LAURENTIAN GOLDFIELDS LTD.
(Formerly CAPO RESOURCES LTD.)

(An Exploration Stage Company)

FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2009 AND 2008

In Canadian Funds

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
Chartered Accountants
PricewaterhouseCoopers Place
250 Howe Street, Suite 700
Vancouver, British Columbia
Canada V6C 3S7
Telephone +1 604 806 7000
Facsimile +1 604 806 7806

Auditors' Report

To the Shareholders of Laurentian Goldfields Ltd.

We have audited the balance sheets of Laurentian Goldfields Ltd. as at March 31, 2009 and 2008 and statements of loss, comprehensive loss and deficit, changes in shareholders' equity and cash flows for each of the years in the two year period ended March 31, 2009. 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 financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2009 and 2008, and the results of its operations and its cash flows for each of the years in the two year period ended March 31, 2009 in accordance with Canadian generally accepted accounting principles.

(signed) PricewaterhouseCoopers LLP

Chartered Accountants
Vancouver, BC
June 18, 2009

Statement 1

LAURENTIAN GOLDFIELDS LTD.

(Formerly CAPO RESOURCES LTD.)
(An Exploration Stage Company)

Balance Sheets

Canadian Funds

ASSETS	**As at March 31, 2009**	As at March 31, 2008
Current		
Cash and cash equivalents *(Note 8e)*	**$ 507,450**	$ 255,300
GST and other receivables	**125,081**	138,609
Prepaid expenses	**17,326**	11,435
	649,857	405,344
Property and Equipment *(Note 5)*	**50,422**	5,428
Resource Property Costs *(Note 6) – Schedule*	**4,301,652**	2,275,646
	$ 5,001,931	$ 2,686,418
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**$ 109,390**	$ 52,434
Future Income Tax Liability *(Note 13b)*	**260,934**	284,242
SHAREHOLDERS' EQUITY		
Share Capital *(Note 8a) – Statement 3*	**5,206,350**	3,161,439
Share Purchase Warrants *(Notes 8b and 8c) – Statement 3*	**807,047**	-
Contributed Surplus *(Note 8f) – Statement 3*	**190,149**	203,063
Deficit - *Statement 2*	**(1,571,939)**	(1,014,760)
	4,631,607	2,349,742
	$ 5,001,931	$ 2,686,418

Going Concern *(Note 1)*
Subsequent Events *(Note 14)*

ON BEHALF OF THE BOARD:

"Andrew Brown", President & CEO, Director

"Brian P. Fowler", Director

- See Accompanying Notes -

LAURENTIAN GOLDFIELDS LTD.

Statement 2

(Formerly CAPO RESOURCES LTD.)

(An Exploration Stage Company)

Statements of Loss, Comprehensive Loss and Deficit

Canadian Funds

		For the year ended March 31, 2009		For the year ended March 31, 2008
Expenses				
Amortization	**$**	**25,335**	$	5,076
Conferences and meetings		**46,352**		39,340
Investor relations		**27,334**		16,052
Listing and filing fees		**23,063**		1,787
Office and administration		**48,852**		11,792
Professional fees		**207,989**		192,006
Rent		**29,535**		18,705
Wages and consulting fees		**348,988**		197,561
Stock-based compensation		**-**		225,563
Transfer agent fees		**15,019**		-
Loss before the undernoted		**(772,467)**		(707,882)
Other Income (Expenses)				
Interest income		**8,005**		12,209
Interest expense		**(587)**		-
Generative activities		**(59,036)**		(259,524)
		(51,618)		(247,315)
Loss Before Income Taxes		**(824,085)**		(955,197)
Future Income Tax Recovery *(Note13a)*		**266,906**		210,440
Net Loss and Comprehensive Loss for the Year		**(557,179)**		(744,757)
Deficit - Beginning of Year		**(1,014,760)**		(270,003)
Deficit - End of Year	**$**	**(1,571,939)**	$	(1,014,760)
Basic Loss per Share	**$**	**(0.03)**	$	(0.07)
Weighted Average Number of Shares Outstanding		**20,031,500**		11,341,067

LAURENTIAN GOLDFIELDS LTD.

Statement 3

(Formerly CAPO RESOURCES LTD.)
(An Exploration Stage Company)

Statements of Changes in Shareholders' Equity

Canadian Funds

	For the year ended March 31, 2009	For the year ended March 31, 2008
Share capital		
Balance – beginning of year	**$ 3,161,439**	$ 300,000
Shares issued on reverse takeover transaction - *(Notes 4a and 7)*	**337,772**	-
Issued during the year – Qualifying Transaction finder's fee *(Note 8a)*	**35,000**	-
Share issuance costs – Qualifying Transaction *(Note 8a)*	**(35,000)**	-
Issued during the year – Flow-through *(Note 8b)*	**869,593**	-
Issued during the year – Non Flow-through *(Note 8b)*	**1,107,629**	3,435,868
Issued during the year – exercise of stock options *(Note 8d)*	**32,500**	-
Fair value of stock options exercised *(Note 8d)*	**12,914**	-
Issued during the year – property payments *(Notes 6b and 6c)*	**104,840**	-
Share issuance costs	**(116,837)**	(79,747)
Flow-through income tax renunciation *(Note 8e)*	**(303,500)**	(494,682)
Balance – end of year	**5,206,350**	3,161,439
Share purchase warrants		
Balance – beginning of year	**-**	-
Fair value of share purchase warrants issued *(Note 8c)*	**857,828**	-
Warrant issuance costs *(Note 8b)*	**(50,781)**	-
Balance – end of year	**807,047**	-
Contributed surplus		
Balance – beginning of year	**203,063**	-
Fair value of stock-based compensation on options vested *(Note 8d)*	**-**	203,063
Fair value of stock options exercised *(Note 8d)*	**(12,914)**	-
Balance – end of year	**190,149**	203,063
Deficit		
Balance – beginning of year	**(1,014,760)**	(270,003)
Net loss for the year	**(557,179)**	(744,757)
Balance – end of year	**(1,571,939)**	(1,014,760)
TOTAL SHAREHOLDERS' EQUITY	**$ 4,631,607**	$ 2,349,742

LAUERENTIAN GOLDFIELDS LTD.

Statement 4

(Formerly CAPO RESOURCES LTD.)
(An Exploration Stage Company)

Statements of Cash Flows

Canadian Funds

		For the year ended March 31, 2009		For the year ended March 31, 2008
Cash Flows from Operating Activities				
Net loss for the year	**$**	**(557,179)**	$	(744,757)
Items not affected by cash:				
Future income tax recovery *(Note 13a)*		**(266,906)**		(210,440)
Stock-based compensation		**-**		225,563
Amortization		**25,335**		5,076
		(798,750)		(724,558)
Change in non-cash working capital:				
GST and other receivables		**13,528**		(138,609)
Prepaid expenses		**(5,891)**		(11,435)
Accounts payable and accrued liabilities		**49,077**		34,578
Other net liabilities acquired on reverse takeover transaction *(Note 7)*		**(29,732)**		-
		(771,768)		(840,024)
Cash Flows from Investing Activities				
Cash acquired on reverse takeover transaction *(Note 7)*		**307,602**		-
Increase in property and equipment, net		**(70,329)**		(10,504)
Resource property costs, net		**(1,913,287)**		(1,820,640)
		(1,676,014)		(1,831,144)
Cash Flows from Financing Activities				
Issuance of share capital and share purchase warrants, net		**2,699,932**		2,896,121
Net Increase in Cash and Cash Equivalents		**252,150**		224,953
Cash and Cash Equivalents- Beginning of Year		**255,300**		30,347
Cash and Cash Equivalents - End of Year	**$**	**507,450**	$	255,300

Supplemental Schedule of Non-Cash Investing and Financing Activities

Accounts payable and accrued liabilities included in resource property costs	**$**	**25,385**	$	17,506
Issuance of shares for property	**$**	**104,840**	$	437,500
Shares issued during the period – finder's fee	**$**	**35,000**	$	-

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1. Nature of Operations and Going Concern

Laurentian Goldfields Ltd. (formerly “Capo Resources Ltd.”) (the “Company”) was incorporated under the Business Corporations Act of British Columbia on November 14, 2005. Effective May 15, 2008, the Company acquired 0785531 B.C. Ltd. through a reverse takeover which completed its Qualifying Transaction requirement under TSX-V Policy 2.4. The Company’s principal business activities include the acquisition, exploration and development of economic gold and other precious and base metal properties. The Company is in the exploration stage and has not yet determined whether any of the mineral properties contain mineral reserves that are economically recoverable.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its exploration commitments, administrative overhead and maintain its mineral interests. The recoverability of amounts shown for resource properties is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to make scheduled payments under each of its property agreements, the development of these properties and future profitable production or proceeds from the disposition of mineral properties.

While these financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of business for the foreseeable future, there are events and conditions that cast significant doubt on the validity of that assumption. The Company has incurred losses since inception and has an accumulated deficit of $1,571,939 at March 31, 2009. The Company will need to raise sufficient funds in order to finance ongoing exploration and administrative expenses. The Company has no assurance that such financing will be available or be available on favourable terms. Factors that could affect the availability of financing include the Company’s performance (as measured by numerous factors including the progress and results of its various projects), the state of international debt and equity markets, investor perceptions and expectations and the global financial and metals markets. If successful, the Company would obtain additional financing through, but not limited to, the issuance of additional equity.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

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2. Comparative Figures

Certain of the comparative figures have been reclassified to conform to the current year’s presentation.

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3. Significant Accounting Policies

a) Basis of Presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, term deposits and short-term highly liquid investments with the original term to maturity of three months or less, which are readily convertible to known amounts of cash and which, in the opinion of management, are subject to an insignificant risk of changes in value.

c) Resource Property Costs

The Company is in the process of exploring its resource properties and has not yet determined whether these properties contain reserves that are economically recoverable.

Resource exploration and development costs are capitalized on an individual area of interest basis until such time as an economically feasible ore body is defined or the prospect is abandoned. Costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the reserves, while costs for the prospects abandoned are written off.

The recoverability of the amount capitalized for the undeveloped resource properties is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to farm out its resource properties, the ability to obtain the necessary financing to complete their development and future profitable production or proceeds from the disposition thereof. In addition, the resource property costs are evaluated on an annual basis for impairment and where impairment occurs, related resource costs are written off.

Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many resource properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

d) Asset Retirement Obligations

The Company recognizes the fair value of legal obligations relating to retirement of property, plant, and equipment, and arising from the acquisition, construction, development, or normal operation of those assets. Such asset retirement costs are recognized at fair value, when a reasonable estimate of fair value can be estimated, in the period in which it is incurred, added to the carrying value of the asset, and amortized into income on a systematic basis over its useful life. Any liability is subject to accretion over time for increases in the fair value of the liability.

At March 31, 2009, no asset retirement costs have been recognized as none of the Company’s properties are estimated to require any remediation or other expenditures upon their retirement.

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3. Significant Accounting Policies – *Continued*

e) Comprehensive Income (Loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in net earnings such as unrealized gains or losses on available for sale investments. Other comprehensive income (loss) includes the holding gains and losses from available for sale securities which are not included in net income (loss) until realized.

f) Amortization

The Company provides for amortization using the declining balance method at rates designed to amortize the cost of the property and equipment over the estimated useful lives. The annual amortization rates are as follows:

Computer equipment	55 %
Computer software	100 %
Office furniture and equipment	20 %
Project field equipment	20 %

g) Income Taxes

The Company accounts for income taxes under the asset and liability method. Under the asset and liability method, the change in the net future tax asset or liability is included in income. The income tax effects of temporary differences between the time when income and expenses are recognized in accordance with Company accounting practices and the time they are recognized for income tax purposes are reflected as future income tax assets or liabilities. Future income tax assets and liabilities are measured using statutory enacted tax rates expected to be in effect when the temporary differences are expected to be recovered or settled. The effect on future income tax assets and liabilities of a change in tax rates is included in income in the year in which the change is enacted or substantively enacted. A valuation allowance is established, as needed, to reduce the future income tax asset to the amount that is more likely than not to be realized.

h) Share Capital

Share capital issued for non-monetary consideration is recorded at an amount based on fair market value.

i) Stock-Based Compensation

All stock-based awards made to employees and non-employees are measured and recognized using a fair value based method. For employees, the fair value of the options is measured at the date of the grant. For non-employees, the fair value of the options is measured on the earlier of the date at which the counterparty performance is complete or the date the performance commitment is reached or the date at which the equity instruments are granted if they are fully vested and non-forfeitable. For employees and non-employees, the fair value of options is charged to operations immediately or on the basis of the vesting period, which may determined by the Board of Directors, with the offsetting credit to contributed surplus. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital.

3. Significant Accounting Policies – *Continued*

j) Impairment of Long-Lived Assets

Management reviews and evaluates the carrying value of its mineral properties and property and equipment for impairment when events or changes in circumstances indicate that the carrying amount of the related asset may not be recoverable. If the total estimated future operating cash flows on an undiscounted basis are less than the carrying amount of the asset, an impairment loss is recognized and assets are written down to fair value which is normally determined using the discounted value of future cash flows. Where estimates of future cash flows are not available and where other conditions suggest impairment, management assesses whether the carrying value can be recovered by considering alternative methods of determining fair value. When it is determined that a mineral property is impaired, it is written down to its estimated fair value.

k) Management's Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, the amount of stock-based compensation and the amount of revenues and expenses reported during the period. Actual results may differ from those estimates.

l) Loss per Share

Basic loss per share is computed by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the year. Since the Company has losses, fully diluted loss per share is not presented as the exercise of outstanding stock options and warrants would be anti-dilutive.

m) Flow-Through Shares

The Company follows the recommendations of the Emerging Issues Committee, relating to flow-through shares. Under the terms of Canadian flow-through share legislation, the tax attributes of qualifying expenditures are renounced to subscribers. To recognize the foregone tax benefits, share capital is reduced and a future income tax liability is recognized as the related expenditures are renounced. To the extent available, this future income tax liability is then reduced by the recognition of previously unrecorded future income tax assets on unused tax losses and deductions.

n) Financial Instruments – Recognition and Measurement

Section 3855 requires that all financial instruments are classified as one of the following: held-to-maturity investments, loans and receivables, available-for-sale, held-for-trading or other financial liabilities. Financial assets and liabilities held-for-trading are measured at fair value with gains and losses recognized in net income. Financial assets held-to-maturity, loans and receivables and financial liabilities other than those held-for-trading are measured at amortized cost, using the effective interest method. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. The standard also permits the designation of any financial instruments as held-for-trading upon initial recognition.

All derivative instruments, including certain embedded derivatives that are required to be separated from their host contracts, are recorded on the balance sheet at fair value and market-to-market adjustments on these instruments are included in net income. The Company has no derivative instruments.

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3. Significant Accounting Policies – *Continued*

n) Financial Instruments – Recognition and Measurement – *Continued*

The following is a summary of the accounting model the Company elected to apply to each of its significant categories of financial instruments:

Cash and cash equivalents ………………………..	Held-for-trading
GST and other receivables …………………..	Loans and receivables
Accounts payable and accrued liabilities ………..	Other financial liabilities

All other financial instruments are recorded at cost or amortized cost, subject to impairment assessments. Interest is calculated using the effective interest method.

Transaction costs incurred to acquire or issue financial instruments are included in the initial carrying amount of the relevant financial instrument.

Where a financial asset classified as held-to-maturity or available-for-sale has a loss in value which is considered to be other than temporary, the financial asset is written down to recognize the loss by a charge to earnings.

o) Adoption of New Accounting Standards

Effective April 1, 2008, the Company adopted the following Canadian Institute of Chartered Accountants (“CICA”) accounting standards:

Section 1400 – General Standards of Financial Statement Presentation

The Company adopted the provisions of CICA 1400, “General Standards of Financial Statement Presentation,” which was amended to include requirements to assess and disclose an entity’s ability to continue as a going concern. The new requirements are effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008. The adoption of this statement did not have an impact on the financial statements.

Section 1535 – Capital Disclosures

The Company adopted CICA Section 1535, “Capital Disclosures”. This section requires the Company to include additional information in the notes to the financial statements about its capital and the manner in which it is managed. The additional disclosure includes quantitative and qualitative information regarding an entity’s objectives, policies and procedures for managing capital. The impact of adopting this section is disclosed in Note 11.

Section 3862 and 3863 – Financial Instruments – Disclosures and Presentation

The Company adopted CICA Section 3862 and 3863, “Financial Instruments Disclosures and Presentation”. This section requires disclosures of both qualitative and quantitative information that enables users of the financial statements to evaluate the nature and extent of risks from financial instruments to which the Company is exposed. The impact of adopting this section is disclosed in Note 12.

4. Reverse Takeover and Basis of Presentation

a) On May 15, 2008, the Company acquired through a reverse takeover 0785531 B.C. Ltd. by issuing to 0785531 B.C. Ltd.'s shareholders 11,341,067 of the Company's common shares. The acquisition was accounted for according to the accounting guidelines for reverse takeover transactions that do not constitute a business combination, with 0785531 B.C. Ltd. being the deemed accounting acquirer for financial statement purposes. The Qualifying Transaction effectively represents an issue of shares by 0785531 B.C. Ltd. for the net assets of the Company *(Note 7).*

The Company's comparative financial statements reflect the financial position, results of operations and cash flows of 0785531 B.C. Ltd., the deemed acquirer *(Note 7)*. The Company's shareholder's equity *(Note 8a)* gives effect to the shares issued to the shareholders of 0785531 B.C. Ltd. The financial statements include the results of operations of Laurentian Goldfields Ltd. (formerly Capo Resources Ltd.) commencing from the date of acquisition on May 15, 2008.

The Qualifying Transaction described above involved the amalgamation of a wholly-owned subsidiary of the Company ("Laurentian Exploration Ltd.") with 0785531 B.C. Ltd. These two entities were amalgamated as one company under the name Laurentian Exploration Ltd. The amalgamation was completed in accordance with the terms of a Statutory Plan of Arrangement under the Business Corporations Act (British Columbia). The amalgamated entity is a wholly-owned subsidiary of the Company.

b) On January 22, 2009, the Company completed an amalgamation with its wholly owned subsidiary, Laurentian Exploration Ltd. These two entities were amalgamated as one company under the name Laurentian Goldfields Ltd. The amalgamation was completed in accordance with the terms of a Statutory Plan of Arrangement under the Business Corporations Act (British Columbia).

5. Property and Equipment

Details are as follows:

	2009			2008		
	Cost	**Accumulated Amortization**	**Net Book Value**	Cost	Accumulated Amortization	Net Book Value
Computer equipment	**$ 16,594**	**$ (11,125)**	**$ 5,469**	$ 9,869	$ (4,441)	$ 5,428
Computer software	**8,047**	**(8,047)**	**-**	635	(635)	-
Office furniture and equipment	**1,579**	**(316)**	**1,263**	-	-	-
Project field equipment	**54,613**	**(10,923)**	**43,690**	-	-	-
	$ 80,833	**$ (30,411)**	**$ 50,422**	$ 10,504	$ (5,076)	$ 5,428

6. Resource Property Costs

Details at March 31, 2009 are as follows:

	Acquisition Costs	Exploration Costs	**As at March 31, 2009**
Maze Lake, Nunavut	$ 357,150	$ 2,558,871	**$ 2,916,021**
Grenville, Quebec	221,652	819,330	**1,040,982**
Van Horne, Dryden, Ontario	75,461	269,188	**344,649**
	$ 654,263	$ 3,647,389	**$ 4,301,652**

Details at March 31, 2008 are as follows:

	Acquisition Costs	Exploration Costs	**As at March 31, 2008**
Maze Lake, Nunavut	$ 357,150	$ 1,780,954	**$ 2,138,104**
Grenville, Quebec	130,925	6,617	**137,542**
	$ 488,075	$ 1,787,571	**$ 2,275,646**

a) Maze Lake Property, Nunavut

On June 25, 2007, the Company entered into an agreement with Terrane Metals Corp. (“Terrane”) to acquire up to a 75% interest in the Maze Lake Property, located in Nunavut. The Company can earn a 51% interest in the property by incurring a total of $2 million in expenditures on the property, with a minimum of $1 million required on or before December 31, 2007 (incurred) and the balance on or before December 31, 2008 (incurred).

The Company can increase its interest to 60% by incurring an additional $1.5 million in expenditures on or before December 31, 2009 and can increase its interest to 75% by incurring an additional $2.5 million in expenditures on or before December 31, 2010.

In addition, the Company issued to Terrane 1,000,000 common shares (fair value $350,000) upon signing of the agreement. These shares are subject to sale restrictions whereby 10% was available to be sold on May 15, 2008 and an additional 15% becomes available to be sold every 6 months for a period of 36 months. The Company has also granted Terrane a right to participate in future financings for a period of two years from the date of listing of the common shares on the TSX Venture Exchange to maintain its percentage interest in the issued and outstanding common shares.

On January 29, 2009, Laurentian Goldfields Ltd. and Terrane Metals Corp. officially formed a joint venture on the Maze Lake Property located in Nunavut, which is being accounted for as a jointly controlled asset *(Note 9)*. Initially Laurentian Goldfields Ltd. will hold a 51% interest in the jointly controlled asset and Terrane Metals Corp. will hold a 49% interest in the jointly controlled asset. Work programs will be agreed between the parties, provided that if one party does not contribute to a work program, straight line dilution will occur. If either party’s interest under the jointly controlled asset is reduced to 10%, it will revert to a royalty equal to 2% of Net Smelter Returns payable on the commencement of commercial production.

The related claims are subject to an underlying net profit royalty of 12%.

6. Resource Property Costs – *Continued*

b) Grenville, Quebec

On August 9, 2007 the Company signed a joint venture agreement with Australian Mineral Fields Pty Ltd. ("Ausmin"), an Australian Company, to utilize Ausmin's expertise in the identification of exploration targets on specified exploration targets within the Grenville geological province of Canada. The Company issued 250,000 (fair value - $87,500) common shares to Ausmin upon signing.

On January 23, 2009, Laurentian Goldfields Ltd. secured a 100% interest in its Grenville Project through the termination of its joint venture agreement with Ausmin. Ausmin no longer has any interest in the mineral claims that were subject to the joint venture. In consideration, Laurentian Goldfields Ltd. issued 1,000,000 common shares (fair value $80,000). The shares are subject to transfer restrictions with one-third being released immediately, one-third being released on January 23, 2010 and one-third being released on January 23, 2011.

c) Van Horne, Dryden, Ontario

On July 1, 2008, the company signed 7 option agreements to acquire a 100% interest in 7 contiguous mining properties in the Eagle-Wabigoon-Manitou Lakes Greenstone Belt near Dryden, Ontario. These properties are also adjacent to claims acquired during the year ended March 31, 2008. Collectively, these claim blocks are referred to as the Van Horne Property.

The Company may earn an interest in each of the 7 properties under option by paying the following aggregate consideration over a 4 year period:

Payments:

i)	$	41,500	on or before June 1, 2008 *(paid)*
ii)		61,500	on or before June 1, 2009 *(paid)*
iii)		73,000	on or before June 1, 2010
iv)		116,750	on or before June 1, 2011
v)		18,500	on or before June 1, 2012
	$	311,250	

Common shares:

i)	103,500	on or before June 1, 2008 *(issued – fair value $24,840)*
ii)	155,000	on or before June 1, 2009 *(issued – fair value $27,900)*
iii)	205,000	on or before June 1, 2010
iv)	220,000	on or before June 1, 2011
v)	284,000	on or before May 1, 2012
	967,500	

6. Resource Property Costs – *Continued*

c) Van Horne, Dryden, Ontario – *Continued*

Minimum expenditures:

i)	100,000	on or before June 1, 2009 *(incurred)*
ii)	250,000	on or before June 1, 2010
iii)	500,000	on or before June 1, 2011
iv)	750,000	on or before June 1, 2012
	1,600,000	

The Company will also be subject to certain additional buyout payments relating to the final acquisition of surface/access rights under 3 of the 7 option agreements. The property optionors will retain a 2% Net Smelter Royalty (NSR) on each of the 7 properties under option. The Company will have the right to reduce the NSRs to 1% for 6 of the 7 NSRs at a price of $1,000,000 each.

7. Acquisition of 0785531 B.C. Ltd.

On May 15, 2008, the Company acquired all of the issued and outstanding shares of 0785531 B.C. Ltd. in consideration for 11,341,067 common shares of the Company. 0785531 B.C. Ltd. was a private Canadian resource exploration company which held mineral claims located in the Province of Quebec and the Territory of Nunavut, Canada. The acquisition constituted the Company's Qualifying Transaction that satisfied the related conditions of a Qualifying Transaction under the TSX Venture Exchange (the "Exchange") rules, and was approved by all applicable regulatory authorities.

Upon completion of the acquisition, the former shareholders of 0785531 B.C. Ltd. gained control of the post-transaction voting common shares of the Company. The transaction has been accounted for as a capital transaction effectively representing an issuance of shares by 0785531 B.C. Ltd. for the net assets of the Company. Accordingly, 0785531 B.C. Ltd. is deemed to be the acquirer for accounting purposes. The combined entity for financial statement purposes is considered to be a continuation of 0785531 B.C. Ltd. with the net assets of $337,772 of the Company deemed to have been acquired by 0785531 B.C. Ltd. The net assets acquired on May 15, 2008 were as follows:

Cash	$	307,602
Other Current Assets		14,536
Future Income Tax Assets		59,902
		382,040
Less: Current Liabilities		(44,268)
Net Assets Acquired	**$**	**337,772**

7. Acquisition of 0785531 B.C. Ltd. - *Continued*

The Company's results of operations for the period from April 1, 2008 to the date of the acquisition on May 15, 2008 were as follows:

Listing and filing fees	$	22,302
Professional fees		6,021
Investor relations		414
Office and administration		15
Bank charges and interest		20
Net Loss for the Period	**$**	**28,772**

The above noted expenditures relate to the expenditures of Laurentian Goldfields Ltd. (formerly Capo Resources Ltd.) prior to the date of the qualifying transaction *(Note 4a)* and as a consequence have not been included in the March 31, 2009 financial statements.

8. Share Capital

a) Details are as follows:

	Number		Amount
Authorized:			
Unlimited number of common voting shares without par value			
Unlimited number of preferred shares			
Issued:			
Shares of the legal parent company (Capo Resources Ltd.) immediately before the reverse takeover transaction (i)	1,609,125	$	3,161,439
Shares issued on reverse takeover transaction *(Notes 4a and 7)*	11,341,067		337,772
Issued during the period – Qualifying Transaction finder's fee	100,000		35,000
Share issuance costs	-		(35,000)
Flow-through shares issued during the period – *(Note 8b)*	3,035,000		869,593
Non flow-through shares issued during the period – *(Note 8b)*	4,631,572		1,107,629
Share issuance costs	-		(116,837)
Issued during the period – exercise of stock options – *(Note 8d)*	295,455		32,500
Fair value of stock options exercised – *(Note 8d)*	-		12,914
Issued during the period – property payments – *(Notes 6b and 6c)*	1,103,500		104,840
Flow-through income tax renunciation – *(Note 8e)*	-		(303,500)
Balance – March 31, 2009	**22,115,719**	**$**	**5,206,350**

(i) The share capital amount represents the share capital of the legal subsidiary prior to the reverse takeover transaction, in compliance with the guidance in EIC 10.

8. Share Capital – *Continued*

b) Private Placements

Private Placement May 2008

On May 15, 2008, the Company closed a non-brokered private placement of 3,035,000 flow-through units at a price of $0.40 per unit for gross proceeds of $1,214,000 and a total of 4,631,572 non flow-through units at a price of $0.35 per unit for gross proceeds of $1,621,050. Each Flow-through Unit consists of one common share of Laurentian Goldfields Ltd. and one-half of one common share purchase warrant, each whole warrant being exercisable to purchase one additional non flow-through common share of Laurentian Goldfields Ltd. at a price of $0.60 per common share to May 15, 2010. Each Non Flow-through Unit consists of one common share of Laurentian Goldfields Ltd. and one-half of one common share purchase warrant, each whole warrant being exercisable to purchase one additional non flow-through common share of Laurentian Goldfields Ltd. at a price of $0.55 per common share to May 15, 2010. The warrants attached have been valued at $807,047 ($857,828 net of share issuance costs of $50,781) based upon the average of the residual method and the Black Scholes Method using the following assumptions:

Assumptions	
Risk-free interest rate	3.05%
Expected stock price volatility	134%
Expected dividend yield	0.00%
Expected life of warrants	2 years

c) Share Purchase Warrants

Details of outstanding warrants are as follows:

	Number of Warrants	Weighted Average Exercise Price
March 31, 2008	-	-
Issued	3,833,286	$0.57
March 31, 2009	**3,833,286**	**$0.57**

At March 31, 2009, the following warrants were outstanding:

Expiry Date	Exercise Price	Number of Warrants	Warrant Valuation
May 15, 2010 *(Note 8b)*	$0.60	1,517,500	$ 344,407
May 15, 2010 *(Note 8b)*	$0.55	2,315,786	513,421
Weighted Average	**$0.57**	**3,833,286**	**$ 857,828**

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8. Share Capital – *Continued*

d) Stock Options

The Company has established a share purchase option plan (the "Plan") whereby the board of directors may, from time to time, grant options to directors, officers, employees, consultants or management company employees. Options granted must be exercised not later than five years from the date of grant or such lesser or greater period as may be determined by the Company's board of directors and in accordance with the policies of the TSX-V. The exercise price of an option must be determined by the board of directors and in accordance with the Plan and the policies of the TSX-V. Subject to the policies of the TSX-V, the board of directors may determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.

The associated stock-based compensation expenses for options granted during prior periods are as follows:

			Amount of expense recognized or recognizable		
Grant Date	**No. of Options Granted**	**Total Expense**	**2007**	**2008**	**2009**
April 26, 2006	155,000	$ 49,801	$ 49,801	$ -	$ -
July 11, 2007	295,455	12,914	-	12,914	-
November 30, 2007	568,183	190,149	-	190,149	-
Total	**1,018,638**	**$ 252,864**	**$ 49,801**	**$ 203,063**	**$ -**
Weighted average fair value of options granted during the year			**$ 0.32**	**$ 0.24**	**$ -**

Fiscal year ended March 31, 2008 – Grants

On July 10, 2007, the Company granted 295,455 incentive stock options to directors, officers and consultants. The options were exercisable at $0.11 per share and expired on July 11, 2008. These options vested 100% on the grant date. The corresponding stock-based compensation amounted to $12,914, which was estimated using the Black-Scholes option pricing model with the following assumptions:

Assumptions	
Average risk-free interest rate	4.72%
Expected stock price volatility	100%
Expected dividend yield	0%
Expected option life in years	1 year

On July 11, 2008, a total of 295,455 stock options were exercised by various directors, officers, employees and consultants of the Company for proceeds of $32,500 *(Note 8a)*. The previously determined fair value of these stock options of $12,914 *(Note 8a)* has been removed from contributed surplus and included in share capital.

During the fiscal year ended March 31, 2009, 130,000 stock options expired without exercise.

8. Share Capital – *Continued*

d) Stock Options – *Continued*

On November 30, 2007, the Company granted 568,183 incentive stock options to directors, officers and consultants. The options are exercisable at $0.44 per share and expire on November 30, 2012. These options vested 100% on the grant date. The corresponding stock-based compensation amounts to $190,149, which was estimated using the Black-Scholes option pricing model with the following assumptions:

Assumptions	
Average risk-free interest rate	3.80%
Expected stock price volatility	100%
Expected dividend yield	0%
Expected option life in years	5 years

At March 31, 2009, the following options were outstanding:

Expiry Date	Weighted Average Exercise Price	Number of Options	Weighted Average Remaining in Years
April 26, 2011	$0.40	25,000	2.07
November 30, 2012	$0.44	468,183	3.67
	$0.43	**493,183**	**3.59**

e) Flow-Through Shares

Fiscal Year Ended March 31, 2009

During the year ended March 31, 2009, the Company issued 3,035,000 flow-through common shares for total proceeds of $1,214,000, which were used for qualifying exploration expenditures and have been renounced to the flow-through shareholders effective December 31, 2008. The future income tax liability is estimated to be $303,500 resulting from the renunciation of these qualifying expenditures and has been recorded on February 5, 2009, the date the renunciation tax forms were filed. As the Company had previously unrecognized tax assets available, the future income tax liability as at March 31, 2009 has been reduced to $260,934 *(Note 13b)* resulting in a recovery of $42,566 *(Note 13a)*. The unspent balance of this flow-through issuance at March 31, 2009 was $Nil.

Fiscal Year Ended March 31, 2008

During the year ended March 31, 2008, the Company issued 4,915,891 flow-through common shares for total proceeds of $1,902,624, which were used for qualifying exploration expenditures and has been renounced to the flow-through shareholders effective December 31, 2007 by way of tax filings completed during the year ended March 31, 2008. The future income tax liability was estimated to be $494,682 resulting from the renunciation of these qualifying expenditures. As the Company had previously unrecognized tax assets available, the future income tax liability as at March 31, 2008 was reduced to $284,242 *(Note 13b)* resulting in a recovery of $210,440 *(Note 13a)*. Interest payable in relation to this flow-through share issuance has been paid in the amount of $501 as at March 31, 2009. This interest payable relates to Part XII.6 tax on the balance of exploration expenditures not yet incurred during the period March 1, 2008 to June 30, 2008. The unspent balance of this flow-through issuance at March 31, 2009 was $Nil.

8. Share Capital – *Continued*

f) Contributed Surplus

Contributed surplus relates to the recognition of the estimated fair value of stock options as follows:

Balance – March 31, 2007	$	-
Fair value of stock-based compensation on options vested *(Note 8d)*		203,063
Balance – March 31, 2008		203,063
Fair value of stock options exercised *(Note 8d)*		(12,914)
Balance – March 31, 2009	**$**	**190,149**

g) Escrow Shares

As at March 31, 2009, 2,828,923 shares are held in escrow. These common shares will be held in escrow and will be released pro-rata to the shareholders in six equal tranches of 15% every six months beginning May 15, 2008 (date of Qualifying Transaction) for a period of 36 months. These escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities.

9. Maze Lake Joint Venture ("MLJV")

On January 29, 2009, the Company formed the Maze Laze Joint Venture ("MLJV") with Terrane Metals Corp. ("Terrane") in accordance with the Option and Joint Venture Agreement dated May 15, 2008. The MLJV is being accounted for as a jointly controlled asset in accordance with Canadian GAAP. The Company contributed capitalized mining acquisition and exploration costs ("Mining Interest") to the MLJV for an initial 51% interest. As at March 31, 2009, Terrane's initial 49% interest in the MLJV was diluted to 42.8% with the participating interest of the Company recalculated to 57.2%. Should Terrane's interest in the MLJV decline below 10%, their interest is converted to a royalty equal to 2% of Net Smelter Returns payable on the commencement of commercial production.

The Company operates its Maze Lake Project through the MLJV under which the joint venture participants are bound by a contractual agreement establishing joint control over the joint venture. The Company records its proportionate share of assets, liabilities, revenue and operating costs of the joint venture. As at March 31, 2009, the Company's proportionate share of the assets of the MLJV is $2,566,021. There were no liabilities, revenues, operating costs or cash flow activities and there are no contingencies or commitments in the MLJV as at and for the period ended March 31, 2009.

As of March 31, 2009, the MLJV has not yet commenced operations and the Company continues to act as the operator of the MLJV.

10. Related Party Transactions

During the year, the Company paid consulting fees of $40,000 (2008 - $77,000) to the President and CEO; $29,300 (2008 - $21,110) to its Chief Financial Officer; $60,000 (2008 - $52,705) to a Director of the Company; $106,275 (2008 - $72,698) to the Vice President of Exploration of which $102,375 (2008 - $60,618) was capitalized to resource properties; $4,050 (2008 - $360) to an Officer of the Company; $3,835 (2008 - $2,851) to a company with a Director in common; and $10,027 (2008 – $37,857) to a company controlled by a former Director of the Company.

Related party transactions are in the normal course of business and occur on terms similar to transactions with non-related parties, and therefore are measured at the exchange amount.

11. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its resource properties and to maintain flexible capital structure for its projects for the benefit of its stakeholders.

In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements, or acquire or dispose of assets.

Management reviews the capital structure on a regular basis to ensure that the above noted objectives are met.

12. Financial Instruments

Categories of financial assets and liabilities

As at March 31, 2009 the carrying and fair value amounts of the Company's financial instruments are the same. The carrying value of the Company's financial instruments is classified into the following categories:

		March 31, 2009		March 31, 2008
Held for trading	**$**	**507,450**	$	255,300
Loans and receivables	**$**	**125,081**	$	138,609
Other financial liabilities	**$**	**109,390**	$	52,434

a) Classification of Financial Instruments

The Company designated its cash and cash equivalents as held-for-trading, which is measured at fair value. GST and other receivables have been designated as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities have been designated as other financial liabilities, which are measured at amortized cost.

12. Financial Instruments – *Continued*

b) Fair Value

The fair values of financial assets and liabilities that are included in the balance sheet approximate their carrying values as the financial assets and liabilities have a short term to maturity.

c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company ensures that it has sufficient capital to meet short-term financial obligations when they become due. The Company prepares cash flow forecasts to ensure it has sufficient funds to fulfill its obligations.

d) Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The majority of the Company's cash is held through a large Canadian financial institution with a high investment grade rating. The carrying value of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk as at March 31, 2009.

13. Income Taxes

a) The income tax provision for the year differs from the amount obtained by applying the statutory Canadian federal and provincial income tax rates as follows:

	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008
Loss before income taxes	**$ (824,085)**	$ (955,197)
Statutory Canadian federal and provincial tax rates	**30.00%**	33.37%
Expected tax recovery	**(247,226)**	(318,749)
Adjustments:		
Stock-based compensation	**-**	75,270
Share issuance costs	**(22,042)**	-
Other	**4,837**	(2,409)
Statutory tax rate difference	**(2,475)**	35,448
Income tax recovery	**$ (266,906)**	$ (210,440)

13. Income Taxes – *Continued*

b) The components of the future income tax asset (liability) balances are as follows:

	March 31, 2009	March 31, 2008
Future income tax asset (liability):		
Non-capital loss carry-forwards	**$ 370,274**	$ 125,057
Share issuance costs	**60,705**	16,587
Other	**7,603**	1,320
Resource property costs book value in excess of tax costs	**(699,516)**	(427,206)
Future income tax liability	**$ (260,934)**	$ (284,242)

The effective income tax rate is the rate that is estimated to be applicable when the timing differences reverse. For 2009 the future enacted rate is estimated to be 25% (2008 – 26%).

c) The Company has non-capital losses which may be applied to reduce future year's taxable income. As at March 31, 2009, these amounted to $1,481,095 (March 31, 2008 – $480,986). Of these non-capital losses, $23,287 will expire in 2026, $60,040 will expire in 2027, $584,581 will expire in 2028 and the remaining $813,187 in 2029.

14. Subsequent Events

a) On April 29, 2009, the Company entered into a three year strategic exploration alliance (the "Alliance") with AngloGold Ashanti Ltd. ("AngloGold"). The terms of the Alliance agreement (the "Agreement") have been approved by the TSXV and are as follows:

Year 1

Anglo will fund a total of $700,000 in exploration including a minimum of $500,000 for generative exploration efforts in five selected areas within the provinces of Quebec, Ontario and Saskatchewan and up to $200,000 for upgrading targets within portions of Laurentian's existing Grenville Project.

Year 2 and Year 3

In year two and three of the Agreement, at AngloGold's option, AngloGold may fund additional exploration totalling $4,700,000 (year two - $1,700,000, year three - $3,000,000) to follow up on year one project results. Upon spending $5,400,000 in exploration over three years (the "Earn-In Period"), AngloGold will earn a 60% interest in each exploration project defined under the Alliance and Laurentian will retain a 40% interest. AngloGold, at its option, may then increase its interest to 75% in any exploration project by fully funding any ongoing exploration through to the completion of a National Instrument 43-101 compliant, inferred gold resource, within three years of completion of the Earn-In Period. Any assets acquired during the Earn-In Period that do not progress to a joint venture will revert 100% to Laurentian.

14. Subsequent Events – *Continued*

Under the terms of the Agreement, AngloGold will also purchase, via a non-brokered private placement, 4,444,444 in Laurentian units (the "Units") for gross proceeds of $400,000 (completed June 16, 2009). Each Unit will consist of one common share and one common share purchase warrant exercisable at $0.18 per share for a period of two years. The price per Unit was determined by taking the greater of: the volume weighted average trading price of the common shares of Laurentian over the thirty days ending three business days prior to April 29, 2009 and $0.07 per Unit.

Laurentian has agreed to invest $100,000 of the proceeds from the private placement into year one exploration. Laurentian intends to use the remaining proceeds to fund general corporate purposes. The securities will be subject to restrictions on transfer for a period of four months from closing.

b) On May 13, 2009, the Company increased its land position in the Van Horne Township near Dryden, Ontario by negotiating an option to acquire the mineral rights to a single patent mining claim within the boundaries of the Company's existing Van Horne Property. To earn a 100% interest in the new land position, the aggregate consideration payable by the Company to the property vendors over a period of four years will be $29,500 in cash and 10,000 common shares of the Company, subject to regulatory approval. This option will be subject to the aggregate $1,600,000 in exploration expenditures required to maintain the Company's adjacent options in good standing *(Note 6c)*. The vendors will retain a 2% NSR on the new land position, with Laurentian retaining the right to re-purchase one-half of the NSR for $1,000,000.

c) On May 28, 2009, the Company entered into a letter of intent with Kinross Gold Corporation ("Kinross") to form an alliance to conduct a $500,000 generative exploration program in the Uchi Geological Sub-province of Ontario and Manitoba (the "Uchi Alliance") over a period of one year.

Under the terms of the Uchi Alliance, Kinross and Laurentian will invest $400,000 and $100,000 respectively, to fund one year of early-stage exploration to identify new gold targets. The terms of the Uchi Alliance may be extended upon mutual agreement.

Kinross may elect to form a joint venture with Laurentian on a 50/50 percentage basis in any of the projects identified and acquired as a result of the Uchi Alliance. Kinross can increase its interest to 75% on each joint venture property by solely funding $1,500,000 of future exploration expenditures over a two year period from the date the joint venture is formed. The Uchi Alliance is subject to completion of a definitive alliance agreement between the two parties.

d) On June 1, 2009, the Company made cash payments totalling $61,500 and issued 155,000 shares (fair value $27,900) in accordance with the 7 option agreements signed on July 1, 2008 (*Note 6c*). The Company has the right to acquire a 100% interest in 7 contiguous mining properties in the Eagle-Wabigoon-Manitou Lakes Greenstone Belt near Dryden, Ontario.

Schedule

LAURENTIAN GOLDFIELDS LTD.

(Formerly CAPO RESOURCES LTD.)

(An Exploration Stage Company)

Schedule of Resource Property Costs

March 31, 2009 and 2008

Canadian Funds

	For the year ended March 31, 2009			For the year ended March 31, 2008		
	Acquisition Costs	Deferred Exploration	Total	Acquisition Costs	Deferred Exploration	Total
Mineral Interests						
Maze Lake, Nunavut						
Acquisition costs - shares	$ -	$ -	$ -	$ 350,000	$ -	$ 350,000
Staking and recording	-	-	-	7,150	-	7,150
Fieldwork	-	647,533	647,533	-	1,732,296	1,732,296
Assay and sampling	-	32,111	32,111	-	-	-
Geological consulting	-	98,273	98,273	-	48,658	48,658
	-	777,917	777,917	357,150	1,780,954	2,138,104
Grenville, Quebec						
Staking and recording	90,727	-	90,727	130,925	-	130,925
Fieldwork	-	457,231	457,231	-	2,717	2,717
Assay and sampling	-	134,209	134,209	-	-	-
Geological consulting	-	261,134	261,134	-	3,900	3,900
Government assistance	-	(39,861)	(39,861)	-	-	-
	90,727	812,713	903,440	130,925	6,617	137,542
Van Horne, Dryden, Ontario						
Acquisition costs - shares	24,840	-	24,840	-	-	-
Acquisition costs - cash	41,500	-	41,500	-	-	-
Staking and recording	9,121	-	9,121	-	-	-
Fieldwork	-	90,208	90,208	-	-	-
Assay and sampling	-	41,147	41,147	-	-	-
Geological consulting	-	137,833	137,833	-	-	-
	75,461	269,188	344,649	-	-	-
Resource Costs for the Year	166,188	1,859,818	2,026,006	488,075	1,787,571	2,275,646
Costs, Beginning of the Year	488,075	1,787,571	2,275,646	-	-	-
Costs, End of the Year	$ 654,263	$ 3,647,389	$ 4,301,652	$ 488,075	$ 1,787,571	$ 2,275,646