

LAURENTIAN GOLDFIELDS LTD.

(An Exploration Stage Company)

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 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 December 31, 2011	As at March 31, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 513,890	\$ 2,815,971
Restricted cash	125,916	638,395
Short-term investments <i>(Note 5)</i>	63,750	442,500
Amounts receivable	99,483	144,094
Prepaid expenses	24,114	87,688
	827,153	4,128,648
Non-current assets:		
Property and equipment <i>(Note 6)</i>	45,094	47,460
Exploration and evaluation assets <i>(Note 7)</i>	1,103,090	850,740
Total Assets	\$ 1,975,337	\$ 5,026,848
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 195,262	\$ 429,543
Mineral property funding obligations	125,916	638,395
Total Liabilities	321,178	1,067,938
Equity:		
Share capital <i>(Note 8a)</i>	11,217,385	9,938,049
Share-based payments reserve	4,056,490	4,166,865
Accumulated deficit	(13,619,716)	(10,146,004)
Total Equity	1,654,159	3,958,910
Total Liabilities and Equity	\$ 1,975,337	\$ 5,026,848

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

Subsequent Event *(Note 11)*

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 December 31, 2011	For the three months ended December 31, 2010	For the nine months ended December 31, 2011	For the nine months ended December 31, 2010
Expenses				
Amortization	\$ 11,990	\$ 5,460	\$ 28,335	\$ 16,380
Corporate listing and filing fees	8,692	8,988	21,625	24,148
Exploration and evaluation expenditures <i>(Note 7b)</i>	205,099	305,090	2,486,407	398,419
General and administration	86,343	87,480	241,976	231,137
Professional fees	130,368	2,314	152,514	6,878
Share-based compensation expense <i>(Note 8c)</i>	25,885	-	159,396	-
Wages and consulting fees	164,717	155,156	466,514	394,683
Loss from operations	(633,094)	(564,488)	(3,556,767)	(1,071,645)
Other Income				
Interest income	3,666	2,451	3,992	3,449
Management and administration fee	29,752	28,532	79,063	349,581
	33,418	30,983	83,055	353,030
Net Loss and Comprehensive Loss for the Period	\$ (599,676)	\$ (533,505)	\$ (3,473,712)	\$ (718,615)
Weighted Average Number of Common Shares Outstanding	61,143,110	43,704,551	59,964,719	42,618,936
Basic and Diluted Loss per Common Share	\$ (0.01)	\$ (0.01)	\$ (0.06)	\$ (0.02)

- 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 nine months ended December 31, 2011	For the nine months ended December 31, 2010
Cash Flows from (used in) Operating Activities		
Net loss for the period	\$ (3,473,712)	\$ (718,615)
Items not affected by cash:		
Amortization	28,335	16,380
Share-based compensation expense	159,396	-
	(3,285,981)	(702,235)
Changes in non-cash working capital:		
Amounts receivable	44,611	(90,517)
Prepaid expenses	63,574	(4,034)
Accounts payable and accrued liabilities	(234,281)	3,188
	(3,412,077)	(793,598)
Cash Flows from (used in) Investing Activities		
Cash call receivable	-	23,900
Short-term investments	378,750	215,000
Additions to property and equipment	(25,969)	(18,386)
Additions to exploration and evaluation assets	(149,750)	(88,000)
	203,031	132,514
Cash Flows from (used in) Financing Activities		
Issuance of shares for cash, net of issue costs	-	526,240
Proceeds from exercise of incentive stock options and compensation options	106,965	17,000
Proceeds from exercise of warrants	800,000	-
	906,965	543,240
Net Decrease in Cash and Cash Equivalents	(2,302,081)	(117,844)
Cash and Cash Equivalents- Beginning of the Period	2,815,971	766,094
Cash and Cash Equivalents - End of the Period	\$ 513,890	\$ 648,250

Supplemental Schedule of Non-Cash Investing Activities

Issuance of shares for exploration and evaluation assets	\$ 102,600	\$ 30,750
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- 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 exploration and evaluation assets	205,000	30,750	-	-	30,750
Common shares issued	2,923,555	526,240	-	-	526,240
Fair value of warrants issued	-	(174,623)	174,623	-	-
Share issuance costs – finder's fee	110,900	(6,624)	6,624	-	-
Stock options exercised	100,000	17,000	-	-	17,000
Fair value of stock options exercised	-	15,791	(15,791)	-	-
Net loss for the nine months	-	-	-	(718,615)	(718,615)
Balance – December 31, 2010	45,269,230	7,879,824	2,765,538	(8,751,268)	1,894,094
Shares issued for exploration and evaluation assets	500,000	142,500	-	-	142,500
Common shares issued	8,863,334	2,659,000	-	-	2,659,000
Fair value of warrants issued	-	(797,999)	797,999	-	-
Share issuance costs – cash	-	(191,751)	-	-	(191,751)
Share issuance costs – warrants	-	(120,481)	120,481	-	-
Stock options exercised	350,000	59,500	-	-	59,500
Fair value of stock options exercised	-	55,270	(55,270)	-	-
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 three months	-	-	-	(1,394,736)	(1,394,736)
Balance – March 31, 2011	55,794,199	9,938,049	4,166,865	(10,146,004)	3,958,910
Shares issued for exploration and evaluation assets	745,000	102,600	-	-	102,600
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	-	-	159,396	-	159,396
Net loss for the nine months	-	-	-	(3,473,712)	(3,473,712)
Balance – December 31, 2011	61,577,893	\$ 11,217,385	\$ 4,056,490	\$ (13,619,716)	\$ 1,654,159

- See Accompanying Notes to the Condensed Interim Financial Statements -

Laurentian Goldfields Ltd.

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

Unaudited – Prepared by Management

(Stated in Canadian Dollars)

1. Nature of Operations and Going Concern

Laurentian Goldfields Ltd. (the “Company” or “Laurentian”) is an exploration stage company focused 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 \$13,619,716 at December 31, 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 prepared 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 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.

Laurentian Goldfields Ltd.

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

Unaudited – Prepared by Management

(Stated in Canadian Dollars)

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 February 21, 2012, 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.

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Notes to the Condensed Interim Financial Statements
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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 elections 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 December 31, 2010.

The adoption of IFRS had no impact on the condensed interim statements of loss and comprehensive loss for the three and nine months ended December 31, 2010. Consequently, no reconciliation has been performed (*Notes 4(b)(i) and 4(b)(ii)*). In addition, the adoption of IFRS had no significant impact on the net cash flows of the Company.

Laurentian Goldfields Ltd.
(An Exploration Stage Company)
Notes to the Condensed Interim Financial Statements
Unaudited – Prepared by Management
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4. First-time Adoption of IFRS - Continued

b. Reconciliation of Previously Reported Financial Statements – Continued

The December 31, 2010 Canadian GAAP Statement of Financial Position has been reconciled to IFRS as follows:

		December 31, 2010		
	Note	Canadian GAAP	Effect of Transition to IFRS	IFRS
ASSETS				
Current assets:				
Cash and cash equivalents		\$ 648,250	\$ -	\$ 648,250
Restricted cash		461,981	-	461,981
Short-term investments		419,500	-	419,500
Amounts receivable		114,562	-	114,562
Prepaid expenses		33,887	-	33,887
		1,678,180	-	1,678,180
Non-current assets:				
Property and equipment		48,055	-	48,055
Exploration and evaluation assets		710,240	-	710,240
Total Assets		\$ 2,436,475	\$ -	\$ 2,436,475
LIABILITIES AND EQUITY				
Current liabilities:				
Accounts payable and accrued liabilities		\$ 80,400	\$ -	\$ 80,400
Mineral property funding obligations		461,981	-	461,981
Total Liabilities		542,381	-	542,381
Equity:				
Share capital	4(b)(i)	6,794,737	1,085,087	7,879,824
Share-based payments reserve *		2,765,538	-	2,765,538
Accumulated deficit	4(b)(i)	(7,666,181)	(1,085,087)	(8,751,268)
Total Equity		1,894,094	-	1,894,094
Total Liabilities and Equity		\$ 2,436,475	\$ -	\$ 2,436,475

* Under Canadian GAAP, share-based payments reserve consisted of contributed surplus of \$1,547,160 and share purchase warrants of \$1,218,378.

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(An Exploration Stage Company)
Notes to the Condensed Interim Financial Statements
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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 December 31, 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 December 31, 2010	Nine months ended December 31, 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 nine month periods ended December 31, 2010 and the year ended March 31, 2011.

Laurentian Goldfields Ltd.

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

Unaudited – Prepared by Management

(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 is 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 December 31, 2010	As at March 31, 2011
Share-based payments reserve	\$ -	\$ 9,851
Deficit	\$ -	\$ (9,851)

Impact on Statement of Loss and Comprehensive Loss:

	Three months ended December 31, 2010	Nine months ended December 31, 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 nine months ended December 31, 2010 as there were no stock-options which vested during the two periods.

5. Short-term Investments

As at December 31, 2011, the Company has invested \$63,750 (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 0.95% and with maturity dates ranging from four to eleven months.

6. Property and Equipment

	December 31, 2011			March 31, 2011		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 46,369	\$ (38,709)	\$ 7,660	\$ 43,563	\$ (33,331)	\$ 10,232
Computer software	56,208	(50,417)	5,791	33,045	(33,045)	-
Office furniture and equipment	7,589	(2,889)	4,700	7,589	(2,059)	5,530
Project field equipment	59,712	(32,769)	26,943	59,712	(28,014)	31,698
	\$ 169,878	\$ (124,784)	\$ 45,094	\$ 143,909	\$ (96,449)	\$ 47,460

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Notes to the Condensed Interim Financial Statements
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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 (Note 7d)	Belcourt (Note 7e)	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
December 31, 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	-	-	35,000	6,000	102,600
December 31, 2011	\$ 350,000	\$ 80,000	\$ 456,590	\$ -	\$ 8,000	\$ 177,500	\$ 31,000	\$ 1,103,090

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 nine months ended December 31, 2011	Van Horne	Thundercloud	Goldpines North (Note 7f)	AngloGold Alliance	Other Properties ⁽¹⁾	Total
Assaying and sampling	\$ 207,939	\$ 388,951	\$ 59,024	\$ 112,789	\$ 397	\$ 769,100
Field expenses	107,711	355,220	93,967	154,266	281,523	992,687
Drilling	261,433	521,086	-	135,358	-	917,877
Geological consulting	106,145	321,528	120,614	182,417	28,288	758,992
Government assistance	-	-	-	-	(4,388)	(4,388)
Option payment received ⁽²⁾	-	-	-	-	(200,000)	(200,000)
Cash calls / funds used	-	-	(180,526)	(567,335)	-	(747,861)
Expenditures for the period	683,228	1,586,785	93,079	17,495	105,820	2,486,407
Expenditures, beginning of the period	873,827	110,929	-	-	4,703,226	5,687,982
December 31, 2011	\$ 1,557,055	\$ 1,697,714	\$ 93,079	\$ 17,495	\$ 4,809,046	\$ 8,174,389

⁽¹⁾ Other properties include Maze Lake, Grenville, Hickson, Belcourt and generative projects.

⁽²⁾ On July 27, 2011, the Company received \$200,000 in cash option payments pursuant to the option agreement with Pershimco (Note 7e).

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(An Exploration Stage Company)
Notes to the Condensed Interim Financial Statements

Unaudited – Prepared by Management
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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 nine months ended December 31, 2010	Van Horne	Thundercloud	Goldpines North	AngloGold Alliance	Other Properties ⁽¹⁾	Total
Assaying and sampling	\$ 7,018	\$ -	\$ 91,273	\$ 251,326	\$ 114,953	\$ 464,570
Field expenses	20,953	-	218,234	636,611	257,564	1,133,362
Geological consulting	30,613	-	222,621	381,691	145,686	780,611
Government assistance	-	-	-	-	(92,773)	(92,773)
Cash calls / funds used	-	-	(532,128)	(1,269,628)	(85,595)	(1,887,351)
Expenditures for the period	58,584	-	-	-	339,835	398,419
Expenditures, beginning of the period	783,683	-	-	-	4,121,160	4,904,843
December 31, 2010	\$ 842,267	\$ -	\$ -	\$ -	\$ 4,460,995	\$ 5,303,262

⁽¹⁾ Other properties include Maze Lake, Grenville, Belcourt 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	<i>(paid)</i>
ii)	61,500	on or before June 1, 2009	<i>(paid)</i>
iii)	73,000	on or before June 1, 2010	<i>(paid)</i>
iv)	116,750	on or before June 1, 2011	<i>(paid)</i>
v)	18,500	on or before June 1, 2012	
	<u>\$ 311,250</u>		

Common shares:

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

Minimum expenditures:

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

Laurentian Goldfields Ltd.

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

Unaudited – Prepared by Management

(Stated in Canadian Dollars)

7. Exploration and Evaluation Assets - *Continued*

c. Van Horne, Ontario - *Continued*

The Company is also subject to making certain additional material payments prior to exercising the option to acquire a 100% interest in three 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 repurchase one-half (or 1%) of the NSRs for six of the seven properties 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 (<i>paid</i>)
ii)		6,000	on or before June 1, 2010 (<i>paid</i>)
iii)		8,000	on or before June 1, 2011 (<i>paid</i>)
iv)		12,000	on or before June 1, 2012
	\$	<u>29,500</u>	

Common shares:

i)	<u>10,000</u>	upon signing of agreement (<i>issued – fair value \$1,250</i>)
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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. Thundercloud, Ontario

On January 7, 2011, the Company entered into an option agreement with Teck Resources Ltd. (“Teck”), which was subsequently amended on December 20, 2011, to acquire 100% of Teck’s interest in the Thundercloud gold property. The Company may earn the 100% interest in the Thundercloud Property by fulfilling the following optional terms:

Common shares:

i)	500,000	within five business days of TSX Venture Exchange approval (<i>issued – fair value \$142,500</i>)
ii)	500,000	on or before December 31, 2011 (<i>issued – fair value \$35,000</i>)
iii)	1,000,000	Within 65 days of notifying Teck that it has completed the \$6,000,000 of minimum exploration expenditures
	<u>2,000,000</u>	

Laurentian Goldfields Ltd.
(An Exploration Stage Company)
Notes to the Condensed Interim Financial Statements
Unaudited – Prepared by Management
(Stated in Canadian Dollars)

7. Exploration and Evaluation Assets - Continued

d. Thundercloud, Ontario - Continued

Minimum expenditures:

i)	\$	1,500,000	on or before December 31, 2011 <i>(incurred)</i>
ii)		500,000	on or before December 31, 2012
iii)		1,500,000	on or before December 31, 2013
iv)		<u>2,500,000</u>	on or before December 31, 2014
	\$	<u>6,000,000</u>	

In accordance with the option agreement, the Company charges an administrative services fee equal to 10% of the Company's total exploration expenditures which forms part of the minimum expenditures requirement.

At any time up to 60 days after the Company earning its 100% interest, Teck may elect to back-in to a 60% interest in the Thundercloud project by incurring and solely funding three times the exploration expenditures incurred by the Company to a maximum of \$18,000,000. These expenditures must be incurred by Teck within four years of delivery of the back-in notice. Upon notification of Teck's intent to back-in, the Company's obligation to issue the 1,000,000 vesting shares, described above, shall terminate.

The Thundercloud Property is subject to net smelter return royalties of 2.0% to 2.5%. At any time prior to the fifth anniversary of the development of any mine on the property, 1% of the NSR may be repurchased by the Company from the underlying prospectors for \$1,000,000. In accordance with the option agreement, Teck, for its own benefit, reserves the right to purchase the underlying royalties from the underlying prospectors.

e. 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 <i>(paid)</i>
ii)		50,000	on or before May 24, 2012
iii)		<u>100,000</u>	on or before May 24, 2013
	\$	<u>175,000</u>	

Common shares:

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

Laurentian Goldfields Ltd.
(An Exploration Stage Company)
Notes to the Condensed Interim Financial Statements
Unaudited – Prepared by Management
(Stated in Canadian Dollars)

7. Exploration and Evaluation Assets - Continued

e. Belcourt, Quebec - Continued

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
	\$	<u>400,000</u>	

On July 26, 2011, the Company entered into an option agreement (the "Option") with Pershimco Resources Inc. ("Pershimco"), which was subsequently amended on February 21, 2012 (*Note 11*), 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 \$270,000 cash (received) on or before February 24, 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.

f. 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.

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.

Laurentian Goldfields Ltd.
(An Exploration Stage Company)
Notes to the Condensed Interim Financial Statements
Unaudited – Prepared by Management
(Stated in Canadian Dollars)

8. Equity - Continued

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⁾⁽³⁾	(14,857,967)	\$0.33
Balance - December 31, 2011	5,024,100	\$0.52

(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.

(3) On November 15, 2011, 2,530,945 warrants (fair value - \$151,172) expired without exercise.

At December 31, 2011, the following warrants were outstanding:

Expiry Date	Exercise Price	Number of Warrants	Warrant Valuation
March 4, 2013	\$0.55	4,431,667	\$ 740,452
March 4, 2013	\$0.30	592,433	178,029
Weighted Average	\$0.52	5,024,100	\$ 918,481

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 – March 31, 2011	4,540,911	\$0.31
Expired	(25,000)	\$0.40
Forfeited	(1,347,728)	\$0.33
Balance – December 31, 2011	3,168,183	\$0.30

Laurentian Goldfields Ltd.
(An Exploration Stage Company)
Notes to the Condensed Interim Financial Statements
Unaudited – Prepared by Management
(Stated in Canadian Dollars)

8. Equity - Continued

c. Stock Options - Continued

At December 31, 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	0.92
August 11, 2014	\$0.17	1,050,000	2.61
February 1, 2015	\$0.17	200,000	3.09
January 21, 2016	\$0.40	1,250,000	4.06
March 11, 2016	\$0.35	500,000	4.20
	\$0.30	3,168,183⁽¹⁾	3.37

(1) As at December 31, 2011, 2,889,016 options were exercisable with a weighted average exercise price of \$0.30 as these options have fully vested.

The Company applies the fair value based method of accounting for stock options granted to employees and non-employees. During the period ended December 31, 2011, the Company recorded share-based compensation expense of \$159,396 (December 31, 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 – March 31, 2011	794,430	\$0.24
Exercised ⁽¹⁾	(594,250)	\$0.18
Expired	(200,180)	\$0.18
Balance – December 31, 2011	-	\$ -

(1) During the nine month period ended December 31, 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.

e. Escrow Shares

As at December 31, 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.

Laurentian Goldfields Ltd.
(An Exploration Stage Company)
Notes to the Condensed Interim Financial Statements

Unaudited – Prepared by Management
(Stated in Canadian Dollars)

9. Related Party Transactions

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

a. Trading Transactions

As at December 31, 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 a company controlled by the Company's Vice-President of Exploration.

	Nature of Transaction
Director	Consulting
President and CEO	Management
0869007 B.C. Ltd.	Management
Sunjem Consulting Ltd.	Management
Former CFO	Management
Former Vice-President of Exploration	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 nine months ended December 31, 2011	For the nine months ended December 31, 2010
Management fees	(i)	\$ 243,536	\$ 134,900
Consulting fees	(ii)	45,000	60,000
Total amount included in wages and consulting fees		\$ 288,536	\$ 194,900

- (i) During the period ended December 31, 2011, the Company paid management fees of \$125,036 (2010 - \$Nil) to the President and CEO; \$27,000 (2010 - \$Nil) to a company controlled by the Company's CFO; \$15,000 (2010 - \$Nil) to a company controlled by the Company's Vice-President of Exploration; \$75,000 (2010 - \$112,500) to the Company's former Vice-President of Exploration; and \$1,500 (2010 - \$22,400) to its former CFO.
- (ii) During the period ended December 31, 2011, the Company paid \$45,000 (2010 - \$45,000) to a Director of the Company for consulting services performed outside his capacity as a director and \$Nil (2010 - \$15,000) to another Director also for consulting services outside his capacity as a director.
- (iii) Included in accounts payable and accrued liabilities as at December 31, 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; and \$Nil (March 31, 2011 - \$2,016) was owing to the Company's former CFO.

Laurentian Goldfields Ltd.
(An Exploration Stage Company)
Notes to the Condensed Interim Financial Statements
Unaudited – Prepared by Management
(Stated in Canadian Dollars)

9. Related Party Transactions

b. Compensation of Key Management Personnel

The remuneration of the Company's key management personnel for the nine months ended December 31, 2011 and 2010 are as follows:

	Note	December 31, 2011	December 31, 2010
Management fees	(i)	\$ 243,536	\$ 134,900
Share-based compensation expense	(ii)	132,329	-
		\$ 375,865	\$ 134,900

- (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 nine months ended December 31, 2011 and 2010.
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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.

11. Subsequent Event

On February 21, 2012, the Company amended its option agreement with Pershimco dated July 26, 2011, to expedite the second cash payment from \$300,000 due on or before July 15, 2012 to a reduced amount of \$270,000 on or before February 24, 2012 *Note 7e*. All other terms of the option agreement with Pershimco remain in effect.
