LAUREN TIAN GOLDFIELDS LTD.

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Auditors' Report

To the Shareholders of Laurentian Goldfields Ltd.

We have audited the balance sheets of Laurentian Goldfields Ltd. (the "Company") as at March 31, 2010 and 2009 and the statements of loss, comprehensive loss and deficit and cash flows for each of the years ended March 31, 2010 and 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, 2010 and 2009, and the results of its operations and its cash flows for each of the years then ended in accordance with Canadian generally accepted accounting principles.

Signed *PricewaterhouseCoopers LLP*

Chartered Accountants
Vancouver, BC
July 6, 2010

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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) Change in Accounting Policy – Resource Property Costs

During the year ended March 31, 2010, the Company retrospectively changed its accounting policy for exploration expenditures to more appropriately align itself with policies applied by other comparable companies at a similar stage in the mining industry. Prior to the year ended March 31, 2010, the Company capitalized exploration expenditures and acquisition costs to mineral properties held directly or through an investment, and only wrote down capitalized costs when the property was sold, abandoned or if the capitalized costs were not considered to be economically recoverable.

Exploration expenditures are now charged to earnings as they are incurred until the mineral property reaches the development stage. Significant costs related to property acquisitions are capitalized until the viability of the mineral interest is determined. When it has been established that a mineral deposit is commercially mineable and an economic analysis has been completed, the costs subsequently incurred to develop a mine on the property prior to the start of mining operations are capitalized. The impact of this change on the previously reported March 31, 2009 financial statements is as follows:

	As Previously Reported	Restatement	**As Restated**
Resource property costs at March 31, 2009	$ 4,301,652	$ (3,805,312)	**$ 496,340**
Future income tax liability at March 31, 2009	260,934	(260,934)	**-**
Exploration expenses – March 31, 2009	-	1,879,666	**1,879,666**
Net Loss and Comprehensive Loss for the year ended March 31, 2009	$ 557,179	$ 1,902,974	**$ 2,460,153**
Loss per share for the year ended March 31, 2009	(0.03)	(0.09)	**(0.12)**
Deficit at March 31, 2009	$ 1,571,939	$ 3,544,378	**$ 5,116,317**
Deficit at March 31, 2008	1,014,760	1,641,557	**2,656,317**

As a result of the restatement, the following additional balances were affected for the year ended March 31, 2009: cash flows used from operating activities increased from ($771,768) to ($2,643,555); cash flows used from investing activities decreased from ($1,676,014) to $115,773 and cash flows provided from financing activities increased from $2,699,932 to $2,779,932.

c) 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. Cash and cash equivalents are stated at cost, which approximates their fair value.

3. Significant Accounting Policies – *Continued*

h) Amortization

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

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

i) 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.

j) Share Capital

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

k) 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 be 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*

l) Impairment of Long-Lived Assets

Management reviews and evaluates the carrying value of its mineral properties and property, plant 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.

m) 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 amounts reported in the financial statements. Significant areas where management's judgment is applied include asset and investment valuations, contingent liabilities including matters in litigation, tax provisions and future tax balances including valuation allowances in respect of future tax balances and accrued liabilities. Actual results could differ from these estimates.

n) Warrants

The fair value of warrants issued is estimated on the date of grant and the value is recorded as a separate component of equity.

o) Basic 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.

p) 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.

3. Significant Accounting Policies – *Continued*

Adoption of New Canadian Accounting Pronouncements

The Company has adopted the following CICA pronouncements during the fiscal year:

s) Credit Risk and Fair Value of Financial Assets and Financial Liabilities

Effective January 2009, the CICA approved EIC-173 "Credit Risk and Fair Value of Financial Assets and Financial Liabilities". This guidance clarified that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. The Company has evaluated this new guidance and has determined that the adoption of these new requirements has not had an impact on the Company's financial statements.

t) Mining Exploration Costs

Effective March 2009, the CICA approved EIC-174 "Mining Exploration Costs." This guidance clarified that an entity that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The Company has evaluated this new guidance and has determined that the adoption of these new requirements has not had an impact on the Company's financial statements.

u) Financial Instruments – Disclosure, Section 3862

In June 2009, Handbook Section 3862 was further amended to include disclosures about fair value measurements of financial instruments and to enhance liquidity risk disclosure. The additional fair value measurement disclosures include classification of financial instrument fair values in a fair value hierarchy comprising of three levels reflecting the significance of the inputs used in making the measurements, described as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

These amendments are required to be adopted for fiscal years ending after September 20, 2009. The Company has adopted these amendments for the fiscal year ended March 31, 2010 and the additional required disclosures are included in Note 13.

3. Significant Accounting Policies – *Continued*

v) Goodwill and Intangible Assets

On April 1, 2009, the Company adopted a new accounting standard, Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3064, "Goodwill and Intangible Assets", which replaced Section 3062, "Goodwill and Other Intangible Assets". The new standard establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of preproduction and start-up costs and requires that these costs be expensed as incurred. The adoption of this accounting standard did not have any impact on the Company's financial statements.

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 8).*

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 8)*. The Company's shareholder's equity *(Note 9a)* 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. Short-term Investments

As at March 31, 2010, the Company has invested $634,500 into Guaranteed Investment Certificates ("GICs") with a Canadian Financial Institution. These GICs are yielding interest at rates ranging from 0.2% to 0.45% and with maturity dates ranging from 8 to 12 months. All short-term investments have been classified as held-for-trading. A summary of the details above is as follows:

	March 31, 2010	March 31, 2009
Guaranteed Investment Certificates	**$ 634,500**	$ -

6. Property and Equipment

	March 31, 2010			March 31, 2009		
	Cost	**Accumulated Amortization**	**Net Book Value**	Cost	Accumulated Amortization	Net Book Value
Computer equipment	**$ 28,761**	**$ (20,825)**	**$ 7,936**	$ 16,594	$ (11,125)	$ 5,469
Computer software	**20,231**	**(20,231)**	**-**	8,047	(8,047)	-
Office furniture and equipment	**2,121**	**(676)**	**1,445**	1,579	(316)	1,263
Project field equipment	**56,758**	**(20,090)**	**36,668**	54,613	(10,923)	43,690
	$ 107,871	**$ (61,822)**	**$ 46,049**	$ 80,833	$ (30,411)	$ 50,422

7. Resource Property Costs

Details of the Company's resource property acquisition costs are as follows:

	Maze Lake (Nunavut)	**Grenville (Quebec)**	**Van Horne (Ontario)**	**New Klondike (Ontario)**	**Sakoose West (Ontario)**	**Total**
Balance, March 31, 2008	$ 350,000	$ 80,000	$ -	$ -	$ -	**$ 430,000**
Acquisition Costs - Cash	-	-	41,500	-	-	**41,500**
Acquisition Costs – Shares	-	-	24,840	-	-	**24,840**
Balance, March 31, 2009	350,000	80,000	66,340	-	-	**496,340**
Acquisition Costs - Cash	-	-	65,000	1,000	-	**66,000**
Acquisition Costs – Shares	-	-	29,150	-	-	**29,150**
Balance, March 31, 2010	**$ 350,000**	**$ 80,000**	**$ 160,490**	**$ 1,000**	**$ -**	**$ 591,490**

For further detail, please refer to the Schedule of Resource Property Costs following Note 15 to the Financial Statements.

7. Resource Property Costs – *Continued*

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 has earned a 51% interest in the property by incurring a total of over $2 million in expenditures on the property.

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 10)*. Initially Laurentian Goldfields Ltd. held a 51% interest in the jointly controlled asset and Terrane Metals Corp. held 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%.

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). One-third of the shares are still subject to transfer restrictions which expire on January 23, 2011.

7. Resource Property Costs – *Continued*

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

On May 6, 2009, the Company increased its land position 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 Company must pay the following aggregate consideration over a 3 year period:

Payments:

i)	$	3,500	upon signing of agreement *(paid)*
ii)		6,000	on or before June 1, 2010 *(paid)*
iii)		8,000	on or before June 1, 2011
iv)		12,000	on or before June 1, 2012
	$	29,500	

Common shares:

i)	10,000	upon signing of agreement *(issued – fair value $1,250)*

Minimum expenditures:

This option is subject to the aggregate $1,600,000 in exploration expenditures required to maintain the adjacent options in good standing as noted above.

The property optionors retain a 2% Net Smelter Royalty (NSR) on the new land position. The Company has the right to repurchase one-half of the NSR for $1,000,000.

d) AngloGold Alliance

On April 29, 2009, the Company entered into a 3 year strategic exploration alliance (the "Anglo Alliance") with AngloGold Ashanti Ltd. ("AngloGold"). The Anglo Alliance included a subscription by AngloGold to a $400,000 private placement in the Company *(Note 9b).*

In year 1 of the Anglo Alliance, AngloGold funded a total of $700,000 in exploration which included $500,000 for generative exploration efforts in five selected areas in Quebec, Ontario, and Saskatchewan, with the objective of identifying new grassroots gold exploration projects, and $200,000 for upgrading targets within portions of the Company's existing Grenville Project *(Note 7b).*

On December 9, 2009, the Company and AngloGold agreed to advance the Anglo Alliance into year 2 of follow-up exploration with AngloGold funding $1,700,000.

7. Resource Property Costs – *Continued*

f) Goldpines North Joint Venture

On March 26, 2010, the Company and Kinross signed a Letter of Intent ("LOI") to form the unincorporated Goldpines North Joint Venture ("GPNJV") which is the first joint venture to arise from the Uchi Alliance which was entered into on July 21, 2009 *(Note 7e)*.

The GPNJV will be accounted for as a jointly controlled asset in accordance with Canadian GAAP, with Kinross currently holding a 50% participating interest in the GPNJV and Laurentian currently holding a 50% carried interest. Under the terms of the GPNJV, Kinross may, at its option, earn an additional 25% interest ("Additional Earn-In Period") in the GPNJV by fully funding $1,500,000 within 2 years from the commencement of the GPNJV, with a minimum expenditure requirement of $500,000 in the first year.

At any time during the Additional Earn-In Period, Kinross may elect to terminate its Earn-In Option upon delivery to Laurentian of 30 days written notice. If at the time of delivery of the notice of termination, Kinross has incurred less than $1,000,000 in expenditures, Kinross will be entitled to a 2% Net Smelter Royalty ("NSR") interest (in lieu of all other rights), on terms to be mutually agreed upon by Laurentian and Kinross and Laurentian will be deemed to hold a 100% participating interest in the project concept subject only to the aforementioned interest.

If at the time of delivery of the notice of termination, Kinross has funded and incurred expenditures in an amount equal to or greater than $1,000,000 prior to the completion of the Additional Earn-In Period, Kinross will be entitled to retain its 50% interest in the joint venture and Laurentian's 50% carried interest shall be converted to a 50% participating interest.

If a party's participating interest is diluted to 10% or less, then such interest will be converted to a 2% NSR interest and the other party will be deemed to hold a 100% participating interest in the project concept.

The Company operates its Goldpines North Project through the GPNJV 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. There were no liabilities, revenues, operating costs or cash flow activities and there are no contingencies or commitments in the GPNJV as at and for the period ended March 31, 2010.

As operator of the GPNJV, Laurentian is entitled to a management fee equal to 10% of the approved exploration expenditures.

As at March 31, 2010, the Company had restricted cash of $nil and a cash call receivable of $23,900. The cash call receivable is a result of Laurentian spending its own funds for initial stage field work on the GPNJV.

7. Resource Property Costs – *Continued*

g) Other Properties, Ontario

New Klondike Property

On July 27, 2009, the Company signed an option agreement to acquire a 100% interest in two contiguous patent claims in the Kenora Mining Division. The Company also staked an additional six claim units, contiguous with and along strike from the patents under option.

To earn a 100% interest in the patents under option, the aggregate consideration to be paid by Laurentian over a 4 year period is as follows:

Payments:

i)	$	1,000	on or before August 1, 2009 *(paid)*
ii)		1,000	on or before August 1, 2010
iii)		1,000	on or before August 1, 2011
iv)		27,000	on or before August 1, 2012
	$	30,000	

The property vendor retains a 2% Net Smelter Royalty ("NSR") on the two patents under option and the Company has the right to reduce the NSR to 1% at a price of $1,000,000.

Sakoose West Property

On August 25, 2009, the Company signed an option agreement to acquire a 100% interest in two contiguous mining claims in the Kenora Mining Division.

To earn a 100% interest in the mining claims under option, the aggregate consideration to be paid by Laurentian is as follows:

Payments:

i)	$	8,000	on or before August 27, 2011 *(paid subsequent to March 31, 2010)*

Minimum expenditures:

i)	$	2,400	on or before September 30, 2009 *(incurred)*

The property vendor retains a 2% Net Smelter Royalty ("NSR") on the two mining claims under option and the Company has the right to reduce the NSR to 1% at a price of $1,000,000.

9. 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 8)*	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 9b)*	3,035,000		869,593
Non flow-through shares issued during the period – *(Note 9b)*	4,631,572		1,107,629
Share issuance costs	-		(116,837)
Issued during the period – exercise of stock options – *(Note 9d)*	295,455		32,500
Fair value of stock options exercised – *(Note 9d)*	-		12,914
Issued during the period – property payments – *(Notes 7b and 7c)*	1,103,500		104,840
Flow-through income tax renunciation – *(Note 9e)*	-		(303,500)
Balance – March 31, 2009	22,115,719		5,206,350
Non flow-through shares issued during the period - *(Note 9b)*	12,991,504		957,524
Flow-through shares issued during the period – *(Note 9b)*	6,657,552		885,763
Share issuance costs	-		(159,838)
Issued during the period – property payments - *(Note 7c)*	165,000		29,150
Fair value of compensation options issued - *(Note 9b)*	-		(234,821)
Flow-through income tax renunciation – *(Note 9e)*	-		(297,925)
Balance – March 31, 2010	**41,929,775**	**$**	**6,386,203**

(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.

9. Share Capital – *Continued*

b) Private Placements

Private Placement August 2009

On August 7, 2009, the Company closed a non-brokered private placement of 1,102,000 flow-through units at a price of $0.18 per unit and 8,547,060 non flow-through units at a price of $0.15 per unit for aggregate gross proceeds of $1,480,419. Each flow-through unit comprises of one flow-through common share and one-half of one non flow-through common share purchase warrant, each whole warrant exercisable to purchase one additional non flow-through common share for a period of two years from the date of issuance at a price of $0.25 per share during year one and $0.35 per share during year two. Each non flow-through unit comprises of one non flow-through common share and one non flow-through common share purchase warrant, each warrant exercisable to purchase one additional non flow-through common share for a period of two years from the date of issuance at a price of $0.25 per share during year one and $0.35 per share during year two. The warrants attached to this issuance have been valued at $598,348 ($626,080 net of warrant issuance costs of $27,732) based upon the Black-Scholes Method using the following assumptions noted below.

Assumptions	
Risk-free interest rate	1.33%
Expected stock price volatility	196%
Expected dividend yield	0.00%
Expected life of warrants	2 years

In connection with this private placement the Company issued 547,000 compensation options at a price of $0.18 per option. The Company has recorded the fair value of these compensation options as share issuance costs. The 547,000 compensation options are exercisable for a period of two years from the date of issuance into units comprised of one non flow-through common share and one-half of one non flow-through common share purchase warrant, each whole warrant exercisable to purchase one additional non flow-through common share at a price of $0.25 per share during year one and $0.35 per share during year two. The compensation options attached to this issuance have been valued at $105,825 based upon the Black-Scholes Method using the following assumptions noted below. Finder's fees of $51,000 were paid in cash.

Assumptions	
Risk-free interest rate	1.33%
Expected stock price volatility	196%
Expected dividend yield	0.00%
Expected life of compensation options	2 years

9. Share Capital – *Continued*

b) Private Placements - *Continued*

Private Placement July 2009

On July 2, 2009, the Company closed a non-brokered private placement of 5,555,552 flow-through units at a price of $0.18 per unit for gross proceeds of $999,999. Each flow-through unit comprises of one flow-through common share and one-half of one non flow-through common share purchase warrant, each whole warrant exercisable to purchase one additional non flow-through common share for a period of two years from the date of issuance at a price of $0.25 per share during year one and $0.35 per share during year two. The warrants attached to this issuance have been valued at $262,301 ($289,901 net of warrant issuance costs of $27,600) based upon the Black-Scholes Method using the following assumptions noted below.

Assumptions	
Risk-free interest rate	1.33%
Expected stock price volatility	193%
Expected dividend yield	0.00%
Expected life of warrants	2 years

In connection with this private placement the Company issued 555,555 compensation options at a price of $0.18 per option. The Company has recorded the fair value of these compensation options as share issuance costs. The 555,555 compensation options are exercisable for a period of two years from the date of issuance into units comprised of one non flow-through common share and one-half of one non flow-through common share purchase warrant, each whole warrant exercisable to purchase one additional non flow-through common share at a price of $0.25 per share during year one and $0.35 per share during year two. The compensation options attached to this issuance have been valued at $128,996 based upon the Black-Scholes Method using the following assumptions noted below. Finder's fees of $80,000 were paid in cash.

Assumptions	
Risk-free interest rate	1.33%
Expected stock price volatility	193%
Expected dividend yield	0.00%
Expected life of compensation options	2 years

Private Placement June 2009

On June 16, 2009, the Company closed a non-brokered private placement of 4,444,444 non flow-through units at a price of $0.09 per unit for gross proceeds of $400,000. Each non flow-through unit consists of one non flow-through common share and one non flow-through common share purchase warrant, each warrant being exercisable to purchase one additional non flow-through common share of Laurentian Goldfields Ltd. at a price of $0.18 per common share until June 16, 2011.

9. Share Capital – *Continued*

b) Private Placements - *Continued*

Private Placement June 2009 – *Continued*

The warrants attached have been valued at $176,482 based upon the Black-Scholes Method using the following assumptions:

Assumptions	
Risk-free interest rate	1.04%
Expected stock price volatility	192%
Expected dividend yield	0.00%
Expected life of warrants	2 years

Under the terms of the AngloGold Alliance *(Note 7d)* the Company agreed to invest $100,000 of the proceeds from this private placement into year 1 exploration.

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 flow-through common share of Laurentian Goldfields Ltd. and one-half of one non flow-through 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 share to May 15, 2010 *(expired subsequent to year end)*. Each non flow-through unit consists of one non flow-through common share of Laurentian Goldfields Ltd. and one-half of one non flow-through 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 share to May 15, 2010 *(expired subsequent to year end)*. The warrants attached have been valued at $807,047 ($857,828 net of share issuance costs of $50,781) based upon 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

9. Share Capital – *Continued*

c) Share Purchase Warrants

Details of issued and 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
Issued	16,320,278	$0.30
March 31, 2010	**20,153,564**	**$0.35**

At March 31, 2010, the following warrants were outstanding:

Expiry Date	Exercise Price	Number of Warrants	Warrant Valuation
May 15, 2010 *(Note 9b)* *	$0.60	1,517,500	$ 324,019
May 15, 2010 *(Note 9b)* *	$0.55	2,315,786	483,028
June 16, 2011 *(Note 9b)*	$0.18	4,444,444	176,482
July 2, 2011 *(Note 9b)*	$0.25 or $0.35	2,777,774	262,301
August 7, 2011 *(Note 9b)*	$0.25 or $0.35	8,547,060	548,053
August 7, 2011 *(Note 9b)*	$0.25 or $0.35	551,000	50,295
Weighted Average	**$0.35**	**20,153,564**	**$ 1,844,178**

* Subsequent to the year end, the above noted warrants totalling 3,833,286 expired without exercise.

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 no 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.

9. Share Capital – *Continued*

d) Stock Options – *Continued*

Fiscal year ended March 31, 2009 - Grants

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 9a)*. The previously determined fair value of these stock options of $12,914 *(Note 9a)* has been transferred from contributed surplus to share capital.

During the fiscal year ended March 31, 2009, 130,000 stock options were cancelled.

At March 31, 2010, 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	1.07
November 30, 2012	$0.44	340,911	2.67
August 11, 2014	$0.17	1,925,000	4.37
February 1, 2015	$0.17	200,000	4.84
	$0.21	**2,490,911**	**4.14**

e) Flow-Through Shares

Fiscal Year Ended March 31, 2010

During the year ended March 31, 2010, the Company issued 6,657,552 flow-through common shares for total proceeds of $1,191,702, which must be used for qualifying exploration expenditures and were renounced to the flow-through shareholders effective December 31, 2009. The future income tax liability is estimated to be $297,925 resulting from the renunciation of these qualifying expenditures and has been be recorded on February 5, 2010, 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, 2010 has been eliminated *(Note 14b)* resulting in a full recovery of $297,925 *(Note 14a)*. The unspent balance of this flow-through issuance at March 31, 2010 was $263,030 which must be spent by December 31, 2010.

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 were renounced to the flow-through shareholders effective December 31, 2008. The future income tax liability was 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 had been eliminated *(Note 14b)* resulting in a full recovery of $303,500. As a result of the acquisition of 0785531 B.C. Ltd. *(Note 8)*, in which the company acquired future income tax assets amounting to $59,902, the future income tax recovery at March 31, 2009 had been reduced to $243,598 *(Note 14a)*. The unspent balance of this flow-through issuance at March 31, 2010 was $Nil.

9. Share Capital – *Continued*

f) Contributed Surplus

Contributed surplus relates to the recognition of the estimated fair value of stock options vested, the estimated fair value of compensation options issued and the expiry of warrants as follows:

Balance – March 31, 2008	$	203,063
Fair value of stock options exercised *(Note 9d)*		(12,914)
Balance – March 31, 2009		190,149
Fair value of stock-based compensation on options vested *(Note 9d)*		330,934
Fair value of compensation options issued *(Note 9b)*		234,821
Balance – March 31, 2010	**$**	**755,904**

g) Escrow Shares

As at March 31, 2010, 1,697,354 (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.

10. Maze Lake Joint Venture

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, 2010, Terrane’s initial 49% interest in the MLJV was diluted to 43% with the participating interest of the Company recalculated to 57%. 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, 2010, the Company’s proportionate share of the assets of the MLJV is $2,547,268. 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, 2010.

As of March 31, 2010, the MLJV has not yet commenced operations and the Company continues to act as the operator of the MLJV.

11. Related Party Transactions

During the year, the Company paid consulting fees of $10,000 (2009 - $40,000) to the President and CEO; $35,500 (2009 - $29,300) to its Chief Financial Officer; $60,000 (2009 - $60,000) to a Director of the Company; $Nil (2009 - $106,275) to the Vice President of Exploration; $8,400 (2009 - $850) to an Officer of the Company; and $Nil (2009 – $10,027) 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.

12. Capital Management

The Company considers its capital to consist of its shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support exploration and development of mineral properties. The Board of Directors has not established quantitative capital structure criteria management, but will review on a regular basis the capital structure of the Company to ensure its appropriateness to the stage of development of the business.

The Company's objectives when managing capital are:

- To maintain and safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds, to support continued evaluation and maintenance at the Company's existing properties, and to acquire, explore, and develop other precious and base metal deposits.

- To invest cash on hand in highly liquid and highly rated financial instruments with high credit quality issuers, thereby minimizing the risk and loss of principal.

- To obtain the necessary financing to complete exploration and development of its properties, if and when it is required.

The properties in which the Company currently holds an interest in are in the exploration stage and the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and development and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

In order to facilitate the management of capital and development of its mineral properties, the Company prepares annual expenditure budgets, which are updated as necessary and are reviewed and approved by the Company's Board of Directors. In addition, the Company may issue new equity, incur additional debt, option its mineral properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of certain assets. When applicable, the Company's investment policy is to hold cash in interest bearing accounts at high credit quality financial institutions to maximize liquidity. In order to maximize ongoing development efforts, the Company does not pay dividends. Additional information regarding capital management is disclosed in Note 1.

13. Financial Instruments – *Continued*

Financial Risk Management

The Company's activities expose it to a variety of financial risks including credit risk and liquidity risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and accounts receivable. The Company deposits its cash and cash equivalents with high credit quality major Canadian financial institutions as determined by ratings agencies, with original maturities of less than 90 days. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the maximum exposure to credit risk.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company attempts to manage liquidity risk by maintaining sufficient cash and cash equivalent balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at March 31, 2010, the Company had a cash balance of $766,094 (March 31, 2009 - $507,450) and restricted cash of $385,264 (March 31, 2009 - $Nil) to settle current liabilities of $462,476 (March 31, 2009 - $109,390) and flow-through commitments of $263,060 (March 31, 2009 - $Nil). Further information relating to liquidity risk is disclosed in Note1.

14. 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, 2010	*(Restated – Note 3b)* For the Year Ended March 31, 2009
Loss before income taxes	**$ (2,129,174)**	$ (2,703,751)
Statutory Canadian federal and provincial tax rates	**28.50%**	30.00%
Expected tax recovery	**(606,815)**	(811,125)
Adjustments:		
Stock-based compensation	**94,316**	-
Other	**49,803**	186,517
Statutory tax rate difference	**(26,823)**	(96,458)
Change in valuation allowance	**191,594**	477,468
Income tax expense (recovery)	**$ (297,925)**	$ (243,598)

14. Income Taxes – *Continued*

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

		March 31, 2010		*(Restated – Note 3b)* March 31, 2009
Future income tax asset (liability):				
Non-capital loss carry-forwards	**$**	**593,099**	$	370,274
Share issuance costs		**74,304**		60,705
Other		**15,456**		7,603
Resource property costs – tax basis in excess of book value		**111,629**		164,312
Valuation Allowance		**(794,488)**		(602,894)
Future income tax asset (liability)	**$**	**-**	$	-

The effective income tax rate is the rate that is estimated to be applicable when timing differences reverse. As at March 31, 2010 the future enacted rate is estimated to be 25% (2009 – 25%).

c) The Company has non-capital losses which may be applied to reduce future year's taxable income. As at March 31, 2010, these amounted to $2,372,396 (March 31, 2009 – $1,481,095). Of these non-capital losses, $23,287 will expire in 2026, $60,040 will expire in 2027, $584,581 will expire in 2028, $813,187 will expire in 2029 and the remaining $891,301 will expire in 2030.

15. Subsequent Events

a) On May 15, 2010, 1,517,500 warrants with an exercise price of $0.60 and 2,315,786 warrants with an exercise price of $0.55 expired without exercise.

b) On June 1, 2010, the Company made cash payments totalling $79,000 and issued 205,000 shares (fair value $30,750) in accordance with the 7 option agreements signed on July 1, 2008 and the additional option agreement signed on May 6, 2009 (*Note 7c)*. The Company has the right to acquire a 100% interest in 8 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
(Stated in Canadian Funds)

	For the year ended March 31, 2010			(Restated – Note 3b) For the year ended March 31, 2009		
	Acquisition Costs	**Exploration Expenses**	**Total**	Acquisition Costs	Exploration Expenses	Total
Mineral Interests						
Maze Lake, Nunavut						
Fieldwork	$ -	$ -	$ -	$ -	$ 647,533	$ 647,533
Reimbursement of field expenditures	-	(16,166)	(16,166)	-	-	-
Assay and sampling	-	-	-	-	32,111	32,111
Geological consulting	-	4,563	4,563	-	98,273	98,273
	-	(11,603)	(11,603)	-	777,917	777,917
Grenville, Quebec						
Staking and recording	-	30,212	30,212	80,000	10,727	90,727
Fieldwork	-	68,182	68,182	-	457,231	457,231
Assay and sampling	-	32,790	32,790	-	134,209	134,209
Geological consulting	-	85,293	85,293	-	261,134	261,134
Government assistance	-	-	-	-	(39,861)	(39,861)
	-	216,477	216,477	80,000	823,440	903,440
Van Horne, Dryden, Ontario						
Acquisition costs - shares	29,150	-	29,150	24,840	-	24,840
Acquisition costs - cash	65,000	-	65,000	41,500	-	41,500
Staking and recording	-	7,810	7,810	-	9,121	9,121
Fieldwork	-	201,580	201,580	-	90,208	90,208
Assay and sampling	-	68,065	68,065	-	41,147	41,147
Geological consulting	-	227,919	227,919	-	137,833	137,833
	94,150	505,374	599,524	66,340	278,309	344,649
Other Properties, Ontario						
Acquisition costs - cash	1,000	-	1,000	-	-	-
Fieldwork	-	5,590	5,590	-	-	-
Assay and sampling	-	1,976	1,976	-	-	-
Geological consulting	-	26,972	26,972	-	-	-
	1,000	34,538	35,538	-	-	-
AngloGold Alliance						
Staking and recording	-	222,271	222,271	-	-	-
Fieldwork	-	457,347	457,347	-	-	-
Assay and sampling	-	121,497	121,497	-	-	-
Geological consulting	-	469,037	469,037	-	-	-
AngloGold cash calls / funds used	-	(1,270,152)	(1,270,152)	-	-	-
	-	-	-	-	-	-
Uchi Alliance						
Staking and recording	-	147,234	147,234	-	-	-
Fieldwork	-	84,638	84,638	-	-	-
Assay and sampling	-	23,553	23,553	-	-	-
Geological consulting	-	125,715	125,715	-	-	-
Uchi cash calls / funds used	-	(381,140)	(381,140)	-	-	-
	-	-	-	-	-	-
Goldpines North ("GPNJV")						
Fieldwork	-	19,785	19,785	-	-	-
Geological consulting	-	4,115	4,115	-	-	-
Cash call receivable	-	(23,900)	(23,900)	-	-	-
	-	-	-	-	-	-
Resource Costs for the Year	95,150	744,786	839,936	146,340	1,879,666	2,026,006
Costs, Beginning of the Year	496,340	3,805,312	4,301,652	350,000	1,925,646	2,275,646
Costs, End of the Year	$ 591,490	$ 4,550,098	$ 5,141,588	$ 496,340	$ 3,805,312	$ 4,301,652