



December 3, 2008

Dear Fellow Shareholder:

For Starfield Resources, 2008 has been an eventful, productive, and successful year. In the West Zone, exploration drilling at our Ferguson Lake property was completed as planned. At other zones, our greenfield exploration program was completed according to schedule. We also made great progress developing our hydrometallurgical recovery process.

Ferguson Lake Project Development

At Ferguson Lake, exploration drilling crews completed a total of 15,221 meters in 36 holes in the West Zone. Most of this work consisted of infill drilling in massive sulphide mineralization and underlying low-sulphide PGM mineralization. We consider the program a success in that we now have extensive information about the massive sulphide deposits. These data should allow us to upgrade more resources into the indicated category and possibly into the measured category. At the low-sulphide PGM horizons, we have now accumulated sufficient drilling data to begin creating a model for a potential resource. The final assays for this work are expected during December, which should allow us to publish the final drilling results for this area in January 2009.

Greenfield Exploration Drilling

Starfield's greenfield exploration program this year consisted of reviewing 1,500 glacial till samples for trace metals and diamond indicators, plus exploration drilling in three known geophysical targets called North Zone, Y Lake and Grizzly. A total of 2,587 meters in five holes were drilled in the North Zone, 1,260 meters in three holes were completed at Y Lake and 449 meters were drilled in one hole at Grizzly. These drilling results should be received during December. The till sample analysis is in progress and results are expected in early 2009.

Hydrometallurgical Process Development

During 2008 Starfield achieved a major breakthrough with our hydrometallurgical extraction process for refining massive sulphide mineralization to be mined from Ferguson Lake. Working at their laboratory in Montreal, Dr. Bryn Harris and his team have perfected the key hydrolysis circuit of the process. This advancement means we can now process massive sulphides to produce pure nickel, copper and cobalt products in a cost-effective, environmentally friendly and energy-efficient manner. In addition to recovering the desired base metals as main products, the process captures sulphur and iron as by-products in commercially viable forms. Another by-product is electricity, which will power the production plant and the mine, with some excess remaining for potential sale to local communities. This is a major step forward in hydrometallurgical processing and we are very excited about it.



The hydrometallurgical process is designed to electrowin nearly pure metals while capturing pollutants and turning them into valuable products. The sulphur is emitted during the first stage of leaching, where it is captured and converted into sulphuric acid and electrical power. Once the first stage of the leach is completed, the iron and hydrochloric acid are recovered by the advanced continuous hydrolysis process recently perfected by Dr. Harris and his team, which in turn allows standard electrowinning technology to be applied to the leach solution to recover the copper, nickel and cobalt.

The Equities Markets

The public equities markets have demonstrated considerable volatility during the latter part of 2008, and nonproducing mining companies have been particularly hard hit. Starfield shares resisted the downward trend for a number of months, but now they too have been swept up in the heavy volume of selling. Starfield's management group has been affected, as we too are shareholders and growth in shareholder value is one of our driving motivators. Nonetheless, our management team remains committed to development of the Ferguson Lake project, while recognizing a longer timeline will be required.

A Promising Outlook

Starfield's development schedule provides for further work on the Ferguson Lake property in 2009. However, given current economic conditions and the equity and debt markets' current view of unfinanced late-stage exploration and development projects, Starfield will likely need to conserve cash and wait for the coming upturn in the metal price cycle. We are now being approached by a number of companies seeking new partnerships. We believe the current environment actually creates more opportunities than would ordinarily become available for well positioned companies. Protecting and continuing to develop our world class assets in Nunavut are a priority, but during 2009 we will also consider potential transactions that enhance shareholder value.

Economic conditions during the current phase have greatly inhibited exploration activities throughout the mining industry and, in some cases, halted mine development. As a result, when the world economy turns upward, recovery is likely to be inhibited by shortages of key metals and future production capacity will fall short of what it otherwise would be. Starfield intends to be poised and ready to take advantage of these conditions when they occur. Looking ahead, our future has never been brighter.

I would like to extend my thanks to our staff for their considerable skills and hard work, to our board of directors for their advice and counsel, to the communities of Nunavut for their friendship and most of all, to our shareholders for their confidence in the future of Starfield Resources.

Yours truly,

André J. Douchane
President & CEO
Starfield Resources Inc.