Analyst Commentary

March 24, 2008

STARFIELD RESOURCES INC.

($0.92; TSX: SRU)

Recommendation
Speculative Buy

Risk
High

Target Price
$2.10 (1-Year - Unchanged)
$4.90 (3-Year – New)

Potential Return
1-Year: 2.3x
3-Year: 5.3x

Price (March 21, 2008)
$0.92

52-Week Range
$1.93-$0.225

Shares O/S
301 million

Market Cap
$277 million

Average Daily Volume

20-day:	438,700
150-day:	1,160,200

Year-End
February 28

C$	BVPS
2006	$0.28
2007	$0.30
2008E	$0.28
2009E	$0.29

BVPS: Book Value Per Share

Analysts
This report was written by a contracted analyst, and was vetted and approved by the *e*Research Investment Committee

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Data Source: www.BigCharts.com

SCOPING STUDY RELEASED

Starfield Resources Inc. ("Starfield" or the "Company") has released a favourable scoping study outlining the economic potential of its Ferguson Lake Project in Nunavut. The study was completed by Scott Wilson Roscoe Postle Associates Inc. and indicates a potential pre-tax return on investment of 27%, at nickel and copper prices of US$14.25 and US$3.75, respectively. This translates into a net present value of $1.9 billion at a 10% discount rate.

Assumptions in the Scoping Study include the following:

- Total mine production of 34.2 million tonnes, grading 0.60% nickel, 0.95% copper and 0.07% cobalt.
- Sufficient resources to enable operations through 2030.
- Initial mining of 1.8 million tonnes of ore from an open pit, at 3,000 tonnes per day.
- Development of an underground mine after a year, with ore production increasing to 6,000 tonnes per day.
- Grinding facilities to be located at Ferguson Lake, then piped to a processing plant at Rankin Inlet.
- 285-kilometre slurry (heated) pipeline to Rankin Inlet.
- Port and shipping facilities at Rankin Inlet.
- Innovative and environmentally friendly hydrometallurgical processing plant near Rankin Inlet (see discussion in eResearch's Initiating Coverage Report dated February 26, 2008 – available free on www.eResearch.ca).
- Production start-up targeted for 2013.

The Scoping Study indicates a pre-tax net present value per share as outlined below (based on 300 million shares outstanding):

Nickel/Copper Price ($US)	$8/$2.00	$11/$2.50	$15/$3.00	$20/$4.00	$25/$4.50
NPV ($Cdn millions)	$321	$1,003	$1,867	$3,051	$4,095
NPV/share ($Cdn)	$1.07	$3.34	$6.22	$10.17	$13.65

Source: eResearch

COMMENT: *The most significant variables in the scoping study are the prices of nickel and copper, which have both seen a lot of pressure recently. However, even at the relatively conservative price assumptions of $8 nickel and $2.00 copper, the Ferguson Lake project has value creation potential for Starfield shareholders.*

Total capital costs are estimated at C$1.35 billion, with the processing plant accounting for the largest portion of the cost. The initial open pit mine should be relatively low-cost (approximately $30 million). This leaves the question of financing the capital spend. Management has indicated that there are several options available, but it will be some time before decisions must be made in this respect. Starfield has indicated that in the near term the Company expects to return to the market for funding, but at present it has cash in excess of $9 million.

COMMENT: *This appears to be a prudently financed company.*

VALUATION

- There is considerable potential upside to this scoping study, given the following:

(1) The study ignores mineralization in the East Zone (9.5 million tonnes - further drilling required);

(2) It also ignores the low-sulphide PGE mineralization hosted in the sulphide intrusive complex; and

(3) It does not address the potential sale of excess electric power into the grid or the potential sale of other by-products.

- As previously mentioned, the greatest variable is commodity prices. We are of the view that base metals will continue to remain soft over the next 12-18 months, but will then start to recover. Commodity prices are down 10% for nickel and 4% for copper, compared to the prices used to generate the 27% IRR (see March 20, 2008 Starfield press release).

- Using a conservative $13 nickel price and a $2.75 copper price, we extract a net present value of $4.78. We add to this the potential upside considerations not included in the scoping study (15%), but also consider the potential for unidentified cost overruns over the five-year development period prior to production in 2013 (-10%). This provides a valuation estimate of $4.94.

RECOMMENDATION

Research is confirming its Speculative Buy recommendation and 12-month Target Price of $2.10. In addition, we are now assigning a 3-year Target Price of $4.90 to Starfield Resources. This compares to the March 20, 2008 share price of $0.92 – a level reached (up 31% on heavy volume), following the release of the scoping study.

PROFILE

Starfield Resources Inc. is an advanced mineral exploration company, focused on its 100%-owned Ferguson Lake nickel-copper-cobalt-platinum-palladium-rhodium property in Nunavut Territory, Canada.

RATINGS HISTORY

The following table shows the extent of the eResearch research material on the Company:

Date	Type	Recommendation	Stock Price	Target Price
Feb. 26, 2008	Initiating	Speculative Buy	$0.95	$2.10 (1-Year)
Mar. 24, 2008	Commentary	Unchanged	$0.92	$2.10 (1-Year) $4.90 (3-Year) (new)

NOTE: *eResearch reports on Starfield Resources Inc. and other companies are available FREE on our website at www.eresearch.ca.*

NOTES

ANALYST CERTIFICATION

Each Research Analyst who was involved in the preparation of this Research Report hereby certifies that: (1) the views, opinions, and recommendations expressed in this Research Report reflect accurately the Research Analyst's personal views concerning any and all securities and issuers that are discussed herein and are the subject matter of this Research Report; and (2) the fees, earnings, or compensation, in any form, payable to the Research Analyst, are not and will not, directly or indirectly, be related to the specific views, opinions, and recommendations expressed by the Research Analyst in this Research Report.

***e*Research analysts on this report: Bob Weir, B.Sc., B. Comm, CFA.** Bob Weir has 42 years of investment research and analytical experience in both the equity and fixed-income sectors, and in the commercial real estate industry. He was at Dominion Bond Rating Service (DBRS) from 1994 to 2001, latterly as Executive Vice-President responsible for conducting the day-to-day management affairs of the company. He joined *e*Research in 2004.

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Strong Buy: Expected total return within the next 12 months is at least 40%.

Buy: Expected total return within the next 12 months is between 10% and 40%.

Speculative Buy: Expected total return within the next 12 months is substantial, but Risk is High (see below).

Hold: Expected total return within the next 12 months is between 0% and 10%.

Sell: Expected total return within the next 12 months is negative.

*e*Research Risk Rating System

A company may have some, but not necessarily all, of the following characteristics of a specific risk rating to qualify for that rating:

High Risk: *Financial* - Little or no revenue and earnings, limited financial history, weak balance sheet, negative free cash flows, poor working capital solvency, no dividends.

Operational - Weak competitive market position, early stage of development, unproven operating plan, high cost structure, industry consolidating, business model/technology unproven or out-of-date.

Medium Risk: *Financial* - Several years of revenue and positive earnings, balance sheet in line with industry average, positive free cash flow, adequate working capital solvency, may or may not pay a dividend.

Operational - Competitive market position and cost structure, industry stable, business model/technology is well established and consistent with current state of industry.

Low Risk: *Financial* - Strong revenue growth and earnings over several years, stronger than average balance sheet, strong positive free cash flows, above average working capital solvency, company may pay (and stock may yield) substantial dividends or company may actively buy back stock.

Operational - Dominant player in its market, below average cost structure, company may be a consolidator, company may have a leading market/technology position.

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Starfield Resources Inc. paid *e*Research a fee of $20,000+GST to conduct research on the Company on an Annual Continual Basis.

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