LAURENTIAN GOLDFIELDS LTD.

(An Exploration Stage Company)

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2011

Unaudited – Prepared by Management

(Stated in Canadian Dollars)

NOTICE TO READER

The attached unaudited condensed interim financial report has been prepared by and is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. The Company's independent auditor has not performed a review of this condensed interim financial report.

Laurentian Goldfields Ltd.

(An Exploration Stage Company)

Condensed Interim Statements of Financial Position

Unaudited – Prepared by Management

(Stated in Canadian Dollars)

	As at September 30, 2011	As at March 31, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 782,489**	$ 2,815,971
Restricted cash	**441,018**	638,395
Cash call receivable	**-**	-
Short-term investments *(Note 5)*	**92,500**	442,500
Amounts receivable	**319,938**	144,094
Prepaid expenses	**13,070**	87,688
	1,649,015	4,128,648
Non-current assets:		
Property and equipment *(Note 6)*	**51,994**	47,460
Exploration and evaluation assets *(Note 7)*	**1,068,090**	850,740
Total Assets	**$ 2,769,099**	$ 5,026,848
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	**$ 135,130**	$ 429,543
Mineral property funding obligations	**441,018**	638,395
Total Liabilities	**576,148**	1,067,938
Equity:		
Share capital *(Note 8a)*	**11,182,385**	9,938,049
Share-based payments reserve	**4,030,605**	4,166,865
Accumulated deficit	**(13,020,039)**	(10,146,004)
Total Equity	**2,192,951**	3,958,910
Total Liabilities and Equity	**$ 2,769,099**	$ 5,026,848

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

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 Loss and Comprehensive Loss
Unaudited – Prepared by Management
(Stated in Canadian Dollars)

	For the three months ended September 30, 2011	For the three months ended September 30, 2010	For the six months ended September 30, 2011	For the six months ended September 30, 2010
Expenses				
Amortization	$ 9,451	$ 5,500	$ 16,345	$ 10,920
Corporate listing and filing fees	7,465	11,369	12,933	15,160
Exploration and evaluation expenditures *(Note 7b)*	381,496	66,208	2,281,308	93,329
General and administration	71,694	77,233	155,633	143,657
Professional fees	18,900	1,899	22,146	4,564
Share-based compensation expense *(Note 8b)*	45,660	-	133,511	-
Wages and consulting fees	159,871	126,474	301,797	239,527
Loss from operations	(694,537)	(288,683)	(2,923,673)	(507,157)
Other Income				
Interest income	17	929	327	998
Management and administration fee	19,504	88,860	49,311	321,049
	19,521	89,789	49,638	322,047
Net Loss and Comprehensive Loss for the Period	$ (675,016)	$ (198,894)	$ (2,874,035)	$ (185,110)
Weighted Average Number of Common Shares Outstanding	61,063,572	42,134,775	59,360,023	42,073,951
Basic and Diluted Loss per Common Share	$ (0.01)	$ (0.00)	$ (0.05)	$ (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 six months ended September 30, 2011		For the six months ended September 30, 2010
Cash Flows from (used in) Operating Activities				
Net loss for the period	**$**	**(2,874,035)**	$	(185,110)
Items not affected by cash:				
Amortization		**16,345**		10,920
Share-based compensation expense		**133,511**		-
		(2,724,179)		(174,190)
Changes in non-cash working capital:				
Amounts receivable		**(175,844)**		(78,978)
Prepaid expenses		**74,618**		14,149
Accounts payable and accrued liabilities		**(294,413)**		289,791
		(3,119,818)		50,772
Cash Flows from (used in) Investing Activities				
Cash call receivable		**-**		23,900
Short-term investments		**350,000**		565,000
Additions to property and equipment		**(20,879)**		(18,386)
Additions to exploration and evaluation assets		**(149,750)**		(88,000)
		179,371		482,514
Cash Flows from Financing Activities				
Proceeds from exercise of compensation options		**106,965**		-
Proceeds from exercise of warrants		**800,000**		-
		906,965		-
Net Increase (Decrease) in Cash and Cash Equivalents		**(2,033,482)**		533,286
Cash and Cash Equivalents- Beginning of the Period		**2,815,971**		766,094
Cash and Cash Equivalents - End of the Period	**$**	**782,489**	$	1,299,380

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 loss for the six months	-		-		-		(185,110)		(185,110)
Balance – September 30, 2010	**42,134,775**		**7,502,040**		**2,600,082**		**(8,217,763)**		**1,884,359**
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 six months	-		-		-		(1,928,241)		(1,928,241)
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	594,250		106,965		-		-		106,965
Fair value of compensation options exercised	-		93,289		(93,289)		-		-
Warrants exercised	4,444,444		800,000		-		-		800,000
Fair value of warrants exercised	-		176,482		(176,482)		-		-
Share-based compensation expense	-		-		133,511		-		133,511
Net loss for the six months	-		-		-		(2,874,035)		(2,874,035)
Balance – September 30, 2011	**61,077,893**	**$**	**11,182,385**	**$**	**4,030,605**	**$**	**(13,020,039)**	**$**	**2,192,951**

- 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 located at 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 $13,020,039 at September 30, 2011. The Company will need to raise sufficient funds in order to finance ongoing exploration, minimum expenditure requirements 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.

2. 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. 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.

These condensed interim financial statements follow the same accounting policies and methods of application as the Company's condensed interim financial statements for the three months ended June 30, 2011. The policies applied in these condensed interim financial statements are based on IFRS issued and outstanding as of November 25, 2011, the date the Board of Directors approved these 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 the Company's condensed interim financial statements for the three months ended June 30, 2011 prepared in accordance with IFRS applicable to interim financial statements.

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.

d. Other IFRS Pronouncements

Recent IFRS pronouncements which will be effective for years beginning on or after January 1, 2013 include: IFRS 10 – Consolidated Financial Statements and IFRS 12 – Disclosure of Interests in Other Entities. The Company does not expect that the introduction of IFRS 10 and 12 will have a material impact on its financial statements.

4. First-time Adoption of IFRS

The effect of the Company's transition to IFRS, described in Note 2, 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 -** Reconciliation of the IFRS adjustments on transition are included in the Statement of Financial Position as at September 30, 2010.

The adoption of IFRS had no impact on the condensed interim statements of loss and comprehensive loss for the three and six months ended September 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.

(Stated in Canadian Dollars)

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

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

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

		September 30, 2010		
	Note	Canadian GAAP	Effect of Transition to IFRS	IFRS
ASSETS				
Current assets:				
Cash and cash equivalents		$ 1,299,380	$ -	$ 1,299,380
Restricted cash		775,827	-	775,827
Short-term investments		69,500	-	69,500
Amounts receivable		103,023	-	103,023
Prepaid expenses		15,704	-	15,704
		2,263,434	-	2,263,434
Non-current assets:				
Property and equipment		53,515	-	53,515
Exploration and evaluation assets		710,240	-	710,240
Total Assets		$ 3,027,189	$ -	$ 3,027,189
LIABILITIES AND EQUITY				
Current liabilities:				
Accounts payable and accrued liabilities		$ 367,003	$ -	$ 367,003
Mineral property funding obligations		775,827	-	775,827
Total Liabilities		1,142,830	-	1,142,830
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)	(7,132,676)	(1,085,087)	(8,217,763)
Total Equity		1,884,359	-	1,884,359
Total Liabilities and Equity		$ 3,027,189	$ -	$ 3,027,189

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

(Stated in Canadian Dollars)

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

Impact on Statement of Loss and Comprehensive Loss:

	Three months ended September 30, 2010	Six months ended September 30, 2010	Year ended March 31, 2011
Deferred income tax recovery	$ -	$ -	$ -

There was no impact on the statements of loss and comprehensive loss as the liability had been fully reversed before the three and six month periods ended September 30, 2010 and the year ended March 31, 2011.

(Stated in Canadian Dollars)

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

There was no impact on the statement of loss and comprehensive loss for the three and six months ended September 30, 2010 as there were no stock-options which vested during the two periods.

5. Short-term Investments

As at September 30, 2011, the Company has invested $92,500 (March 31, 2011 - $442,500) 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 four to seven months.

6. Property and Equipment

	September 30, 2011			March 31, 2011		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer equipment	$ 46,370	$ (36,917)	$ 9,453	$ 43,563	$ (33,331)	$ 10,232
Computer software	51,117	(42,081)	9,036	33,045	(33,045)	-
Office furniture and equipment	7,589	(2,612)	4,977	7,589	(2,059)	5,530
Project field equipment	59,712	(31,184)	28,528	59,712	(28,014)	31,698
	$ 164,788	**$ (112,794)**	**$ 51,994**	$ 143,909	$ (96,449)	$ 47,460

(Stated in Canadian Dollars)

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	New Klondike	Sakoose West	Thundercloud	Belcourt (*Note 7c*)	**Total**
April 1, 2010	$ 350,000	$ 80,000	$ 160,490	$ 1,000	$ -	$ -	$ -	$ 591,490
Cash	-	-	79,000	1,000	8,000	-	-	88,000
Shares	-	-	30,750	-	-	-	-	30,750
September 30, 2010	350,000	80,000	270,240	2,000	8,000	-	-	710,240
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
September 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 six months ended September 30, 2011	Van Horne	Thundercloud	Goldpines North (*Note 7d*)	AngloGold Alliance	Other Properties[(1)]	**Total**
Assaying and sampling	$ 182,863	$ 369,346	$ 59,024	$ 91,340	$ 696	$ 703,269
Field expenses	103,580	309,228	84,902	73,513	297,466	868,689
Drilling	261,433	521,086	-	-	-	782,519
Geological consulting	81,106	249,796	107,288	133,646	21,895	593,731
Government assistance	-	-	-	-	(4,388)	(4,388)
Option payment received[(2)]	-	-	-	-	(200,000)	(200,000)
Cash calls / funds used	-	-	(164,013)	(298,499)	-	(462,512)
Expenditures for the period	628,982	1,449,456	87,201	-	115,669	2,281,308
Expenditures, beginning of the period	873,827	110,929	-	-	4,703,226	5,687,982
September 30, 2011	**$ 1,502,809**	**$ 1,560,385**	**$ 87,201**	**$ -**	**$ 4,818,895**	**$ 7,969,290**

(1) Other properties include Maze Lake, Grenville, Hickson, Belcourt and generative projects.
(2) The Company received $200,000 in cash option payments pursuant to the option agreement with Pershimco *(Note 7c)*.

(Stated in Canadian Dollars)

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 six months ended September 30, 2010	Van Horne	Thundercloud	Goldpines North (*Note 7d*)	AngloGold Alliance	Other Properties[1]	**Total**
Assaying and sampling	$ 7,018	$ -	$ 72,784	$ 213,868	$ 36,499	$ 330,169
Field expenses	16,542	-	172,063	574,493	102,328	865,426
Geological consulting	24,038	-	167,272	315,961	63,777	571,048
Government assistance	-	-	-	-	(71,278)	(71,278)
Cash calls / funds used	-	-	(412,119)	(1,104,322)	(85,595)	(1,602,036)
Expenditures for the period	47,598	-	-	-	45,731	93,329
Expenditures, beginning of the period	783,683	-	-	-	4,121,160	4,904,843
September 30, 2010	$ 831,281	$ -	$ -	$ -	$ 4,166,891	$ 4,998,172

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

c. 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	

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	

7. Exploration and Evaluation Assets - *Continued*

c. Belcourt, Quebec - *Continued*

On July 26, 2011, the Company entered into an option agreement (the "Option") with Pershimco Resources Inc. ("Pershimco") to acquire 100% of the Company's 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. 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.

d. Goldpines North Joint Venture

On July 13, 2011 and in accordance with the terms of the joint venture agreement entered into by the Company with Kinross Gold Corporation ("Kinross") on March 25, 2010 to form the unincorporated Goldpines North Joint Venture ("GPNJV"), Kinross exercised its option to earn an additional 25% interest in the GPNJV, thus increasing its participating interest to 75%, as it has incurred the minimum $1,500,000 in exploration expenditures within two years from the commencement of the GPNJV. As a result, exploration expenditures in excess of $1,500,000 shall be incurred by the joint venture participants in accordance with their respective participating interest.

(Stated in Canadian Dollars)

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 - March 31, 2011	24,029,386	$0.34
Issued	297,125	$0.35
Exercised	(4,444,444)	$0.18
Expired (1)(2)	(12,327,022)	$0.35
Balance - September 30, 2011	**7,555,045**	**$0.43**

(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, 9,271,498 warrants (fair value – $619,557, net of warrant issue costs of $27,732) expired without exercise.

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

Expiry Date	Exercise Price	Number of Warrants	Warrant Valuation
November 15, 2011(1)	$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	**$0.43**	**7,555,045**	**$ 1,069,653**

(1) Subsequent to the period ended September 30, 2011, 2,530,945 warrants (fair value - $151,172) expired without exercise.

b. 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.

(Stated in Canadian Dollars)

8. Equity - *Continued*

b. Stock Options - *Continued*

Details of issued and outstanding stock options are as follows:

	Number of Options	Weighted Average Exercise Price
Balance – March 31, 2011	4,540,911	$0.31
Expired	(25,000)	$0.40
Forfeited	(1,347,728)	$0.33
Balance – September 30, 2011	**3,168,183**	**$0.30**

At September 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	168,183	1.17
August 11, 2014	$0.17	1,050,000	2.87
February 1, 2015	$0.17	200,000	3.34
January 21, 2016	$0.40	1,250,000	4.31
March 11, 2016	$0.35	500,000	4.45
	$0.30	**3,168,183**[(1)]	**3.63**

(1) As at September 30, 2011, 2,759,850 options fully vested with a weighted average exercise price of $0.30.

The Company applies the fair value based method of accounting for stock options granted to employees and non-employees. During the period ended September 30, 2011, the Company recorded share-based compensation expense of $133,511 (September 30, 2010 - $nil) relating to stock options granted in the prior year and vested in the current period.

c. 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.

(Stated in Canadian Dollars)

8. Equity – *Continued*

c. Compensation Options – *Continued*

Details of issued and outstanding compensation options are as follows:

	Number of Compensation Options	Weighted Average Exercise Price
Balance – March 31, 2011	794,430	$0.24
Exercised[(1)]	(594,250)	$0.18
Expired	(200,180)	$0.18
Balance – September 30, 2011	**-**	**$ -**

(1) During the six month period ended September 30, 2011, 594,250 compensation options were exercised for proceeds of $106,965. The fair value of these compensation options reclassified from share-based payments reserve to share capital was $93,289.

d. Escrow Shares

As at September 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 September 30, 2011, the Company's related parties consist of a Director of the Company, the President and Chief Executive Officer ("CEO"), a company controlled by the Company's Chief Financial Officer ("CFO"), and the Company's Vice-President of Exploration.

	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 with the related parties in the normal course of operations and the amounts outstanding are unsecured, non-interest bearing and due on demand.

	Note	**For the six months ended September 30, 2011**	For the six months ended September 30, 2010
Management fees	(i)	**$ 177,036**	$ 90,900
Consulting fees	(ii)	**30,000**	30,000
Total amount included in wages and consulting fees		**$ 207,036**	$ 120,900

(Stated in Canadian Dollars)

9. Related Party Transactions – *Continued*

a. Trading Transactions – *Continued*

(i) During the period ended September 30, 2011, the Company paid management fees of $82,536 (2010 - $Nil) to the President and CEO; $18,000 (2010 - $Nil) to a company controlled by the Company's CFO; $75,000 (2010 - $75,000) to the Company's Vice-President of Exploration; and $1,500 (2010 - $15,900) to its former CFO.

(ii) During the period ended September 30, 2011, the Company paid $30,000 (2010 - $30,000) to a Director of the Company for consulting services performed outside his capacity as a director.

(iii) Included in accounts payable and accrued liabilities as at September 30, 2011 is $15,867 (March 31, 2011 - $Nil) owing to the Company's President and CEO; $3,465 (March 31, 2011 - $Nil) owing to a company controlled by the Company's CFO; $2,178 (March 31, 2011 - $Nil) owing to the Company's Vice-President of Exploration; and $Nil (March 31, 2011 - $2,016) was owing to the Company's former CFO.

b. Compensation of Key Management Personnel

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

	Note		**September 30, 2011**		September 30, 2010
Management fees	(i)	**$**	**177,036**	$	90,900
Share-based compensation expense	(ii)		**110,222**		-
		$	**287,258**	$	90,900

(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 vested to key management.

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

10. 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.