

Beaufield Resources Inc.

Management's Discussion and Analysis

Six-months ended February 28, 2010

The attached Management's Discussion and Analysis have been prepared by Management of Beaufield Resources Inc. and have not been reviewed by an auditor.

Beaufield Resources Inc.

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For the six-month period ended February 28, 2010

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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 six-month period ended February 28, 2010 ("Q2-10"). This MD&A should be read in conjunction with the Company's financial statements for the six-month period ended February 28, 2010 and related notes and with the Company's MD&A included in the 2009 Annual Report. Beaufield's interim Financial Statements are prepared in accordance with Canadian generally accepted accounting principles ("**GAAP**") and reported 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.

Highlights

During the first quarter of fiscal 2010, the Company completed a 960 line kilometre airborne survey of its Lab-Schefferville project.

During the second quarter of fiscal 2010, the Company completed a 2,472 metres drilling program on its 100% owned Tortigny base metal deposit (Troilus project) north of Chibougamau, Quebec.

Operating activities

The Company reported a net loss of \$289,658 in Q2-10 compared to a net loss of \$317,082 in the six month period ended February 28, 2009 ("Q2-09").

Administrative expenses

Administrative expenses for Q2-10 were \$390,446 (\$238,602 in Q2-09). The change in expenses is due primarily to:

- a) A \$100,000 stock-based compensation cost was recorded in October 2009 for the 1,000,000 vested options granted to directors and officers (nil in Q2-09);
- b) Salaries, benefits and management fees increased to \$119,415 in Q2-10 as compared to \$56,556 in Q2-09. This increase is mainly due to \$56,107 (\$5,950 in Q2-09) of geologists salaries that were recharged as consulting fees to Melkior Resources Inc. for its own projects.

Project management fees

In Q2-10, the Company earned \$67,647 (\$65,165 in Q2-09) in project management fees as follows:

- a) \$67,647 (\$7,100 in Q2-09) in project management fees on Melkior's own projects; and
- b) \$Nil (\$58,065 in Q2-09) of project management fees on Beaufield's Troilus joint venture with Melkior.

Investment income

In 2009, with very low rate of return being earned on the Company's cash reserves invested in treasury bills and with gold being the primary focus, the Company decided to invest up to \$2 million of its cash and cash equivalents with an investment in one ounce gold maple leaf coins and securities in publicly traded companies in the resource sector. The Company is actively evaluating investment opportunities to increase the return on its cash reserves.

Interest earned from cash balances held at financial institutions was \$7,289 as compared with \$60,178 in Q2-09. This reduction is due primarily to lower market interest rates and lower cash balances invested in fixed-income securities.

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Operating activities (Cont'd)

In Q2-10, the disposal of publicly traded securities, at a cost of \$446,944 (\$40,240 in Q2-09), generated a realized gain of \$58,246 (\$58,970 in Q2-09) while the unrealized loss on mark-to-market on marketable securities totalled \$32,394 (\$138,740 gain in Q2-09).

Gold coins are considered a commodity and not a financial instrument and as such are recorded at cost. At February 28, 2010, the Company held 839 ounces of gold coins having an acquisition cost of \$999,420 and a market value of \$985,912.

Date	Fair market value	Exchange rate	Fair market value	Total fair
	per ounce		per ounce	market value
	US\$		CDN\$	CDN\$
March 27, 2009 (acquisition date)	984.46	1.21	1,191.20	999,420
February 28, 2010	1,116.70	1.0523	1,175.10	985,912

Write-off of mineral properties

At the beginning of 2009, The Company decided to take a write-off for a total amount of \$401,533 (\$Nil in Q2-10) on the Mainstreet project, Launay Township, Lac Evans, Matagami and Lab Schefferville properties. At that time, the Company did not anticipate any exploration expenditures of its own on those properties in the near future owing to the depressed base metal market and the difficulty to bring in a joint venture partner with whom to share investment risk.

Investing activities

Mineral properties

During Q2-10, the additions of \$94,833 (\$22,066 in Q2-09) to the mineral properties consist of:

- Acquisition for an amount of \$35,616 by map staking of a 100% interest in 297 claims covering a surface area of 127 square kilometers in the Eastmain area of James Bay in northern Quebec. Several companies have recently announced interesting lithium discoveries in this area; and
- Claim renewal cost on the other properties.

Exploration expenses

During Q2-10, the Company invested \$430,567 (\$265,439 in Q2-09) in exploration expenses.

The Company applies for refundable exploration tax credits to certain Quebec government bodies at each taxation year end and records the expected amounts as an amount receivable. For Q2-10, the Company has accrued \$193,482 in refundable tax credits related to expenditures.

Following are the deferred exploration expenses incurred in Q2-10 and Q2-09.

Q2-10	Urban	Troilus	Opinaca	Raglan	Hemlo	Schefferville	Total
	\$	\$	\$	\$	\$	\$	\$
Drilling	600	249,752	-	-	183	-	250,535
Geology	7,549	70,862	27,586	-	1,643	2,207	109,847
Geophysics & geochemistry	-	4,226	7,610	1,400	-	52,399	65,635
Line cutting	-	-	-	-	-	-	-
Depreciation	-	-	4,550	-	-	-	4,550
	<u>8,149</u>	<u>324,840</u>	<u>39,746</u>	<u>1,400</u>	<u>1,826</u>	<u>54,606</u>	<u>430,567</u>

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Investing activities (Cont'd)

Q2-09	Urban	Troilus	Opinaca	Raglan	Hemlo	Total
	\$	\$	\$	\$	\$	\$
Drilling	283,605	-	300	-	53	283,958
Geology	49,117	86,504	23,911	700	3,473	163,705
Geophysics & geochemistry	55,516	39,849	630	15,558	77,354	188,907
Line cutting	11,422	-	-	-	-	11,422
Depreciation	-	4,550	-	-	-	4,550
	<u>399,660</u>	<u>130,903</u>	<u>24,841</u>	<u>16,258</u>	<u>80,880</u>	<u>652,542</u>
Recharge	(387,103)	-	-	-	-	(387,103)
	<u>12,557</u>	<u>130,903</u>	<u>24,841</u>	<u>16,258</u>	<u>80,880</u>	<u>265,439</u>

Troilus

During the second quarter of fiscal 2010, The Company completed 2,472 metres drilling program consisting of seven diamond drill holes in the vicinity of the 100% owned Troilus-Tortigny base metal deposit.

The Tortigny polymetallic deposit is located in the Troilus area 100 kilometres north of the town of Chibougamau, Quebec. It consists of a deformed massive sulfide deposit hosted in meta-sedimentary rocks which are surrounded by mafic volcanic rocks. The deposit forms a "V" shape fold where in 1997 the previous operator, Mines et Exploration Noranda Inc., 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. 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.

In February 2008 Beaufield intersected massive sulfides in hole TO-08-05 for which assays included 12.55m 6.02% copper, 15.00% zinc, 145 g/t silver and 0.95 g/t gold. (Press release April 8th 2008). This hole and the new 2010 holes were not included in the prior resource calculation.

The 2010 program consisted of two aspects. The first aspect was to drill four infill holes (TO-10-10; TO-10-11; TO-10-12 and TO-10-15) for a total of 879 metres between previously drilled, widely spaced holes to better define the deposit. The second aspect was verifying three electromagnetic conductors, with three holes (TO-10-09; TO-10-13 and TO-10-14), totaling 1,593 metres located in the vicinity of the deposit.

Hole TO-10-10 intersected a total of 33.1 metres of massive sulfide mineralization grading 2.32% copper, 5.94% zinc, 0.16% lead, 0.25 g/t gold and 63.30 g/t silver, which is the longest mineralized intersection yet drilled at Tortigny. Hole TO-10-12 assayed the best gold intersection to date with 2.20 g/t gold over 11.90 metres and TO-10-15 obtained the best assays of the drill program: 8 metres of 6.15% copper, 9.98% zinc, 0.31% lead, 1.72 g/t gold and 157.96 g/t silver. The best intersections are summarized in the press release dated March 30, 2010.

Holes TO-10-09; TO-10-13 and TO-10-14 were drilled on the periphery of the known extent of the deposit in order to verify three off-hole electromagnetic conductors. Pyrrhotite stringers hosted in graphite rich sediments were intersected in holes TO-10-13 and TO-10-14 explaining the conductors. The conductor targeted by hole TO-10-09 was not explained. Minor mineralization was encountered in hole TO-10-14, which could represent a halo from deeper mineralization.

All drill hole data has been forwarded to SGS-Canada Inc. to prepare an updated model and a new resource calculation. Based on this model a new drill program and budget will be prepared.

Urban

On March 2, 2010, The Urban gold properties have been optioned to Amseco Exploration Ltd. (Press release March 4, 2010). Amseco must spend \$1,980,000 over a four year period to earn a 50% interest in Beaufield's Urban properties.

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Investing activities (Cont'd)

Amseco has contracted a high sensitivity airborne magnetic survey to define the geological formations and structures which host gold deposits and occurrences in Urban Township Quebec.

Schefferville iron-zinc project

In 2008, the Company staked a group of claims within the Labrador Trough approximately 40 kilometres northwest of Schefferville Quebec. The 100% owned property consists of 139 claims or approximately 6,776 hectares. This area is in the middle of the current hot iron exploration area. The Labrador Trough is the host of world class iron deposits and potential host of rare earth and sediment-hosted exhalative, lead-zinc deposits ("SEDEX") deposits. Subsequent to February 28, 2010, additional claims were map staked bringing the Company's total land position to 520 claims (press releases of March 17 and April 21, 2010).

During the first quarter of fiscal 2010, the Company completed a 960 line kilometre airborne survey of its Schefferville project. The survey was carried out using a high sensitivity magnetometer to map geology, structure and iron formations and using a spectrometer to map radioactive minerals. The equipment was flown in helicopter to get optimum ground clearance. The objective of the survey was to assist in the exploration for SEDEX and to map iron formations. The data will be interpreted and used in a follow-up program to explore for SEDEX zinc deposit and the iron deposit, the summer of 2010 (Press release November 24, 2009).

Hemlo

In Fiscal 2009, the Northern Eagle gold property has been optioned to Jiminex Inc. Jiminex has contracted Caracle Cred International Consulting Inc., of Toronto to prepare a geological model for the property. The Barrick Gold Corporation mines are located 15 kilometres due east. Jiminex must spend \$1,300,000 over a three year period to earn a 50% interest in this property.

Financing activities

There was no financing activities in Q2-10.

Liquidity

The Company has no long term debt and a working capital (current assets less current liabilities) of \$6,870,710 as at February 28, 2010 as compared to \$7,387,736 on August 31, 2009. 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.

Summary of quarterly results

For the eight most recent quarters:

	February 28, 2010	November 30, 2009	August 31, 2009	May 31, 2009
Net loss for the period	\$ (111,677)	\$ (177,981)	\$ (87,443)	(218,634)
Net loss per share	-	-	-	(0.005)
	February 28, 2009	November 30, 2008	August 31, 2008	May 31, 2008
Net loss for the period	\$ (254,831)	\$ (62,251)	\$ (21,723)	\$ (115,365)
Net loss per share	(0.005)	-	-	-

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Related party transactions

The principal transactions concluded with companies controlled by officers are as follows:

	Six-month period ended February 28,	
	2009	2008
	\$	\$
Deferred exploration expenses ¹⁾	7,800	23,595
Professional fees ²⁾	51,831	65,911
Management fees ³⁾	40,200	30,350
Rent ³⁾	15,000	15,000
Total	<u>114,831</u>	<u>134,856</u>

These transactions were concluded in normal course of operations and were measured at the exchange amount that is the amount established and accepted by the parties.

- (1) Fees paid to a private company controlled by the President of Beaufield, for geological services rendered by the President of Beaufield who is also a director;
- (2) Professional fees paid to a private company controlled by the Chief Financial Officer of Beaufield for bookkeeping, accounting and administrative services;
- (3) Management fees and rental office spaces paid to a private company controlled by the President of Beaufield;

There were accounts payable or accrued liabilities at February 28, 2010 to companies controlled by officers in the amount of \$27,188 (\$28,980 on February 28, 2009).

Subsequent Event

There are no subsequent events to report.

Disclosure of outstanding share data (as of April 21, 2010)

	<u>Number</u>
Common shares	83,349,519
Options	5,000,000
Warrants	-
Total on a fully-diluted basis	<u>88,349,519</u>

Stock Option Plan

The purpose of the Stock Option Plan (the "Plan") is to serve as an incentive for the directors, officers and service providers who will be motivated by the Company's success as well as to promote ownership of common shares of the Company by these people. There is no objective attached to the Plan and no relationship to manage the Company's risks.

Off-balance sheet arrangements

The Company does not have any off-balance sheet arrangements.

Contractual obligation and contingencies

The Company does not have any contractual obligation and contingencies.

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Management's responsibility for financial information and critical accounting estimates

Beaufield financial statements are the responsibility of the Company's management. The interim financial statements were prepared by the Company's management in accordance with Canadian generally accepted accounting principles. A description of the Company's significant accounting policies can be found in Note 3 of the Company's 2009 annual financial statements. The interim financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the interim financial statements are presented fairly in all material respects. Significant estimates include the carrying amount of mineral properties and stock-based compensations. The estimates mentioned above involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control and are described in the Company's 2009 MD&A.

Change in accounting policies including initial adoption

Taking effect September 1, 2009, according to the transition dispositions, the Company adopted the following new accounting policy published by the Canadian Institute of Chartered Accountants ("CICA"):

Financial Instrument: In June 2009, the CICA amended Section 3862, "Financial instrument - disclosure". This section has been amended to introduce new financial disclosure requirements, particularly with respect to fair value measurement of financial instruments (three hierarchy levels) and entity exposure to liquidity risk. The amendments to this section apply to annual financial statements for years ending after September 2009. Disclosure and presentation requirements pertaining to this section are contained in Note 9 and have no impact on the Company's financial results.

IFRS Convergence

No new development to report for Q2-10.

Financial Instruments

Financial instruments – recognition and measurement

On initial recognition, all financial assets and liabilities are measured and recognized at their fair value, except for financial assets and liabilities resulting from certain related party transactions. Subsequently, financial assets and liabilities are measured and recognized as follows:

- Held for trading financial assets are measured at their fair value and changes in fair value are recognized in the statement of operations. Changes in fair value that are recognized in the statement of operations include interest income and unrealized gains or losses. Cash and marketable securities are classified as held for trading;
- Loans and receivable are measured at amortized cost which is generally the initially recognized amount, less any allowance for doubtful account. Due from partners is classified as loans and receivable;
- Other financial liabilities are measured at amortized cost using the effective interest method. Interest calculated using the effective interest method is presented in the statement of operations. Account payable and accrued liabilities are classified as other financial liabilities;

The Company is exposed to various financial risks resulting from both its operations and its investments activities. The Company's management manages financial risks. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

Financial risks

The Company's main financial risk exposure and its financial risks management policies are as follows:

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Financial Instruments (Cont'd)

Fair Value

The Company defines the fair value hierarchy under which its financial instruments are valued as follows: Level 1 includes unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 includes inputs other than quoted prices in level 1 that are observable for assets or liability, either directly or indirectly and level 3 includes inputs for the asset or liability that are not based on observable market data. Cash and marketable securities are considered a level 1.

The fair value of shares in publicly traded companies held for trading is measured based on the quoted closing bid prices on the stock market at the balance sheet date or the closing bid price on the last day the security traded if there were no trades at the balance sheet date. The fair value and cost of the marketable securities is reflected on Note 3. Since this evaluation is based on quoted prices in active markets, it's considered a level 1 in the fair value hierarchy.

The fair value of cash, due from partners and accounts payable and accrued liabilities is comparable to their carrying value due to the relatively short period to maturity of the instruments.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Financial instruments that potentially subject the Company to credit risk consist of cash as at February 28, 2010. During Q2-10, the Company has minimized its credit risk by holding the majority of its cash with a Canadian chartered bank. Management believes that the credit risk concentration with respect to these financial instruments is remote.

The Company aims at signing partnership agreements with established companies and follows closely their cash position to reduce its credit risk on due from its partners.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet the obligations associated with its financial liabilities. Liquidity risk management serves to maintain a sufficient amount of cash and cash equivalents and to ensure that the Company has at his disposal sufficient sources of financing such as private placement. The Company's policies and processes for managing capital are set out in note 6c). As the Company currently has no debt, the Company establishes cash estimates to ensure that there are adequate funds to fulfill its obligations and to meet its commitments, for the next twelve months, as they become due under normal operating conditions.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

Cash bear interest at a variable rate and the Company is, therefore, not exposed to the risk of changes in fair value resulting from interest rate fluctuations. The Company's other financial assets and liabilities do not comprise any interest rate risk since they do not bear interest. The Company does not use financial derivatives to decrease its exposure to interest risk.

Other risk

Other risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate because of changes in market prices. The Company is exposed to other risk in trading its investments and unfavourable market conditions could result in the disposal of investments at less than favourable prices.

As at February 28, 2010, a 10% increase or decrease in the closing bid prices on its publicly traded companies would result in an estimated decrease or increase in net after-tax loss of approximately \$50,000.

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Risk factors

Details of risk factors are outlined in the Company's MD&A included in the 2009 annual report.

Qualified Person

Jens E. Hansen, P.Eng. is the Qualified Person under National Instrument 43-101 who has reviewed the scientific and technical information in this document.

Forward-looking statements

This Report contains forward-looking statements that are based on beliefs of its management as well as assumptions made by and information currently available to management of the Company. When used in this Report, the words "estimate", "believe", "anticipate", "intend", "expect", "plan", "may", "should", "will", and the negative thereof or other variations thereon or comparable terminology are intended to identify forward-looking statements. Such statements reflect the current views of the Company with respect to future events based on currently available information and are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in those statements. The statements contained in this Report speak only as of the date hereof. The Company undertakes to inform shareholders and to update forward-looking statements if circumstances or management's estimates or opinions should change.

April 21, 2010

(S) Jens E. Hansen
Jens E. Hansen
President

(S) Vatché Tchakmakian
Vatché Tchakmakian, CA
Chief Financial Officer and Secretary