



**INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2013**

(Unaudited – Prepared by Management)

(Stated in Canadian Dollars Unless Noted Otherwise)

NOTICE TO READER

These condensed interim consolidated financial statements have been prepared by the management of Laurentian Goldfields Ltd. and have not been reviewed by the auditors of Laurentian Goldfields Ltd.

Laurentian Goldfields Ltd.
Interim Consolidated Statements of Financial Position

(Unaudited – Prepared by Management)
(Stated in Canadian Dollars Unless Noted Otherwise)

	As at December 31, 2013	(Audited) As at March 31, 2013
ASSETS		
Current Assets		
Cash	\$ 180,277	\$ 430,606
Restricted cash <i>(Note 6d)</i>	96,324	2,075
Short-term investments <i>(Note 4)</i>	35,000	35,000
Amounts receivable <i>(Note 6c)</i>	35,583	49,515
Prepaid expenses	3,295	11,650
	350,479	528,846
Non-current Assets		
Property and equipment <i>(Note 5)</i>	21,804	26,466
Exploration and evaluation assets <i>(Note 6a)</i>	313,210	313,210
Total Assets	\$ 685,493	\$ 868,522
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 171,746	\$ 119,352
Mineral property funding obligations <i>(Note 6d)</i>	96,324	2,075
Total Liabilities	268,070	121,427
Equity		
Share capital <i>(Note 7a)</i>	11,534,788	11,534,788
Share-based payments reserve	4,492,303	4,492,018
Accumulated deficit	(15,609,668)	(15,279,711)
Total Equity	417,423	747,095
Total Liabilities and Equity	\$ 685,493	\$ 868,522

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

Commitments *(Note 11)*

Proposed Transactions and Subsequent Events *(Note 12)*

ON BEHALF OF THE BOARD:

“Darin Labrenz”, Director

“Brian P. Fowler”, Director

- See Accompanying Notes to the Interim Consolidated Financial Statements -

Laurentian Goldfields Ltd.
Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited – Prepared by Management)
(Stated in Canadian Dollars Unless Noted Otherwise)

	For the three months ended December 31, 2013	For the three months ended December 31, 2012	For the nine months ended December 31, 2013	For the nine months ended December 31, 2012
Expenses				
Amortization	\$ 1,554	\$ 2,296	\$ 4,662	\$ 6,888
Corporate listing and filing fees	7,742	13,333	12,343	20,297
Exploration and evaluation expenditures, net (Note 6b)	1,287	8,614	7,976	224,581
Investor relations	910	1,220	910	7,553
Office	11,816	21,496	37,290	58,127
Professional fees	32,124	377	32,807	4,068
Rent	8,042	7,903	24,126	26,342
Share-based compensation expense (Note 7c)	-	-	285	-
Travel	4,569	784	5,612	5,143
Wages and consulting fees	81,878	119,234	251,063	385,144
Loss from Operations	(149,922)	(175,257)	(377,074)	(738,143)
Other Income (Expense)				
Interest income	-	-	457	635
Management and administration fee	7,432	12,944	46,660	21,335
Write-off of exploration and evaluation assets (Note 6a)	-	(177,500)	-	(177,500)
Total Other Income (Expense)	7,432	(164,556)	47,117	(155,530)
Net Loss and Comprehensive Loss for the Period	\$ (142,490)	\$ (339,813)	\$ (329,957)	\$ (893,673)
Weighted Average Number of Common Shares Outstanding				
	9,353,190	6,191,190	9,353,190	6,188,100
Basic and Diluted Loss per Common Share	\$ (0.02)	\$ (0.05)	\$ (0.04)	\$ (0.14)

- See Accompanying Notes to the Interim Consolidated Financial Statements -

Laurentian Goldfields Ltd.
Interim Consolidated Statements of Cash Flows

(Unaudited – Prepared by Management)
(Stated in Canadian Dollars Unless Noted Otherwise)

	For the nine months ended December 31, 2013	For the nine months ended December 31, 2012
Operating Activities		
Net loss for the period	\$ (329,957)	\$ (893,673)
Items not affecting cash:		
Amortization	4,662	6,888
Shares issued for exploration and evaluation expenditures	-	2,500
Share-based compensation expense	285	-
Write-off of exploration and evaluation assets	-	177,500
	(325,010)	(706,785)
Changes in non-cash working capital:		
Amounts receivable	13,932	238,697
Prepaid expenses	8,355	22,432
Accounts payable and accrued liabilities	52,394	10,785
Net cash used in operating activities	(250,329)	(434,871)
Investing Activities		
Short-term investments	-	57,500
Additions to exploration and evaluation assets	-	(30,500)
Net cash provided by investing activities	-	27,000
Financing Activity		
Share subscription payable	-	357,400
Net cash provided by financing activity	-	357,400
Net Decrease in Cash	(250,329)	(50,471)
Cash - Beginning of the Period	430,606	317,489
Cash - End of the Period	\$ 180,277	\$ 267,018
Supplemental Schedule of Non-Cash Investing Activities		
Issuance of shares for exploration and evaluation assets	\$ -	\$ 22,720

- See Accompanying Notes to the Interim Consolidated Financial Statements -

Laurentian Goldfields Ltd.
Interim Consolidated Statements of Changes in Equity

(Unaudited – Prepared by Management)
(Stated in Canadian Dollars Unless Noted Otherwise)

	Number of Shares	Share Capital	Share-Based Payments Reserve	Accumulated Deficit	Total
Balance – April 1, 2012	6,157,790	\$ 11,217,385	\$ 4,067,467	\$ (13,621,964)	\$ 1,662,888
Shares issued for exploration and evaluation assets	28,400	22,720	-	-	22,720
Shares issued for exploration and evaluation expenditures	5,000	2,500	-	-	2,500
Net loss for the nine months	-	-	-	(893,673)	(893,673)
Balance – December 31, 2012	6,191,190	\$ 11,242,605	\$ 4,067,467	\$ (14,515,637)	\$ 794,435
Balance – April 1, 2013	9,353,190	\$ 11,534,788	\$ 4,492,018	\$ (15,279,711)	\$ 747,095
Share-based compensation expense	-	-	285	-	285
Net loss for the nine months	-	-	-	(329,957)	(329,957)
Balance – December 31, 2013	9,353,190	\$ 11,534,788	\$ 4,492,303	\$ (15,609,668)	\$ 417,423

- See Accompanying Notes to the Interim Consolidated Financial Statements -

Laurentian Goldfields Ltd.

Notes to the Interim Consolidated Financial Statements

(Unaudited – Prepared by Management)

(Stated in Canadian Dollars Unless Noted Otherwise)

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 gold and other precious and base metal properties. Currently, the Company’s principal mineral property is the Van Horne Property located near Dryden, Ontario. The Company also currently has an unincorporated joint venture with Kinross Gold Corporation (“Kinross”) and a strategic exploration alliance with Antofagasta Minerals S.A., whereby a portion of the Company’s exploration and evaluation activities are conducted with its partners, and accordingly, the 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 1500 Royal Centre PO Box 1117, 1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7.

These interim consolidated 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. The Company has incurred losses since inception, has no recurring source of revenue and has an accumulated deficit of \$15,609,668 at December 31, 2013. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern.

The Company will need to raise sufficient funds in order to finance ongoing exploration and administrative expenses. The Company has no assurance that such financing will be available or be available on favourable terms. Factors that could affect the availability of financing include 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 interim consolidated 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

a. Statement of Compliance

These condensed interim consolidated financial statements of the Company were prepared in accordance with International Accounting Standards 34, Interim Financial Reporting (“IAS 34”), using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The accounting policies and methods of application applied by the Company in these condensed interim consolidated financial statements are the same as those applied in the Company’s most recent annual consolidated financial statements as at and for the year ended March 31, 2013, except for those policies which have changed as a result of the adoption of new and amended IFRS pronouncements effective January 1, 2013.

Laurentian Goldfields Ltd.

Notes to the Interim Consolidated Financial Statements

(Unaudited – Prepared by Management)
(Stated in Canadian Dollars Unless Noted Otherwise)

2. Basis of Presentation - *Continued*

a. Statement of Compliance - *Continued*

These condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and therefore should be read in conjunction with the Company's most recent annual consolidated financial statements as at and for the year ended March 31, 2013. The effects of the adoption of new and amended IFRS pronouncements have been disclosed in Note 3 of these condensed interim consolidated financial statements.

b. Approval of the Financial Statements

The condensed interim consolidated financial statements of Laurentian for the nine months ended December 31, 2013 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on February 28, 2014.

3. Adoption of New and Amended IFRS Pronouncements

a. Pronouncements Affecting Financial Statement Presentation or Disclosure

The adoption of the following new and amended IFRS pronouncements will result in enhanced financial statement disclosure in the Company's interim or annual consolidated financial statements or a change in financial statement presentation. These pronouncements did not affect the Company's financial results.

IFRS 12 – Disclosures of Interests in Other Entities

The Company adopted IFRS 12, Disclosures of Interests in Other Entities ("IFRS 12") on April 1, 2013. IFRS 12 outlines the disclosure requirements for interests in subsidiaries and other entities to enable users to evaluate the risks associated with interests in other entities and the effects of those interests on an entity's financial position, financial performance and cash flows.

The requirements of IFRS 12 relate to disclosures only and are applicable for the first annual period after adoption. IFRS 12 does not require the disclosures to be included for any period presented that precedes the first annual period for which IFRS 12 is applied. Accordingly, the Company will include additional disclosures about interests in other entities in the Company's annual consolidated financial statements for the year ended March 31, 2014. This may include summarized financial information for significant associates and joint arrangements.

IFRS 13 - Fair Value Measurement

The Company adopted IFRS 13, Fair Value Measurement ("IFRS 13") with prospective application from April 1, 2013. IFRS 13 defines fair value, sets out a single IFRS framework for measuring fair value and outlines disclosure requirements for fair value measurement.

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.

Laurentian Goldfields Ltd.

Notes to the Interim Consolidated Financial Statements

(Unaudited – Prepared by Management)

(Stated in Canadian Dollars Unless Noted Otherwise)

3. Adoption of New and Amended IFRS Pronouncements - *Continued*

a. Pronouncements Affecting Financial Statement Presentation or Disclosure - *Continued*

IFRS 13 - Fair Value Measurement - *Continued*

The adoption of IFRS 13 did not have an effect on the Company's condensed interim consolidated financial statements for the current period. The disclosure requirements of IFRS 13 will be incorporated in the Company's annual consolidated financial statements for the year ended March 31, 2014. This will include disclosures about fair values of financial assets and liabilities measured on a recurring basis and non-financial assets and liabilities measured on a non-recurring basis.

IAS 34 – Interim Financial Reporting

IAS 34, Interim Financial Reporting ("IAS 34") was amended to establish criteria for disclosing total segmented assets and require certain fair value disclosures. The Company has adopted IAS 34 effective April 1, 2013 and has incorporated the required fair value disclosures in its condensed interim consolidated financial statements for the current period. The disclosures included are based on the requirements of IFRS 13 and are discussed in Note 9.

b. Pronouncements Affecting Accounting Policies Only

The adoption of the following new IFRS pronouncements did not affect the Company's financial results or disclosures as the Company's analysis of these new IFRS pronouncements determined that no changes were required to the Company's existing accounting treatment.

IFRS 10 - Consolidated Financial Statements

The Company adopted IFRS 10, Consolidated Financial Statements ("IFRS 10") on April 1, 2013 with retrospective application. IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This IFRS defines the principle of control and establishes control as the basis for determining which entities are consolidated in an entity's financial statements. IFRS 10 sets out three elements of control: power over the investee; exposure, or rights, to variable returns from involvement with the investee; and the ability to use power over the investee to affect the amount of investors' return; and the requirements on how to apply the control principle. IFRS 10 supersedes IAS 27, Consolidated and Separate Financial Statements and Standing Interpretations Committee ("SIC") 12, Consolidation – Special Purpose Entities.

Based on the Company's analysis, IFRS 10 did not have an effect on the Company's interim consolidated financial statements for the current period or prior periods presented as the adoption did not result in a change in the consolidation status of any of the Company's subsidiaries or investees.

IFRS 11 – Joint Arrangements

The Company adopted IFRS 11, Joint Arrangements ("IFRS 11") on April 1, 2013, with retrospective application from the date of its earliest period presented of April 1, 2012. If an arrangement results in joint control, IFRS 11 classifies joint arrangements as either joint operations or joint ventures, depending on the rights and obligations of the parties involved. The Company also adopted IAS 28(R), Investments in Associates and Joint Ventures ("IAS 28") which included amendments to address accounting for joint ventures.

Laurentian Goldfields Ltd.

Notes to the Interim Consolidated Financial Statements

(Unaudited – Prepared by Management)

(Stated in Canadian Dollars Unless Noted Otherwise)

3. Adoption of New and Amended IFRS Pronouncements - *Continued*

b. Pronouncements Affecting Accounting Policies Only - *Continued*

IFRS 11 – Joint Arrangements - *Continued*

A joint operation is an arrangement where the jointly controlling parties have rights to the assets and obligations in respect of the liabilities of the arrangement. An entity accounts for a joint operation by recognizing its portion of the assets, liabilities, revenues and expenses. A joint venture is an arrangement where the jointly controlling parties only have rights to the net assets of the arrangement. A joint venture is accounted for using the equity method.

Based on the Company's analysis, IFRS 11 did not have an effect on the Company's interim consolidated financial statements for the current period or prior periods presented as the Company accounts for its joint arrangements as joint operations and accordingly, only records its share of assets, liabilities, costs and expenditures.

4. Short-term Investments

As at December 31, 2013, the Company has invested \$35,000 (March 31, 2013 - \$35,000) into a Guaranteed Investment Certificate ("GIC") with a Canadian Financial Institution.

This GIC yields interest at a rate of 1.10% with a maturity date of July 30, 2014.

5. Property and Equipment

Cost	Office Equipment	Computer Software	Office Furniture & Equipment	Project Field Equipment	Total
April 1, 2013	\$ 46,370	\$ 56,207	\$ 7,589	\$ 59,712	\$ 169,878
Additions for the period	-	-	-	-	-
December 31, 2013	46,370	56,207	7,589	59,712	169,878
Accumulated Amortization					
April 1, 2013	(43,729)	(56,207)	(4,050)	(39,426)	(143,412)
Amortization for the period	(1,089)	-	(531)	(3,042)	(4,662)
December 31, 2013	(44,818)	(56,207)	(4,581)	(42,468)	(148,074)
Carrying Amounts					
March 31, 2013	2,641	-	3,539	20,286	26,466
December 31, 2013	\$ 1,552	\$ -	\$ 3,008	\$ 17,244	\$ 21,804

Laurentian Goldfields Ltd.

Notes to the Interim Consolidated Financial Statements

(Unaudited – Prepared by Management)

(Stated in Canadian Dollars Unless Noted Otherwise)

6. Exploration and Evaluation Assets

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

	Maze Lake	Van Horne	Thundercloud	Total
April 1, 2012	\$ 350,000	\$ 456,590	\$ 177,500	\$ 984,090
Cash	-	30,500	-	30,500
Shares	-	22,720	-	22,720
Write-off	(350,000)	(196,600)	(177,500)	(724,100)
March 31, 2013 and December 31, 2013	\$ -	\$ 313,210	\$ -	\$ 313,210

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, 2013	Van Horne	Thundercloud	Goldpines North	Goldpines South	Other Properties ⁽¹⁾	Total
Field expenses	\$ 7,838	\$ -	\$ -	\$ 1,320	\$ 3,316	\$ 12,474
Government assistance	-	-	-	-	(4,498)	(4,498)
Expenditures for the period	7,838	-	-	1,320	(1,182)	7,976
Expenditures, beginning of the period	1,726,136	1,726,994	104,514	81,157	4,348,946	7,987,747
December 31, 2013	\$ 1,733,974	\$ 1,726,994	\$ 104,514	\$ 82,477	\$ 4,347,764	\$ 7,995,723

⁽¹⁾ Other properties include Maze Lake and generative projects.

For the nine months ended December 31, 2012	Van Horne	Thundercloud	Goldpines North	Goldpines South ⁽¹⁾	Other Properties ⁽²⁾	Total
Assaying and sampling	\$ 4,302	\$ -	\$ -	\$ 175	\$ 656	\$ 5,133
Field expenses	32,273	11,427	2,950	6,450	30,115	83,215
Geological consulting	102,778	1,242	2,691	2,656	27,216	136,583
Option payment, net ⁽³⁾	-	-	-	-	(350)	(350)
Expenditures for the period	139,353	12,669	5,641	9,281	57,637	224,581
Expenditures, beginning of the period	1,588,597	1,712,451	98,873	64,127	4,370,938	7,834,986
December 31, 2012	\$ 1,727,950	\$ 1,725,120	\$ 104,514	\$ 73,408	\$ 4,428,575	\$ 8,059,567

⁽¹⁾ As at April 29, 2012, the third anniversary of the AngloGold Alliance with AngloGold Ashanti Ltd. ("AngloGold"), AngloGold advised that it will not fund future exploration projects under the AngloGold Alliance. Consequently, the Company retained 100% interest and will bear all future exploration expenditures, if any, on all the properties, including the Goldpines South property, previously held under the AngloGold Alliance.

⁽²⁾ Other properties include Maze Lake, Belcourt and generative projects.

⁽³⁾ During the nine months ended December 31, 2012, the Company issued 50,000 common shares (fair value - \$2,500) to the Belcourt property vendor pursuant to the Company's option agreement dated May 24, 2011 and received \$2,850 from Pershimco Resources Inc. ("Pershimco") as reimbursement for the 50,000 common shares issued by the Company in accordance with the Company's option agreement with Pershimco as amended on February 21, 2012.

Laurentian Goldfields Ltd.
Notes to the Interim Consolidated Financial Statements

(Unaudited – Prepared by Management)
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6. Exploration and Evaluation Assets - Continued

c. Goldpines North Joint Venture

On March 25, 2010, the Company and Kinross signed a joint venture agreement to form the unincorporated Goldpines North Joint Venture (“GPNJV”).

As at December 31, 2013, the Company received \$1,924,951 in aggregate funding from Kinross and incurred an aggregate of \$1,951,781 in exploration expenditures on Goldpines North. As a result, the Company has a receivable balance of \$26,830 (March 31, 2013 - \$21,660) from the GPNJV. Subsequent to December 31, 2013, the receivable balance of \$26,830 was collected.

d. Antofagasta Alliance

On July 25, 2012, the Company entered into a US\$1,500,000, two year strategic exploration alliance (the “Alliance”) with Antofagasta Minerals S.A., a wholly owned subsidiary of Antofagasta PLC (“Antofagasta”) for generative copper exploration in southern Quebec, Canada.

As at December 31, 2013, the Company received \$991,460 in aggregate funding from Antofagasta and incurred an aggregate of \$895,136 in exploration expenditures. As a result, the Company has restricted cash of \$96,324 (March 31, 2013 - \$2,075) which must be spent on exploration relating to the Alliance.

As operator, the following costs were incurred on behalf of Antofagasta and accordingly, were not included in the Company’s exploration and evaluation expenditures:

	For the nine months ended December 31, 2013	For the nine months ended December 31, 2012
Field expenses	\$ 363,810	\$ 99,740
Geological consulting	75,647	97,547
General and administrative	26,041	28,047
Operator’s fee	40,470	15,434
Sampling and analysis	45,649	-
Cash calls / funds used	(551,617)	(240,768)
	\$ -	\$ -

7. Equity

Effective November 23, 2012, the Company consolidated its share capital, stock options and share purchase warrants on a 10-to-1 basis. Accordingly, the exercise prices of the outstanding stock options and share purchase warrants at the time of consolidation increased by a multiple of ten.

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.
Notes to the Interim Consolidated Financial Statements

(Unaudited – Prepared by Management)
(Stated in Canadian Dollars Unless Noted Otherwise)

7. 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, 2012	502,410 ⁽¹⁾	\$5.20
Issued	3,179,500	\$0.30
Expired	(59,243) ⁽¹⁾	\$3.00
Balance - March 31, 2013	3,622,667	\$0.29
Expired	(443,167)	\$0.20
Balance – December 31, 2013	3,179,500	\$0.30

⁽¹⁾ On February 28, 2013, the exercise price and expiry date of 443,167 warrants out of this balance were re-priced from \$5.50 to \$0.20 and extended from March 4, 2013 to June 4, 2013, respectively. The original terms of the remaining 59,243 warrants with an exercise price of \$3.00 and expiry date of March 4, 2013 were not amended. In accordance with the Company's accounting policy for the treatment of warrants attached to a unit placement, the re-pricing and extension of the 443,167 warrants resulted in an increase of \$14,128 in share-based payments reserve with a corresponding decrease to share capital.

At December 31, 2013, the following warrants are outstanding:

Expiry Date	Exercise Price	Number of Warrants	Warrant Valuation
January 7, 2015	\$0.30	2,679,500	\$ 280,194
March 20, 2015	\$0.30	500,000	38,483
Weighted Average	\$0.30	3,179,500	\$ 318,677

The above noted fair value of \$318,677 is included in share-based payments reserve in the Company's interim consolidated statement of financial position at December 31, 2013.

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.

There were no stock options granted during the nine months ended December 31, 2013 and 2012.

Laurentian Goldfields Ltd.
Notes to the Interim Consolidated Financial Statements

(Unaudited – Prepared by Management)
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7. Equity – Continued

c. Stock Options - Continued

Share-based compensation expense

The Company applies the fair value based method of accounting for stock options granted to officers, directors, employees and non-employees. During the nine months ended December 31, 2013, the Company recorded share-based compensation of \$285 (December 31, 2012 - \$nil) being the net of \$2,068 representing the fair value of previously granted stock options that vested in the current period and the reversal of \$1,783 representing the unvested portion of the forfeited 30,000 stock options granted on February 25, 2013.

Details of issued and outstanding stock options are as follows:

	Number of Options	Weighted Average Exercise Price
Balance – April 1, 2012	254,318 ⁽¹⁾	\$3.00
Expired	(16,818)	\$0.44
Forfeited	(45,000)	\$0.32
Granted	500,000	\$0.20
Balance – March 31, 2013	692,500	\$0.20
Forfeited	(160,000)	\$0.20
Balance – December 31, 2013	532,500	\$0.20

⁽¹⁾ On March 11, 2013, 195,000 options out of this balance were re-priced to \$0.20 whereas the original terms of the remaining 59,318 options were not amended.

At December 31, 2013, the following options are outstanding and exercisable:

Expiry Date	Weighted Average Exercise Price	Number of Options	Weighted Average Remaining in Years
August 11, 2014	\$0.20	52,500	0.61
January 21, 2016	\$0.20	40,000	2.06
March 11, 2016	\$0.20	50,000	2.20
February 25, 2018	\$0.20	390,000	4.16
	\$0.20	532,500	3.46

Laurentian Goldfields Ltd.

Notes to the Interim Consolidated Financial Statements

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8. Related Party Transactions

The nature of the Company's relationships with its related parties and amounts paid to those parties are as follows:

a. Related Parties

As at December 31, 2013, 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 Relationship
Director	Consulting
President and CEO	Management
0869007 B.C. Ltd.	Management
Sunjem Consulting Ltd.	Management

The Company incurred or accrued fees and expenses with the related parties and the amounts outstanding are unsecured, non-interest bearing and due on demand.

	Notes	For the nine months ended December 31, 2013	For the nine months ended December 31, 2012
Management fees	(i)	\$ 199,500	\$ 199,500
Consulting fees	(ii)	45,000	45,000
Total	(iii)	\$ 244,500	\$ 244,500

- (i) During the period ended December 31, 2013, the Company paid or accrued management fees of \$127,500 (2012 - \$127,500) to the President and CEO; \$27,000 (2012 - \$27,000) to a company controlled by the Company's CFO; and \$45,000 (2012 - \$45,000) to a company controlled by the Company's Vice-President of Exploration.
- (ii) During the period ended December 31, 2013, the Company paid or accrued \$45,000 (2012 - \$45,000) to a Director of the Company for consulting services performed outside his capacity as a director.
- (iii) The total amount included in wages and consulting fees is \$176,009 (2012 - \$201,556), \$nil (2012 - \$13,220) in exploration and evaluation expenditures as geological consulting; and \$68,491 (2012 - \$29,724) in the Antofagasta Alliance as geological consulting.

Included in accounts payable and accrued liabilities at December 31, 2013 are amounts due to two of the Company's executive officers and a director of the Company for unpaid compensation and expenses incurred on behalf of the Company. These amounts are as follows:

- \$20,000 (March 31, 2013 - \$5,600) owing to a director of the Company;
- \$60,430 (March 31, 2013 - \$17,514) owing to the Company's President and CEO;
- \$12,751 (March 31, 2013 - \$nil) owing to a company controlled by the Company's CFO.

Laurentian Goldfields Ltd.

Notes to the Interim Consolidated Financial Statements

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8. Related Party Transactions - *Continued*

b. Compensation of Key Management Personnel

Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The remuneration of the Company's key management personnel for the nine months ended December 31, 2013 and 2012 are as follows:

	Note	December 31, 2013	December 31, 2012
Management and consulting fees	(i)	\$ 244,500	\$ 244,500
		\$ 244,500	\$ 244,500

(i) Management and consulting fees include fees disclosed in *Note 8(a)* above.

Key management personnel were not entitled to post-employment, termination or other long-term benefits during the periods ended December 31, 2013 and 2012.

9. Fair Value Measurement

The Company does not have any financial assets and liabilities that are measured at fair value on a recurring basis and also does not have any non-financial assets and liabilities measured at fair value on a non-recurring basis.

There are three levels of the fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value, with Level 1 inputs having the highest priority. The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

10. Segmented Information

The Company conducts its business in a single operating segment which is 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.

Laurentian Goldfields Ltd.

Notes to the Interim Consolidated Financial Statements

(Unaudited – Prepared by Management)

(Stated in Canadian Dollars Unless Noted Otherwise)

11. Commitments

- a. Effective May 1, 2011, the Company entered into a sub-lease agreement for head office space at approximately \$2,650 per month (\$31,800 annually). The sub-lease was effectively a month to month lease and expired in January 2014. The Company has extended the sub-lease until the end of March 2014.
 - b. Commencing on July 1, 2012 and pursuant to a rental lease agreement dated February 29, 2012, the Company is committed to pay rent for its site office in Winnipeg, Canada at approximately \$2,800 per month (\$33,600 annually). The lease expires on June 30, 2017. On November 14, 2012, the Company sub-leased this site office to a third party for the same rental cost (approximately \$2,800 per month). The third party is bound by all the covenants, terms and conditions of the original rental lease agreement.
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12. Proposed Transactions and Subsequent Events

- a. On December 19, 2013, the Company announced that it has entered into a Definitive Agreement to acquire a 100% interest in the Madsen Gold Project (“Madsen”) from Claude Resources Inc. (“Claude”). The Madsen property comprises in excess of 4,000 hectares in the prolific Red Lake gold camp of Northwestern Ontario, and hosts two former gold producers including the Madsen Gold Mine which had previous gold production of 2.4 million ounces.

Consideration to Claude incorporates both cash payments and share consideration as follows:

- Cash consideration of \$3.75 million at closing;
- Cash consideration of \$2.5 million payable on or before 3 months following closing;
- Cash or share consideration (at Laurentian’s option) of \$2.5 million payable on or before 6 months following closing; and
- Share consideration at closing representing 19.9% of Laurentian’s shares outstanding following completion of the acquisition and an initial \$7.5 million financing.

Macquarie Capital Markets Canada Ltd. acted as financial advisor to Laurentian in connection with the Madsen transaction and upon closing will receive a fee of either \$750,000 in shares of Laurentian priced at \$0.25 per share, or \$300,000 in cash and \$300,000 in shares of Laurentian priced at \$0.25 per share.

Oxygen Capital Corp. will also be receiving a success fee of \$500,000, payable in Units upon closing of the Madsen transaction.

The Madsen acquisition is subject to receipt of all required shareholder, regulatory and third party consents, satisfaction of customary closing conditions and the completion by Laurentian of a financing to raise minimum gross proceeds of \$7.5 million.

- b. On January 14, 2014, the Company announced that it has signed a Letter of Intent (“LOI”) to acquire a 100% interest in the Newman-Madsen Gold Property (“Newman-Madsen”) from Sabina Gold & Silver Corp. (“Sabina”). The Newman-Madsen Property is adjacent to the Madsen property to be acquired from Claude.

Consideration payable by Laurentian to Sabina consists of shares representing 9.9% of Laurentian’s shares outstanding following completion of both the Madsen and Newman-Madsen acquisitions. The Newman-Madsen acquisition is subject to the closing of the Madsen acquisition, and the completion by Laurentian of a financing to raise minimum gross proceeds of \$7.5 million.

Laurentian Goldfields Ltd.

Notes to the Interim Consolidated Financial Statements

(Unaudited – Prepared by Management)

(Stated in Canadian Dollars Unless Noted Otherwise)

12. Proposed Transactions and Subsequent Events - *Continued*

- c. Subsequent to period end, the Company announced that it will complete a private placement of 60,000,000 units at a price of \$0.25 per unit (a "Unit") for aggregate gross proceeds of \$15 million (the "Offering"). Each Unit shall be comprised of one common share of Laurentian and one-half of one common share purchase warrant. Each whole warrant shall entitle its holder to subscribe for one additional common share during a period of 30 months following the date of its issuance, at a price of \$0.50.

The Offering will be conducted on a best efforts private placement basis, by a syndicate of agents (the "Agents"). The Agents will have the option to sell up to an additional 15,000,000 units for additional gross proceeds of up to \$3.75 million, exercisable in whole or in part at any time up to 48 hours before the closing date of the Offering (the "Option"). In connection with the Offering, the Company will pay the Agents a cash commission equal to 6.0% of the gross proceeds of the Offering (inclusive of the Option) and grant the Agents broker warrants totalling 6.0% of the number of units sold pursuant to the Offering (inclusive of the Option).

The net proceeds of the Offering shall be used to complete the acquisition of Madsen and for working capital and general corporate purposes.

The Offering is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the TSX-V and completion of the Madsen acquisition.
