

Starfield Resources Inc.
Management's Discussion & Analysis
For the three and nine months ended November 30, 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 nine months ended November 30, 2006, should be read in conjunction with the Company's unaudited Financial Statements for three and nine months ended November 30, 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 nine months ended November 30, 2006 and was prepared January 26, 2007.

OVERALL PERFORMANCE

The Company is a junior resource company conducting advanced exploration and development 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 continued 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 November 30, 2006, Starfield had \$1.2 million (YE: \$2.1 million) in cash and cash equivalents and \$2.4 million (YE:\$1.5 million) in payables.

The Company had working capital of \$(700,000) as of November 30, 2006 (YE: \$803,000).

The Company's long-term debt consists of a conditional sales contract and capital lease

obligations. 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 seven 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 nine month periods ended November 30, 2006.

RESULTS OF OPERATIONS

Exploration

During the three and nine months ended November 30, 2006, the Company spent \$5.6 million and \$15.4 million respectively on exploration at its 100% owned Ferguson Lake Copper-Nickel-Cobalt-Palladium-Platinum project.

Deferred exploration breakdown for the three and nine months ended November 30, 2006 was:

	<u>3 Months</u> <u>\$'000</u>	<u>9 Months</u> <u>\$'000</u>
Acquisition Costs	(25)	25
Personnel	998	2,262
Aircraft support including helicopter moves	1,859	4,781
Diamond drilling	1,037	2,969
Camp support and fuel	829	3,754
Analytical and geophysical services	<u>868</u>	<u>1,565</u>
	<u>5,566</u>	<u>15,356</u>

The Company's main objective for 2006-2007 is to accelerate the potential development of the West Zone where the majority of the resources are located (see table below). A record 136 holes were drilled during the 25,023 meter program and a variety of other developmental measures are being effected.

During the season, up to three diamond drills have been operating on the property with the strategy to continue to enhance the "measured and indicated" categories of resources throughout the West Zone utilizing a recommended closer drill spacing pattern. Conversion of portions of the current "inferred" category resources to higher category resources is an objective designed to increase asset evaluations of the project while defining an initial viable mine life.

To date, the Company has completed 359 resource expansion diamond drill holes on the property, including 116 resource delineation holes during the current year plus an additional 20 geotechnical holes (245.5 meters). Drilling during the nine months ended November 30, 2006 consisted of 25,023 metres, with over 5,400 one-metre core samples being submitted for analyses and assay. The results will be compiled, integrated with previous drill results, and released with updated property-wide NI 43-101 resource estimates during fiscal 2008. The geological and resource models being developed, will form the basis of an assessment of the Ferguson Lake Property.

Having received a number of permit approvals from the Nunavut Government, the Company continues to move forward in advancing the property. Included in this season's \$15.4 million development and exploration expenditures, a new, all-season base camp and related facilities were built near the West Zone. During the 2006 calendar year, the mineral claims hosting the Ferguson Lake sulphide resources, the new base camp, and a proposed airstrip have been surveyed in preparation for application of a Mining Lease covering this part of the property. Project planning and surveying, water quality baseline sampling, soil and botany surveys and archaeological investigations in preparation for future

operational, environment and permitting assessments have been completed by Rescan Environmental Services Ltd.

The company has initiated a program of government and community awareness in Nunavut and Manitoba.

Exploration Update

Dr. Al Miller, mineral deposits consultant to the company, conducted geological investigations furthering his observations and interpretation of the Ferguson Lake Igneous Complex (“FLIC”) developed during the 2005 exploration season. Geological mapping, in conjunction with recent geophysical interpretation on the west side of Ferguson Lake, indicates that the layered igneous complex is canoe-shaped with inward dipping limbs. Dr. Miller stated that “the southwestern limb of the complex is a layered intrusion (meta-hornblendite and meta-gabbro) extending at surface from the South Discovery Zone to the West Zone South over a distance of 6.8 kilometres. This newly mapped exposure hosts Nickel-Copper-PGM bearing gossans and brecciated massive sulphide mineralization which are coincident with airborne magnetic and VTEM anomalies.” Starfield has tested this southwestern limb trend with only a few shallow holes. More detailed ground geophysics is warranted, as over 300 drill holes have defined the northern limb resources (which gives similar geophysical responses).

Dr. Miller also identified aerially extensive gabbro-anorthosite plutons on both sides of Ferguson Lake, and has discovered disseminated base metal sulphide mineralization with anomalous PGM values hosted by anorthositic gabbro on the east side of Ferguson Lake. We believe this setting is similar to PGM mineralization hosted in layered complexes in Finland. The FLIC is now considered to be approximately 20 kilometres by 4.5 kilometres in size, which is comparable to other important igneous complexes around the world that host magmatic Ni-Cu-PGM deposits. Dr. Miller’s igneous petrology-metallogeny study report is scheduled for submission to Starfield by year end.

In addition to the ongoing diamond drill program, exploration crews completed detailed follow-up and reconnaissance scale geological mapping, prospecting/rock sampling, and till sampling. This program focused on priority targets and target areas identified in property scale airborne magnetic-VTEM geophysical surveys and in rock and till surveys completed during the 2005 calendar year. A total of 138 rock samples from outcrop have been submitted for assay and infill till sampling resulted in another 781 samples being collected. New mineralized outcrops have been discovered during the 2006 calendar year exploration program, and anomalous base metal and palladium till target patterns were further confirmed in this year’s regional program.

Hydrometallurgical Testing Update

On December 19, 2006 the Company announced the successful hydrometallurgical bench-scale test extraction of base metals from the Ferguson Lake Copper-Nickel-Cobalt-Palladium-Platinum -bearing massive sulphide mineralization and the subsequent production of high purity nickel and copper metal from the process solution.

Under the direction of Dr. Bryn Harris (metallurgical process consultant), the Company has tested and continues to test its own newly-developed, chloride-based, metallurgical treatment process. The current program has resulted in laboratory recoveries ranging from 98% to 99.8% for copper and nickel and 60% to 70% for cobalt from sulphide core samples. During the two-stage treatment process, the PGMs remain in the residue (10% of original mass of sample) as a precious metal concentrate with a grade of between 30 to 50 grams per tonne of palladium plus platinum. Separate electrolytic nickel and copper (99.99% purity) metal coupons (wafers) have been produced from the hydrometallurgical treatment solutions.

The Company is particularly pleased with these results since the process appears to be metallurgically and energy efficient as well as being environmentally friendly because the valuable products recovered using this method are base metals and PGMs plus by-products of iron and sulphur. This process is

carried out at atmospheric pressures thus eliminating the need for an autoclave and pressure leaching system.

Currently a large scale, first stage, leach program of 450 kilograms of massive sulphide mineralization is nearing completion and approximately 90 kilograms of concentrate has been produced. This concentrate will be feed material for a continuous second stage demonstration miniplant which is currently being assembled.

In the 2007 calendar year, the Company's progress will continue with the confirmation of the established flow sheet, metallurgical and energy balance performance studies and engineering cost estimates. For more specific details of the hydrometallurgical process, see the Company's news release of December 19, 2006 at www.starfieldres.com.

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						
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 November 30, 2006.

Period ended	2006 Nov. 30 Q3	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
Total Revenue	-	-	-	-	-	-	-	-	-
Income (Loss) before other items	(647)	(725)	(1,722)	(915)	(472)	(538)	(511)	(616)	(420)
Net Income (Loss) CDN GAAP	(647)	(725)	(1,722)	(1,174)	(472)	(538)	(511)	(377)	(420)
Deferred mineral property costs	5,566	5,892	3,898	818	3,825	4,208	3,150	3,285	3,611
Basic and Diluted Loss per Share, CDN GAAP	(0.07)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Weighted average number of Shares	194,465	194,465	170,886	156,441	138,362	133,420	129,682	108,333	104,143

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; the Alberta registration was discontinued and continued in British Columbia on October 27, 2006. Its major business activity is the exploration and development of mineral properties, particularly its Ferguson Lake Copper-Nickel-Cobalt-Palladium-Platinum project in Nunavut Territory, 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 November 30, 2006, the Company has not recorded any revenues from its exploration projects.

Three Months Ended November 30, 2006 versus November 30, 2005

Deferred Mineral property costs incurred in the three months ended November 30, were as follows:

	2006	2005
	<u>\$'000</u>	<u>\$'000</u>
Acquisition costs	(25)	7
Exploration costs	-	23
Personnel	998	858
Aircraft support including helicopter moves	1,859	1137
Diamond drilling	1,037	870
Camp support costs including fuel requirements	829	571
Analytical and geophysical services	<u>868</u>	<u>419</u>
	<u>5,566</u>	<u>3,885</u>

Increased costs across the mining industry resulted in third quarter drilling personell and support expenses being higher than in the corresponding period 2005. Analytical expenses were higher during the third quarter as a result of ongoing metallurgical test work. The relocation, the establishment of the new camp, as well as the regional exploration required considerable helicopter support.

General and Corporate expenditures incurred in the three months ended November 30 were \$772 as per the following table:

	2006	2005
	<u>\$'000</u>	<u>\$'000</u>
General and Corporate		
Accounting and legal	143	17
Advertising and promotion	60	10
Computer	3	8
Consulting fees	59	88
Directors fees	32	12
Investor relations	67	12
Management fees	149	24

Office and rent	(15)	116
Transfer and regulatory fees	20	29
Travel and conferences	<u>254</u>	<u>155</u>
	<u>772</u>	<u>471</u>

The three months General and Administrative expenses increased over the same period in 2005 mainly because of the following:

- accounting and legal expenses increased as a result of hiring an interim controller and the recognition of the annual audit fee, preparation of collaborative agreements with metallurgical specialists and the application for a TSX listing;
- advertising and promotion expenditures increased due to the use of additional advertising companies;
- the directors fees increase reflects the addition of a new director and a general fee increase;
- investor relation expenditures increased due to the engagement of consultants in obtaining additional financing and ongoing investor relations functions;
- management fees increased as a result of hiring a new CFO, increased compensation paid to the President, Vice President of Finance, and the in-house geological specialist;
- rent and office services decreased because of sublet income, a lease cancellation refund and the prorating of the Director's and Officer's insurance premium;
- travel and conference expenses increased because of increased conference attendance;
- transfer and regulatory fees decreased because of fewer transactions.

There were no stock options granted in the quarter.

Nine Months Ended November 30, 2006 versus November 30, 2005

Deferred Mineral costs incurred in the nine months ended November 30, were as follows:

	<u>2006</u>	<u>2005</u>
	<u>\$'000</u>	<u>\$'000</u>
Acquisition Costs	25	216
Personnel	2,262	2,605
Aircraft support including helicopter moves	4,781	2,816
Diamond Drilling	2,969	2,487
Camp support costs including fuel requirements	3,754	2,320
Analytical and geophysical services	1,565	775
Mobilization and demobilization	-	24
	<u>15,356</u>	<u>11,243</u>

The company completed approximately 25,000 meters of diamond drilling (17,000 - November 30, 2005) with a resulting increase in drilling expenditures. Aircraft support increased as a result of helicopter supported increase in regional exploration, increased number of drill moves and support for the camp relocation and construction. Camp support costs increased primarily as a result of relocating and establishing a new camp (which amounts to approximately \$1.4 million). Analytical costs were higher as a result of an increased number of drill samples and accelerated metallurgical testing

General and Corporate exploration expenditures incurred in the nine months ended November 30 were as follows:

General and Corporate	2006	2005
	\$'000	\$'000
Accounting and legal	240	127
Advertising and promotion	130	73
Computer	13	20
Consulting fees	202	176

Directors fee	69	33
Investor relations	179	40
Management fees	234	75
Office and rent	249	311
Office	40	51
Office equipment rent	26	23
Rent and office services	167	223
Telephone	16	14
Transfer and Regulation Fees	153	66
Travel and conferences	<u>547</u>	<u>605</u>
	<u>2,016</u>	<u>1,526</u>

The nine months General and Administrative expenses increased over the previous year mainly because of the following:

- accounting and legal expenses increased because of hiring an interim controller, the recognition of the annual audit fee, and amounts paid to legal counsel for preparing collaborative agreements with metallurgical specialists;
- advertising and promotion expenditures increased due to the use of additional advertising companies;
- consulting fees increase as a result of engaging corporate finance specialists;
- the directors fees increase reflects the addition of a new director and a general fee increase;
- investor relation expenditures increased due to the engagement of new consultants;
- management fees increased as a result of hiring a new CFO, increased compensation paid to the President, Vice President of Finance and the in-house geological specialist;
- rent and office services decreased because of sublet income, a lease cancellation refund and reduced office consultant expenses;
- travel and conference expenses decreased because of reduced conference attendance;
- transfer and regulatory fees increased mainly as a consequence of the completion of a private placement in the amount of \$16.5 million in May 2006 and the efforts to obtain a TSX listing.

During the nine months ended November 30, 2006, the Company granted 4,790,000 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 Company realizes the fair market value of the stock-based compensation over the vesting period of the options. The fair value of the options granted is calculated using the Black-Scholes option pricing model with the following assumptions: a five year expected term, 40% volatility, risk-free interest rate of 3%, and an expected dividend yield of 0%. These options vest immediately.

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. Critical to the ongoing viability of the Company is its continued ability to raise capital to fund its operations until it can generate cash from operations.

As at November 30, 2006, Starfield had \$ 1.2 million in cash and cash equivalents (YE: \$2.1 million) and

working capital deficiency (current assets less current liabilities) of \$(700,000) (YE: \$ 803,000). The decrease in cash and cash equivalents and working capital is a reflection of the extensive exploration activities undertaken.

There are 22,202,000 warrants outstanding (2005: 28,612,000) at a weighted average exercise price of \$0.67, which if fully exercised, would raise \$15 million (2005: \$17 million).

There are also 14,865,000 share purchase options outstanding (2005: 11,472,000) with a weighted average exercise price of \$0.45 which would contribute approximately \$7 million (2005: \$4 million) if exercised in full.

The Company's long-term debt consists of a conditional sales contract and capital lease obligations 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. On December 29, 2006, the Company issued 5,884,865 flow-through shares @ \$0.30/share for net proceeds of approximately \$1.7 million.

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 \$88,000 per year, the Ferguson Lake Lodge at \$43,000 per year unless renewed, and an operating lease for office equipment at \$9,000 per year and capital leases for exploration equipment in the amount of \$41,000 (2007), \$165,000 (2008), \$118,000 (2009), \$72,000 (2010), and \$13,000 (2011) respectively.

As of the date of this report, the working capital deficiency amounts to approximately \$ 700,000.

In December, the Company has completed a further 301 metres of diamond drilling and concluded its field activities. 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.

TRANSACTIONS WITH RELATED PARTIES

During the nine months ended November 30 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	\$ 109,000	\$ 108,000
Directors fees	\$ 69,000	\$ 33,000

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 December 31, 2006, the Company had 200.3 million shares issued and 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 November 30, 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 November 30, 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.

Subsequent events

On December 29, 2006, the Company completed a private placement of 5.8 million flow-through common shares for net proceeds of \$1.7 million.

On January 19, 2007, the Company announced the appointment of Mr. Andre J. Douchane as President and Chief Executive Officer, effective February 1, 2007.

Also on January 19, 2007, the Company announced that Mr. Norman Betts had been appointed to the position of Chairman of the Board.