

Beaufield Resources Inc.

Interim Financial Statements

Three-months ended November 30, 2007

The attached financial statements have been prepared by Management of Beaufield Resources Inc. and have not been reviewed by an auditor.

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

Beaufield Resources Inc.

Balance Sheets

	November 30 2007 (unaudited)	August 31 2007 (audited)
	<u>\$</u>	<u>\$</u>
Assets		
Current assets		
Cash and cash equivalents	7,955,148	5,542,513
Short-term investments	-	2,934,034
Sales taxes recoverable	12,154	49,048
Exploration taxes credits receivable	908,789	1,077,294
Prepaid expenses	25,524	12,150
	<u>8,901,615</u>	<u>9,615,039</u>
 Equipment	 22,756	 25,031
 Mineral Properties (Note 3)		
Acquisition cost	2,477,954	1,764,964
Deferred exploration expenses	4,484,359	4,431,934
	<u>15,886,684</u>	<u>15,836,968</u>
 Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	100,279	55,464
 Future income taxes	 382,000	 401,000
	<u>482,279</u>	<u>456,464</u>
 Shareholders' equity		
Capital stock (Note 4)	31,324,120	31,324,120
Warrants (Note 4)	89,760	89,760
Contributed surplus (Note 4)	737,000	737,000
Deficit	(16,746,475)	(16,770,376)
	<u>15,404,405</u>	<u>15,380,504</u>
	<u>15,886,684</u>	<u>15,836,968</u>

The accompanying notes are an integral part of the financial statements.

Beaufield Resources Inc.Statements of Operations, Comprehensive Income (Loss) and Deficit
(unaudited)

	Three-month period ended November 30	
	2007	2006
	\$	\$
Administrative expenses		
Professional fees	22,015	30,525
Administrative services, fees, rent and office	34,472	25,170
Investors relations	8,185	10,969
Stock-based compensation	-	4,750
Shareholders' information, trustee and registration fees	1,791	1,594
Travelling and promotion	638	8,137
Telecommunications	490	1,334
Insurance	6,858	7,612
	<u>74,449</u>	<u>90,091</u>
Interest income	<u>79,350</u>	<u>68,704</u>
Income (loss) before income taxes	4,901	(21,387)
Future income taxes	<u>19,000</u>	<u>(12,000)</u>
Net income (loss) and comprehensive income (loss)	23,901	(33,387)
Deficit, beginning of period	<u>(16,770,376)</u>	<u>(16,699,436)</u>
Deficit, end of period	<u>(16,746,475)</u>	<u>(16,732,823)</u>
Basic and diluted net loss per share	<u>-</u>	<u>-</u>
Weighted average number of basic and diluted outstanding common shares	<u>83,349,519</u>	<u>76,771,804</u>

The accompanying notes are an integral part of the financial statements.

Beaufield Resources Inc.

Statement of Cash Flows

(unaudited)

	Three month period ended November 30	
	2007	2006
	\$	\$
Operating Activities		
Net income (loss)	23,901	(33,387)
Non-cash items:		
Stock-based compensation	-	4,750
Interest accrual on investment income	(11,079)	-
Future income taxes	(19,000)	12,000
	<u>(6,178)</u>	<u>(16,637)</u>
Changes in non-cash working capital items:		
Accounts receivable	-	(5,016)
Sales taxes recoverable	36,894	13,709
Prepaid expenses	(13,374)	(6,283)
Accounts payable and accrued liabilities	44,069	7,462
	<u>67,589</u>	<u>9,872</u>
Cash flows from operating activities	<u>61,411</u>	<u>(6,765)</u>
Investing Activities		
Additions to short-term investments	-	(1,937,398)
Disposal of short-term investments	2,945,113	-
Advances on an exploration program	-	10,202
Additions to mineral properties	(712,990)	(49,860)
Exploration taxes credit received	182,581	-
Deferred exploration expenses	(63,480)	(375,364)
Cash flows from investing activities	<u>2,351,224</u>	<u>(2,352,420)</u>
Financing Activities		
Issue of shares	-	2,306,050
Cash flows from financing activities	<u>-</u>	<u>2,306,050</u>
Net change in cash and cash equivalents	2,412,635	(53,135)
Cash and cash equivalents, beginning of period	5,542,513	5,622,542
Cash and cash equivalents, end of period	<u>7,955,148</u>	<u>5,569,407</u>
Additional disclosures – non cash transactions:		
Exercise of broker warrants credited to share capital on exercise	-	8,100
Exploration taxes receivable credited to mineral properties	14,076	151,001
Stock-based compensation included in deferred exploration expenses	-	33,333
Depreciation included in deferred exploration expenses	2,275	-
Accounts payable and accrued liabilities related to exploration expenses	31,975	77,978

The accompanying notes are an integral part of the financial statements.

Beaufield Resources Inc.

Notes to Interim Financial Statements

For the three-month period ended November 30, 2007

(unaudited)

1. Basis of presentation

The financial statements of the Corporation have been prepared by management in accordance with generally accepted accounting principles in Canada for interim financial statements. The interim financial statements have, in management's opinion, been properly prepared using judgement within reasonable limits of materiality. These interim financial statements do not include all the note disclosures required for annual financial statements and therefore they should be read in conjunction with the Corporation's audited financial statements for the year ended August 31, 2007. The significant accounting policies follow that of the most recently reported audited annual financial statements, except for the new accounting standards as disclosed in Note 2.

2. Accounting estimates and accounting changes

The preparation of interim financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Accounting changes

Taking effect in fiscal 2008, the CICA issued three new sections for financial instruments:

1. Section 3855, "Financial Instruments – Recognition and Measurement", provides guidance on when a financial instrument must be recognized on the balance sheet and how it must be measured. It also provides guidance on the presentation of gains and losses on financial instruments.
2. Section 3865, "Hedges", provides guidance on the application of hedge accounting and related disclosures.
3. Section 1530, "Comprehensive Income", requires an entity to recognize certain gains and losses in a separate statement, until such gains and losses are recognized in the statement of income.

The Company has evaluated that these new sections have no significant impact on the Financial Statements. Cash and cash equivalents and short-term investments will be classified as held for trading and recorded at their fair value and their change in fair value are included in the statement of operations. Recorded at their amortized cost, the accounts payable and accrued liabilities will be classified as other liabilities.

Beaufield Resources Inc.

Notes to Interim Financial Statements

For the three-month period ended November 30, 2007

(unaudited)

3. Mineral Properties

Acquisition cost	August 31 2007	Addition	November 30 2007
	\$		\$
Québec			
Mainstreet project	19,392	-	19,392
Urban project	511,186	-	511,186
Launay Township	312	-	312
Lac Evans	218,895	-	218,895
Raglan Ungava	15,016	-	15,016
Troilus	151,824	701,144	852,968
Opinaca	509,769	11,846	521,615
Storm Lake	9,072	-	9,072
Matagami	11,400	-	11,400
Ontario			
Hemlo properties	318,098	-	318,098
	<u>1,764,964</u>	<u>712,990</u>	<u>2,477,954</u>

Troilus, Quebec

In November 2007, the Company acquired from Xstrata Canada Corporation, Xstrata's 50% interest in the Troilus property for \$700,000 in cash. In addition to the cash payment, Xstrata retains a 1% net smelter return ("NSR") royalty in the property. Following the transaction, Beaufield owns 100% of the entire property.

Deferred exploration expenses	August 31 2007	Expendi- tures	Taxes credits	November 30 2007
	\$			\$
Québec				
Mainstreet project	41,262	-	-	41,262
Urban project	1,225,691	-	-	1,225,691
Launay Township	7,400	-	-	7,400
Lac Evans	100,019	-	-	100,019
Raglan Ungava	6,694	-	-	6,694
Troilus	1,293,370	3,188	(9,636)	1,286,922
Opinaca	1,481,743	6,209	(4,426)	1,483,526
Storm Lake	39,026	-	-	39,026
Matagami	170	33	(14)	189
Ontario				
Hemlo properties	236,559	57,071	-	293,630
	<u>4,431,934</u>	<u>66,501</u>	<u>(14,076)</u>	<u>4,484,359</u>

Beaufield Resources Inc.

Notes to Interim Financial Statements

For the three-month period ended November 30, 2007

(unaudited)

4. Capital-stock

Authorized

An unlimited number of common shares without par value.

Issued and fully paid:

	Three-month period ended November 30, 2007	
	Number	\$
Balance at beginning and end of period	83,349,519	31,324,120

a) Stock option plan

A summary of changes of the Corporation's common share purchase options is presented below:

	Three-month period ended November 30, 2007	
	Number of option	Weighted average exercise price
Options exercisable at beginning and end of period	4,100,000	\$0.30

Option outstanding and exercisable as at November 30, 2007 are as follows:

Number of options Outstanding and exercisable	Exercise price	Expiry date
400,000	\$0.145	July 25, 2008
800,000	\$0.25	August 31, 2009
200,000	\$0.25	October 5, 2009
400,000	\$0.25	February 21, 2010
1,900,000	\$0.35	December 13, 2010
400,000	\$0.40	November 1, 2011
<u>4,100,000</u>		

Beaufield Resources Inc.

Notes to Interim Financial Statements

For the three-month period ended November 30, 2007
(unaudited)

4. Capital-stock (Cont'd)

b) *Warrants*

A summary of changes of the Corporation's warrants is presented below:

	Three-month period ended November 30, 2007	
	Number of warrants	Exercise price
Balance at beginning and end of period	3,808,000	\$ 0.55

Warrants outstanding as at November 30, 2007 are as follow:

Number of warrants	Exercise price	Expiry date
3,808,000	0.55	January 25, 2008 (not exercised on expiry date)

c) *Contributed surplus*

Net change in contributed surplus is as follows:

	Three month period ended November 30, 2007
Balance at beginning and end of period	\$ 737,000

5. Related party transactions

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

	Three month period ended November 30	
	2007	2006
Mineral properties	\$ -	\$ 20,000
Deferred exploration expenses	7,200	3,315
Professional fees	21,518	28,550
Administrative services, fees, rent and office	21,300	18,725
Total	50,018	70,590

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.

There were accounts payable or accrued liabilities at November 30, 2007 to companies controlled by officers in the amount of \$40,062 (\$16,548 in 2006).