Management Discussion and Analysis For Laurentian Goldfields Ltd. [Formerly Capo Resources Ltd.] ("Laurentian" or the "Company")

Containing information up to and including July 6, 2010.

Note to Reader

The following information should be read in conjunction with the Company's Audited Financial Statements for the Year Ended March 31, 2010, together with the notes thereto, prepared by management in accordance with Canadian Generally Accepted Accounting Principles and expressed in Canadian Dollars.

Forward-Looking Information

When used in this document, words like "anticipate," "believe," "estimate," "expect" and similar expressions are intended to identify forward-looking statements. Such statements are used to describe management's future plans, objectives and goals for the Company and therefore, involve inherent risks and uncertainties. The reader is cautioned that actual results, performance, or achievements may be materially different from those implied or expressed in such statements.

Overall Performance

Highlights of the Company's activities during the year ended March 31, 2010:

Financing and Corporate

- 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.

- 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.

- 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.

- On August 11, 2009, the Company granted 1,935,000 incentive stock options to certain directors, officers, employees and consultants.

- On February 1, 2010, the Company announced the appointment of Dr. Mark O'Dea to the Board of Directors and granted 200,000 incentive stock options to Dr. O'Dea at an exercise price of $0.17 per share for a period of five years.

Exploration Activities

- On April 29, 2009, the Company entered into a three year strategic exploration alliance (the "Anglo Alliance") with AngloGold Ashanti Ltd. ("AngloGold").

- On May 6, 2009, the Company increased its land position in the Van Horne Township, near Dryden, Ontario.

- In June 2009, the Company paid $65,000 and issued 165,000 common shares (fair value - $29,150) to various property vendors regarding the Van Horne Property.

- On July 21, 2009, the Company entered into an exploration alliance agreement (the “Uchi Alliance”) with Kinross Gold Corporation.
- 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 which the Company refers to as the New Klondike 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 which the Company refers to as the Sakoose West Property.
- On August 26th, 2009, Laurentian completed a one day program of soil sampling, collecting a total of 47 samples which were submitted for MMI analysis and which detected anomalous levels of gold mineralization on the property.
- On October 2, 2009, the Company announced the completion of the 2009 field program on the Van Horne Project, Ontario.
- On December 2, 2009, the Company released select assay results from grab samples collected on the New Klondike Property in August, 2009.
- In December 2009, Laurentian completed Year 1 of the three year Superior Alliance with AngloGold.
- On March 26, 2010, Laurentian and Kinross Gold Corporation (“Kinross”) signed a Letter of Intent (“LOI”) to form the Goldpines North joint venture.

Exploration Properties and Joint Venture Agreements

AngloGold Ashanti Alliance

On April 29, 2009, the Company entered into a three year strategic exploration alliance (the “Anglo Alliance”) with AngloGold Ashanti Ltd. (“AngloGold”). The terms of the Anglo Alliance agreement (the “Agreement”) are as follows:

Year 1

Anglo will fund a total of $700,000 in exploration including a minimum of $500,000 for generating new exploration projects in five selected areas within the provinces of Quebec, Ontario, Saskatchewan and Manitoba 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 Anglo Alliance and Laurentian will retain a 40% interest. Upon vesting of the Earn-In Period, Laurentian and AngloGold will have a deemed expenditure interest of $5,500,000 and $8,250,000, respectively.

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.

Under the terms of the Agreement, AngloGold has purchased, 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 non flow-through common share and one non flow-through common share purchase warrant exercisable at $0.18 up to June 16, 2011. Laurentian invested $100,000 of the proceeds from this private placement into Year 1 exploration.

In August 2009, Laurentian had completed a preliminary compilation of public and proprietary geological data for the 5 areas. This compilation provided the necessary area selection criteria to begin the field-based component of the Anglo Alliance.

Geological crews completed a reconnaissance hydrogeochemistry survey and two prospecting and geochemical sampling programs over certain target areas in Ontario and Saskatchewan.

Laurentian's management completed geological evaluations of two properties in Manitoba. A limited number of samples were collected at each site.

In December, 2009, the Company announced that it had fulfilled the terms for Year 1 of the Superior Alliance with AngloGold Ashanti Ltd. The Year 2 follow-up exploration program is currently underway, with AngloGold funding a minimum of $1.7 million.

Goldpines South Project

On March 4,' 2010, Laurentian announced that it had staked an extensive gold anomaly which lies approximately 34 kilometres south of Red Lake, Ontario. A total of 247 contiguous claims covering 56,822 hectares, collectively referred to as the Goldpines Property ("Goldpines") were staked over this anomaly. Approximately 60% of the claims within the Goldpines property are subject to the terms of the Superior Alliance. These claims are collectively known as the Goldpines South Project, currently the most advanced prospect to arise from the efforts of the Superior Alliance. The Goldpines South project comprises 143 claims covering a total of 34,731 hectares.

Subsequent to the year ended March 31, 2010

In April, 2010, the consulting firm of Scott Hogg and Associates was contracted to complete a high resolution, airborne magnetometer and VLF-EM survey over the Goldpines South project.

Late in May, 2010, Laurentian began a program of detailed rock and soil geochemistry, mapping and prospecting over the entire Goldpines South project, in order to locate the source of anomalous gold, arsenic and antimony geochemistry detected by Laurentian's HGC prospecting in 2009. This phase of ground-based exploration is currently ongoing.

The Company also recently completed additional HGC prospecting over target areas in Ontario and Saskatchewan, in partial fulfillment of the terms of the Superior Alliance.

Grenville Project, Quebec

In May 2009, the Company completed an additional two weeks of field work on Block H of the Grenville project in Quebec. The work on this area was in partial fulfilment of the terms of the strategic exploration alliance with AngloGold Ashanti Ltd. (see above).

The field crew completed soil sampling and prospecting as well as focused mapping of alteration and geological structures, in order to determine the source of gold-in-soil anomalies in the area, detected by earlier survey work.

On August 9th, 2009, Laurentian's geological team returned to Quebec to complete additional soil and rock sampling on the three remaining Grenville North properties that are not subject to the terms of the strategic alliance with AngloGold Ashanti Ltd. (see above).

On February 8, 2010, AngloGold Ashanti issued a letter excluding the Grenville Area of Interest from the Superior Alliance. AngloGold will have no further interest in any of Laurentian's activities in the Grenville area.

On March 24, 2010, the Company filed an assessment report for work completed on 2,301 mining claims during 2008/2009. On March 30, 2010 the Company filed a renewal application on just 395 mining claims, thereby reducing the overall number of claims under the Grenville Project. The assessment report has been approved by the Ministry (*Resources naturelles et de la Faune Quebec*) and the renewal application is being processed.

New Klondike Property, Ontario

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 has also increased the overall size of the project area by staking an additional six claim units, contiguous with and along strike from the patents under option. The new acquisition is collectively referred to as the New Klondike Property.

To earn a 100% interest in the patents under option, the aggregate consideration to be paid by the Company over a 4 year period will be $30,000, with payments of $1,000 per year for the first 3 years. The property vendor will retain a 2% NSR on the two patents under option and the Company will have the right to reduce the NSR to 1% at a price of $1,000,000.

In August, 2009, the Company completed a detailed prospecting and structural mapping program, collecting a total of 73 rock samples that were submitted to SGS Laboratories for gold and multi-element analysis. In addition to the rock sampling, eighteen lines of Mobile Metal Ion™ ("MMI") soil sampling were completed across the 4 claims, totalling 227 samples that were submitted to SGS Laboratories for analysis.

In November, 2009, all analyses for rock and soil samples collected in 2009 were completed by SGS Laboratories.

In addition to the rock sampling, a reconnaissance soil sampling program was completed to the southwest of the trench locations. A total of 67 grab samples and 227 soil samples were submitted to SGS Laboratories for analysis. Of the 67 grab samples submitted, 11 returned assays better than 1 g/t gold, including the following highlights:

Table 1.

Select assay results, gold grams per tonne (g/t), from grab samples collected at New Klondike

Sample #	Sample Type	Gold (g/t)
G011855	Quartz-ankerite-tourmaline vein in trench	20.8
G011870	Quartz-ankerite-tourmaline vein in blast rock pile	12.1
G011876	Quartz-ankerite-tourmaline vein in trench	12.0
G011864	Quartz-ankerite vein	11.9
G011854	Quartz-ankerite-tourmaline vein in blast rock pile	9.71

Anomalous gold and silver values in the soil samples indicate a possible strike extension of 600 m to the southwest of the known mineralized zone.

Sakoose West Property, Ontario

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 which the Company refers to as the Sakoose West Property.

To earn a 100% interest in the mining claims under option, the aggregate consideration to be paid by Laurentian is an $8,000 cash payment on or before August 27, 2011 (paid April 13, 2010) and minimum exploration expenditures of $2,400 on or before September 30, 2009 (incurred).

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

On August 26th, 2009, Laurentian completed a one day program of soil sampling collecting a total of 47 samples which were submitted for MMI analysis and which detected anomalous levels of gold mineralization on the property.

Uchi Alliance

On July 21, 2009, the Company entered into an exploration alliance agreement (the "Uchi Alliance") with Kinross Gold Corporation to conduct a $500,000 generative exploration program in the Uchi geological sub-province of Ontario and Manitoba over a period of one year. Under the terms of the Uchi Alliance, Kinross Gold Corporation and the Company will invest $400,000 and $100,000 respectively, to fund one year of early-stage exploration to identify new gold exploration projects.

Kinross may elect to form a joint venture with the Company 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 an additional $1,500,000 in exploration expenditures over a 2 year period from the date the joint venture is formed.

In October of 2009, the Company completed a 10 day program of hydrogeochemical (HGC) sampling in the Uchi Geological Subprovince, in partial fulfillment of the Uchi Alliance with Kinross Gold Corporation. The HGC survey detected an area characterized by anomalous concentrations of gold, antimony, arsenic and other key elements that Laurentian believes to be the alteration footprint of a significant gold mineralization event.

On March 4, 2010, Laurentian announced that it had staked this extensive gold anomaly which lies approximately 34 kilometres south of Red Lake, Ontario. A total of 247 contiguous claims covering 56,822 hectares, collectively referred to as the Goldpines Property ("Goldpines") were staked over this anomaly. Approximately 40% of the claims within the Goldpines property are subject to the terms of the Uchi Alliance.

Goldpines North Joint Venture

On March 26, 2010, Kinross Gold Corporation elected to Opt-in on the unincorporated Goldpines North Joint Venture (GPNJV) which is the first joint venture to arise from the Uchi Exploration Alliance. The GPNJV comprises 108 claims, covering a total of 21,926 hectares (ha). The preparation of a long form joint venture agreement is currently underway.

Subsequent to the year ended March 31, 2010:

In April, 2010, Laurentian began the first phases of exploration of the Goldpines North Joint Venture. The consulting firm of Scott Hogg and Associates was contracted to complete a high resolution, airborne magnetometer and VLF-EM survey over the Goldpines North property.

Late in May, 2010, Laurentian began a program of detailed rock and soil geochemistry, mapping and prospecting over the entire Goldpines North property, in order to locate the source of anomalous gold, arsenic and antimony geochemistry, detected by Laurentian's HGC prospecting in 2009. This phase of ground-based exploration is currently ongoing.

Also in May, 2010, Laurentian completed a final phase of HGC prospecting over new targets in the Uchi Sub-province, thereby fulfilling the expenditure requirements of the Uchi Alliance with Kinross. Analyses from this survey are pending.

Van Horne Property, Dryden, Ontario

On May 6, 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. This option will be subject to the aggregate $1,600,000 in exploration expenditures required to maintain the adjacent options in good standing. The vendors will retain a 2% net smelter return (NSR) on the new land position, with Laurentian retaining the right to repurchase one-half of the NSR for $1,000,000.

Laurentian also staked an additional 73 unit (1,168 hectare) claim block over highly prospective ground, southwest of and contiguous with the Company's existing claims. Including the newly optioned and staked ground, the size of the Van Horne Property now stands at 2,907 hectares.

In June 2009, the Company made cash payments of $65,000 and issued 165,000 common shares (fair value - $29,150) in accordance with the 8 option agreements entered into to acquire up to a 100% interest in 8 contiguous mining properties in the Eagle-Wabigoon-Manitou Lakes Greenstone Belt near Dryden, Ontario. These claim blocks are referred to as the Van Horne Property.

On June 29, 2009, Laurentian's geological crew began a program of outcrop stripping across selected areas of the property where encouraging gold mineralization had been detected by the company's previous sampling program. The trenched areas were mapped in detail and selectively channel sampled in order to better define gold mineralization controls along the gold trend. Soil and lithogeochemical sampling was also completed over the newly acquired claims mentioned above.

On July 23, 2009 the Company completed 723 line kilometres of helicopter borne aeromagnetic survey over the Property, at a nominal line spacing of 50 metres. The survey and subsequent data processing was contracted to Scott Hogg & Associates, of Toronto, Ontario.

In October, 2009, the Company received the processed geophysical data and corresponding imagery from Scott Hogg & Associates for the airborne magnetometer survey completed earlier this year at Van Horne. The geophysical images will be integrated with the recently received geochemical data to define diamond drill targets on the property.

Mechanical trenching and channel sampling and soil geochemistry was completed at several locations on the property. In all, 778 rock samples were submitted for analysis. 110 (14%) of the samples analyzed returned assays greater than 1 g/t gold, and 28 (4%) analyzed returned assays greater than 5 g/t gold.

Highlights of the 2009 exploration program include:

- Definition of three distinct, drill-ready zones: Bonanza-Drake, Flambeau and Gator.
- High-grade gold channel sample assay results from the Bonanza- Drake zone included 36.1 grams per tonne (g/t) gold over 0.6 metres (m), 19.8 g/t gold over 0.5 m, and 6.9 g/t gold over 0.6 m and grab samples up to 29.7 g/t gold.
- The discovery of an entirely new gold geochemical anomaly, the Gator Zone.

- Extending the known strike length of the Flambeau zone to 750 m by exposing an additional 350 m of stockwork veining in trenches.

Laurentian is currently prioritizing drill targets with the intent of initiating a 2010 diamond drill program.

Subsequent to the year ended March 31, 2010:

During mid-April, 2010, Laurentian completed additional mapping and sampling of trenches excavated in 2009. Additional infill sampling confirmed that veins mapped in the Widow's, Little Jumbo and Drake trenches are all gold-bearing, further supporting the potential within the property for both Shear-vein and quartz stock-work type mineralization.

Maze Lake Property, Nunavut

Although no expenditures are planned for Maze Lake in 2010, the Company continues to seek opportunities to advance this prospective, drill-ready project.

Exploration Outlook 2010

The sizable programs at Goldpines North and South will generate a large amount of data to be processed and interpreted later this year. Laurentian expects to begin disseminating news about the program results by Q3 of this year. The goal of the programs at Goldpines is to generate diamond drill targets that can be tested early in 2011. In the interim, the Company is actively generating new project concepts and reviewing exploration opportunities in Canada and elsewhere. The Company continues to seek partners to option out non-core assets, including New Klondike, Sakoose West, Maze Lake, and Grenville North projects.

Andrew Brown, President and CEO of Laurentian, a member of the Association of Professional Engineers and Geoscientists of British Columbia ("APEGBC"), and a Qualified Person as defined by National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, is responsible for the preparation of, and has verified, the technical information in this annual MD&A.

Selected Annual Financial Information

Selected audited financial data for annual operations of the Company for the years ended March 31, 2010, March 31, 2009 and March 31, 2008:

Year ended		March 31, 2010		*(Restated)* March 31, 2009		*(Restated)* March 31, 2008
Current assets	$	1,863,656	$	649,857	$	405,344
Resource properties	$	591,490	$	496,340	$	350,000
Property and equipment	$	46,049	$	50,422	$	5,428
Total assets	$	2,501,195	$	1,196,619	$	760,772
Current liabilities	$	462,476	$	109,390	$	52,434
Total revenue	$	-	$	-	$	-
Net loss	$	(1,831,249)	$	(2,460,153)	$	(2,386,161)
Basic loss per share	$	(0.05)	$	(0.12)	$	(0.21)
Weighted Avg. shares		36,187,848		20,031,500		11,341,067

The financial data for the comparative period March 31, 2008 above reflects that of 0785531 B.C. Ltd. (formerly "Laurentian Goldfields Ltd."), the deemed accounting acquirer resulting from the reverse takeover transaction which occurred on May 15, 2008.

See "Change in Accounting Policy – Resource Property Costs," for a description of the restatement.

Results of Operations

As Laurentian is in the exploration phase and its properties are in the early stages of exploration, none of the Company's properties are in production. Therefore, mineral exploration expenditures and administrative expenses relating to the operation of the Company's business are being expensed as incurred. Consequently the Company's net loss is not a meaningful indicator of its performance or potential.

The key performance driver for the Company is the acquisition and development of prospective mineral properties. By acquiring and exploring projects of superior technical merit, the Company increases its chances of finding and developing an economic deposit.

At this time, the Company is not anticipating profit from operations. Until such time as the Company is able to realize profits from the production and marketing of commodities from its mineral interest, the Company will report an annual deficit and will rely on its ability to obtain equity or debt financing to fund on-going operations.

Additional financing is required for both current and new exploration and promotional initiatives. Due to the inherent nature of the junior mineral exploration industry, the Company will have a continuous need to secure additional funds through the issuance of equity or debt in order to support its corporate and exploration activities, as well as its share of obligations relating to mineral properties.

Exploration Operations

Cumulative spending to March 31, 2010 was as follows:

	Acquisition Costs	Exploration Expenditures	**As at March 31, 2010**
Maze Lake, Nunavut	$ 350,000	$ 2,554,418	**$ 2,904,418**
Grenville, Quebec	80,000	1,177,459	**1,257,459**
Van Horne, Dryden, Ontario	160,490	783,683	**944,173**
New Klondike, Ontario	1,000	22,442	**23,442**
Sakoose, Ontario	-	12,096	**12,096**
AngloGold Alliance	-	1,270,152	**1,270,152**
AngloGold Cash Calls / Funds Used	-	(1,270,152)	**(1,270,152)**
Uchi Alliance	-	381,140	**381,140**
Uchi Alliance Cash Calls / Funds Used	-	(381,140)	**(381,140)**
Goldpines North Joint Venture ("GPNJV")	-	23,900	**23,900**
GPNJV Cash Call Receivable	-	(23,900)	**(23,900)**
	$ 591,490	$ 4,550,098	**$ 5,141,588**

<u>Change in Accounting Policy – Resource Property Costs</u>

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.

For the Year Ended March 31, 2010

The net loss for the year ended March 31, 2010 was $1,831,249 or $(0.05) per share, after a non-cash future income tax recovery of $297,925 as compared to the net loss for the year ended March 31, 2009 of $2,460,153 or $(0.12) per share, after a non-cash future income tax recovery of $243,598.

Operating expenses for the year ended March 31, 2010 totalled $2,130,725 (2009 - $2,711,169) a decrease of $580,444. The decrease in operating expenses was mainly a result of the following significant operating expenditures:

- Conference and meeting expenditures of $74,560 (2009 - $46,352), resulting from various expenditures related to travel and accommodation, conference registration fees and meal expenditures incurred. The increase in conference and meeting expenditures is a direct result of the Company's efforts to promote the Company by attending numerous conferences and by travelling to meet with the Company's alliance partners to discuss the strategic direction of the Company.

- General exploration expenses of $236,184 (2009 - $59,036) resulting from exploration expenditures incurred by the Company in its attempt to identify outside potential projects/properties which merit further exploration. The increase in general exploration expenses was a direct result of the Company investing $200,000 in generative work as agreed upon per the Anglo and Uchi Alliance Agreements.

- Investor relations fees of $54,249 (2009 - $27,334), resulting from fees incurred for the Company's investor relations activities to expand its profile through attendance at various trade and investor relations shows during the year, as well as the dissemination of information relating to the Company's corporate and financing activities and exploration activities. The increase in investor relations fees is due to more promotional costs being incurred as a result of an increase in attendances at various trade and investor relations shows. Furthermore, the increase in investor relations fees can be attributed to an increase in the dissemination of information whereby Company explained its planned and in-progress exploration activities during the year.

- Professional fees totalling $46,887 for the year ended March 31, 2010 as compared to $207,989 for the year ended March 31, 2009. The decrease was due to the fact that in the prior year, the Company incurred significant legal and accounting fees in relation to the acquisition of 0785531 B.C. Ltd. and for the completion of its Qualifying Transaction. Current year expenses relate to monthly fees paid to the Company's lawyers for the on-going legal fees incurred in the day-to-day operations of the Company and fees incurred regarding the recent private placements which occurred in July and August of 2009.

- Wages and consulting fees of $475,589 for the year ended March 31, 2010 (2009 – $348,988) resulting from payments to the Company's senior officers and employees for time spent on the Company's operating activities, and other non-property related consulting services. The increase in wages and consulting fees is due to the fact that the Company had temporarily hired an investor relations/administrative consultant during the period to assist the Company with its day-to-day head office requirements. The Company has now replaced this consultant with a Manager of Corporate Communications. Also, during the year ended March 31, 2010 some of the VP of Exploration's time has been allocated to salaries and benefits rather than exploration projects as his work was directly related to corporate head office work in comparison to the prior year where all of his time was allocated to the respective exploration projects.

- Resource property exploration expenses of $744,786 (2009 - $1,879,666), resulting from exploration expenditures incurred on the Company's Van Horne Property, Grenville Property, Maze Lake Property, New Klondike Property and its Sakoose West Property. The decrease in resource property exploration expenses was a direct result of the Company scaling back on its exploration activities during the year and focusing on its alliance related projects.

- Stock-based compensation expense totalled $330,934 (2009 - $Nil). The increase in stock-based compensation expense is a direct result of the Company issuing 2,135,000 stock options during the year which vested immediately and have been valued at $330,934 using the Black-Scholes Option Pricing Model.

- Office and administration expenditures of $77,379 for the year ended March 31, 2010 (2009 - $48,852). The increase in office and administration expenditures is a result of an increase in staff, which resulted in an increase in office supplies and day-to-day office expenditures. Also, the increase is due to insurance as the Company incurred insurance costs relating to non-owned aviation insurance, property and general commercial liability insurance and insurance for its Directors and Officers. Insurance was in place for these categories for only part of the prior year.

Other operating costs, excluding amortization during the year ended March 31, 2010 totalled $58,746 (2009 - $67,617), representing 3% (2009 – 2%) of total operating expenses including listing and filing fees, rent and transfer agency fees.

Amortization for the year ended March 31, 2010 was $31,411 (2009 - $25,335). The increase in amortization was a result of the acquisition and amortization of project field equipment and computer hardware and software being recognized during the year.

Fourth Quarter Results – Fiscal Year Ended March 31, 2010

During the three month period ended March 31, 2010, the Company retrospectively changed its accounting policy for exploration expenditures in order to more appropriately align itself with policies applied by other comparable companies, at a similar stage, in the mining industry. As a result of this change in accounting policy, the Company's net loss increased during the fourth quarter by $43,423 (2009 – increase of $48,894).

The Company's largest expenditures during the fourth quarter were resource property exploration expenditures of $64,557 (2009 – $Nil), general exploration expenditures of $12,377 (2009 - $16,620), wages and consulting fees of $123,841 (2009 - $115,584), office and administration expenses of $22,807 (2009 - $16,503) and stock-based compensation expense of $25,370 (2009 - $Nil). As a result of the increase in the Company's net loss during the fourth quarter, the accumulated deficit increased from $6,904,143 to $6,947,566.

Summary of Quarterly Results

The following table summarizes selected financial data reported by the Company for the quarter ended March 31, 2010 and the previous seven quarters in Canadian dollars. Fiscal quarters prior to the quarter ended March 31, 2010 have all been restated to conform to the change in accounting policy.

	March 31, 2010	***(Restated)*** **December 31, 2009**	***(Restated)*** **September 30, 2009**	***(Restated)*** **June 30, 2009**	***(Restated)*** **March 31, 2009**	***(Restated)*** **December 31, 2008**	***(Restated)*** **September 30, 2008**	***(Restated)*** **June 30, 2008**
Net loss	$(43,423)	$(508,075)	$(1,027,832)	$(251,919)	$(48,894)	$(399,418)	$(1,025,170)	$(986,671)
Basic loss per share	$(0.00)	$(0.01)	$(0.03)	$(0.01)	$(0.00)	$(0.02)	$(0.05)	$(0.09)

<u>See "Change in Accounting Policy – Resource Property Costs," for a description of the restatement.</u>

Liquidity and Capital Resources

The Company is in the exploration stage and therefore has no regular cash inflows. At March 31, 2010 the Company had working capital of $1,401,180 (2009 - $540,467).

<u>Financing and Corporate Activities</u>

- 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 to June 16, 2011. The warrants attached have been valued at $176,482 based upon the Black-Scholes Method. The Company agreed to invest $100,000 of the proceeds from this private placement into year 1 exploration as per its Alliance Agreement with AngloGold Ashanti Ltd. *(see Exploration Properties and Joint Venture Agreements section).*

- 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 consists 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).

- In connection with this private placement the Company issued 555,000 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 555,000 compensation options are exercisable for a period of two years from the date of issuance into units consisting 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. Finder's fees of $80,000 were paid in cash.

- 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 consists 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 consists 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).

- 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 consisting 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. Finder's fees of $51,000 were paid in cash.

- On August 11, 2009, the Company granted 1,935,000 incentive stock options to certain directors, officers, employees and consultants. The options are exercisable at $0.17 per share and will expire on August 11, 2014. The corresponding stock-based compensation amounts to $305,564.

- On February 1, 2010, the Company granted 200,000 stock options to a newly appointed Director at an exercise price of $0.17 per share for a period of five years.

For the Year Ended March 31, 2010

Cash and cash equivalents increased by $258,644 during the year ended March 31, 2010 from $507,450 to $766,094.

During the year ended March 31, 2010, the Company raised net proceeds of $2,720,580 (2009 - $2,779,932) from the sale of common shares and warrants.

Cash used in operating activities during the year ended March 31, 2010 was $1,766,829 (2009 - $2,678,416) before any changes in non-cash working capital. After adjusting for cash flows applied to non-cash working capital, cash used in operating activities was $1,710,498 (2009 - $2,643,555).

Cash used for investing activities during the year ended March 31, 2010 was $751,438 (2009 – cash provided by investing activities of $115,773). Investing activities were as follows: cash acquired on reverse takeover transaction of $Nil (2009 - $307,602); cash call receivable of $23,900 (2009 - $Nil); short-term investments of $634,500 (2009 - $Nil); increase in property and equipment of $27,038 (2009 - $70,329); and acquisition of resource properties of $66,000 (2009 - $121,500).

At March 31, 2010, the Company had 2,490,911 stock options outstanding, 1,102,555 compensation options with 551,277 warrants attached and 20,153,564 share purchase warrants outstanding.

At present, the Company's operations do not generate cash inflows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

In order to finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company raises money through equity sales, from the exercise of convertible securities and from optioning its resource properties. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term, but recognizes that there will be risks involved which may be beyond its control.

Liquidity Outlook

Going Concern

While the audited 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 $6,947,566 at March 31, 2010. 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 Laurentian'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.

Cash Generating Potential

In order to finance future operations, the Company will pursue the following alternatives:

- Raise additional financing
- Enter into joint ventures with other parties in order to continue its planned exploration activities

Cash Utilization Requirements

The Company has the following requirements:

- Cash is needed to fund both its exploration activities and its administrative activities. This amount varies depending on the amount of capital raised
- The Company has both cash commitments and property expenditure commitments due however as these properties are under option only, the Company is not obligated to meet these commitments

Strategy and Risk Management

Laurentian has secured a three year strategic exploration alliance (the "Anglo Alliance") with AngloGold Ashanti Ltd. ("AngloGold"). For the 2009 exploration season, AngloGold funded $700,000 in exploration including at least $500,000 for generative exploration efforts in five selected areas in Quebec, Ontario, Saskatchewan and Manitoba, with the objective of identifying new grassroots gold exploration projects, and up to $200,000 for upgrading targets within portions of Laurentian's existing Grenville Project. The Anglo Alliance included a subscription by AngloGold to a $400,000 private placement in Laurentian. Under the terms of the agreement, Laurentian agreed to invest $100,000 of the proceeds from the private placement into its 2009 generative exploration efforts and the remaining $300,000 will be used to fund general administrative and corporate activities. The Company has also secured a one year strategic exploration alliance (the "Uchi Alliance") with Kinross Gold Corporation ("Kinross"). Kinross and Laurentian will invest $400,000 and $100,000 respectively with the objective of identifying new gold projects. This alliance has already led to the formation of the unincorporated Goldpines North Joint Venture which will see Kinross fully fund $1,500,000 in exploration over a period of two years with a minimum of $500,000 required to be funded in the first year. Further operations are dependent on the

Company obtaining financing to meet its planned exploration activities on its other properties for 2009/2010 and to meet its monthly administrative activities. Management believes that it will be able to raise additional financing when needed in order to meet both its planned exploration activities and its administrative expenditures. Although management has been successful in the past when raising additional financing, there can be no assurance they will be successful in the future. *(For further strategy and risk management details, please refer to the "Exploration Outlook 2010" section within this MD&A).*

Exploration Stage Company

The Company is engaged in the business of acquiring, exploring and developing mineral properties with the expectation of locating economic deposits of minerals. All of the properties are without proven ore deposits and there is no assurance that the Company's exploration programs will result in such, nor can there be any assurance that, economic deposits can be commercially mined. As a consequence, the risks and uncertainties and forward looking information is subject to known and unknown risks and uncertainties which are as follows, but not limited thereto:

- exploration and development of mining properties is highly speculative in nature and involves a high degree of risk
- there are many competitors in the business, some of which have greater financial, technical and other resources
- mining involves many hazards and risks in the field such as unexpected rock formations, seismic activity, cave-ins, adverse weather conditions, unstable political conditions, and many other conditions
- timing delays in exploration and development and delays in funding may result in delays and postponement of projects
- there is no assurance that the Company will be able to obtain all necessary permits and approvals to conduct its affairs and no assurance that future tax, environmental or other legislation will cause additional expenses, delays or postponements
- the operations are subject to environmental regulation, a breach of which may result in imposition of enforcement actions, environmental hazards may exist on current properties which are presently unknown to the Company, and regulations and laws change over time
- world prices for metals can be unstable and unpredictable and may materially affect the Company's operations as well as economic conditions which may change the demand for minerals
- the securities markets worldwide have experienced high price and volume volatility
- the Company is dependent upon the services of several key individuals whose loss could significantly affect operations
- officers and directors of the Company may have potential conflicts of interest with other entities
- uncertainties as to future development and implementation of future technologies
- changes in accounting policies and methods may affect how the financial condition of the Company is reported
- uncertainties, such as potential breaches of contracts (i.e. property agreements), could result in significant loss

Dividends

Laurentian has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and development. Any future determination to pay dividends will be at the discretion of the Board of Directors of Laurentian and will depend on Laurentian's financial condition, results of operations, capital requirements and such other factors as the Board of Directors of Laurentian deem relevant.

Nature of the Securities

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

Proposed Transactions

At the present time, there are no proposed transactions that are required to be disclosed.

Additional Disclosure for Venture Issuers Without Significant Revenue

Additional disclosure concerning Laurentian's general and administrative expenses and resource property costs is provided in the Company's *Statement of Loss and Deficit and Schedule of Resource Property Costs* contained in its audited Financial Statements for the years ended March 31, 2010 and 2009 which is available on Laurentian's website at www.laurentiangoldfields.com or on its SEDAR Page Site accessed through www.sedar.com.

Outstanding Share Data

Laurentian's authorized capital is unlimited common shares without par value. As at July 6, 2010, the following common shares, options and share purchase warrants were outstanding:

	# of Shares	Exercise Price	Expiry Date
Issued and Outstanding Common Shares at July 6, 2010	42,134,775	N/A	N/A
Employee Stock Options	25,000 340,911 1,925,000 200,000	$0.40 $0.44 $0.17 $0.17	April 26, 2011 November 30, 2012 August 11, 2014 February 1, 2015
Share Purchase Warrants	4,444,444 2,777,774 9,098,060	$0.18 $0.35 $0.35	June 16, 2011 July 2, 2011 August 7, 2011
Compensation Options	555,555 547,000	$0.18 $0.18	July 2, 2011* August 7, 2011*
Warrants - Compensation Options	277,777 273,500	$0.35 $0.35	July 2, 2011* August 7, 2011*
Fully Diluted at July 6, 2010	62,599,796		

* *The Company issued a total of 1,102,555 compensation options to various finders in connection with its recent private placements in July and August of 2009. Each compensation option is exercisable at a price of $0.18 for a period of 2 years into units comprised of one non flow-through common share and one-half of one non flow-through common share purchase warrant with each whole warrant being exercisable to purchase one additional non flow-through common share of the Company at a price of $0.25 per share during year one and $0.35 per share during year two following the date of issuance of the compensation options.*

Transactions with Related Parties

During the year ended March 31, 2010, the Company paid consulting fees of: $10,000 (2009 - $40,000) to Mr. Andrew Brown (President and Chief Executive Officer); $35,500 (2009 - $29,300) to Mr. Christopher Twells (Chief Financial Officer); $60,000 (2009 - $60,000) to Mr. Brian P. Fowler (Director of the Company); $Nil (2009 - $106,275) to Mr. Patrick Lengyel (Vice President of Exploration); $8,400 (2009 - $850) to Ms. Kim Casswell (Officer of the Company); and $Nil (2009 - $10,027) to Omni Resource Consulting Ltd. (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.

Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements as at March 31, 2010 or as at the date hereof.

New Accounting Policies

The accounting policies followed by the Company are set out in *Note 3* of the Audited Financial Statements for the Year Ended March 31, 2010 and have been consistently followed in the preparation of the financial statements except that the Company has retrospectively changed its accounting policy for exploration costs, as previously discussed, and has adopted the following Canadian Institute of Chartered Accountants (CICA) guidelines during the fiscal year ended March 31, 2010:

Credit Risk and Fair Value of Financial Assets and Financial Liabilities

Effective January 2009, the CICA approved EIC-173 “Credit Risk and the 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 the new section and determined that the adoption of these new requirements has not had an impact on the Company’s financial statements.

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 section and has determined that the adoption of these new requirements has not had an impact on the Company’s financial statements.

Financial Instruments – Disclosure, Section 3862

In June 2009, CICA 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 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.

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.

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.

Recent Canadian Accounting Pronouncements

The following recent Canadian accounting pronouncements will be adopted by the Company April 1, 2010. Recent Canadian accounting pronouncements which have been issued but are not yet effective, and which may affect the Company's financial reporting, are as follows:

International Financial Reporting Standards (''IFRS'')

In February 2008 the Accounting Standards Board (''AcSB'') announced that the changeover date for publicly listed companies to use IFRS, which replaces Canadian Generally Accepted Accounting Principles (''GAAP''), shall be for interim and annual financial statements beginning on or after January 1, 2011. The Company will also require a restatement for the comparative purposes of amounts reported by the Company for the 2010 fiscal year.

The Company has commenced the process to transition from GAAP to IFRS and has determined that the process will comprise various phases. The phases would be scoping and diagnosis, analysis and quantification and evaluation and implementation.

A preliminary diagnostic review indicated that the greatest areas of impact would be in the areas of impairment of assets, financial instruments, related party transactions and initial adoption alternatives under IFRS 1.

The analysis and quantification and evaluation stage requires the specification of changes, their impact on accounting policies and information systems and an analysis of alternatives allowed under IFRS 1. The Company has not determined the potential impact on future financial statements and reporting at this time.

The implementation phase involves the execution of changes to information systems and authorization to accounting policy changes followed by the collection of financial information necessary to compile the IFRS financial statements.

IFRS 1 is a first time adoption Standard which provides companies adopting IFRS for the first time numerous optional exemptions and mandatory exceptions. The accounting policy choices are being evaluated and those determined to be appropriate are anticipated to be adopted.

IFRS standards as at the transition date are expected to differ from their current form. The full impact of IFRS will only be determined once all applicable standards at the conversion date are known.

Financial Instruments

Fair Value

The Company designated its cash and cash equivalents and short-term investments as held-for-trading, which are measured at fair value. GST and other receivables have been designated as loans and receivables, which are initially recorded at fair value, net of transaction costs incurred, and subsequently at amortized cost using the effective interest rate method. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

As of March 31, 2010, the balance sheet carrying amounts of these financial instruments closely approximate their fair value, and the Company held no derivative instruments.

Fair value estimates are made at the balance sheet date, based on relevant market information and other information about the financial instruments. Fair values are determined directly by reference to published price quotations in an active market, when available, or by using a valuation technique that uses inputs observed from the markets.

The following provides a comparison of carrying and fair value amounts of each classification of financial instruments as at March 31, 2010:

		March 31, 2010		March 31, 2009
Held-for-trading	**$**	**1,424,494**	$	507,450
Loans and receivables	**$**	**24,045**	$	125,081
Other financial liabilities	**$**	**77,212**	$	109,390

During the fiscal year ended March 31, 2010, the Company adopted the fair value hierarchy that classifies financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate fair value. The financial instruments from the above schedule, which are covered by the new hierarchy disclosures, are cash and cash equivalents and short-term investments. These are both classified as Level 2 – direct or indirect observable inputs in active markets for similar assets or liabilities, other than Level 1 prices such as quoted interest or currency exchange rates.

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).

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.

There were no changes in the Company's approach to capital management during the year ended March 31, 2010 compared to the year ended March 31, 2009. The Company is not subject to externally imposed capital requirements.

Recent Developments and Outlook

The Company expects to obtain financing in the future primarily through further equity financing, as well as through joint venturing and/or optioning out its properties to qualified mineral exploration companies. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operations and eventually to forfeit or sell its interest in its resource properties.

Corporate Governance

The Board of Directors of Laurentian comprises of six directors, four of whom are considered to be independent.

Subsequent Events

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.

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. 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.

Forward-Looking Statements

Certain statements made and information contained in this annual MD&A and elsewhere constitutes "forward-looking information" within the meaning of the Ontario Securities Act. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to the interpretation of drill results and the estimation of mineral resources, the geology, grade and continuity of mineral deposits, the possibility that future exploration and development results will not be consistent with the Company's expectations, accidents, equipment breakdowns, title matters and surface access, labour disputes, the potential for delays in exploration activities, the potential for unexpected costs and expenses, commodity price fluctuations, currency fluctuations, failure to obtain adequate financing on a timely basis and other risks and uncertainties. In addition, forward-looking information is based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long-term price of gold, that the Company will receive required permits and access to surface rights, that the Company can access financing, appropriate equipment and sufficient labour and that the political environment within Canada and the various provinces will continue to support the development of environmentally safe mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements.

Approval

The Board of Directors of Laurentian Goldfields Ltd. has approved the disclosure contained in this annual MD&A. A copy of this annual MD&A will be provided to anyone who requests it.

Additional Information

Additional information relating to Laurentian Goldfields Ltd. can be obtained on the SEDAR website at www.sedar.com or by contacting:

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LAURENTIAN GOLDFIELDS LTD.
/s/ "Andrew Brown"
Andrew Brown
President and Chief Executive Officer

LAURENTIAN GOLDFIELDS LTD.
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Christopher Twells
Chief Financial Officer