

EASTFIELD RESOURCES LTD.

Consolidated Financial Statements
Years Ended February 28, 2007 and 2006

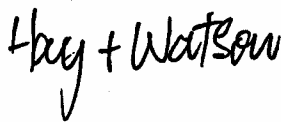
AUDITORS' REPORT

**To the Shareholders of
Eastfield Resources Ltd.**

We have audited the consolidated balance sheets of Eastfield Resources Ltd. as at February 28, 2007 and 2006 and the consolidated statements of loss, of deficit and accumulated other comprehensive income, of mineral property expenditures and of cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial positions of the Company as at February 28, 2007 and 2006 and the results of its operations and its cash flows for the years then in accordance with Canadian generally accepted accounting principles.



Chartered Accountants
Vancouver, British Columbia
April 16, 2007

EASTFIELD RESOURCES LTD.

Consolidated Balance Sheets

February 28, 2007 and 2006

	2007	2006
ASSETS		
Current		
Cash	\$ 482,364	\$ 417,054
Accounts receivable	198,081	298,546
Receivable from related parties or affiliates (Note 7)	52,799	13,988
Investments (Note 2)	144,806	164,801
Prepaid expenses	6,527	11,994
	884,577	906,383
Project Deposits (Note 3)	24,500	24,500
Equipment , net of accumulated amortization of \$70,479 (2006-\$67,321) (Note 5)	12,690	14,760
Mineral Property Interests (Note 6)	3,095,477	3,090,654
Patented Claims Held For Resale (Note 6)	102,347	101,295
	\$ 4,119,591	\$ 4,137,592
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 7)	\$ 44,663	\$ 26,717
Future Reclamation Costs (Note 4)	24,500	24,500
Future Income Tax Liability (Note 9)	90,190	90,190
	159,353	141,407
SHAREHOLDERS' EQUITY		
Share Capital (Note 8)	7,627,820	7,503,470
Contributed Surplus (Note 8)	674,724	611,270
Deficit	(4,342,306)	(4,118,555)
	3,960,238	3,996,185
	\$ 4,119,591	\$ 4,137,592

APPROVED BY THE BOARD

"J.W. Morton" Director

"D.D. Sharp" Director

EASTFIELD RESOURCES LTD.
Consolidated Statements of Loss and Deficit
Years Ended February 28, 2007 and 2006

	2007	2006
Expenses		
Amortization	\$ 3,158	\$ 4,237
Consulting	15,037	8,276
Dues and licenses	1,542	1,260
Bank charges	990	857
Investor relations	62,579	49,504
Legal and audit	37,587	19,660
Office	11,009	11,390
Reclamation	-	24,500
Rent	21,757	23,721
Salaries and benefits	26,699	26,025
Share-based compensation	123,754	115,620
Telephone	3,748	2,710
Transfer and filing fees	14,240	10,287
Loss before the following	322,100	298,047
Other (income) / expense		
Interest income	(18,571)	(17,251)
Other income	(2,574)	(4,363)
Management fees	-	(76,001)
Mineral property option proceeds	(32,440)	(22,819)
Gain on sale of investments	(44,764)	(5,176)
NET LOSS	223,751	172,437
DEFICIT, BEGINNING OF YEAR	4,118,555	3,946,118
DEFICIT, END OF YEAR	\$ 4,342,306	\$ 4,118,555
BASIC AND FULLY DILUTED LOSS PER SHARE	\$ 0.01	\$ 0.01
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	41,758,371	41,444,919

EASTFIELD RESOURCES LTD.

Consolidated Statements of Cash Flows

Years Ended February 28, 2007 and 2006

	2007	2006
Cash provided by (used in)		
Operating activities		
Net loss	\$ (223,751)	\$ (172,437)
Items not affecting cash		
Amortization	3,158	4,237
Gain on sale of investments	(44,764)	(5,176)
Mineral property option proceeds	(32,440)	(22,819)
Reclamation	-	24,500
Share-based compensation	123,754	115,620
	(174,043)	(56,075)
Changes in non-cash working capital components		
Accounts receivable	13,223	(13,617)
Prepaid expenses	5,467	(1,796)
Accounts payable and accrued liabilities	17,946	10,338
Receivable from related party	(38,811)	(11,757)
	(176,218)	(72,907)
Investing activities		
Purchase of equipment	(1,088)	(2,025)
Mineral property acquisition cost	(41,749)	(15,000)
Mineral property option proceeds	83,000	42,500
Mineral property exploration expenditures	(39,286)	(133,542)
Mineral property receivables	87,242	-
Project deposits	-	(3,500)
Proceeds from sale of investments	89,359	19,138
	177,478	(92,429)
Financing Activities		
Issue of shares, net of share issue costs	64,050	-
INCREASE IN CASH	65,310	(165,336)
CASH, BEGINNING OF YEAR	417,054	582,390
CASH, END OF YEAR	\$ 482,364	\$ 417,054
Supplemental disclosure of non-cash transactions		
Shares issued for mineral property interests	\$ 3,750	\$ -
Shares received as mineral property option proceeds	24,600	22,000
Shares received as payment for exploration costs	-	24,000

EASTFIELD RESOURCES LTD.

Consolidated Statements of Mineral Properties Expenditures

Years Ended February 28, 2007 and 2006

	2007			2006		
	Jajay-Lorraine	Other *	Total	Jajay-Lorraine	Other *	Total
Acquisition Costs						
Costs incurred during year	\$ -	\$ 41,749	\$ 41,749	\$ -	\$ 15,000	\$ 15,000
Balance, beginning of year	241,945	278,350	520,295	241,945	263,350	505,295
Balance, end of year	241,945	320,099	562,044	241,945	278,350	520,295
Exploration Expenditures						
Expenditures for the year						
Professional fees, field crews	19,599	13,722	33,321	44,139	9,471	53,610
Geological	4,742	228	4,970	1,898	1,088	2,986
Rental of vehicles and equipment	-	-	-	1,559	-	1,559
Transportation and fuel	525	-	525	1,295	-	1,295
Field equipment	-	-	-	406	187	593
Communications	160	7	167	138	-	138
Food and accommodation	-	-	-	88	-	88
Freight	-	-	-	23	-	23
Assaying	324	8,441	8,765	-	19	19
Other	(5,070)	(4,444)	(9,514)	(6,025)	(3,720)	(9,745)
	20,280	17,954	38,234	43,521	7,045	50,566
Balance, beginning of year	2,650,009	90,819	2,740,828	2,606,488	83,774	2,690,262
Balance, end of year	2,670,289	108,773	2,779,062	2,650,009	90,819	2,740,828
Option Proceeds						
Proceeds received during the year	-	(75,160)	(75,160)	-	(41,881)	(41,881)
Balance, beginning of year	-	(170,469)	(170,469)	-	(128,588)	(128,588)
Balance, end of year	-	(245,629)	(245,629)	-	(170,469)	(170,469)
	\$2,912,234	\$ 183,243	\$ 3,095,477	\$ 2,891,954	\$ 198,700	\$3,090,654

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

EASTFIELD RESOURCES LTD.

Notes to Consolidated Financial Statements

February 28, 2007 and 2006

1. NATURE OF OPERATIONS

Eastfield Resources Ltd. (the “Company”) is incorporated in the Province of British Columbia. Its principal business activities are the acquisition and exploration of gold, copper and other precious and base metal properties.

These consolidated financial statements have been prepared on the basis that the Company is a going concern, which presumes that the Company will continue operations for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of business. The ability of the Company to continue as a going concern is dependent on obtaining additional financing through the issue of treasury shares and from loans and on meeting the requirements, from time to time, of any lenders. These consolidated financial statements do not reflect any adjustments or reclassifications which would be necessary if the Company was unable to continue its normal operations.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Eastfield Resources (U.S.A.) Inc., (collectively, the “Company”) which conducts exploration of mineral properties located in the United States of America. All significant inter-company transactions and balances have been eliminated upon consolidation.

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 361, 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.

EASTFIELD RESOURCES LTD.

Notes to Consolidated Financial Statements

February 28, 2007 and 2006

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

The mandatory effective dates of Sections 1530 and 3855 are for fiscal years beginning on or after October 1, 2006, with optional early adoption only as of the beginning of a fiscal year ending on or after December 31, 2004. The Company has not adopted these standards and will be required to during the fiscal year ending February 28, 2008.

The fair value of the Company's investments, which will be classified as available for sale, was \$177,253 at February 28, 2007 (\$203,425 at February 28, 2006).

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 available for sale 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.

Investments

Investments in companies over which the Company does not exercise significant influence are accounted for using the cost method, whereby income is included in operations when received or receivable.

The carrying values of investments are written down to their estimated net realizable values when declines in value are significant and other than temporary.

Mineral Property Interests

The Company is currently in the exploration stage and accounts for its mineral properties, whereby costs relative to the acquisition of, exploration for and development of these properties are capitalized by property. All sales and option proceeds received are first credited against the costs of the related property, with any excess credited to income. No gains or losses are recognized on the partial sale or dispositions of properties except in circumstances which result in significant disposition of reserves. 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 related to abandoned properties and interests are charged to operations.

The Company reviews the carrying values of its mineral properties whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts determined by reference to estimated future operating results and undiscounted net cash flows. An impairment loss is recognized when the carrying value of those assets is not recoverable and exceeds their estimated fair value.

EASTFIELD RESOURCES LTD.

Notes to Consolidated Financial Statements

February 28, 2007 and 2006

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Mineral Property Interests (continued)

The amounts shown for mineral properties and related costs represent acquisition, holding and exploration costs and do not necessarily represent present or future recoverable values. The recoverability of these amounts is 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.

Mineral Property Reclamation Obligations

The Company recognizes liabilities for statutory, contractual or legal obligations associated with the reclamation of mineral property interests, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an asset retirement obligation is recognized at its fair value in the period in which it is incurred. Upon initial recognition of the liability, the corresponding asset retirement cost is added to the carrying amount of the related asset and the cost is amortized as an expense over the economic life of the asset using either the unit-of-production method or the straight-line method, as appropriate. Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the amount or timing of the underlying cash flows needed to settle the obligation.

Equipment

Capital assets are recorded at cost. Amortization is recorded using the following annual rates and methods:

Office furniture	20%	Declining balance
Computer equipment	30%	Declining balance
Technical equipment	20%	Declining balance

EASTFIELD RESOURCES LTD.

Notes to Consolidated Financial Statements

February 28, 2007 and 2006

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

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

Share-based Compensation

The Company grants options to purchase shares under the terms described in Note 8.

When options to purchase shares are granted 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 or 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 purchase options is credited to share capital. When options are exercised, previously recorded compensation is transferred from contributed surplus to share capital to fully reflect the consideration for the shares issued.

Income Recognition

Interest from cash and cash equivalents is recorded on an accrual basis when collection is reasonably assured.

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 initially records these share issuances by crediting share capital for the full value of cash consideration received and recognizing the related future income tax liability as a share issue cost when the tax benefits are renounced by the investors.

Loss per Share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the year. The diluted loss per share reflects the potential dilution of

EASTFIELD RESOURCES LTD.

Notes to Consolidated Financial Statements

February 28, 2007 and 2006

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Loss per share (continued)

common share equivalents, such as outstanding share purchase options, in the weighted average number of common shares outstanding during the year, if dilutive. For this purpose, the “if converted” method is used for the assumed conversion of the convertible notes payable at the beginning of the year. In addition, the “treasury stock method” is used for the assumed proceeds upon the exercise of share purchase options that are used to purchase common shares at the average market price during the year.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions about future events that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Significant estimates used in these financial statements include, amongst other things, the recoverability of accounts receivable and investments, and the estimated future operating results and net cash flows from mineral properties and other capital assets.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies have been translated into Canadian dollars at the exchange rate in effect at the balance sheet date and non-monetary assets and liabilities at the exchange rates in effect at the time of acquisition or issue. Revenues and expenses denominated in foreign currencies have been translated at rates approximating exchange rates in effect at the time of the transactions.

3. PROJECT DEPOSITS

The project deposits represent term deposits in favour of regulatory authorities held as site restoration deposits. These deposits will be released to the Company on satisfactory reclamation of the properties.

4. FUTURE RECLAMATION COSTS

The Company has accrued the estimated reclamation costs associated with exploration activities on its mineral property interests for which it has the responsibility. The timing of these obligations is not currently known. The eventual amounts and timing of the reclamation costs will depend on a number of factors, including exploration success and future development and mining of the resource.

EASTFIELD RESOURCES LTD.

Notes to Consolidated Financial Statements

February 28, 2007 and 2006

5. EQUIPMENT

	2007		2006	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Technical equipment	\$ 8,936	\$ 5,039	\$ 3,897	\$ 4,872
Office equipment	47,593	40,948	6,645	7,274
Computer equipment	6,986	6,900	86	36
Furniture & Fixtures	19,654	17,592	2,062	2,578
	<u>\$ 83,169</u>	<u>\$ 70,479</u>	<u>\$ 12,690</u>	<u>\$ 14,760</u>

6. MINERAL PROPERTY INTERESTS

Jajay (Lorraine) Project, Omineca Mining Division – British Columbia

On October 7, 2000, the Company entered into an agreement with Lysander Minerals Corporation (“Lysander”), as amended on September 30, 2002 and November 7, 2003, to earn a 65% interest in the Lorraine-Jajay claims.

On June 10, 2005, the Company and Lysander suspended the terms of the option agreement, agreed that their respective interests in the property were equal, suspended Lysander’s royalty interest and entered into an option agreement with Teck Cominco Limited (“Teck”). Teck may earn a 51% joint venture interest in the property by completing an additional \$9,000,000 of exploration by December 31, 2010 (minimum expenditure rate of \$1,500,000 annually). Teck 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 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 option.

EASTFIELD RESOURCES LTD.

Notes to Consolidated Financial Statements

February 28, 2007 and 2006

6. MINERAL PROPERTY INTERESTS (continued)

Crowsnest Property, Fort Steele Mining Division – British Columbia

On August 20, 2006, the Company made the final option payment to complete the purchase of the 101 claims in the project area. The claims are subject to a 2.0% net smelter royalty.

On August 17, 2004, the Crowsnest and the Howell properties, described below, were optioned to La Quinta Resources Corp. La Quinta may earn a 60% interest in both properties by paying \$320,000 in cash, issuing 300,000 shares and expending \$1,700,000 in exploration by December 31, 2008.

Howell Property, Fort Steele Mining Division – British Columbia

On June 30, 1999, 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 the issue of 500,000 (issued), payment of \$200,000 on or before August 31, 2008 and cumulative expenditures on the property of \$1,000,000 by August 31, 2008. The Company's payments will increase if it makes a production decision on the property, based on the mineable resource.

Net smelter royalties of 3.0% payable upon commercial production. The Company has the option to purchase 1.0% 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 and Crowsnest properties were optioned to La Quinta Resources Corp., as described above.

Iron Lake Property, 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 July 18, 2002, as amended on January 20, 2004, the Company entered into an option agreement under which Argent Resources Ltd. ("Argent") may earn a 55% interest in the Iron Lake property by making staged share issuances totalling 300,000 shares (now issued), option payments totalling \$105,000 (\$65,000 now paid) and completing exploration work totalling \$1,000,000 (approximately \$600,000 now completed) over a five-year term. Argent can earn an additional 15% by spending an additional \$1,000,000 within the five-year term of the agreement.

Indata Property, 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, for \$140,000. Another company owns a 12.4% interest in the Indata property, and this interest will be reduced if that company fails to make its proportionate share of exploration and other payments on the property.

EASTFIELD RESOURCES LTD.

Notes to Consolidated Financial Statements

February 28, 2007 and 2006

6. MINERAL PROPERTY INTERESTS (continued)

Indata Property, Omineca Mining Division - British Columbia (continued)

On May 2, 2006 the Company granted an option to Redzone Resources Ltd. to earn a 60% interest in the property in consideration of \$200,000 of cash or share payments and incurring \$1,000,000 in mineral exploration costs over five years.

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 \$88,000 of cash payments and the issue of 125,000 shares over a six year period.

On March 8, 2004, as amended on March 2, 2005, the Company granted Goldrush Resources Ltd. an option to earn a 70% interest in the property by making cash or share payments totalling \$120,000 (\$25,000 now completed), cash payments of \$81,500 to the underlying vendor of the property and incurring \$1,000,000 in mineral exploration costs (approximately \$94,000 now completed) prior to April 2008. On March 8, 2006, Goldrush assigned its option interest in the OK Property to Prophecy Resources Ltd., a company with two common directors with the Company. Pursuant to this assignment Prophecy may earn a 60% interest in the property in consideration for incurring an additional \$1,000,000 in mineral exploration costs by March 8, 2010 (approximately \$102,000 now completed) and making \$110,000 in cash or share option payments (\$15,000 paid to date).

Tonopah Project, Nevada Patented Claims Held For Resale

The Company holds a 100% interest in 25 patented claims in the Tonopah district, Nevada, U.S.A., subject to certain royalty interests. The property has not been actively explored in the past five years. Patented claims entitle the Company to ownership of the land for any use and the Company may sell the land for purposes other than mineral exploration.

7. RELATED PARTY TRANSACTIONS

During the year, geological services totaling \$35,372 (2006 - \$411,190) were provided to the Company by Mincord Exploration Consultants Ltd. ("Mincord"), a geological services company owned by two directors of the Company. Mincord's relationship with the Company is non-exclusive and without retainer and is used on a project by project basis. 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 venturers. Accounts payable and accrued liabilities at February 28, 2007 include \$2,897 (2006 - \$1,272) payable to Mincord.

During the year, payments of \$ nil (2006 - \$30,539) were made for geophysical services to a company owned by a director.

EASTFIELD RESOURCES LTD.

Notes to Consolidated Financial Statements

February 28, 2007 and 2006

7. RELATED PARTY TRANSACTIONS (continued)

In the normal course of business, the company enters into transactions with related companies for the use of equipment, services and rental of office space. The Company is related to Wildrose Resources Ltd. ("Wildrose") and Cariboo Rose Resources Ltd. ("Cariboo Rose") through directors in common. Recoveries of rent, salaries, telephone, office, consulting, convention and travel from Wildrose amounted to \$81,058 (2006 - \$68,000) and from Cariboo Rose \$24,481 (2006 - \$ nil).

During the year, payments of \$20,185 (2006 - \$8,895) were also made for accounting and administration services to a partnership of which a director of the Company is a member.

8. SHARE CAPITAL

Authorized

100,000,000 common shares without par value

Issued and fully paid	Number of Shares	Amount
Balance, February 28, 2005 and 2006	41,444,919	\$ 7,503,470
Issued for mineral properties	25,000	3,750
Issued on exercise of options	470,000	60,300
Transfer from contributed surplus on the exercise of options	-	60,300
Balance, February, 28, 2007	41,939,919	\$ 7,627,820

Share Purchase Options

The company issues common 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 4,150,000 shares for the issue of share purchase options. Options will normally vest at the date of grant for directors and employees, and at the rate of 25% on the date of the grant and 25% every three months thereafter 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).

EASTFIELD RESOURCES LTD.

Notes to Consolidated Financial Statements

February 28, 2007 and 2006

8. SHARE CAPITAL (continued)

The following options to purchase common shares were outstanding at the date of these financial statements:

	2007		2006	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Balance, beginning of year	4,120,000	\$0.15	3,650,000	\$0.15
Granted	1,110,000	0.16	1,230,000	0.12
Exercised	(470,000)	0.13	-	-
Expired	(610,000)	0.16	(760,000)	0.12
Balance, end of year	4,150,000	\$0.15	4,120,000	\$0.15
Options exercisable, end of year	4,150,000	\$0.15	4,120,000	\$0.15

The contractual weighted average remaining life of the outstanding options at February 28, 2007 is 3.27 years.

The Company determines the fair value of the options granted during a year using the Black-Scholes model. The following assumptions were used in valuing the options granted during the current and previous years:

	2007	2006
Average risk-free interest rate	4.1%	4.0%
Expected share price volatility	113%	137%
Expected average period until exercise	3 years	3 years

Warrants

Warrants to purchase 1,125,500 common shares at \$0.75 per share were outstanding at February 28, 2006. These warrants were not exercised and expired on March 22, 2006

Contributed Surplus

The total compensation expense and contributed surplus included in these financial statements for director and employee options which have vested is:

Balance, February 28, 2005	\$ 495,650
Share-based compensation expense	115,620
Balance, February 28, 2006	611,270
Share-based compensation expense	123,754
Transfer to share capital on the exercise of options	(60,300)
Balance, February 28, 2007	\$ 674,724

EASTFIELD RESOURCES LTD.

Notes to Consolidated Financial Statements

February 28, 2007 and 2006

9. INCOME TAXES

The Company's future income tax assets and liabilities are composed of the following items:

	2007	2006
Future income tax assets arising from:		
Losses deductible against future taxable income	\$ 330,214	\$ 293,808
Valuation allowance	(330,214)	(293,808)
Net future income tax assets	\$ -	\$ -
Future income tax liabilities arising from:		
Expenses renounced on flow-through share subscriptions	\$ 118,800	\$ 118,800
Amounts deductible for tax purposes in excess of carrying values	(28,610)	(28,610)
Net future income tax liabilities	\$ 90,190	\$ 90,190

The reconciliation of the provision for income taxes is:

	Years Ended February 28	
	2007	2006
Loss before income taxes	\$ 223,751	\$ 172,437
Statutory tax rate	34.12%	35.6%
Recovery of income taxes based on statutory income tax rates	\$ 76,344	\$ 61,388
Increase (decrease):		
Effect of current period losses not recognized	(51,750)	(19,974)
Net effect of non-deductible expenses	(24,594)	(41,414)
Provision for income taxes	\$ -	\$ -

As at February 28, 2007, the Company has available losses of approximately \$968,000 for deduction against future years' taxable income. If unused, these losses will expire in varying amounts over the next ten years. The Company also has other deductions as at February 28, 2007 available for Canadian income tax purposes, subject to certain restrictions, of approximately \$1,677,000 which have no expiry date.

The future benefits which may arise from these deductions have not been recorded in these financial statements.

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10. SEGMENTED DISCLOSURES

The Company principally operates in one industry segment within two geographical areas, Canada and United States. The significant assets attributable to each geographical area as at February 28, 2007 and 2006 are:

	Canada	United States	2007 Total	2006 Total
Cash	\$ 481,990	\$ 374	\$ 482,364	\$ 417,054
Accounts Receivable	250,880	-	250,880	312,534
Equipment	12,690	-	12,690	14,760
Investments	144,806	-	144,806	164,802
Mineral property interests	3,095,477	-	3,095,477	3,090,654
Patented claims held for resale	-	102,347	102,347	101,295

11. FINANCIAL INSTRUMENTS

(a) Fair value of financial instruments

The carrying values of the Company's financial instruments, which are cash, accounts receivable, receivable from related parties, investments and accounts payable, approximate their carrying values in these financial statements.

(b) Foreign exchange risk

The Company incurs some of its expenditures on its United States mineral property interests in US currency. As such, the Company is subject to foreign exchange risk arising from fluctuations in exchange rates.

(c) Concentration of credit risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and short term investments. To reduce credit risk, cash and short term investments are on deposit at major financial institutions.

12. RENTAL LEASE COMMITMENT

The Company is committed, until June 30, 2008, to monthly rentals for its office premises of \$4,634 inclusive of estimated operating costs. The Company has an option to extend the term of the lease for a further term of three years. These costs are shared with related companies, Wildrose Resources Ltd. and Cariboo Rose Resources Ltd., on an equal basis.

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13. 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. Management's current estimate of reclamation and other future site restoration costs to be incurred for existing mineral property interests has been included in these financial statements.

14. SUBSEQUENT EVENTS

Lysander Minerals Corporation and the Company announced on November 24, 2006 that they had entered into a letter of intent to spin off their jointly-owned (50-50) Jajay copper-gold mineral property, located some 250 kilometres northwest of Prince George, British Columbia, to a newly incorporated company ("Newco"). The spin-off transaction is intended to be completed through a statutory plan of arrangement carried out by each company, pursuant to which each company would receive shares of Newco which would then be distributed to their respective shareholders.

On March 16, 2007, La Quinta Resources Corp. announced that it had completed \$450,000 of exploration expenditures on the Crowsnest and Howell properties, with six diamond drill holes completed in 2006.

Teck Cominco Limited has, as of March 29, 2007, delivered a statement of 2006 mineral exploration expenditures on the Jajay project. Including expenditures on the Jan/Tam/Misty property, which was added to the Jajay option in 2006, the total expenditures on the project during 2006 were \$2,387,832.