

Beaufield Resources Inc.

Management's Discussion and Analysis

For the three-month period ended November 30, 2007

The following discussion and analysis (the "MD&A") of the financial condition and results of the operations of Beaufield Resources Inc. ("Beaufield" or "the Corporation") constitutes management's review of the factors that affected the Corporation's financial and operating performance for the period of three months ended November 30, 2007. This MD&A should be read in conjunction with the Corporation's financial statements for the first quarter ended November 30, 2007 and related notes and with the Corporation's MD&A included in the 2007 Annual Report. All figures are in Canadian dollars unless otherwise noted.

Further information regarding the Corporation and its operations are filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) in Canada and can be obtained from 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 Corporation reported a net income of \$23,901 in the three-month period ended November 30, 2007 (Q1-08) compared to a net loss of \$33,387 in the three-month period ended November 30, 2006 (Q1-07).

Interest income for Q1-08, consisting of interest earned from cash balances with financial institutions or highly liquid short-term investments was \$79,350 compared with \$68,704 in Q1-07.

Administrative expenses for Q1-08 were \$74,449 (\$90,091 in Q1-07). The change in expenses is due primarily to:

- a) Administrative services that increased to \$34,472 in Q1-08 as compared to \$25,170 in Q1-07. Beaufield relocated its Ottawa office to a new location. The quarterly rent has increased to \$7,500 from \$3,000;
- b) A \$4,750 stock-based compensation cost was recorded Q1-07 (nil in Q1-08);
- c) Professional fees consisting mainly of accounting services decreased to \$22,015 in Q1-08 as compared to \$30,525 in Q1-07 following a decrease in exploration activities.

Investing activities

Addition to mineral properties

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

Following the transaction, Beaufield will own 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.

The Corporation initiated a 3,200 metre drilling program in January 2008. The intent of the program is to undertake an evaluation and to expand the Tortigny massive sulphide base metal deposit. 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.

Beaufield Resources Inc.

Management's Discussion and Analysis

For the three-month period ended November 30, 2007

Investing activities (Cont'd)

A geological resource was calculated at 490,000 tonnes grading 2.2% copper, 6.2% zinc and 61 g/t silver with some gold and cobalt credits. This is an historical, in house calculation which is not to the National 43-101 standard. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources, Beaufield is not treating the historical estimate as current mineral resources and the historical estimate should not be relied upon. Data from the current drill program will be combined with the historical data to update the database.

Exploration expenses

The Corporation invested \$66,501 in exploration expenses in Q1-08 of which \$57,071 was spent on the Hemlo property. In Q1-07, the Corporation invested \$382,804 of which \$350,495 was spent on the Opinaca property.

During this quarter, Beaufield has completed the assaying and sampling of the line cutting and geological work undertaken on the Hemlo property last year. The results are being evaluated by the Corporation.

Following are the deferred exploration expenses incurred in the three-month period ended November 30, 2007 and 2006.

Q1-2008	Lac	Troilus	Opinaca	Mata-	Hemlo	Total
	Evans			gami		
	\$	\$	\$	\$	\$	\$
Drilling	-	-	-	-	-	-
Assays	-	-	1,763	-	10,984	12,747
Geology	-	2,100	1,067	33	4,200	7,400
Geophysics & geochemistry	-	-	-	-	8,251	8,251
Line cutting	-	-	-	-	-	-
Travelling	-	1,088	881	-	8,407	10,376
General field expenses	-	-	223	-	-	223
Payroll and benefits	-	-	-	-	25,229	25,229
Management fees	-	-	-	-	-	-
Depreciation	-	-	2,275	-	-	2,275
	<u>-</u>	<u>3,188</u>	<u>6,209</u>	<u>33</u>	<u>57,071</u>	<u>66,501</u>

Q1-2007	Lac	Troilus	Opinaca	Mata-	Main-	Urban	Total
	Evans			gami			
	\$	\$	\$	\$	\$	\$	\$
Drilling	-	-	242,723	-	-	300	243,023
Assays	124	-	15,312	-	-	-	15,436
Geology	2,550	9,458	59,465	255	-	800	72,528
Geophysics & geochemistry	2,275	876	21,302	-	7,389	-	31,842
Line cutting	-	-	-	-	2,019	-	2,019
Travelling	-	-	-	-	-	-	-
General field expenses	-	-	2,897	-	-	-	2,897
Management fees	-	946	8,796	-	-	5,317	15,059
	<u>4,949</u>	<u>11,280</u>	<u>350,495</u>	<u>255</u>	<u>9,408</u>	<u>6,417</u>	<u>382,804</u>

Financing activities

There was no financing activities in Q1-08.

Liquidity

The Corporation has a working capital surplus of \$8,801,336 as at November 30, 2007 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 Corporation 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 Corporation. The Corporation 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.

Beaufield Resources Inc.

Management's Discussion and Analysis

For the three-month period ended November 30, 2007

Outlook

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.

Summary of quarterly results

For the eight most recent quarters:

	November 30, 2007	August 31, 2007	May 31, 2007	February 28, 2007
	\$	\$	\$	\$
Net income (loss) for the period	23,901	30,095	31,954	(97,122)
Net income (loss) per share	-	-	-	-
	November 30, 2006	August 31, 2006	May 31, 2006	February 28, 2006
	\$	\$	\$	\$
Net loss for the period	(33,387)	237,990	(47,654)	(319,376)
Net loss per share	-	-	-	(0.01)

Related party transactions

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

	Three-month period ended November 30	
	2007	2006
	\$	\$
Mineral properties (1)	-	20,000
Deferred exploration expenses (2)	7,200	3,315
Professional fees (3)	21,518	28,550
Administrative services, fees, rent and office (4)	21,300	18,725
Total	<u>50,018</u>	<u>70,590</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) \$20,000 annual cash payment to a private corporation controlled ("Privateco") by the president of Beaufield. This payment is part of the acquisition terms, between the Corporation and Privateco, relating to the 80% interest acquisition in the Opinaca property in May 2005. Beaufield ceased to make the \$20,000 annual cash payment following the acquisition of the remaining 20% interest in January 2007;
- (2) Fees paid to Privateco for geological services rendered by the president of Beaufield;
- (3) Professional fees paid to a private company controlled by the VP Finance of Beaufield for bookkeeping, financial and administrative services;
- (4) Fees paid to Privateco for administrative services (\$13,800 in Q1-2008, \$15,725 in Q1-2007) and rental office spaces (\$7,500 in Q1-2008 and \$3,000 in Q1-2007).

Subsequent Event

There are no subsequent event to report.

Beaufield Resources Inc.

Management's Discussion and Analysis

For the three-month period ended November 30, 2007

Disclosure of outstanding share data (as of January 28, 2008)

	<u>Number</u>
Common shares	83,349,519
Options	4,100,000
Warrants	-
Total on a fully-diluted basis	<u>87,449,519</u>

Off-balance sheet arrangements

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

Management's responsibility for financial information

Beaufield financial statements are the responsibility of the Corporation's management. The interim financial statements were prepared by the Corporation's management in accordance with Canadian generally accepted accounting principles. A description of the Corporation's significant accounting policies can be found in Note 2 of the Corporation's 2007 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 the exploration tax credits receivable. Actual results may differ from those estimates.

Change in accounting policies including initial adoption

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.

Financial instruments

Details are outlined in the Corporation's MD&A included in the 2007 annual report.

Risk factors

Details of risk factors are outlined in the Corporation's MD&A included in the 2007 annual report.

Internal control over financial reporting

The Corporation has established and maintains internal control over financial reporting ("ICFR"). The ICFR is designed to provide reasonable assurance regarding the reliability of the Corporation's financial reporting and preparation of financial statements in accordance with generally accepted accounting principles ("GAAP"). The certifying officers have evaluated whether there were changes to its ICFR during this interim period that have materially affected, or that are reasonably likely to materially affect its ICFR. No such changes were identified through their evaluation.

Beaufield Resources Inc.

Management's Discussion and Analysis

For the three-month period ended November 30, 2007

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 Corporation. 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 Corporation 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 Corporation 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 28, 2008

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

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Vice-President Finance and Secretary