LAURENTIAN GOLDFIELDS LTD.

(An Exploration Stage Company)

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED JUNE 30, 2011

Unaudited – Prepared by Management

(Stated in Canadian Dollars)

Laurentian Goldfields Ltd.

(An Exploration Stage Company)

Condensed Interim Statements of Financial Position

Unaudited – Prepared by Management

(Stated in Canadian Dollars)

	As at June 30, 2011	(Note 4) As at March 31, 2011	(Note 4) As at April 1, 2010
ASSETS			
Current assets:			
Cash and cash equivalents	**$ 1,531,461**	$ 2,815,971	$ 766,094
Restricted cash	**393,561**	638,395	385,264
Cash call receivable	**-**	-	23,900
Short-term investments *(Note 5)*	**442,500**	442,500	634,500
Amounts receivable	**236,392**	144,094	24,045
Prepaid expenses	**26,352**	87,688	29,853
	2,630,266	4,128,648	1,863,656
Non-current assets:			
Property and equipment *(Note 6)*	**56,330**	47,460	46,049
Exploration and evaluation assets *(Note 7)*	**1,068,090**	850,740	591,490
Total Assets	**$ 3,754,686**	$ 5,026,848	$ 2,501,195
LIABILITIES AND EQUITY			
Current liabilities:			
Accounts payable and accrued liabilities	**$ 545,793**	$ 429,543	$ 77,212
Mineral property funding obligations	**393,561**	638,395	385,264
Total Liabilities	**939,354**	1,067,938	462,476
Equity:			
Share capital *(Note 8a)*	**11,170,282**	9,938,049	7,471,290
Share-based payments reserve	**3,990,073**	4,166,865	2,600,082
Accumulated deficit	**(12,345,023)**	(10,146,004)	(8,032,653)
Total Equity	**2,815,332**	3,958,910	2,038,719
Total Liabilities and Equity	**$ 3,754,686**	$ 5,026,848	$ 2,501,195

Nature of Operations and Going Concern *(Note 1)*

Subsequent Events *(Note 13)*

ON BEHALF OF THE BOARD:

"Darin Labrenz", Director

"Brian P. Fowler", Director

- See Accompanying Notes to the Condensed Interim Financial Statements -

Laurentian Goldfields Ltd.

(An Exploration Stage Company)

Condensed Interim Statements of Earnings (Loss) and Comprehensive Income (Loss)

Unaudited – Prepared by Management

(Stated in Canadian Dollars)

		For the three months ended June 30, 2011		For the three months ended June 30, 2010
Expenses				
Amortization	$	**6,894**	$	5,420
Corporate listing and filing fees		**5,468**		3,791
Exploration and evaluation expenditures *(Note 7b)*		**1,899,812**		27,121
General and administration		**83,939**		66,424
Professional fees		**3,246**		2,665
Share-based compensation expense *(Note 8c)*		**87,851**		-
Wages and consulting fees		**141,926**		113,053
Loss from operations		**(2,229,136)**		(218,474)
Other Income				
Interest income		**310**		69
Management and administration fee		**29,807**		232,189
		30,117		232,258
Net Earnings (Loss) and Comprehensive Income (Loss) for the Period	$	**(2,199,019)**	$	13,784
Weighted Average Number of Common Shares Outstanding		**57,662,452**		42,011,775
Basic and Diluted Earnings (Loss) per Common Share	$	**(0.04)**	$	0.00

- See Accompanying Notes to the Condensed Interim Financial Statements -

Laurentian Goldfields Ltd.
(An Exploration Stage Company)
Condensed Interim Statements of Cash Flows
Unaudited – Prepared by Management
(Stated in Canadian Dollars)

		For the three months ended June 30, 2011		For the three months ended June 30, 2010
Cash Flows from (used in) Operating Activities				
Net earnings (loss) for the period	**$**	**(2,199,019)**	$	13,784
Items not affected by cash:				
Amortization		**6,894**		5,420
Share-based compensation expense		**87,851**		-
		(2,104,274)		19,204
Changes in non-cash working capital:				
Amounts receivable		**(92,298)**		(36,715)
Prepaid expenses		**61,336**		9,728
Accounts payable and accrued liabilities		**116,250**		274,067
		(2,018,986)		266,284
Cash Flows from (used in) Investing Activities				
Cash call receivable		**-**		23,900
Short-term investments		**-**		(35,000)
Additions to property and equipment		**(15,764)**		(17,591)
Additions to exploration and evaluation assets		**(149,750)**		(87,000)
		(165,514)		(115,691)
Cash Flows from Financing Activities				
Proceeds from exercise of compensation options		**99,990**		-
Proceeds from exercise of warrants		**800,000**		-
		899,990		-
Net Increase (Decrease) in Cash and Cash Equivalents		**(1,284,510)**		150,593
Cash and Cash Equivalents- Beginning of the Period		**2,815,971**		766,094
Cash and Cash Equivalents - End of the Period	**$**	**1,531,461**	$	916,687

Supplemental Schedule of Non-Cash Investing Activities

Issuance of shares for exploration and evaluation assets	**$**	**67,600**	$	30,750

- See Accompanying Notes to the Condensed Interim Financial Statements -

Laurentian Goldfields Ltd.

(An Exploration Stage Company)

Condensed Interim Statements of Changes in Equity

Unaudited – Prepared by Management

(Stated in Canadian Dollars)

	Number of Shares	Capital Amount	Share-Based Payments Reserve	Accumulated Deficit	Total
Balance – April 1, 2010	41,929,775	$ 7,471,290	$ 2,600,082	$ (8,032,653)	$ 2,038,719
Shares issued for mineral property	205,000	30,750	-	-	30,750
Net earnings for the three months	-	-	-	13,784	13,784
Balance – June 30, 2010	42,134,775	7,502,040	2,600,082	(8,018,869)	2,083,253
Shares issued for mineral property	500,000	142,500	-	-	142,500
Common shares issued	11,786,889	3,185,240	-	-	3,185,240
Fair value of warrants issued	-	(972,622)	972,622	-	-
Share issuance costs – finder's fee	110,900	(6,624)	6,624	-	-
Share issuance costs – cash	-	(191,751)	-	-	(191,751)
Share issuance costs – warrants	-	(120,481)	120,481	-	-
Stock options exercised	450,000	76,500	-	-	76,500
Fair value of stock options exercised	-	71,061	(71,061)	-	-
Compensation options exercised	308,125	55,463	-	-	55,463
Fair value of compensation options exercised	-	40,772	(40,772)	-	-
Warrants exercised	503,510	125,877	-	-	125,877
Fair value of warrants exercised	-	30,074	(30,074)	-	-
Share-based compensation expense	-	-	608,963	-	608,963
Net loss for the nine months	-	-	-	(2,127,135)	(2,127,135)
Balance – March 31, 2011	55,794,199	9,938,049	4,166,865	(10,146,004)	3,958,910
Shares issued for mineral property	245,000	67,600	-	-	67,600
Compensation options exercised	555,500	99,990	-	-	99,990
Fair value of compensation options exercised	-	88,161	(88,161)	-	-
Warrants exercised	4,444,444	800,000	-	-	800,000
Fair value of warrants exercised	-	176,482	(176,482)	-	-
Share-based compensation expense	-	-	87,851	-	87,851
Net loss for the three months	-	-	-	(2,199,019)	(2,199,019)
Balance – June 30, 2011	**61,039,143**	**$ 11,170,282**	**$ 3,990,073**	**$ (12,345,023)**	**$ 2,815,332**

- See Accompanying Notes to the Condensed Interim Financial Statements -

1. Nature of Operations and Going Concern

Laurentian Goldfields Ltd. (the "Company" or "Laurentian") is an exploration stage enterprise focusing on the acquisition, exploration and development of economic gold and other precious and base metal properties. Currently, the Company's principal mineral properties include the Van Horne Property located near Dryden, Ontario and the Thundercloud Property also located near Dryden, Ontario. The Company also currently has a strategic exploration alliance with AngloGold Ashanti Ltd. and an unincorporated joint venture with Kinross Gold Corporation, whereby a portion of the Company's exploration and evaluation activities are conducted with others, and accordingly, the interim financial statements reflect only the Company's proportionate interest in such activities.

Laurentian is a publicly listed company incorporated under the Business Corporations Act of British Columbia. The Company is listed on the TSX Venture Exchange (TSX-V) under the symbol "LGF."

The Company's head office, principal address and records office is located at Suite 520-800 West Pender Street, Vancouver, British Columbia, Canada, V6C 2V6. The Company's registered office address is 10th floor, 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5.

While these financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of business for the foreseeable future, there are events and conditions that cast significant doubt on the validity of that assumption. The Company has incurred losses since inception and has an accumulated deficit of $12,345,023 at June 30, 2011. The Company will need to raise sufficient funds in order to finance ongoing exploration, minimum expenditure requirements *(Notes 7 and 13)* and administrative expenses. The Company has no assurance that such financing will be available or be available on favorable terms. Factors that could affect the availability of financing include the Company's performance (as measured by numerous factors including the progress and results of its various projects), the state of international debt and equity markets, investor perceptions and expectations and the global financial and metals markets. If successful, the Company would obtain additional financing through, but not limited to, the issuance of additional equity.

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

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2. Summary of Significant Accounting Policies

a. Basis of Presentation and Adoption of International Financial Reporting Standards ("IFRS")

The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles as set out in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). In 2010, the CICA Handbook was revised to incorporate IFRS, and require publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011. Accordingly, the Company has commenced reporting on this basis in these condensed interim financial statements. In these condensed interim financial statements, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS.

2. Summary of Significant Accounting Policies - *Continued*

a. Basis of Presentation and Adoption of International Financial Reporting Standards ("IFRS") - *Continued*

These condensed interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting and IFRS 1, First-time Adoption of International Financial Reporting Standards. Subject to certain transition elections disclosed in Note 4, the Company has consistently applied the same accounting policies in its opening IFRS statement of financial position at April 1, 2010 and throughout all periods presented, as if these policies had always been in effect. Note 4 discloses the impact of the transition to IFRS on the Company's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company's financial statements for the year ended March 31, 2011.

The policies applied in these condensed interim financial statements are based on IFRS issued and outstanding as of September 22, 2011, the date the Board of Directors approved the financial statements. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending March 31, 2012 could result in restatement of these condensed interim financial statements, including the transition adjustments recognized on change-over to IFRS.

The condensed interim financial statements should be read in conjunction with the Company's Canadian GAAP annual financial statements for the year ended March 31, 2011 and Note 4 of these condensed interim financial statements which explains the Company's transitional impact from Canadian GAAP to IFRS.

b. Use of Judgments and Estimates

The preparation of financial statements requires management to make estimates that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Significant areas requiring the use of estimates and assumptions relate to the review of carrying values and determination of impairment charges of non-current assets; valuation of share-based payments; and provision for closure and reclamation among others. Actual results could differ from those estimates. The effect on the financial statements of such changes in estimates in future periods could be material.

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.

d. Short-term Investments

Short-term investments comprise mainly of cashable Guaranteed Investment Certificates (GIC's) with original terms to maturity greater than three months.

2. Summary of Significant Accounting Policies - *Continued*

e. Property and Equipment

Property and equipment is recorded at cost less accumulated 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 %

f. Exploration and Evaluation Assets

The Company's policy is to expense, as incurred, exploration and evaluation expenditures until the mineral property reaches the development stage. 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 and will be amortized against production following commencement of commercial production, or written off if the property is sold, allowed to lapse or abandoned.

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

g. Impairment of Non-Current Assets

Non-current assets are evaluated at least annually by management for indicators that the carrying value is impaired and may not be recoverable. When indicators of impairment are present, the recoverable amount of an asset is evaluated at the level of a cash generating unit (CGU), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, where the recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in the statement of earnings to the extent that the carrying amount exceeds the recoverable amount.

In calculating the recoverable amount, the Company uses discounted cash flow techniques to determine fair value when it is not possible to determine fair value either by quotes from an active market or a binding sales agreement. The determination of discounted cash flows is dependent on a number of factors, including future metal prices, the amount of reserves and resources, the cost of bringing the project into production, production schedules, production costs, sustaining capital expenditures, and site closure, restoration and environmental rehabilitation costs. Additionally, the reviews take into account factors such as political, social and legal and environmental regulations. These factors may change due to changing economic conditions or the accuracy of certain assumptions and, hence, affect the recoverable amount. The Company uses its best efforts to fully understand all of the aforementioned to make an informed decision based upon historical and current facts surrounding the projects. Discounted cash flow techniques often require management to make estimates and assumptions concerning reserves and resources and expected future production revenues and expenses.

2. Summary of Significant Accounting Policies - *Continued*

g. Impairment of Non-Current Assets - *Continued*

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior periods. A reversal of an impairment loss is recognized immediately in the statement of loss and comprehensive loss.

Management estimates of mineral prices, recoverable reserves, and operating, capital and restoration costs are subject to certain risks and uncertainties that may affect the recoverability of exploration and evaluation assets. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its projects.

h. Joint Venture

The Company accounts for its proportionate interest in unincorporated joint ventures as jointly controlled assets using the proportionate consolidation method. Accordingly, the Company includes in these financial statements its proportionate share of the assets, liabilities, revenues and expenses of the unincorporated joint venture.

i. Restoration and Provision

The Company records a liability based on the best estimate of costs for restoration activities that the Company is legally or constructively required to remediate and recognizes the liability when those obligations result from the acquisition, construction, development or normal operations of assets. Restoration provisions are measured at the present value of the expected expenditures required to settle the obligation using a pre-tax discount rate reflecting the time value of money and risks specific to the liability. The liability is increased for the passage of time and adjusted for changes to the current market-based risk-free discount rate, and the amount of or timing of the underlying cash flows needed to settle the obligation. The associated restoration costs are capitalized as part of the carrying amount of the related non-current asset and amortized into income on a systematic basis over the expected useful life of the asset. At June 30, 2011, no restoration provision has been recognized as none of the Company's properties are estimated to require any remediation or other expenditures upon their retirement.

j. Income Taxes

The Company uses the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2. Summary of Significant Accounting Policies - *Continued*

k. Share-Based Payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and consultants. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The offset to the recorded cost is to share-based payments reserve. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payments reserve is transferred to share capital. When stock options are forfeited prior to becoming fully vested, any expense previously recorded is reversed.

l. Share Capital

The Company records in share capital proceeds from share issuances, net of issue costs and any tax effects. The fair value of common shares issued as consideration for mineral properties is based on the trading price of those shares on the TSX-V on the date of the agreement to issue shares as determined by the Board of Directors. Stock options and other equity instruments issued as purchase consideration in non-monetary transactions are recorded at fair value determined by management using the Black-Scholes option pricing model. Proceeds from unit placements are allocated between shares and warrants issued according to their relative fair value.

m. 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 period. Under this method, the weighted average number of common shares used to calculate the dilutive effect in the statement of loss and comprehensive loss assumes that the proceeds that could be obtained upon exercise of options, warrants and similar instruments would be used to purchase common shares at the average market price during the period. In periods where a net loss is incurred, basic and diluted loss per share is the same as the effect of outstanding stock options and warrants would be anti-dilutive.

n. Flow-Through Shares

Share capital includes flow-through shares which is a unique Canadian tax incentive pursuant to certain provisions of the Canadian Income Tax Act. Proceeds from the issuance of flow-through shares are used to fund qualified exploration and evaluation expenditures and the related income tax deductions are renounced to the subscribers of the flow-through shares. The premium paid for flow-through shares in excess of the market value of the shares without flow-through features, at the time of issue, is credited to other liabilities and recognized in income at the time qualifying expenditures are incurred. The Company recognizes a deferred tax liability with a corresponding charge in the statement of loss and comprehensive loss when the qualifying exploration and evaluation expenditures are incurred. To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

2. Summary of Significant Accounting Policies - *Continued*

o. Financial Instruments

(i) Financial Assets - The Company classifies its financial assets in the following categories: fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at recognition.

<u>Financial Assets at Fair Value Through Profit or Loss</u>

Financial assets at fair value through profit or loss are initially recognized at fair value with changes in fair value recorded through income. The Company does not have financial assets classified under this category.

<u>Loans and Receivables</u>

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets or non-current assets based on their maturity date. Loans and receivables are carried at amortized cost less any impairment. Cash and cash equivalents, short-term investments and amounts receivable have been classified under this category.

<u>Available-For-Sale</u>

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or not classified in any of the other financial asset categories. Changes in fair value are recognized in other comprehensive income (loss) and classified as a component of equity. When the financial assets are sold or an impairment write-down is required, the accumulated fair value adjustments in other comprehensive income are included in the statement of income (loss) and are included in other gains or losses. The Company does not have financial assets classified under this category.

(ii) Financial Liabilities - The Company classifies its financial liabilities in the following categories: borrowings and other financial liabilities and derivative financial liabilities.

<u>Borrowings and Other Financial Liabilities</u>

Borrowings and other financial liabilities are non-derivatives and are recognized initially at fair value, net of transactions costs incurred and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in the statement of earnings (loss) over the period to maturity using the effective interest method. Borrowings and other financial liabilities are classified as current or non-current based on their maturity date. Accounts payable and accrued liabilities have been classified under this category.

<u>Derivative Financial Liabilities</u>

Derivative financial liabilities are initially recognized at their fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at each reporting period with changes in the fair value recognized in profit or loss. There are no financial liabilities classified under this category.

2. Summary of Significant Accounting Policies - *Continued*

o. Financial Instruments - *Continued*

(iii) Impairment of Financial Assets

At each reporting date, the company assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Company recognizes an impairment loss, as follows:

a) Financial assets carried at amortized cost: The loss is the difference between the amortized cost of the loan or receivable and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account.

b) Available-for-sale financial assets: The impairment loss is the difference between the original cost of the asset and its fair value at the measurement date, less any impairment losses previously recognized in the statement of earnings (loss). This amount represents the cumulative loss in accumulated other comprehensive income that is reclassified to net income. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized. Impairment losses on available-for-sale equity instruments are not reversed.

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3. Recent IFRS Pronouncements

a. Financial Instruments

In November 2009, the International Accounting Standards Board ("IASB") issued IFRS 9, Financial Instruments, which addresses the classification and measurement of financial assets as the first step in its project to replace IAS 39 Financial Instruments: Recognition and Measurement. Requirements for financial liabilities were added in October 2010. IFRS 9 must be applied for accounting periods commencing on or after January 1, 2013, with early adoption permitted. The Company has not yet assessed the impact of this standard or determined if it will adopt the standard early.

b. Fair Value Measurement

In May 2011, the IASB issued IFRS 13, Fair Value Measurement. This standard defines fair value, sets out a single IFRS framework for measuring fair value and outlines disclosure requirements about fair value measurements. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement, so assumptions that market participants would use should be applied in measuring fair value. IFRS 13 must be applied for accounting periods commencing on or after January 1, 2013, with early adoption permitted. The Company has not yet assessed the impact of this standard or determined if it will adopt the standard early.

3. Recent IFRS Pronouncements - *Continued*

c. Joint Arrangements

Effective for years beginning on or after January 1, 2013, IFRS 11 – Joint Arrangements ("IFRS 11") replaces IAS 31 – Interests in Joint Ventures ("IAS 31"). IFRS 11 reduces the types of joint arrangements to two: joint ventures and joint operations. IFRS 11 requires the use of equity accounting for interests in joint ventures, eliminating the existing policy choice of proportionate consolidation for jointly controlled entities under IAS 31. Entities that participate in joint operations and with jointly controlled assets will follow accounting similar to that in IAS 31. The Company is currently evaluating the impact the introduction of IFRS 11 will have on its financial statements.

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4. First-time Adoption of IFRS

The effect of the Company's transition to IFRS, described in Note 2(a), is summarized in this note as follows:

a. Mandatory Exemptions and Transition Elections - IFRS 1, which governs the first-time adoption of IFRS, generally requires accounting policies to be applied retrospectively to determine the opening statement of financial position on the Company's transition date of April 1, 2010 (the "Transition Date"), with the application of certain mandatory exemptions and also allows certain exemptions on transition to IFRS. The mandatory exemption applicable to and the transition election the Company has chosen, respectively, are as follows:

(i) Under IFRS 1, there are four mandatory exemptions from full retrospective application of IFRS. Of these, the only applicable election relates to estimates. An entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as at April 1, 2010 are consistent with its previous estimates under Canadian GAAP for the same date.

(ii) Share-based payments – IFRS 1 provides the option to not apply IFRS 2, Share-based Payments, to equity instruments granted after November 7, 2002 and vested before the Transition Date. The Company has elected to take the exemption and, as a result, was only required to recalculate the impact on any share-based payments that had not vested at the Transition Date.

b. Reconciliation of Previously Reported Financial Statements Reconciliations of the IFRS adjustments on transition are included in these following Statements of Financial Position and Statements of Loss and Comprehensive Loss for the dates noted below.

- Transitional Statement of Financial Position Reconciliation – April 1, 2010
- Condensed Interim Statement of Financial Position Reconciliation – June 30, 2010
- Statement of Financial Position Reconciliation – March 31, 2011
- Statement of Loss and Comprehensive Loss – Year Ended March 31, 2011

The adoption of IFRS had no impact on the condensed interim statement of earnings and comprehensive income for the three months ended June 30, 2010. Consequently, no reconciliation has been performed (*Notes 4(b)(i) and 4(b)(ii)*). In addition, the adoption of IFRS had no impact on the net cash flows of the Company.

4. First-time Adoption of IFRS - *Continued*

b. Reconciliation of Previously Reported Financial Statements – *Continued*

The April 1, 2010 Canadian GAAP Statement of Financial Position has been reconciled to IFRS as follows:

		April 1, 2010		
	Note	**Canadian GAAP**	**Effect of Transition to IFRS**	**IFRS**
ASSETS				
Current assets:				
Cash and cash equivalents		$ 766,094	$ -	$ 766,094
Restricted cash		385,264	-	385,264
Cash call receivable		23,900	-	23,900
Short-term investments		634,500	-	634,500
Amounts receivable		24,045	-	24,045
Prepaid expenses		29,853	-	29,853
		1,863,656	-	1,863,656
Non-current assets:				
Property and equipment		46,049	-	46,049
Exploration and evaluation assets		591,490	-	591,490
Total Assets		$ 2,501,195	$ -	$ 2,501,195
LIABILITIES AND EQUITY				
Current liabilities:				
Accounts payable and accrued liabilities		$ 77,212	$ -	$ 77,212
Mineral property funding obligations		385,264	-	385,264
Total Liabilities		462,476	-	462,476
Equity:				
Share capital	4(b)(i)	6,386,203	1,085,087	7,471,290
Share-based payments reserve *		2,600,082	-	2,600,082
Accumulated deficit	4(b)(i)	(6,947,566)	(1,085,087)	(8,032,653)
Total Equity		2,038,719	-	2,038,719
Total Liabilities and Equity		$ 2,501,195	$ -	$ 2,501,195

* Under Canadian GAAP, share-based payments reserve consisted of contributed surplus of $755,904 and share purchase warrants of $1,844,178.

4. First-time Adoption of IFRS - *Continued*

b. Reconciliation of Previously Reported Financial Statements – *Continued*

The June 30, 2010 Canadian GAAP Interim Statement of Financial Position has been reconciled to IFRS as follows:

		June 30, 2010		
	Note	Canadian GAAP	Effect of Transition to IFRS	IFRS
ASSETS				
Current assets:				
Cash and cash equivalents		$ 916,687	$ -	$ 916,687
Restricted cash		1,228,916	-	1,228,916
Cash call receivable		-	-	-
Short-term investments		669,500	-	669,500
Amounts receivable		60,760	-	60,760
Prepaid expenses		20,125	-	20,125
		2,895,988	-	2,895,988
Non-current assets:				
Property and equipment		58,220	-	58,220
Exploration and evaluation assets		709,240	-	709,240
Total Assets		$ 3,663,448	$ -	$ 3,663,448
LIABILITIES AND EQUITY				
Current liabilities:				
Accounts payable and accrued liabilities		$ 351,279	$ -	$ 351,279
Mineral property funding obligations		1,228,916	-	1,228,916
Total Liabilities		1,580,195	-	1,580,195
Equity:				
Share capital	4(b)(i)	6,416,953	1,085,087	7,502,040
Share-based payments reserve *		2,600,082	-	2,600,082
Accumulated deficit	4(b)(i)	(6,933,782)	(1,085,087)	(8,018,869)
Total Equity		2,083,253	-	2,083,253
Total Liabilities and Equity		$ 3,663,448	$ -	$ 3,663,448

* Under Canadian GAAP, share-based payments reserve consisted of contributed surplus of $1,562,951 and share purchase warrants of $1,037,131.

4. First-time Adoption of IFRS - *Continued*

b. Reconciliation of Previously Reported Financial Statements – *Continued*

The March 31, 2011 Canadian GAAP Statement of Financial Position has been reconciled to IFRS as follows:

		March 31, 2011		
	Note	Canadian GAAP	Effect of Transition to IFRS	IFRS
ASSETS				
Current assets:				
Cash and cash equivalents		$ 2,815,971	$ -	$ 2,815,971
Restricted cash		638,395	-	638,395
Cash call receivable		-	-	-
Short-term investments		442,500	-	442,500
Amounts receivable		144,094	-	144,094
Prepaid expenses		87,688	-	87,688
		4,128,648	-	4,128,648
Non-current assets:				
Property and equipment		47,460	-	47,460
Exploration and evaluation assets		850,740	-	850,740
Total Assets		$ 5,026,848	$ -	$ 5,026,848
LIABILITIES AND EQUITY				
Current liabilities:				
Accounts payable and accrued liabilities		$ 429,543	$ -	$ 429,543
Mineral property funding obligations		638,395	-	638,395
Total Liabilities		1,067,938	-	1,067,938
Equity:				
Share capital	4(b)(i)	8,852,962	1,085,087	9,938,049
Share-based payments reserve *	4(b)(ii)	4,157,014	9,851	4,166,865
Accumulated deficit	4(b)(i) – (ii)	(9,051,066)	(1,094,938)	(10,146,004)
Total Equity		3,958,910	-	3,958,910
Total Liabilities and Equity		$ 5,026,848	$ -	$ 5,026,848

* Under Canadian GAAP, share-based payments reserve consisted of contributed surplus of $2,031,390 and share purchase warrants of $2,125,624.

4. First-time Adoption of IFRS - *Continued*

b. Reconciliation of Previously Reported Financial Statements – *Continued*

The Canadian GAAP Statement of Loss and Comprehensive Loss for the year ended March 31, 2011 has been reconciled to IFRS as follows:

		March 31, 2011		
	Note	**Canadian GAAP**	**Effect of Transition to IFRS**	**IFRS**
Expenses				
Amortization		$ 34,627	$ -	$ 34,627
Corporate listing and filing fees		37,487	-	37,487
Exploration and evaluation expenditures		786,296	-	786,296
General and administration		343,973	-	343,973
Professional fees		47,109	-	47,109
Share-based compensation expense	4(b)(ii)	599,112	9,851	608,963
Wages and consulting fees		696,435	-	696,435
Loss from operations		(2,545,039)	(9,851)	(2,554,890)
Other Income (Expenses)				
Interest income		3,591	-	3,591
Interest expense		(3,898)	-	(3,898)
Management and administration fee		441,846	-	441,846
		441,539	-	441,539
Net Loss and Comprehensive Loss for the Year		$ (2,103,500)	$ (9,851)	$ (2,113,351)
Weighted Average Number of Shares Outstanding		44,202,034		44,202,034
Basic and Diluted Loss per Share		$ (0.05)		$ (0.05)

4. First-time Adoption of IFRS - *Continued*

b. Reconciliation of Previously Reported Financial Statements – *Continued*

Notes to the reconciliations of previously reported financial statements:

(i) Accounting for Flow-Through Shares

Under Canadian GAAP, the Company recorded the gross proceeds relating to the flow-through shares to share capital at the time of issuance. The Company then recorded a charge (reduction) to share capital at the time the tax benefits of the flow-through shares were renounced to the investors. The charge was calculated by multiplying the amount of the renounced tax benefits (which are equal to the proceeds of the flow-through share issue) by the effective tax rate at the time. The offset would go to the deferred tax liability to reflect the fact that the Company could no longer use the tax attributes for its benefit.

Under IFRS, the proceeds from issuing flow-through shares are allocated between the offering of the shares and the sale of the tax benefits. The allocation is based on the difference (“premium”) between the amount the investor pays for the flow-through shares and the share price as of the date the transaction is approved. A liability is recognized for the premium, and extinguished when the tax effect of the temporary differences, resulting from incurring the relevant expenditure, is recorded.

Impact on Statements of Financial Position:

	As at April 1, 2010	As at June 30, 2010	As at March 31,2011
Share capital	$ 1,085,087	$ 1,085,087	$ 1,085,087
Deficit	$ (1,085,087)	$ (1,085,087)	$ (1,085,087)

Impact on Statement of Earnings (Loss) and Comprehensive Income (Loss):

	Three months ended June 30, 2010	Year ended March 31,2011
Share-based compensation expense	$ -	$ -

No impact on the statements of earnings (loss) and comprehensive income (loss) as the liability had been fully reversed before the period ended June 30, 2010 and year ended March 31, 2011.

4. First-time Adoption of IFRS - *Continued*

b. Reconciliation of Previously Reported Financial Statements – *Continued*

Notes to the reconciliations of previously reported financial statements: – *Continued*

(ii) IFRS 2 – Shared-Based Payments and Share-Based Payments Reserve

Under Canadian GAAP, the Company calculated the fair value of share-based awards with graded vesting as one grant and used the straight-line method of calculating share-based payments over the vesting period.

Under IFRS, each tranche of a share-based award with different vesting dates was considered a separate grant for the fair value calculation. The resulting fair value of the share-based payment is recognized over the vesting period of the respective tranche using the graded vesting method.

Impact on Statements of Financial Position:

	As at April 1, 2010	As at June 30, 2010	As at March 31,2011
Share-based payments reserve	$ -	$ -	$ 9,851
Deficit	$ -	$ -	$ (9,851)

Impact on Statement of Earnings (Loss) and Comprehensive Income (Loss):

	Three months ended June 30, 2010	Year ended March 31,2011
Share-based compensation expense	$ -	$ (9,851)

No impact on the statement of earnings and comprehensive income for the three months ended June 30, 2010 as there were no stock-options which vested during the period.

5. Short-term Investments

As at June 30, 2011, the Company has invested $442,500 (March 31, 2011 - $442,500; April 1, 2010 - $634,500) into Guaranteed Investment Certificates (“GICs”) with a Canadian Financial Institution. These GICs are yielding interest at rates ranging from 0.90% to 1.05% and with maturity dates ranging from five to ten months.

6. Property and Equipment

	June 30, 2011			March 31, 2011		
	Cost	**Accumulated Amortization**	**Net Book Value**	Cost	Accumulated Amortization	Net Book Value
Computer equipment	**$ 46,370**	**$ (35,124)**	**$ 11,246**	$ 43,563	$ (33,331)	$ 10,232
Computer software	**46,002**	**(36,284)**	**9,718**	33,045	(33,045)	-
Office furniture and equipment	**7,589**	**(2,336)**	**5,253**	7,589	(2,059)	5,530
Project field equipment	**59,712**	**(29,599)**	**30,113**	59,712	(28,014)	31,698
	$ 159,673	**$ (103,343)**	**$ 56,330**	$ 143,909	$ (96,449)	$ 47,460

6. Property and Equipment - *Continued*

	April 1, 2010 Cost	Accumulated Amortization	Net Book Value
Computer equipment	$ 28,761	$ (20,825)	$ 7,936
Computer software	20,231	(20,231)	-
Office furniture and equipment	2,121	(676)	1,445
Project field equipment	56,758	(20,090)	36,668
	$ 107,871	$ (61,822)	$ 46,049

7. Exploration and Evaluation Assets

a. Details of the Company's exploration and evaluation asset acquisition costs are as follows:

	Maze Lake	Grenville	Van Horne (*Note 7c*)	New Klondike	Sakoose West	Thundercloud	Belcourt (*Note 7d*)	**Total**
April 1, 2010	$ 350,000	$ 80,000	$ 160,490	$ 1,000	$ -	$ -	$ -	$ 591,490
Cash	-	-	79,000	-	8,000	-	-	87,000
Shares	-	-	30,750	-	-	-	-	30,750
June 30, 2010	350,000	80,000	270,240	1,000	8,000	-	-	709,240
Cash	-	-	-	1,000	-	-	-	1,000
Shares	-	-	-	-	-	142,500	-	142,500
Write-off	-	-	-	(2,000)	-	-	-	(2,000)
March 31, 2011	350,000	80,000	270,240	-	8,000	142,500	-	850,740
Cash	-	-	124,750	-	-	-	25,000	149,750
Shares	-	-	61,600	-	-	-	6,000	67,600
June 30, 2011	**$ 350,000**	**$ 80,000**	**$ 456,590**	**$ -**	**$ 8,000**	**$ 142,500**	**$ 31,000**	**$ 1,068,090**

b. Details of the Company's exploration and evaluation expenditures, which have been cumulatively expensed in the Statement of Loss and Comprehensive Loss, are as follows:

For the three months ended June 30, 2011	Van Horne (*Note 7c*)	Thundercloud	Goldpines North	AngloGold Alliance	Other Properties[1]	**Total**
Assaying and sampling	$ 1,210	$ 311,384	$ -	$ 45,129	$ -	$ 357,723
Field expenses	84,770	219,021	26,209	55,669	257,220	642,889
Drilling	261,433	521,086	-	-	-	782,519
Geological consulting	46,522	148,056	22,899	103,715	14,961	336,153
Government assistance	-	-	-	-	-	-
Cash calls / funds used	-	-	(14,959)	(204,513)	-	(219,472)
Expenditures for the period	393,935	1,199,547	34,149	-	272,181	1,899,812
Expenditures, beginning of the period	873,827	110,929	-	-	4,703,226	5,687,982
June 30, 2011	**$ 1,267,762**	**$ 1,310,476**	**$ 34,149**	**$ -**	**$ 4,975,407**	**$ 7,587,794**

[1] Other properties include Maze Lake, Grenville, Hickson and generative projects.

7. Exploration and Evaluation Assets - *Continued*

b. Details of the Company's exploration and evaluation expenditures, which have been cumulatively expensed in the Statement of Loss and Comprehensive Loss, are as follows:

For the three months ended June 30, 2010	Van Horne (*Note 7c*)	Thundercloud	Goldpines North	AngloGold Alliance	Other Properties[1]	**Total**
Assaying and sampling	$ 7,018	$ -	$ 2,970	$ 41,369	$ 36,391	$ 87,748
Field expenses	10,032	-	99,023	260,755	77,490	447,300
Drilling	-	-	-	-	-	-
Geological consulting	19,659	-	65,633	136,084	33,404	254,780
Government assistance	-	-	-	-	(71,278)	(71,278)
Cash calls / funds used	-	-	(167,626)	(438,208)	(85,595)	(691,429)
Expenditures/recoveries for the period	36,709	-	-	-	(9,588)	27,121
Expenditures, beginning of the period	783,683	-	-	-	4,121,160	4,904,843
June 30, 2010	$ 820,392	$ -	$ -	$ -	$ 4,111,572	$ 4,931,964

[1] Other properties include Maze Lake, Grenville, Hickson and generative projects.

c. Van Horne, Ontario

On July 1, 2008, the Company signed seven option agreements to acquire a 100% interest in seven contiguous mining properties in the Eagle-Wabigoon-Manitou Lakes Greenstone Belt near Dryden, Ontario. These properties are also adjacent to claims acquired by the Company during the year ended March 31, 2008. Collectively, these claim blocks are referred to as the Van Horne Property. The Company may earn an interest in each of the seven properties under option by fulfilling the following optional terms, in aggregate, over a four year period:

Payments:

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

Common shares:

i)	103,500	on or before June 1, 2008 (issued – fair value $24,840)
ii)	155,000	on or before June 1, 2009 (issued – fair value $27,900)
iii)	205,000	on or before June 1, 2010 (issued – fair value $30,750)
iv)	220,000	on or before June 1, 2011 (issued – fair value $61,600)
v)	284,000	on or before May 1, 2012
	967,500	

Minimum expenditures:

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

7. Exploration and Evaluation Assets - *Continued*

c. Van Horne, Ontario - *Continued*

The Company is also subject to making certain additional considerations prior to exercising the option to acquire a 100% interest in the surface rights for four of the seven option agreements. The property optionors retain a 2% Net Smelter Royalty ("NSR") on each of the seven properties under option. The Company has the right to reduce the NSRs to 1% for six of the seven NSRs at a price of $1,000,000 each.

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 fulfill the following optional terms, in aggregate, over a three 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 *(paid)*
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:

The Company's minimum expenditure requirement to maintain the adjacent option in good standing is to fulfill the aggregate $1,600,000 of exploration expenditures noted above relating to the seven option agreements entered into on July 1, 2008.

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

d. Belcourt, Quebec

On May 24, 2011, the Company signed an option agreement (the "Belcourt Option") to acquire a 100% interest in six contiguous claims located in the Belcourt Township of Quebec. These claims are also adjacent to claims acquired by the Company during the year ended March 31, 2011. Collectively, these claim blocks are referred to as the Belcourt Property.

To earn a 100% interest, the Company shall fulfill the following optional terms, in aggregate, over a period of three years:

Payments:

i)	$	25,000	upon signing of agreement *(paid)*
ii)		50,000	on or before May 24, 2012
iii)		100,000	on or before May 24, 2013
	$	175,000	

7. Exploration and Evaluation Assets - *Continued*

d. Belcourt, Quebec - *Continued*

Common shares:

i)	25,000	upon signing of agreement *(issued – fair value $6,000)*
ii)	50,000	on or before May 24, 2012
iii)	100,000	on or before May 24, 2013
	175,000	

Minimum expenditures:

i)	$ 50,000	on or before May 24, 2012
ii)	100,000	on or before May 24, 2013
iii)	250,000	on or before May 24, 2014
	$ 400,000	

Subsequent to the period ended June 30, 2011, the Company entered into an option agreement with Pershimco Resources Inc. ("Pershimco") whereby Pershimco will have the option to earn 100% of the Company's interest in the Belcourt Property and will assume all obligations of the Company under the Belcourt Option, except for the issuance of the Company's shares. Pershimco shall reimburse the Company within ten business days of any such share issuance equal to the number of shares issued by the Company multiplied by the average closing market price of Laurentian on the twenty days prior to such issuance *(Note 13b)*.

8. Equity

a. Share Capital

The Company's authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of preferred shares.

b. Share Purchase Warrants

Details of issued and outstanding warrants are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance - April 1, 2010	20,153,564	$0.35
Expired [1]	(3,833,286)	$0.57
Balance - June 30, 2010	16,320,278	$0.30
Issued	8,212,618	$0.40
Exercised	(503,510)	$0.25
Balance - March 31, 2011	24,029,386	$0.34
Issued	277,750	$0.35
Exercised	(4,444,444)	$0.18
Balance - June 30, 2011	**19,862,692**	**$0.38**

(1) On May 15, 2010, 3,833,286 warrants (fair value - $807,047, net of warrant issue costs of $50,781) expired without exercise.

8. Equity - *Continued*

b. Share Purchase Warrants - *Continued*

At June 30, 2011, the following warrants were outstanding:

Expiry Date	Exercise Price	Number of Warrants	Warrant Valuation
July 2, 2011(1)	$0.35	3,055,524	$ 303,123
August 7, 2011(2)	$0.35	9,252,123	617,188
November 15, 2011	$0.25	2,530,945	151,172
March 4, 2013	$0.55	4,431,667	740,452
March 4, 2013	$0.30	592,433	178,029
Weighted Average	**$0.38**	**19,862,692**	**$ 1,989,964**

(1) On July 2, 2011, 3,055,524 warrants (fair value - $303,123, net of warrant issue costs of $27,600) expired without exercise.
(2) On August 7, 2011, 9,252,123 warrants (fair value – $617,188, net of warrant issue costs of $27,732) expired without exercise.

c. 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.

Details of issued and outstanding stock options are as follows:

	Number of Options	Weighted Average Exercise Price
Balance – April 1, 2010 and June 30, 2010	2,490,911	$0.21
Granted	2,500,000	$0.39
Exercised	(450,000)	$0.17
Balance – March 31, 2011	4,540,911	$0.31
Expired	(25,000)	$0.40
Forfeited	(440,909)	$0.41
Balance – June 30, 2011	**4,075,002**	**$0.30**

8. Equity - *Continued*

c. Stock Options - *Continued*

At June 30, 2011, the following options were outstanding:

Expiry Date	Weighted Average Exercise Price	Number of Options	Weighted Average Remaining in Years
November 30, 2012	$0.44	250,002(1)	1.42
August 11, 2014	$0.17	1,475,000(2)	3.12
February 1, 2015	$0.17	200,000	3.59
January 21, 2016	$0.40	1,650,000(3)	4.56
March 11, 2016	$0.35	500,000	4.70
	$0.30	**4,075,002(4)**	**3.82**

(1) Subsequent to period end, 45,455 options were forfeited
(2) Subsequent to period end, 250,000 options were forfeited
(3) Subsequent to period end, 250,000 options were forfeited
(4) As at June 30, 2011, 3,462,502 options fully vested with a weighted average exercise price of $0.29.

The Company applies the fair value based method of accounting for stock options granted to employees and non-employees. During the period ended June 30, 2011, the Company recorded share-based payments of $87,851 (June 30, 2010 - $nil) relating to stock options granted in the prior year and vested in the current period.

d. Compensation Options

In connection with the Company's private placements on July 2, 2009 and August 7, 2009, the Company issued 555,555 and 547,000 compensation options to agents involved in the private placements, respectively, with an exercise price of $0.18 per compensation option. The Company recorded the fair value of these compensation options as share issuance costs. These compensation options are exercisable for a period of two years from the date of issuance into units comprised of one common share and one-half of one common share purchase warrant, with each whole warrant exercisable to purchase one additional common share at a price of $0.25 per share during year one and $0.35 per share during year two.

The fair value attached to the 555,555 compensation options was $128,996 and $105,825 to the 547,000 compensation options, both of which were valued using the Black-Scholes Method.

Details of issued and outstanding compensation options are as follows:

	Number of Compensation Options	Weighted Average Exercise Price
Balance – April 1, 2010 and June 30, 2010	1,102,555	$0.24
Exercised	(308,125)	$0.18
Balance – March 31, 2011	794,430	$0.24
Exercised	(555,500)(1)	$0.18
Balance – June 30, 2011	**238,930(2)**	**$0.24**

(1) During the period ended June 30, 2011, 555,500 of the 555,555 compensation options were exercised for proceeds of $99,990. The fair value of these compensation options reclassified from share-based payments reserve to share capital was $88,161.
(2) Subsequent to the period ended June 30, 2011, 38,750 compensation options were exercised for gross proceeds of $6,975 and the balance expired without exercise.

8. Equity - *Continued*

e. Escrow Shares

As at June 30, 2011, there were no shares held in escrow. The remaining 565,785 shares held in escrow as at March 31, 2011 were released on May 15, 2011.

9. Related Party Transactions

Details of transactions between the Company and its related parties are disclosed below.

a. Trading Transactions

As at June 30, 2011, the Company's related parties consist of its President and Chief Executive Officer ("CEO"), a company owned by the Company's Chief Financial Officer ("CFO"), and a director of the Company.

	Nature of Transaction
Director	Consulting
President and CEO	Management
0869007 B.C. Ltd.	Management
Vice-President of Exploration	Management
Former CFO	Management

The Company incurred fees and expenses in the normal course of operations and the amounts outstanding are unsecured, non-interest bearing and due on demand.

	Note	**For the three months ended June 30, 2011**	For the three months ended June 30, 2010
Management fees	(i)	**$ 105,500**	$ 60,900
Total amount included in wages and consulting fees		**$ 105,500**	$ 60,900

(i) During the period ended June 30, 2011, the Company paid management consulting fees of $42,500 (2010 - $Nil) to the President and CEO; $9,000 (2010 - $Nil) to a company controlled by the Company's CFO, $1,500 (2010 - $8,400) to its former CFO; $37,500 (2010 - $37,500) to the Company's Vice-President of Exploration and $15,000 (2010 - $15,000) to a Director of the Company for consulting services performed outside his capacity as a director.

(ii) Included in accounts payable and accrued liabilities as at June 30, 2011 is $3,429 (March 31, 2011 - $Nil) owing to a company controlled by the Company's CFO and $Nil (March 31, 2011 - $2,016) was owing to the Company's former CFO.

9. Related Party Transactions - *Continued*

b. Compensation of Key Management Personnel

The remuneration of the Company's key management personnel for the three month period ended June 30, 2011 and 2010 are as follows:

	Note	**June 30, 2011**	June 30, 2010
Management fees	(i)	**$ 105,500**	$ 60,900
Share-based compensation expense	(ii)	**72,651**	-
		$ 178,151	$ 60,900

(i) Management fees include the management fees disclosed in *Note 9(a)(i)* above.

(ii) Share-based compensation expense is the fair value of options granted and vested to key management.

(iii) Key management personnel were not paid post-employment, termination or other long-term benefits during the three months ended June 30, 2011 and 2010.

10. Management of Capital

In the management of capital, the Company considers 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.

10. Management of Capital - *Continued*

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. The Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

There were no changes in the Company's approach to capital management during the three months ended June 30, 2011 compared to the year ended March 31, 2011. The Company is not subject to externally imposed capital requirements. Further information relating to management of capital is disclosed in Note 1.

11. Financial Instruments

Fair Value

The Company classified its cash and cash equivalents, short-term investments and amounts receivable as loans and receivables. Accounts payable and accrued liabilities are classified as borrowings and other financial liabilities. As of June 30, 2011, the statement of financial position carrying amounts of these financial instruments closely approximate their fair values and the Company held no derivative financial instruments.

The following provides the classification of financial instruments as at June 30, 2011, March 31, 2011 and April 1, 2010:

	As at June 30, 2011	As at March 31, 2011	As at April 1, 2010
Loans and receivables	**$ 2,210,353**	$ 3,402,565	$ 1,424,639
Other financial liabilities	**$ 545,793**	$ 429,543	$ 77,212

Financial Risk Management

The Company's activities expose it to a variety of financial risks including credit risk, liquidity risk and interest rate 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, short-term investments and amounts receivable. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the maximum exposure to credit risk.

The Company deposits its cash and cash equivalents and short-term investments with a high credit quality major Canadian financial institution as determined by ratings agencies. The Company does not invest in asset-backed deposits or investments and does not expect any credit losses.

11. Financial Instruments - *Continued*

Financial Risk Management - *Continued*

Credit Risk - *Continued*

To reduce credit risk, the Company regularly reviews the collectability of its amounts receivable and establishes an allowance based on its best estimate of potentially uncollectible amounts. The Company historically has not had difficulty collecting its amounts receivable.

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 June 30, 2011, the Company had cash and cash equivalents of $1,531,461 (March 31, 2011 - $2,815,971, April 1, 2010 - $766,094) and restricted cash of $393,561 (March 31, 2011 - $638,395, April 1, 2010 - $385,264) to settle current liabilities of $939,354 (March 31, 2011 - $1,067,938, April 1, 2010 - $462,476). Further information relating to liquidity risk is disclosed in Note 1.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash and cash equivalents and short-term investments include deposits which are at variable interest rates. For the three months ended June 30, 2011, a plus or minus 0.5% change in market interest rates would affect the Company's interest earned on cash and cash equivalents and short-term investments by approximately $10,000.

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12. Segmented Information

The Company conducts its business in a single operating segment being the mining business in Canada. All of the Company's exploration and evaluation assets are located in Canada. Any investment revenues were earned principally from Canadian sources.

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13. Subsequent Events

Subsequent events other than those disclosed elsewhere in these condensed interim financial statements include the following:

a. On July 13, 2011, Kinross Gold Corporation exercised its option to earn an additional 25% interest in the Goldpines North Joint Venture ("GPNJV"), thus increasing its interest to 75%, as it has incurred the minimum $1,500,000 in exploration expenditures within two years from the commencement of the GPNJV.

13. Subsequent Events - *Continued*

b. On July 26, 2011, the Company entered into an option agreement (the "Option") with Pershimco to acquire 100% of the Company's Belcourt Property *(Note 7d)*. To exercise the Option, Pershimco must fulfill the following optional terms:

(i) Pay Laurentian $200,000 cash upon signing of the agreement (received) and incur a minimum of $250,000 in exploration expenditures on or before July 31, 2012;

(ii) Pay Laurentian an additional $300,000 cash on or before July 15, 2012 and incur an additional $250,000 in exploration expenditures on or before July 31, 2013; and

(iii) Pay Laurentian an additional $300,000 cash on or before July 15, 2013 and incur an additional $500,000 in exploration expenditures on or before July 31, 2014.

The Company will retain a 2% net smelter return ("NSR") on the Belcourt Property with Pershimco having the right to purchase one-half (or 1%) of the NSR for $1,000,000. Pershimco has also been granted the option to purchase the remaining 1% of the NSR, subject to the filing of a feasibility study for commercial production, for $5,000,000 or, at Laurentian's discretion, an amount equivalent to five dollars per ounce of gold in reserves (proven and probable), plus one dollar per ounce of resource (measured and indicated) on the Belcourt Property, as published in a current feasibility study, or most recent NI 43-101 compliant resource estimate.