

EASTFIELD RESOURCES LTD.

Management Discussion and Analysis For the Six Months Ended August 31, 2006

The following discussion and analysis of the financial position and results of operations for the Company should be read in conjunction with the audited consolidated financial statements and the notes thereto for the year ended February 28, 2006.

The following Management Discussion and Analysis ("MD&A") is for the quarter ended August 31, 2006 and includes relevant information up to October 27, 2006 ("Report Date"). Additional information relating to the Company is on SEDAR at www.sedar.com.

The accompanying financial statements and related notes are presented in accordance with Canadian generally accepted accounting principles. These statements, together with the following MD&A dated October 27, 2006 ("Report Date"), are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements. These statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below under "Risks and Uncertainties".

Forward-Looking Information

This MD&A contains forward-looking statements and information relating to Eastfield Resources Ltd. ("Eastfield" or the "Company") that are based on the beliefs of its management as well as assumptions made by and information currently available to Eastfield as such are used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to Eastfield or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of Eastfield's exploration properties. Such statements reflect the current views of Eastfield with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of Eastfield to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

General

Eastfield is a mineral exploration company engaged primarily in the business of acquiring and exploring properties with a particular focus on base and precious metals. The Company has interest in properties in Canada (British Columbia), and in the United States (Nevada). The Company's properties are currently at an "exploration stage".

Exploration

J. W. Morton, P. Geo. and G. L. Garratt, P. Geo. are the Qualified Persons for the NI 43-101 compliant disclosure of mineral exploration information in respect of the projects described in this Management Discussion and Analysis.

Lorraine/ Jajay Project [Material Property]

The 2006 Lorraine/Jajay program focused on expanding the Lorraine deposits (Upper Main, Lower Main and Bishop zones) and the new claims to the west optioned by Teck-Cominco in 2006 which were added to the agreement (including the Misty, Slide and Boundary areas). A new camp was constructed early in the season at a lower elevation proximal to the road which was constructed in 2005. At the peak of the program Teck-Cominco had nearly 30 personnel in the camp. A large area of the property was covered by a "state of the art" airborne geophysical survey which is hoped will open up new areas for focused exploration in 2007. Considerable ground geophysics (mainly induced polarization) was completed on the new claims with some of the results of the survey being completed early enough to allow a first round of drilling. Other areas drilled included several regions of the central Lorraine claims. Approximately 7,000 metres (23,000 feet) of diamond drilling was budgeted at the beginning of the program with final meterage still to be provided by Teck-Cominco. Assimilation of the data and integration with pending assays will keep the news flow going late into the year and probably into early 2007.

OK Property (Vancouver Mining Division):

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At the OK property, located north of Powell River, BC, optionee Prophecy Resources Ltd. completed a new geochemical grid, now named the "Northwest Grid". The results of the survey, which included 499 samples, was highly encouraging. Soil molybdenum values in more than 90 samples were anomalous (using the traditional property benchmark of 27 ppm molybdenum in soil as being anomalous). Values exceeding 100 ppm molybdenum were obtained in several samples with a maximum value of 534 ppm being obtained. Soil copper values were also consistently anomalous. In addition to the new grid, which the company believes outlines an entirely new anomaly, considerable effort was expended constructing new drill access on the east side of the North Lake Zone where drilling occurred in 2005. Prophecy Resources Ltd. is currently in the process of completing an initial public financing which will allow it to drill-test targets from the 2006 work early in 2007. Part of the reporting that Prophecy will provide includes a new resource calculation for the North Lake Zone which we believe will be considerably larger than the 64.02 million tonnes grading 0.34% copper and 0.016% MoS² reported in 2005.

Iron Lake Property (Clinton Mining Division):

At the Iron Lake property, located northeast of 100 Mile House, BC, optionee Argent Mining Corp. completed 5 diamond drill holes. The drilling was designed to follow up the discovery of massive sulphide mineralization intersected in two holes in 2005. Although additional pyrrhotite dominant massive sulphide was intersected in two holes analytical results were only anomalous (although consistently so for platinum and palladium). Considerable effort and expense was incurred in constructing a road into the northern airborne conductor which, owing to excessive mud exposed by the construction, could not support a bulldozer skidding the drill and consequently was not drilled. This site should be drillable once the road settles in and stabilizes which has probably occurred by now considering the long dry summer.

Crowsnest and Howell Properties (Fort Steele Mining Division):

In June and July, La Quinta Resources Corporation completed a program of mechanical trenching and drill road construction on Eastfield's Crowsnest project located south of Fernie BC. Despite a considerable amount of prior drilling and surface grid work, the source of numerous high-grade samples of rubble has remained a mystery. The high-grade rubble, which includes a number of samples exceeding 100 grams per tonne gold, occurs intermittently over 1,600 metres. The La Quinta work may have identified a feature that defines the trace of the "mother structure" responsible for the high-grade mineralization several hundred metres up the slope to the south of the existing road system. Hole 03-04, the most recent drill hole completed at Crowsnest in 2003, is believed to have intersected this structure and bottomed in mineralized syenite at 102.7 metres. The last 3.3 metre sample from this hole while returning only an anomalous gold value, returned 240.0 grams per tonne silver (7.0 ounces per ton). The current model concludes that the discovery trench (trench TK-1), which returned 8.30 g/t gold over 16.5 metres, is on the same structure a further 800 metres to the northwest. Investigation in 2006 of the area which is the southern projection of the structure, resulted in the discovery of mineralized syenite float that returned an assay of 3.49 g/t gold. On the nearby Howell property, diamond drilling is currently in progress.

Summary of Quarterly Results

Financial Data for Last Eight Quarters								
Three months ended	Aug-06	May-06	Feb-06	Nov-05	Aug-05	May-05	Feb-05	Nov-04
Total revenues	101,118	101,118	100,903	7,233	(801)	18,275	14,510	18,757
Income (loss) for the period	69,777	69,777	(81,610)	(20,656)	(53,293)	(14,774)	(16,878)	(61,076)
Basic earnings (loss) per share	0.001	0.001	(0.002)	(0.005)	(0.001)	(0.000)	(0.000)	(0.001)
Diluted earning (loss) per share	0.001	0.001	(0.002)	(0.005)	(0.001)	(0.000)	(0.000)	(0.001)

The financial information referenced above has been prepared in accordance with generally accepted accounting principles (Canadian GAAP). The significant accounting policies are outlined in Note 2 to the audited financial statements of the Company for the year ended February 28, 2006. These accounting policies have been applied consistently for the year ended February 28, 2006.

Prior Quarter Comparison

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As at February 28, 2006, the Company's mineral properties' carrying value was \$3,191,949 (February 28, 2005-\$3,166,969). For the year ended February 28, 2006, the Company's mineral exploration expenditures were \$51,861 (2005-\$1,371,060). Expense recoveries through interest and other income for the year were \$125,610 (2005 - \$60,364). This \$65,246 increase in cost recoveries was primarily from the management fee earned by the Company for its role as operator of the Lorraine/Jajay project. No property interests were abandoned in the current year (2005 - \$46,279).

During the year, office and administration charges totalled \$273,547 compared to \$392,390 for the year ended February 28, 2005. This \$118,843 decrease in costs from the comparable period is predominantly attributable to reductions in the following costs: investor relations (\$38,522), consulting (\$13,285), office (\$12,134), transfer and filing fees (\$9,313) and share-based compensation (\$53,230). \$24,500 was also recorded for property reclamation costs (2004 - \$nil). These cost changes reflect a reduction in financing and project administration activity since all projects are now funded by optionees.

Liquidity and Capital Resources

The Company has financed its operations through the sale of its equity securities and through third-party options of the Company's mineral properties. The Company has no producing mineral properties. The Company expects to obtain financing in the future primarily through equity financing. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing or third-party project funding on a timely basis could cause the Company to suspend its operations and eventually to forfeit or sell its interests in its properties.

The Company had a net working capital position of \$879,666 at February 28, 2006 (February 28, 2005 - \$938,250). The Company has sufficient liquidity to meet its 2006 budgeted operating requirements and is able to keep its properties in good standing.

Outstanding Share Data

365,000 shares were issued during the period from March 1, 2006 to the report date. Of the 365,000 shares issued, 340,000 shares were issued in respect of options exercised in April, 2006. Also during the six month period, 25,000 shares were issued as an acquisition payment for the OK Property. No warrants are outstanding at the date of the report. 1,125,500 share purchase warrants expired, unexercised on March 22, 2006 (exercise price was \$0.75 per share).

	No. of Shares	Exercise Price	Expiry Date
Issued and Outstanding at October 25, 2006	41,809,919		
Employee Stock Options	4,180,000	\$0.10 to \$0.30	July 30/ 06 to July 31/11
Fully diluted at October 25, 2006	45,989,919		

Marketable Securities

On October 25, 2006, the Company held the following shares in other companies, which had been received as mineral property option payments:

Company	Number of Shares	Share Price (\$) October 25, 2006	Market Value (\$)	Net Book Value (\$)	(\$ Unrealized Gain (Loss)
Aberdeen International Inc.	30,000	0.74	22,200	24,000	(1,800)
Goldrea Resource Corp.	25,000	0.381	9,500	9,925	(425)
Argent Resources Ltd.	133,333	0.15	20,000	35,533	(15,533)
Goldrush Resources Ltd.	184,237	0.23	42,375	18,858	23,517
La Quinta Resources Corp.	70,000	0.42	29,400	15,633	13,767
Castillian Resources Corp.	5,000	0.27	1,350	750	600
Lysander Minerals Corp.	300,000	0.15	45,000	62,125	(17,125)
Totals			169,825	166,824	3,001

The unrealized accrued gain in marketable securities of \$3,001 has not been recorded as income.

Related Party Transactions

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Transactions and balances with related parties are as follows: geological and exploration services paid by the Company on exploration projects during the year ended February 28 2006 totalled \$411,190 were provided by Mincord Exploration Consultants Ltd., a geological service company which is 100% owned by two directors of Eastfield. Of this amount, \$210,930 was funded by Teck Cominco Limited who reviewed and approved all amounts paid. During the year, payments of \$8,895 (2005 - \$13,167) were made for accounting and administration services to a partnership of which a director of the Company is a member. During the year, payments of \$30,539 (2005 - \$51,685) were made for geophysical services to a company owned by a director.

Financial Instruments

The fair value of the Company's cash, accounts receivable, prepaid deposit, and accounts payable approximates their carrying amount due to the immediate or short-term maturity of these financial instruments.

Critical Accounting Policies

The preparation of its consolidated financial statements requires the Company to use estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. The Company's accounting policies are described in Note 2 to its consolidated financial statements. The Company's accounting policy related to its ongoing review of the carrying value of its resource properties is a critical accounting policy, which is subject to estimates and assumptions regarding reserves, recoveries, future gold prices and future mining activities.

The Company assesses its resource properties for impairment at the end of each accounting period. If prior estimates of future cash flows prove to be inaccurate, due to reductions in the price of gold or other minerals, increases in the cost of production, reductions in the amount of recoverable reserves, the Company would be required to write-down the recorded value of its resource properties, which would increase the Company's loss and reduce net assets.

Risks and Uncertainties

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, metal prices, political and economical.

One the Company's mineral properties is in a foreign country and as such, that portion of the Company's business may be exposed to various and unpredictable levels of political, economic and other risks and uncertainties specific to those foreign countries.

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 stage 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.

The Company has no significant source of operating cash flow and no revenues from operations. None of the Company's mineral properties currently have reserves. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish ore reserves.

The property interests owned by the Company, or in which it has an option to earn an interest are in the exploration stages only, are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines. Exploration of the Company's mineral projects may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest.