

EASTFIELD RESOURCES LTD.

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**INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MAY 31, 2007**

NOTICE OF NO AUDITOR REVIEW OR INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(1), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the company have been prepared by and are the responsibility of the company's management.

The company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

EASTFIELD RESOURCES LTD.

Consolidated Statements of Loss and Deficit
Unaudited – Prepared by Management

	<i>Three months ended</i>	
	May 31, 2007	May 31, 2006
Consulting	1,667	2,250
Dues and licenses	1,380	603
Interest expense and bank charges	392	279
Investor relations	12,267	13,616
Legal and audit	-	447
Office	5,656	1,814
Rent	4,243	5,506
Salaries and benefits	5,156	5,034
Share-based compensation	-	-
Telephone	148	877
Transfer and filing fees	<u>1,456</u>	<u>915</u>
Loss before the following	(32,365)	(31,341)
Interest and other income	24,401	101,118
Revaluation gain on marketable securities	<u>58,030</u>	<u>-</u>
Net gain (loss) for the period	50,066	69,777
Deficit, beginning of period	<u>(4,342,306)</u>	<u>(4,118,555)</u>
Deficit, end of period	<u>\$ (4,292,240)</u>	<u>\$ (4,048,778)</u>
Gain (Loss) per share	<u>\$ 0.001</u>	<u>\$ 0.001</u>

EASTFIELD RESOURCES LTD.

Consolidated Balance Sheets
Unaudited – Prepared by Management

	May 31, 2007	Feb 28, 2007
ASSETS		
Current		
Cash and Cash Equivalents	\$ 476,671	\$ 482,364
B.C. Mineral Exploration Tax Credits Receivable	193,583	193,583
Goods and Services Taxes Recoverable	3,907	4,498
Accounts receivable	53,376	52,799
Marketable Securities	198,035	144,806
Company Reorganization	7,415	-
Prepaid Expenses	<u>3,771</u>	<u>6,527</u>
	936,759	884,577
Reclamation Deposit	24,500	24,500
Mineral Properties (Note 5)	3,338,128	3,341,106
Patented Claims Held for Resale	102,347	102,347
Option Proceeds	(254,879)	(245,629)
Equipment and Furniture	<u>12,801</u>	<u>12,690</u>
	<u>\$ 4,166,656</u>	<u>\$ 4,119,591</u>
LIABILITIES		
Current		
Accounts Payable	\$ 34,662	\$ 44,663
Future Income Tax Liability (Note 6)	90,190	90,190
Future Reclamation Costs	<u>24,500</u>	<u>24,500</u>
	149,352	159,353
SHAREHOLDERS' EQUITY		
Share Capital	7,634,820	7,627,820
Contributed Surplus	674,724	674,724
Deficit	<u>(4,292,240)</u>	<u>(4,342,306)</u>
	<u>\$ 4,166,656</u>	<u>\$ 4,119,591</u>

Approved by the Board

"D.D. Sharp" Director

"G.L. Garratt" Director

EASTFIELD RESOURCES LTD.

Consolidated Statements of Cash Flows
Unaudited – Prepared by Management

	<i>Three months ended</i>	
	May 31, 2007	May 31, 2006
Cash flows from (used in)		
Operating Activities		
Operations		
Net gain (loss)	\$ 50,066	\$ 69,777
Change in other operating items		
Accounts Receivable	(4,646)	20,766
Prepaid Expenses	-	980
Accounts payable and accrued liabilities	(13,501)	2,421
Revaluation gain – marketable securities	(58,030)	
Investments – short term	<u>4,801</u>	<u>-</u>
Cash used for operating activities	<u>(21,310)</u>	<u>93,944</u>
Financing Activities		
Share-based compensation	-	44,550
Issue of shares/ share subscriptions	<u>-</u>	<u>-</u>
Cash provided by financing activities	<u>-</u>	<u>44,550</u>
Investing Activities		
Mineral property acquisition costs	7,000	-
Property Option Sale Proceeds	-	-
Mineral exploration expenditures	<u>8,729</u>	<u>(3,936)</u>
	15,729	(3,936)
Purchase of Equipment & Furniture	-	(917)
Company Reorganization	-	-
Computer Software	<u>(112)</u>	<u>(32)</u>
Cash used for investing activities	<u>15,617</u>	<u>(949)</u>
Increase (Decrease) in Cash and Short-term investments	(5,693)	133,609
Cash and Short term investments, Beginning of Period	<u>482,364</u>	<u>415,759</u>
Cash and Short term investments, End of Period	<u>\$ 476,671</u>	<u>\$ 549,367</u>

EASTFIELD RESOURCES LTD.

Consolidated Statement of Mineral Property Expenditures
Three Months Ended May 31, 2007
Unaudited – Prepared by Management

	<u>2007</u>			<u>2006</u>		
	<u>Lorraine</u>	<u>Other*</u>	<u>Total</u>	<u>Lorraine</u>	<u>Other*</u>	<u>Total</u>
<u>Acquisition Costs</u>						
Balance, beginning of period	\$ 241,945	\$ 320,100	\$ 562,045	\$ 241,945	\$ 280,600	\$ 522,545
Incurred during period	-	(7,000)	(7,000)	-	3,750	3,750
Mineral properties abandoned	-	-	-	-	-	-
Balance, end of period	<u>241,945</u>	<u>313,100</u>	<u>555,045</u>	<u>241,945</u>	<u>284,350</u>	<u>526,295</u>
<u>Exploration Expenditures</u>						
Professional fees, field crews	1,350	1,800	3,150	4,158	5,915	10,073
Geological	287	5	292	308	229	537
Rental of Vehicles and equipment	-	-	-	-	-	-
Transportation and Fuel	-	-	-	-	-	-
Field Equipment	-	-	-	-	-	-
Communications	40	-	40	7	5	12
Food and Accommodation	-	-	-	-	-	-
Freight	-	-	-	-	-	-
Drilling	-	-	-	-	-	-
Assaying	-	-	-	288	-	288
Other	<u>411</u>	<u>129</u>	<u>540</u>	<u>(4,400)</u>	<u>3,677</u>	<u>(723)</u>
Total Expenditures for the period	2,088	1,934	4,022	361	9,825	10,187
Balance, beginning of the period	2,670,289	108,772	2,779,061	2,650,009	192,114	2,842,123
Written off during the period	-	-	-	-	-	-
Total Expenditures	<u>2,672,377</u>	<u>110,706</u>	<u>2,783,083</u>	<u>2,650,370</u>	<u>195,709</u>	<u>2,852,310</u>
<u>Option Proceeds</u>						
Balance, beginning of period	-	(245,629)	(245,629)	-	(172,719)	(172,719)
Additions	-	(9,250)	(9,250)	-	(10,000)	(10,000)
Balance, end of period	-	(254,879)	(254,879)	-	(182,719)	(182,719)
Cumulative mineral property Costs	<u>\$ 2,914,322</u>	<u>\$ 168,927</u>	<u>\$ 3,083,249</u>	<u>\$ 2,892,315</u>	<u>\$ 303,570</u>	<u>\$ 3,195,886</u>

* other properties include Iron Lake, Indata, OK, Crowsnest and Howell

**EASTFIELD RESOURCES LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

May 31, 2007

1. NATURE OF OPERATIONS

The Company is incorporated under the laws of the Province of British Columbia and its principal business activity is the acquisition and exploration of mineral properties located in British Columbia, Canada.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles, which include the following significant policies:

a) Basis of Presentation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Eastfield Resources (U.S.A.) Inc., which conducts exploration of mineral properties located in the United States of America.

b) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of the revenues and expenses during the year. Actual results could differ from those estimates.

c) Loss per Share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. This calculation proved to be anti-dilutive for the years presented. Loss per share is calculated using the weighted average number of shares outstanding during the year.

d) Mineral Properties

The Company accounts for its mineral properties whereby costs relative to the acquisition, exploration and development of these properties are capitalized by property. All sales and option proceeds received are first credited against the cost of the related property with any excess credited to earnings. Once commercial production has commenced, these net costs are charged to future operations using the unit-of-production method based on estimated recoverable reserves by property. The net costs of abandoned properties are charged to earnings. The recoverability of the amounts shown for mineral properties and related costs are dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain the necessary financing to successfully complete their development and to meet the requirements, from time to time, of lenders who are providing this financing and upon future profitable production.

e) Income Taxes

The Company follows the liability method of accounting for income taxes. Using this method, income tax liabilities and assets are recognized for the estimated tax consequences attributable to differences between amounts reported in the financial statements of the Company and their respective tax bases, using enacted income tax rates. The effect of a change in income tax rates on future tax liabilities and assets is recognized in income in the period in which the change occurs. A future income tax asset is recorded when the probability of the realization is more likely than not.

f) Flow-through Shares

The Company has issued flow-through shares to finance some of its exploration activities. These shares were issued for cash in exchange for the Company giving up the tax benefits arising from the exploration expenditures, in accordance with tax legislation. The Company records these share issues by crediting share capital for the full value of cash consideration received.

g) Capital Assets

Capital assets are recorded at cost. Amortization is recorded at rates sufficient to write off the cost of the assets over their estimated useful lives. Depreciation of equipment and furniture is recorded using the declining balance method at an annual rate of 20%.

**EASTFIELD RESOURCES LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

May 31, 2007

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Stock-based Compensation

The Company issues options to purchase shares under the terms described in Note 3. When options to purchase shares are issued to employees or directors, the fair value of the options on the date of the grant are recognized as compensation expense, with a corresponding increase in contributed surplus, over the period during which the related options vest.

When options to purchase shares are granted to non-employees in return for goods and services, the fair value of the options issued are recognized as an expense, with a corresponding increase in contributed surplus, in the period in which the goods or services are received or are expected to be received. The consideration received on the exercise of share options is credited to share capital.

i) Financial Instruments

In April 2005, the Canadian Institute of Chartered Accounts ("CICA") issued Section 3855 of the Handbook entitled Financial Instruments - Recognition and Measurement and Section 1530 entitled Comprehensive Income. These sections build upon Handbook Section 3861, Financial Instruments - Disclosure and Presentation, by prescribing when a financial instrument is to be recognized on the balance sheet and at what amount. It also specifies how gains and losses on financial instruments are to be presented in financial statements.

Financial instruments are classified into various categories. Held to maturity investments, loans and receivables are measured at amortized cost, with amortization of premium or discounts, losses and impairment included in current period interest income or expense. Held for trading financial assets and liabilities are measured at fair market value with all gains and losses included in operations in the period in which they arise. Available for sale financial assets are measured at fair market value with revaluation gains and losses included in other comprehensive income until the asset is removed from the balance sheet, and losses due to impairment are included in operations. All other financial liabilities are to be carried at amortized cost.

The fair value of the Company's investments, which are classified as held for trading, was \$198,035 at May 31, 2007 (\$177,253 at February 28, 2007). The net cost of the investments at May 31, 2007 prior to the measurement adjustment was \$140,005 with an unrealized gain of \$58,030 recorded in the first quarter.

At present, the Company's most significant financial instruments are cash and cash equivalents, accounts receivable, receivable from related parties or affiliates, investments and accounts payable. The Company considers its investments to be held for trading financial assets; accordingly, the carrying amounts of these investments will be adjusted to their fair market value and this adjustment will be included in other comprehensive income.

3. SHARE CAPITAL

Authorized: 100,000,000 common shares without par value

Issued and fully paid Common shares:

	<u>May 31, 2007</u>		<u>February 28, 2007</u>	
	Number of Shares	Amount	Number of Shares	Amount
Balance, beginning of period	41,939,919	\$ 7,627,820	41,444,919	\$ 7,503,470
Issued for cash	-	-	-	-
Issued for mineral properties	35,000	7,000	25,000	3,750
Exercise of vested options	-	-	<u>470,000</u>	<u>120,600</u>
Balance, end of period	<u>41,974,919</u>	<u>\$ 7,634,820</u>	<u>41,939,919</u>	<u>\$ 7,627,820</u>

The Company issues share purchase options to directors, officers and employees of the Company and persons who provide ongoing services to the Company under an incentive stock option plan. Under the plan, the Company has reserved 4,180,000 shares for the issue of share purchase options. Options will normally vest at the rate of 100% on the date of grant for directors and employees and 25% every three months from the date of grant for consultants. Options will expire no later than five years from the grant date, except that they will expire within thirty days when the holder is no longer qualified to hold the option (other than for cause, when the option will expire immediately).

The following options to purchase 4,090,000 common shares are outstanding at the date of these financial statements:

**EASTFIELD RESOURCES LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

May 31, 2007

3. SHARE CAPITAL (continued)

Number of Shares	Price Per Share	Expiry Date
880,000	\$0.15	July 31, 2011
1,230,000	\$0.12	December 19, 2010
200,000	\$0.30	December 18, 2008
230,000	\$0.20	February 14, 2012
715,000	\$0.10	September 3, 2008
835,000	\$0.185	November 9, 2009

The Company determines the fair value of the options granted during the year using a generally accepted option pricing model, such as the Black-Scholes model. There were no stock options granted during the period.

4. RELATED PARTY TRANSACTIONS

During the quarter ended May 31, 2007, geological and exploration services on exploration projects totalling \$3,778 were provided by Mincord Exploration Consultants Ltd. ("Mincord"), a geological service company owned by two directors of the Company. Services provided include the hiring of field and professional personnel, rental of vehicular, camp and technical equipment, transportation and mobilization costs. The amounts for geological and exploration services also include payments for services on properties managed by the Company on behalf of joint venture partners.

5. MINERAL PROPERTY INTERESTS

A. Material Mineral Property

1. Lorraine/ Jajay property, Omineca Mining Division, British Columbia

On October 7, 2000, the Company entered into an agreement with Lysander Minerals Corporation ("Lysander"), as amended on October 22, 2002, to earn a 65% interest in the Lorraine-Jajay claims, by completion of the following option payments and expenditures:

\$200,000 in cash or shares paid to date

\$350,000 in cash or shares on or before December 31, 2005

Cumulative expenditures on the property of \$3,000,000 by December 31, 2006 (completed)

Cumulative expenditures on the property of \$4,000,000 by December 31, 2007

After earning a 65% interest in the property, the Company can increase its interest to 75% by developing a positive feasibility study of the property. A 2.5% net smelter royalty has been reserved for Lysander. Royalties for portions of the property not subject to pre-existing royalties may be reduced from 2.5% to 1.5% for a payment of \$2,000,000.

By agreement dated June 13, 2005, the Company and Lysander have combined their respective interests in the Lorraine property and have suspended the terms of the option agreement in order to enter into an option agreement with Teck Cominco Limited. Eastfield and Lysander are deemed to hold equal interests in the property, and Lysander's royalty interest is terminated. Teck Cominco advanced \$1,500,000 to fund an exploration program in 2005. This amount was a loan (shared equally by the Company and Lysander) which would be repayable at Teck Cominco's option if Teck Cominco elected, prior to March 31, 2006, not to continue with the exploration option. In January, 2006, Teck Cominco Limited elected to take up its option to earn a 51% interest in the Jajay-Lorraine property resulting in the cancellation of the loan and crediting the exploration expenditures towards its earn-in requirements. Since Teck Cominco has elected to continue with the option, it may now earn a 51% joint venture interest in the property by completing an additional \$7,500,000 of exploration by December 31, 2010 with a minimum expenditure rate of \$1,500,000 per year. Thereafter, Teck Cominco may increase its interest to 60% by completing a feasibility study on the property and may further increase its interest to 65% by arranging or providing production financing on behalf of the Company and Lysander. If the Teck Cominco agreement is terminated or expires unexercised, the Company has the option to continue in an equal joint venture with Lysander or to return to the original option agreement to earn a 65%/ 75% interest with all dates extended by the duration of the Teck Cominco option.

In January, 2006, Teck Cominco Limited ("TCL") signed an option agreement with L. B. Warren and W. G. Grant which allows TCL to earn a 100% interest in the Tam/Misty property by making total cash payments to the vendors of \$525,000 and completing \$2,000,000 in exploration expenditures by December 31, 2011. The vendors will retain a 3% Net Smelter Returns Royalty (NSR) which may be reduced to 1% by TCL electing to pay the vendors \$2,000,000. After the earn-in, TCL will pay an advanced royalty of \$50,000 per year to a maximum total of \$500,000, which advanced royalty

**EASTFIELD RESOURCES LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

May 31, 2007

5. MINERAL PROPERTY INTERESTS (continued)

shall be recoverable by TCL from future royalty payments, or the buy-down of the NSR. TCL subsequently offered this property for inclusion into the Eastfield/ Lysander Option Agreement on the Jajay-Lorraine property under the terms of the Area of Influence clause. The Tam/Misty property option was accepted for inclusion and now forms a part of the Jajay-Lorraine property for the duration of the option agreements.

B. Non-Material Mineral Properties

1. Tonopah Project, Esmeralda/ Nye counties, Nevada

The Company holds a 100% interest in 25 patented claims in the Tonopah district, subject to certain royalty interests. The property has not been actively explored in the past four years. Accordingly, the carrying value of the property was written down by \$325,000 in August, 2003 and by a further \$46,279 in December, 2004.

2. Crowsnest Project, Fort Steele Mining Division, British Columbia

The Company has an option to purchase 100% of the 101 claims in the project area for \$50,100 (paid). The claims are subject to a 2% net smelter royalty. The Crowsnest property, in conjunction with the Howell property, described below, was optioned, to La Quinta Resources Corp. in August, 2004. La Quinta may earn a 60% interest in both properties by making staged payments of \$320,000 in cash, issuing 300,000 shares and expending \$1,700,000 in exploration by December 31, 2008.

3. Howell Project, Fort Steele Mining Division, British Columbia

On June 30, 1999 and as amended July 25, 2000, the Company entered into an agreement to acquire 100% interest in five mineral claims in the Fort Steele Mining Division, B.C., subject to completion of the following option payments and exploration expenditures:

- . 500,000 shares issued to date
- . \$200,000 on or before August 31, 2008
- . Cumulative expenditures on the property of \$1,000,000 by August 31, 2008
- . Net smelter royalties of 3% payable upon commercial production

If the Company makes a production decision, a bonus cash payment of \$2,000,000 must be made within 120 days if the mineable resource exceeds 750,000 ounces, or \$400,000 if the mineable resource is less than 750,000 ounces. The Company has the option to purchase 1% of the net smelter royalty within 120 days of making a production decision, for a cash payment of \$2,000,000. In August, 2004, the Howell property was optioned to La Quinta Resources Corp. in conjunction with the Crowsnest property, as described above.

4. Iron Lake, Clinton Mining Division, British Columbia

On May 15, 2000 the Company acquired 100% of the Iron Lake property from Canevex Resources Ltd., and a director of the Company. Canevex Resources Ltd. is owned by two other directors of the Company. The Company has reserved a 1.5% net smelter royalty for the vendors.

On August 2, 2006, the Company entered into an amended option agreement under which Argent Resources Ltd. may earn a 55% interest in the Iron Lake property by making (in addition to previous cash payments, share issues and work expenditures) a cash payment of \$40,000 due on March 31, 2007 and completing exploration work totalling \$250,000 by July 31, 2007 and an additional \$450,000 by July 31, 2008.

5. Indata, Omineca Mining Division, British Columbia

On May 14, 2003 the Company purchased 100% of the interest in the Indata property held by Wildrose Resources Ltd., a company with common officers and directors. The purchase price for this interest was \$140,000. Another company owns a 12.4% interest in the Indata property, which interest will be reduced if that company fails to make its proportionate share of exploration and other payments on the property.

On May 2, 2006 the Company granted an option to Redzone Resources Ltd. to earn a 60% interest in the property by making cash or share payments totaling \$200,000 in value and incurring \$1,000,000 in exploration on the property on or before April, 2011.

**EASTFIELD RESOURCES LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

May 31, 2007

5. MINERAL PROPERTY INTERESTS (continued)

6. OK Property, Vancouver Mining Division, British Columbia

On March 6, 2003, the Company acquired an option to earn a 100% interest in the property, subject to a 2.5% net smelter royalty, in consideration of \$107,000 of cash payments to be made over a six-year period.

On March 8, 2006, the Company approved an assignment of the interest in the OK Property from Goldrush Resources Ltd. to Prophecy Resources Ltd. Prophecy now holds the right to earn a 60% interest in the property by making cash payments totalling \$120,000 and incurring \$1,000,000 in mineral exploration costs over a five-year period in addition to making cash payments to the underlying property owner. The Company retains the obligation to make share issues to the underlying property owner.

6. INCOME TAXES

At February 28, 2007, the Company had available losses of \$968,000 for deduction against future years' taxable incomes. If unused, these losses will expire in varying amounts over the next ten years. The Company also has other deductions available for tax purposes of approximately \$1,677,000. The potential future benefits arising from these deductions have not been recorded in these financial statements.

7. FINANCIAL INSTRUMENTS

The carrying values of cash, accounts receivable and accounts payable on the balance sheet approximate their fair values.

8. ENVIRONMENTAL

The Company's exploration activities are subject to various federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations. The ultimate amount of reclamation and other future site restoration costs to be incurred for existing mineral property interests is uncertain.