

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Investing activities (Cont'd)

Addition to mineral properties (Cont'd)

The Tortigny deposit was discovered by Noranda Inc in the 1990's. The deposit comes directly to surface and is accessible by road. Noranda undertook a resource calculation to determine if the minerals could be trucked to their Matagami facility. Low metal prices which prevailed at the time prevented exploitation of the deposit. Noranda calculated a resource of 489,900 tonnes 2.21% copper, 6.15% zinc, 0.24% lead, 0.31 g/t gold and 60.08 g/t silver located within an epiclastic sedimentary horizon (argillite and siltstone) intercalated between two distinct tholeiitic and transitional basal units. The Tortigny resource calculation is not compliant as per NI 43-101/4.2(2b). A qualified person has not done sufficient work to classify the historical estimate as a current mineral resource and the historical estimate should not be relied upon.

Labrador

In April 2008, the Company staked a group of claims in the Labrador area on some high lake sediment anomalies. The Company is in the process of checking records of previous work. This area is in the middle of the current hot iron exploration area.

The other additions to the mineral properties consist of claim renewals.

b) Exploration expenses

The Company invested \$736,577 in exploration expenses in Q3-08 of which \$638,464 was spent on the Troilus property and \$73,755 on the Hemlo property. In Q3-07, the Company invested \$1,152,065 of which \$1,087,926 was spent on the Opinaca property.

Following are the deferred exploration expenses incurred in Q3-08 and Q3-07.

Q3-08	Troilus	Opinaca	Mata-gami	Hemlo	Urban	Total
	\$	\$	\$	\$	\$	\$
Drilling	453,072	(4,626)	-	-	300	448,746
Assays	19,897	1,763	-	10,985	-	32,645
Geology	15,010	3,988	33	6,890	964	26,885
Geophysics & geochemistry	46,696	900	-	8,251	300	56,147
Line cutting	50,130	-	-	9,000	-	59,130
Travelling	9,250	1,014	-	10,215	-	20,479
General field expenses	539	223	20	836	600	2,218
Payroll and benefits	43,870	11,491	-	27,578	-	82,939
Depreciation	-	6,825	-	-	-	6,825
	638,464	21,578	53	73,755	2,164	736,014

Q3-07	Lac Evans	Troilus	Opinaca	Mata-gami	Main-street	Hemlo	Raglan	Urban	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Drilling	-	(1,962)	732,155	-	-	-	-	900	731,093
Assays	124	-	46,159	-	-	-	-	-	46,283
Geology	8,297	16,706	39,314	297	331	5,589	1,550	3,916	76,000
Geophysics & geochemistry	2,275	1,501	65,582	-	12,028	685	-	1,908	83,979
Line cutting	-	-	2,806	-	2,019	-	-	-	4,825
Travelling	-	667	8,489	-	-	578	-	-	9,734
General field expenses	-	-	17,595	-	-	467	-	-	18,062
Payroll and benefits	-	-	75,826	-	-	-	-	-	75,826
Stock-based compensation	-	-	100,000	-	-	-	-	-	100,000
Management fees	-	946	-	-	-	-	-	5,317	6,263
	10,696	17,858	1,087,926	297	14,378	7,319	1,550	12,041	1,152,065

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Investing activities (Cont'd)

b) Exploration expenses (Cont'd)

Troilus

Between January and February 2008, eight diamond drill holes, totalling 3,411 metres, were completed in the vicinity of the 100% owned Tortigny base metal deposit. The program consisted of two aspects. The first aspect was to drill an infill hole between three widely spaced holes to better define the deposit. The second aspect was to probe for a westward extension of the southern arm of the deposit and to verify for near surface mineralization.

In a news release issued on April 8, 2008, Beafield announced the results of the drilling program. The most promising infill hole delivered the following results:

	From (m)	To (m)	Length (m)	Zinc	Copper	Silver	Gold	Cobalt
TO-08-05	230.65	259.00	28.35	6.81%	2.77%	71.36 g/t	0.51 g/t	0.06%
Including	232.50	245.05	12.55	15.00%	6.02%	145.50 g/t	0.95 g/t	0.13%
Including	234.90	239.40	4.50	16.52%	7.58%	178.87 g/t	0.48 g/t	0.13%

Hole TO-08-05 was drilled to fill a gap of 75 metres between three holes drilled by Noranda in 1995-1996. The Noranda holes were TY-96-35 (11.75% Zn, 0.99%Cu, 48.89g/t Ag and 0.18g/t Au over 1.94m), TY-95-06 (5.30% Zn, 4.10%Cu, 94.81 g/t Ag and 0.48g/t Au over 5.30m) and TY-96-36 (9.00% Zn, 7.06% Cu, 147.63 g/t Ag and 0.81 g/t Au over 9.12m).

It is important to note the significant increase in grade and width from the earlier drilling which, in the opinion of Beafield management, enhances the importance of the deposit.

Two holes TO-08-01 and TO-0803 were drilled to test the extension to surface of a previous hole.

	From	To	Length	Zinc	Copper	Silver
TO-08-01	150.60	169.55	18.95	0.83%	0.21%	14.37g/t
Including	160.90	164.65	3.75	1.32%	0.67%	38.38 g/t
TO-08-03	72.00	107.60	35.60	0.41%	0.05%	5.61 g/t

Wide intersections of low grade mineralization were intersected approaching the deposit. The sulphides are composed mostly of disseminated to semi-massive pyrrhotite, injected by millimetric stringers of sphalerite with traces of chalcopyrite, associated with an intense aluminosilicates alteration. This alteration halo is spatially located less than 20m from the deposit and was intersected in every hole. This suggests to management that a large, low grade halo potentially indicates a significantly higher grade base metal deposit.

The other five holes were drilled to search for a deeper extension of known mineralization. The holes encountered a halo of anomalous zinc, copper and silver. Management interprets this to be a strong indicator that the Tortigny zone could continue at a different level.

Hole TO-08-05 demonstrates that wider, higher grade portions exist within the undrilled portions of the Tortigny deposit, which can enhance the value of the deposit. Additional drilling will be undertaken to define and extend the high grade portions.

During this quarter, Beafield completed line cutting at Tortigny and is undertaking a surface and downhole electromagnetic surveys on the previous holes to define massive sulphide targets, suggested by current drilling, in preparation for further drilling. Lines have been cut on three other targets including Moleon. The Company has also started a two week, helicopter supported exploration program using prospecting and Beep-Mats.

Hemlo

During Q3-08, Beafield has completed the assaying and sampling of the line cutting and geological work undertaken on the Hemlo property last year.

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Financing activities

There was no financing activities in Q3-08.

Liquidity

The Company has a working capital surplus of \$8,247,479 as at May 31, 2008 as compared to \$9,559,575 on August 31, 2007. Management is of the opinion that it will be able to maintain the status of its current exploration obligations and to keep its properties in good standing for several years with the level of liquidity on hand. Advanced exploration of some of the mineral properties would require substantially more financial resources. In the past, the Company has been able to rely on its ability to raise financing in public or privately negotiated equity offerings. There is no assurance that such financing will be available when required, or under terms that are favourable to the Company. The Company may also elect to advance the exploration and development of mineral properties through joint-venture participation. Management is not currently considering further financing at this time.

Outlook

Continuing exploration during calendar 2008 will consist of:

Troilus-Tortigny:

1. Continue drilling the new high grade portion of the Tortigny deposit to define its extent and add to the tonnage;
2. Undertake geophysics to evaluate the potential to drill the nearby Moleon base metal deposit;
3. Undertake regional exploration on the company's land holdings in the Troilus mineral belt;

Raglan:

Beaufield have undertaken a VTEM helicopter-borne electromagnetic and magnetic survey of its 100% owned Raglan property on the Ungava nickel belt.

The estimated budget for those two programs during calendar 2008 is approximately \$800,000.

Please refer to the MD&A (dated December 12, 2007) and included in the 2007 Annual report for the anticipated work and budgets for 2008 on the other properties.

Summary of quarterly results

For the eight most recent quarters:

	<u>May 31, 2008</u>	<u>February 29, 2008</u>	<u>November 30, 2007</u>	<u>August 31, 2007</u>
Net income (loss) for the period	\$ (115,365)	\$ 95,497	\$ 23,901	\$ 30,095
Net income (loss) per share	-	-	-	-
	<u>May 31, 2007</u>	<u>February 28, 2007</u>	<u>November 30, 2006</u>	<u>August 31, 2006</u>
Net income (loss) for the period	\$ 31,954	\$ (97,122)	\$ (33,387)	\$ 237,990
Net income (loss) per share	-	-	-	-

