

Beaufield Resources Inc.

Management's Discussion and Analysis

Three-months ended November 30, 2008

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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Management's Discussion and Analysis

For the three-month period ended November 30, 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 three-month period ended November 30, 2008. This MD&A should be read in conjunction with the Company's financial statements for the three-month period ended November 30, 2008 ("Q1-09") and related notes and with the Company's MD&A included in the 2008 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.

Operating activities

Interest income for Q1-09, consisting of interest earned from cash balances with financial institutions or highly liquid short-term investments was \$39,943 compared with \$79,350 in the three-month period ended November 30, 2007 ("Q1-08"). This reduction is due primarily to lower interest rates on the market.

The Company has started to earn project management fees on it's Troilus Joint venture with Melkior Resources inc. ("Melkior") (\$10,018 in Q1-09).

Administrative expenses for Q1-09 were \$112,212 (\$74,449 in Q1-08). The change in expenses is due primarily to:

- Professional fees that increased to \$33,369 in Q1-09 as compared to \$22,015 in Q1-08 due to increased exploration and corporate activities;
- Directors' fees including employers' benefit to the three non-executive Directors total \$23,228 in Q1-09 (nil in Q1-08). Last year an equivalent amount was paid in December 2007.

In conclusion, the Company reported a net loss of \$62,251 in Q1-09 compared to a net income of \$23,901 in Q1-08.

Investing activities

Mineral properties

During this quarter, the additions of \$20,014 to the mineral properties consist of claim renewals.

Exploration expenses

During the quarter, the Company invested \$238,413 (\$66,501 in Q1-08) in exploration expenses of which \$66,786 was spent on the Troilus joint venture and was recharged to Melkior Resources Inc.

Following are the deferred exploration expenses incurred in Q1-09 and Q1-08.

Q1-09	Troilus	Opinaca	Urban	Raglan	Hemlo	Total
	\$	\$	\$	\$	\$	\$
Drilling	2,104	-	300	-	-	2,404
Geology	33,234	79,652	22,370	350	350	135,956
Geophysics & geochemistry	31,274	39,849	-	15,233	-	86,356
Line cutting	11,422	-	-	-	-	11,422
Depreciation	-	2,275	-	-	-	2,275
	<u>78,034</u>	<u>121,776</u>	<u>22,670</u>	<u>15,583</u>	<u>350</u>	<u>238,413</u>
Recharge	<u>(66,786)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(66,786)</u>
	<u>11,248</u>	<u>121,776</u>	<u>22,670</u>	<u>15,583</u>	<u>350</u>	<u>171,627</u>

Beafield Resources Inc.

Management's Discussion and Analysis

For the three-month period ended November 30, 2008

Investing activities (Cont'd)

Q1-08	Troilus	Opinaca	Mata-gami	Hemlo	Total
	\$	\$	\$	\$	\$
Geology	3,188	3,934	33	29,429	36,584
Geophysics & geochemistry	-	-	-	16,658	16,658
Assays	-	-	-	10,984	10,984
Depreciation	-	2,275	-	-	2,275
	<u>3,188</u>	<u>6,209</u>	<u>33</u>	<u>57,071</u>	<u>66,501</u>

Troilus, Québec (Copper – Zinc – Gold)

Beafield has decided to divide the Troilus area claim blocks into two main groups. The one which is 100% owned by Beafield contains the Tortigny, Moleon, Crab Lake and Inco Boulder areas. The other group consists mostly of newly staked claims. These are referred to as the New groups. On October 20, 2008, Beafield entered into an option agreement to advance exploration of the New groups, whereby Melkior will earn a 50% interest on the New groups by spending \$500,000 on exploration over a three year period. Of the above amount \$250,000 must be spent before June 30, 2009. Beafield is the operator.

During this quarter, line cutting and geophysics have been completed on the New groups.

Drilling started on December 4, 2008 and were completed on January 20, 2009. The current grassroots program consisted of drilling 6 holes for 933 metres. The holes targeted specific airborne geophysical anomalies with coincident electromagnetics and magnetics. Prior to drilling these targets they have been confirmed by ground geophysics. The geophysical anomalies drilled are indicative of those typically caused by massive sulphides which in this environment can host copper-zinc sulphides with accompanying gold and silver. Sulphides were intersected in 3 of the 6 holes. Significant base metals were not observed in the core. Assays for gold are pending.

Opinaca, Québec (Gold)

Opinaca remains a focus of Beafield's exploration. A program of geochemistry and geology was undertaken which yielded positive gold results. Compilations and interpretation of data is underway and a continuing program will be undertaken in 2009. Drilling will test targets once the surface program has been completed.

Urban, Québec (Gold)

Urban is Beafield's most advanced gold project with significant intersections on the Lac Rouleau gold zone. A geological and sampling program was undertaken outside the known occurrences. The entire Urban property is a high priority gold situation. An interpretation of the data will be undertaken during the winter in preparation for a 2009 summer gold exploration program.

Raglan Ungava, Québec (Nickel – Copper)

The Raglan property is on the prolific nickel belt being mined by Xstrata. An airborne VTEM magnetic-electromagnetic survey was undertaken to define exploration targets on the Raglan horizon. The survey was successful, however, follow-up will await a more positive metal outlook. The survey permits Beafield to be ready when this occurs.

Hemlo, Ontario (Gold)

Beafield intends to place additional focus on the Hemlo gold property. An airborne VTEM magnetic electromagnetic survey is scheduled for Q2, 2009.

Beaufield Resources Inc.

Management's Discussion and Analysis

For the three-month period ended November 30, 2008

Financing activities

There was no financing activities in Q1-09.

Liquidity

The Company has no long term debt and a working capital (current assets less current liabilities) of \$7,691,055 as at November 30, 2008 as compared to \$7,865,511 on August 31, 2008. 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:

	<u>November 30, 2008</u>	<u>August 31, 2008</u>	<u>May 31, 2008</u>	<u>February 29, 2008</u>
Net income (loss) for the period	\$ (62,251)	\$ (21,723)	\$ (115,365)	\$ 95,497
Net income (loss) per share	-	-	-	-

	<u>November 30, 2007</u>	<u>August 31, 2007</u>	<u>May 31, 2007</u>	<u>February 28, 2007</u>
Net income (loss) for the period	\$ 23,901	\$ 30,095	\$ 31,954	\$ (97,122)
Net income (loss) per share	-	-	-	-

Related party transactions

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

	<u>Three-month period ended November 30</u>	
	<u>2008</u>	<u>2007</u>
Deferred exploration expenses ⁽¹⁾	\$ 15,420	\$ 7,200
Professional fees ⁽²⁾	33,369	21,518
Administrative services, fees, rent and office ⁽³⁾	21,675	21,300
Total	<u>70,464</u>	<u>50,018</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 corporation controlled by the president of Beaufield ("Privateco") 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, financial and administrative services;
- (3) Fees paid to Privateco for administrative services (\$14,175 in Q1-09, \$13,800 in Q1-08) and rental office spaces (\$7,500 in Q1-09 and \$7,500 in Q1-08);

Beaufield Resources Inc.

Management's Discussion and Analysis

For the three-month period ended November 30, 2008

Subsequent Event

There are no subsequent events to report.

Disclosure of outstanding share data (as of January 22, 2009)

	<u>Number</u>
Common shares	83,349,519
Options	<u>5,400,000</u>
Total on a fully-diluted basis	<u>88,749,519</u>

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.

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 2008 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 2008 MD&A.

Change in accounting policies including initial adoption

Accounting changes

Taking effect in fiscal 2009, the CICA issued the following new sections:

- a) Section 1400, "General Standards of Financial Statement Presentation". The CICA modified this section in order to require that management make an assessment of the Company's ability to continue as a going concern over a period which is at least, but is not limited to, twelve months from the balance sheet date.
- b) Section 1535, "Capital Disclosures". This new standard requires disclosure of the Company's objectives, policies, and processes for managing capital; quantitative data about what the Company regards as capital; whether the Company has complied with any capital requirements; and, if the Company has not complied, the consequences of such non-compliance. The required disclosure is contained in Note 5c.
- c) Section 3862, "Financial Instruments – Disclosures" and Section 3863, "Financial Instruments – Presentation". These new standards replace Section 3861, Financial Instruments - Disclosure and Presentation. Presentation requirements have not changed. Enhanced disclosure is required to assist users of the financial statements in evaluating the significance of financial instruments on the Company's financial position and performance, including qualitative and quantitative information about the Company's exposure to risks arising from financial instruments. The required disclosure is contained in Note 7.

Beaufield Resources Inc.

Management's Discussion and Analysis

For the three-month period ended November 30, 2008

Change in accounting policies including initial adoption (Cont'd)

Financial instruments – recognition and measurement

All financial instruments are required to be measured at fair value on initial recognition, except for certain related party transactions. Measurement in subsequent periods depends on whether the financial instrument has been classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables, or other liabilities.

- Financial assets and liabilities classified as held-for-trading are required to be measured at fair value, with gains and losses recognized in net earnings.
- Financial assets classified as held-to-maturity, loans and receivables and financial liabilities (other than those held-for-trading) are required to be measured at amortized cost using the effective interest method of amortization.
- Available-for-sale financial assets are required to be measured at fair value, with unrealized gains and losses recognized in Other Comprehensive Income (loss). Investments in equity instruments classified as available-for-sale that do not have a quoted market price in an active market should be measured at cost.

The Company has implemented the following classification:

- Cash is classified as held-for-trading.
- Due from a partner is classified as loans and receivables.
- Accounts payable and accrued liabilities is classified as other 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:

Fair value

The fair value of its financial instruments is comparable to their carrying values due to the relatively short period to maturity of the instruments.

Interest rate risk

Financial assets and liabilities of the Company do not represent interest risk because they are concluded without interest. The Company does not use financial derivatives to decrease its exposure to interest risk.

Credit risk

Financial instruments that potentially subject the Company to credit risk consist of cash as at November 30, 2008. During the three-month period ended November 30, 2008, the Company has minimized its credit risk by holding the majority of its cash with a Canadian chartered bank and its cash equivalents in Government of Canada Treasury Bills. When not invested in Government of Canada Treasury Bills, the Company is subject to concentration of credit risk through its cash that is held substantially in one Canadian Chartered bank. Management believes that the credit risk concentration with respect to these financial instruments is remote.

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 establishes cash estimates to ensure it has the necessary funds to fulfill its obligations. Obtaining additional funds makes it possible to the Company to continue its operations, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Beaufield Resources Inc.

Management's Discussion and Analysis

For the three-month period ended November 30, 2008

Risk factors

Details of risk factors are outlined in the Company's MD&A included in the 2008 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.

Special note regarding 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 does not undertake any obligation to release publicly any revisions to these statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

January 22, 2009

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

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