

Starfield Resources Inc.
Management's Discussion & Analysis
For the three and six months ended August 31, 2006

GENERAL

The following discussion and analysis of the operations, results, and financial position of Starfield Resources Inc. ("Starfield" or "the Company") for the three and six months ended August 31, 2006, should be read in conjunction with the Company's unaudited Financial Statements for the three and six months ended August 31, 2006 and the Company's audited Financial Statements for the year ended February 28, 2006.

Unless otherwise noted, amounts are in Canadian dollars. Balance sheet comparisons are to the Year End ("YE") balances as at February 28, 2006.

FORWARD LOOKING STATEMENTS

This Management Discussion and Analysis ("MD&A") contains certain forward looking statements, except for historical information. These statements involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, levels of activity, performance, and/or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward looking statements.

DATE

This MD&A covers the three and six months ended August 31, 2006 and was prepared October 24, 2006.

OVERALL PERFORMANCE

The Company is a junior resource company conducting advanced exploration on its 100%-owned 1,323,000 acre Ferguson Lake Copper-Nickel-Cobalt-Palladium-Platinum property (the "Property") located in Nunavut Territory, Canada. The Company's sole focus in fiscal 2007 remains on the Ferguson Lake Project. After producing very encouraging results during multi-phase exploration programs conducted over the past several years, the Company continues its drilling program in fiscal 2006-2007 in order to expand and further delineate its existing resource base. Using state of the art geophysical survey techniques, the Company is pursuing regional exploration on much of its prospective surrounding mineral claims. The Company has a number of targets (as outlined by its regional program) for follow up work.

As of August 31, 2006, Starfield had \$6.9 million (YE: \$2.1 million) in cash and cash equivalents.

The Company had working capital of \$5.7 million (YE:\$803,000) as of August 31, 2006.

The Company continues to have no debt, and its credit and interest rate risk are limited to interest bearing assets of cash and cash equivalents, and short-term investments. Accounts payable and accrued liabilities are short-term and non-interest bearing.

There are six full and part time management and administrative staff and a number of consultants based in the Vancouver head office.

There were no acquisitions, dispositions, write-offs, abandonments or other similar transactions during the three and six month periods ended August 31, 2006.

RESULTS OF OPERATIONS

Exploration

During the three and six months ended August 31, 2006, the Company expended \$5.8 million and \$9.7 million respectively on exploration at its 100% owned Ferguson Lake nickel-copper-cobalt-platinum-palladium project.

Deferred exploration breakdown for the three and six months ended August 31, 2006:

	<u>3 Months</u> <u>\$'000</u>	<u>6 Months</u> <u>\$'000</u>
Acquisition Costs	50	50
Personnel	774	1,264
Aircraft support including helicopter moves	1,744	2,922
Diamond drilling	1,675	1,932
Camp support and fuel	1,200	2,925
Analytical and geophysical services	<u>449</u>	<u>697</u>
	<u>5,892</u>	<u>9,790</u>

The Company's main objective for calendar 2006-2007 has been to accelerate the potential development of the property. In addition to a planned approximate 26,000 meters of diamond drilling in over 100 holes is being carried out and a variety of other developmental measures are being effected.

During the season, up to three diamond drills have been operating on the property in order to enhance the "measured and indicated" categories of resources throughout the West Zone utilizing a recommended closer drill spacing pattern. It is expected that the season's drill campaign will be completed by the end of November 2006. Final analytical results and assays are expected in the early part of the new year and are expected to lead to a new NI 43-101 compliant report.

As of August 31, 2006, the Company had completed delineation drill holes for a total of 16,855 metres. As at October 24, 2006, the Company had completed 106 diamond drill holes for a total of 23,000 metres. Initial drilling has collected massive sulphide samples from the West Zone "Pit Area" for metallurgical testing. Hydrometallurgical leach testing and process development of 450 kilograms of massive sulphides is ongoing at laboratories in Kingston, Ontario and in Quebec City.

Major Drilling Group International Inc., of Moncton, New Brunswick was again awarded the diamond

drilling contract and actual drilling commenced in May. Crone Geophysics and Exploration Ltd., of Mississauga, Ontario was also contracted for the season, and their survey crews have been on site providing SQUID ground EM geophysical surveying. Rescan Environmental Services Ltd. is continuing with environmental and engineering site development evaluations in order to accelerate various permitting requirements. During the quarter and six months ending August 31, 2006 supplies and fuel were mobilized into Ferguson Lake (for the calendar 2006-2007 program) from Churchill, Arviat and Rankin Inlet.

It is anticipated that the eight mineral claims covering the Company's known resources will be taken to mining lease status in 2007. To accomplish this, McElhanney Consulting Services of Vancouver, B.C. Canada have conducted a detailed legal land survey (CLS) of the eight claims on both the East and West side of Ferguson Lake. Legal survey corner posts were erected at the corners of the claims and the survey crews also GPS-located all proposed roads and conducted levelling surveys of the proposed airstrip location. All camp and buildings were also surveyed in. Engineering reports and maps are being prepared to include "cut and fill" estimates for the proposed building of a new 1,350 meter airstrip on the West side of the lake between the new camp and the West Zone "Pit Area" mineralization. Approval was received from Nunavut regulators for the Company's camp to be relocated from the temporary leased area on the island to a permanent site on the West side near the West Zone. Five arctic-style Atco trailers and several large wood frame structures have been erected and are now operational. The camp has been designed to accommodate 40 personnel and to provide office, technical, core-cutting and mechanical operations suitable for year-round inclement arctic working conditions both during the exploration and development phases. Fisheries biologist surveys of lakes and streams are ongoing as part of the assessment of the impact upon waterways of potential mine development.

Rescan Environmental Services Ltd. continued conducting water base line sampling in May, June, July and August. In August, Rescan completed soil profiles and botany sampling and surveying in areas on the West side of Ferguson Lake where roads, fuel tank storage, airstrip construction and camp development are proposed. They also conducted archaeological surveys in areas of potential mill site, airstrip, roads and camp development. Reports and maps from these ongoing studies are part of an integrated effort to gather data for permitting purposes.

Regional exploration crews have conducted detailed follow-up geological mapping, prospecting, rock and till sampling (956 samples), and ground geophysical surveys. This continuing program is focused on priority targets identified in the 2005 regional airborne magnetic-VTEM and till surveys. The objective is to successfully develop anomalous targets for further drilling on the 1.3 million acres of 100% Starfield owned mineral claims, which surround the Ferguson Lake magmatic sulphide mineralization.

Total Inferred Mineral Resources - Ferguson Lake Property						
Cu+Ni Cutoff grade	Tonnes (millions)	Copper(%)	Nickel(%)	Cobalt(%)	Palladium(g/t)	Platinum(g/t)
1.0%	66.1	1.02	0.60	0.069	1.43	0.25
1.5%	39.9	1.25	0.73	0.084	1.78	0.31
2.0%	21.5	1.47	0.81	0.092	2.00	0.37
Indicated Mineral Resources - Ferguson Lake Pit Area West Zone						
Cu+Ni Cutoff grade	Tonnes(millions)	Copper(%)	Nickel(%)	Cobalt(%)	Palladium(g/t)	Platinum(g/t)
1.0%	8.7	0.93	0.67	0.080	1.47	0.21
1.5%	5.8	1.02	0.75	0.086	1.57	0.23
2.0%	2.3	1.31	0.98	0.118	2.22	0.28

(May 15, 2006 -- Dr. N.C. Carter, P.Eng)

Risks and Uncertainties

Exploration and mining companies face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical.

The principal activity of the Company is mineral exploration, which is inherently risky. Exploration is also capital intensive, and the Company currently has no source of income other than that described above. Only the skills of its management and staff in mineral exploration and exploration financing serve to mitigate these risks and therefore are one of the main assets of the Company.

Following are the risk factors which the Company's management believes are most important in the context of the Company's business. It should be noted that this list is not exhaustive and that other risk factors may apply. An investment in the Company may not be suitable for all investors.

Exploration and Mining Risks

The business of exploring for minerals and mining involves a high degree of risk. Due in some cases to factors that cannot be foreseen, only a small proportion of the properties that are explored worldwide are ultimately developed into producing mines. At the present, none of the Company's properties have proven or probable reserves, and the proposed programs are an exploratory search for proven or probable reserves. The areas presently being assessed by the Company may not contain economically recoverable volumes of minerals or metals. The operations of the Company may be disrupted by a variety of risks and hazards which are beyond the control of the Company, including labour disruptions, the inability to obtain suitable or adequate machinery, equipment or labour and other risks involved in the conduct of exploration programs. Once economically recoverable volumes of minerals are found, substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes, and to develop the infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities or having sufficient grade to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of minerals produced, costs of processing equipment and such other factors as government regulations, including regulations relating to environmental protection. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material.

Financing Risks

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of the Company's property will be dependent upon the Company's ability to obtain financing through joint venturing, equity or debt financing or other means, and although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects.

Estimates of Mineral Resources and Production Risks

The mineral resource estimates included in this document are estimates only, and no assurance can be given that any proven or probable reserves will be discovered or that any particular level of recovery of minerals will in fact be realized or that an identified reserve or resource will ever qualify as a commercially mineable (or viable) deposit which may ultimately be mined may differ from that indicated by drilling results and such differences could be material. Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. The estimated mineral resources described in this document should not be interpreted as assurances of commercial viability or potential or of the profitability of any future operations.

Mineral Prices

The principal activity of the Company is the exploration and ultimate development of mineral resource properties. The mineral exploration and development industry in general is intensely competitive and there is no assurance that, even if commercial quantities of proven and probable reserves are discovered, a viable market may exist for the sale of the same. Factors beyond the control of the Company may affect the marketability of any substances discovered. Mineral prices have fluctuated widely, particularly in recent years. The feasible development of such properties is highly dependent upon the price of metals. A sustained and substantial decline in these commodity prices could result in the write-down, termination of exploration work or loss of its interests in identified resource properties.

Competition

The Company competes with many companies that have substantially greater financial and technical resources than the Company for the acquisition of mineral properties as well as for the recruitment and retention of qualified employees.

Environment and other Regulatory Requirements

The activities of the Company are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

Companies engaged in exploration activities generally experience increased costs and delays as a result of the need to comply with applicable laws, regulations, and permits. There can be no assurance that all permits which the Company may require for exploration and development of its properties will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations would not have an adverse effect on any project that the Company may undertake. The Company believes it is in substantial compliance with all material laws and regulations which currently apply to its activities.

However, there may be unforeseen environmental liabilities resulting from exploration and/or mining activities and these may be costly to remedy.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in exploration operations may be required to compensate those suffering loss or damage by reason of the exploration activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in expenditures and costs or require abandonment or delays in developing new mining properties.

Title matters

Title to and the area of mining concessions may be disputed. Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current state of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Dependence on Key Personnel

The Company's development to date has largely depended, and in the future will continue to depend, on the efforts of key management. Loss of any of these people could have a material adverse effect on the Company and its business. The Company has not obtained and does not intend to obtain key-person insurance in respect of any directors and other employees.

Share Price Fluctuations

In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered development-stage companies such as the Company, have experienced wide fluctuations in price which have not necessarily been related to the underlying asset values or prospects of such companies. Price fluctuations will continue to occur in the future.

No Dividends

Investors cannot expect to receive a dividend on their investment in the Company in the foreseeable future, if ever. Investors should not expect to receive any return on their investment in the Company's securities other than possible capital gains.

Competitive Conditions

The mineral exploration and mining business is competitive in all phases of exploration, development and production. The Company competes with a number of other entities in the search for and the acquisition of productive mineral properties. As a result of this competition, the majority of which is with companies with greater financial resources than the Company, the Company may be unable to

acquire attractive properties in the future on terms it considers acceptable. Finally, the Company competes with other resource companies, many of whom have greater financial resources and/or more advanced properties that are better able to attract equity investments and other capital.

The ability of the Company to acquire properties depends on its success in exploring and developing its present properties and on its ability to select, acquire, and bring to production suitable properties or prospects for mineral exploration and development. Factors beyond the control of the Company may affect the marketability of minerals mined or discovered by the Company. Mineral prices have historically been subject to fluctuations and are affected by numerous factors beyond the control of the Company.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of selected financial data for the Company for its last nine completed quarters ending August 31, 2006.

Period ended	2006 Aug. 31 Q2	2006 May 31 Q1	2006 Feb. 28 Q4	2005 Nov. 30 Q3	2005 Aug. 31 Q2	2005 May 31 Q1	2005 Feb. 28 Q4	2004 Nov. 30 Q3	2004 Aug. 31 Q2
Total Revenue	-	-	-	-	-	-	-	-	-
Income (Loss) before other items	(725)	(1,722)	(915)	(472)	(538)	(511)	(616)	(420)	(624)
Net Income (Loss) CDN GAAP	(725)	(1,722)	(1,174)	(472)	(538)	(511)	(377)	(420)	(625)
Deferred mineral property costs	5,892	3,898	818	3,825	4,208	3,150	3,285	3,611	1,772
Basic and Diluted Loss per Share, CDN GAAP	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Weighted average number of Shares	194,465	170,886	156,441	138,362	133,420	129,682	108,333	104,143	101,085

Note: the above table is in \$'000 except for loss per share items which are in dollars and weighted average number of shares which is in thousands.

Corporate Structure

The Company was incorporated under the Business Corporations Act (Alberta, Canada) on April 22, 1994, registered in the province of British Columbia as an extra-provincial company on April 22, 1998 and in the Nunavut Territory, Canada as an extra-territorial corporation on March 18, 2003. Its major business activity is the exploration and development of mineral properties, particularly its Ferguson Lake nickel-copper-cobalt-platinum-palladium project in Nunavut, Canada.

The Company's head and registered office is located at 625 Howe Street, Suite 420, Vancouver, British Columbia V6C 2T6.

The results of operations reflect the costs of property acquisitions, exploration expenses, plus costs incurred by the Company to maintain its properties in good standing with the various regulatory

authorities, and for administrative infrastructure to manage the acquisition, exploration, and financing activities of the Company. General and administrative costs can be expected to increase or decrease in relation to the changes in activity required as property acquisitions and exploration continue. General and administrative costs are reduced by interest earned on bank accounts and short term investments. As at August 31, 2006, the Company has not recorded any revenues from its exploration projects.

Three Months Ended August 31, 2006 versus August 31, 2005

Deferred Mineral property costs incurred in the three months ended August 31, were as follows:

	<u>2006</u>	<u>2005</u>
	<u>\$'000</u>	<u>\$'000</u>
Acquisition costs	50	392
Personnel	774	682
Aircraft support including helicopter moves	1,744	380
Diamond drilling	1,675	431
Camp support costs including fuel requirements	1,200	1,042
Analytical and geophysical services	449	199
Mobilization and demobilization	-	24
	<u>5,892</u>	<u>3,150</u>

Deferred exploration expenditures incurred during the three months ending August 31, 2006 were \$3 million higher than the corresponding period in 2005. Higher diamond drilling costs are the result of using three drilling rigs as opposed to one in the corresponding period together with considerably higher drilling costs being experienced currently in the industry. Those reasons also explain the large increase in the aircraft support costs. Capital costs of relocating and establishing a new camp of approximately \$620 and increased analytical and metallurgical expenses \$250 were the other main categories of increased activity.

General and Corporate expenditures incurred in the three months ended August were \$725 as per the following table:

	<u>2006</u>	<u>2005</u>
	<u>\$'000</u>	<u>\$'000</u>
General and Corporate		
Accounting and legal	60	84
Advertising and promotion	25	32
Computer	5	9
Consulting fees	85	43
Directors fees	37	21
Investor relations	78	15
Management fees	61	24
Office	21	25
Office equipment rent	7	7
Rent and office services	149	74
Telephone	3	4
Transfer and regulatory fees	67	24
Travel and conferences	<u>127</u>	<u>178</u>
	<u>725</u>	<u>540</u>

The second quarter General and Administrative expenses increase over the period year mainly because of the following:

- consulting fees increased as a result of engaging corporate finance specialists;
- investor relations fees increased primarily as a result of hiring the Equicom Group from Toronto;
- management fees increased as a result of hiring a new CFO, and increasing compensation to the President, Vice President of Finance and in-house geological specialist;
- rent and office services increased and this increase was primarily a result of Directors and Officers insurance premiums;
- transfer and regulatory fees increased and were primarily as a result of expenses incurred on holding the Special Annual General Meeting in Calgary in July where in previous years it was held in November;
- travel and conferences were reduced mainly as a result of attending fewer industry conferences.

There were no stock options granted in the quarter.

Six Months Ended August 31, 2006 versus August 31, 2005

Deferred Mineral cost incurred in the six months ended August 31, 2006 were as follows:

	<u>2006</u> <u>\$'000</u>	<u>2005</u> <u>\$'000</u>
Acquisition Costs	50	209
Exploration Costs		1,264
Personnel	1,264	1,427
Aircraft support including helicopter moves	2,922	1,352
Diamond Drilling	1,932	1,297
Camp support costs including fuel requirements	2,925	1,429
Analytical and geophysical services	697	356
Mobilization and demobilization	-	24
	<u>9,790</u>	<u>7,358</u>

Deferred exploration expenditures incurred in the six months ending August 31, 2006 were \$2,432 higher than the corresponding period in 2005. Capital costs of relocating and establishing a new camp accounted for approximately \$1,200 of the \$2,432. During the six months ending August 31, 2006 the company completed 16,855 metres of diamond drilling compared to approximately 10,900 metres during the same period in 2005 resulting in exploration expenditures per meter drilled being relatively comparable for the periods under review. This brings the total amount expended on Mineral Projects to \$56 million (2005:YE \$46.3 million).

General and Corporate exploration expenditures incurred in the six months ended August 31 were as follows:

General and Corporate	2006 \$'000	2005 \$'000
Accounting and legal	97	110
Advertising and promotion	70	63
Computer	10	12

Consulting fees	143	89
Directors fee	37	21
Investor relations	112	28
Management fees	85	51
Office	36	38
Office equipment rent	18	16
Rent and office services	201	135
Telephone	9	6
Travel and conferences	<u>293</u>	<u>449</u>
	<u>1,244</u>	<u>1,055</u>

The six month General and Administrative expenses increased over the previous year mainly because of the following:

- consulting fees increased as a result of engaging corporate finance specialists;
- Investor relations increased primarily as a result of hiring Equicom Group from Toronto;
- management fees increased as a result of hiring a new CFO, and increased compensation paid to the President, Vice President of Finance and in-house geological specialist; rent and office services increased as a result of Directors and Officers insurance premiums;
- transfer and regulatory fees increased as a result of holding the company's Annual General Meeting in July where in previous years it was held in November and substantial listing fees paid to the TSX Venture Exchange for the listing of the private placement of 29,996,000 shares;
- travel and conferences decreased mainly as a result of attending fewer industry conferences.

During the six months ended August 31, 2006, the Company granted 5,782,000 stock options (2005 - nil) to directors, employees and consultants. The Company recognized \$1,202,000 (2005 - \$nil) in stock-based compensation expense, with a corresponding credit to contributed surplus on the balance sheet. The compensation recognized was calculated using the Black-Scholes option pricing model.

LIQUIDITY

General

The activities of the Company, principally the acquisition and exploration of mineral properties, are financed through the completion of equity offerings involving the sale of equity securities. These equity offerings generally include private placements and the exercise of warrants and options. Since Starfield is a junior resource exploration company, the Company does not have the ability to generate sufficient amounts of cash and cash equivalents in the short term. To maintain the Company's capacity to meet planned growth or to fund further development activities, the Company must utilize its current cash reserves, income from investments, and cash from the sale of securities.

As at August 31, 2006, Starfield had \$6.9 million in cash and cash equivalents (YE: \$2.1 million) and working capital of \$5.7 million (YE: \$803,000). The increase in cash and cash equivalents and working capital is a result of the completion of a major private placement financing in the first quarter.

There are 21,200,000 warrants outstanding (2005: 28,612,000) at a weighted average exercise price of \$0.67, which if fully exercised, would raise \$14 million (2005: \$16 million).

There are also 16,617,000 share purchase options outstanding (2005: 11,472) with a weighted

average exercise price of \$0.46 which would contribute \$7 million (2005: \$4 million) if exercised in full.

The Company continues to have no debt and its credit and interest rate risk are limited to interest bearing assets of cash and cash equivalents, and short-term investments. Accounts payable and accrued liabilities are short-term and non-interest bearing.

Other

We do not have commitments, events, risks or uncertainties that we reasonably believe will materially affect our company's future performance including losses before discontinued operations and extraordinary items.

We have no defaults or arrears or anticipated defaults or arrears on dividend payments, lease payments, interest or principal payment on debt, debt covenants, and redemption or retraction or sinking fund payments.

As a Venture Issuer, Starfield's only current contractual obligations are operating leases of its office in Vancouver, British Columbia at \$42,000 per year, the Ferguson Lake Lodge at \$43,000 per year and an operating lease for office equipment at \$8,000 per year. Lastly we have a commitment until December 31, 2006 to spend approximately \$34,000 with SGS Lakefield for metallurgical work.

As of the date of this report, the working capital amounts to approximately \$1.9 million . Based on our operating history and our knowledge of our expected events, we expect minor fluctuations in and no major change in our liquidity requirements.

As of October 24, 2006 and subsequent to August 31, 2006, the Company has completed a further 7,100 metres of diamond drilling and expects to conclude its field activities in early November. It is projected that the Company's current assets are sufficient to complete the year's exploration program and meet overhead for the immediate upcoming quarters.

Our liquidity risk with our financial instruments is minimal as our excess cash is invested in highly liquid securities. In addition, our receivables are mainly comprised of GST recoveries.

In terms of our ability to generate sufficient amounts of cash and cash equivalents, our sources of funding are limited to private and/or public placements since we are a junior exploration company without revenues. The main circumstances that could affect those sources that are reasonably likely to occur are the commodity market price changes and results of exploration.

We have had no unusual or infrequent events or transactions over the past year.

CAPITAL RESOURCES

Starfield has no commitments for capital expenditures as of the date of these financial statements.

The discovery, development and acquisition of mineral properties are in many instances unpredictable events. Future metal prices, the success of exploration programs and other property transactions can have a significant impact on capital requirements. The Company does not expect to receive significant income from any of its properties within the foreseeable future. Should the Company decide to further

develop any of its properties, the Company may fund its capital requirements by arranging further equity financing, issuing long term debt, arranging joint ventures with other companies, or through a combination of the above.

The principal activity of the Company is mineral exploration which is inherently risky. Exploration is also capital intensive and the Company currently has no source of income other than those described above. Only the skills of its management and staff in mineral exploration and exploration financing serve to mitigate these risks and therefore are one of the main assets of the Company.

The Company does not have sources of financing that have been arranged but not yet used nor are there expenditures not yet committed but required to maintain the Company's exploration activities or to meet and to fund mineral development activities.

As of October 24, 2006 and subsequent to August 31, 2006 the Company has completed a further 7,100 meters of diamond drilling and expects to conclude its field activities in early November. Cash on hand is \$2,000,000. It is projected that the Company's current assets are sufficient to complete the year's exploration program and meet overhead for the immediate upcoming quarters.

TRANSACTIONS WITH RELATED PARTIES

During the six months ended August 31 the Company had the following transactions with officers and directors and other Companies with which officers or directors are related:

	2006	2005
Management and consulting fees	\$ 70,000	\$ 51,000
Director fees	37,000	21,000

OFF-BALANCE SHEET TRANSACTIONS

The Company has not entered into any off-balance sheet transactions.

PENDING TRANSACTIONS

To the best of Management's knowledge, there are no other pending transactions that will materially affect the performance or operation of the Company.

SIGNIFICANT ACCOUNTING POLICIES

An asset retirement obligation is a legal obligation associated with the retirement of tangible long-lived assets that the Company is required to settle. The Company recognizes the fair value of a liability for an asset retirement obligation in the period in which it is incurred when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same

amount as the liability. To date, the Company has not incurred any asset retirement obligations.

During the course of acquiring, exploring and developing potential mining properties, the Company must comply with government regulated environmental evaluation, updating and reclamation requirements. To date, no significant disturbances have occurred nor have any physical structures been constructed. The costs of complying with these requirements are capitalized as incurred, as deferred costs until such time as the properties are put into commercial production, at which time the costs incurred will be charged to operations on a unit-of-production basis over the estimated mine life. Upon abandonment or sale of a property, all deferred costs relating to the property will be expended in the year of such abandonment or sale.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and short-term deposits, restricted cash, GST receivable, accounts payable and marketable securities. Unless otherwise noted, it is Management's opinion that Starfield is not exposed to significant interest, currency or credit risks arising from the financial instruments.

OTHER

Shares issued and outstanding

As at October 24, 2006, the Company had 194.5 million shares issued and outstanding and 232.3 million fully diluted shares outstanding.

Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning Starfield's general and administrative expenses and resource property costs is provided in the Company's Statement of Operations and the accompanying notes contained in its unaudited Financial Statements for August 31, 2006 that is available on its SEDAR Page Site accessed through www.sedar.com.

Disclosure Controls and Procedures

Pursuant to Multilateral Instrument 52-109 Certification of Disclosures in Issuers' Annual and Interim Filings, management has evaluated the effectiveness of the Company's disclosure controls and procedures as at August 31, 2006 and found them to meet required standards.

Approval

The Audit Committee members of Starfield have approved the disclosure contained in this interim MD&A.

This MD&A is available on Starfield's SEDAR Page Site accessed through www.sedar.com.

Other Requirements

Additional information relating to the Company is available on SEDAR at www.sedar.com.