CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2013 AND 2012

(Stated in Canadian Dollars Unless Noted Otherwise)

July 4, 2013

Independent Auditor's Report

To the Shareholders of
Laurentian Goldfields Ltd.

We have audited the accompanying consolidated financial statements of Laurentian Goldfields Ltd., which comprise the consolidated statements of financial position as at March 31, 2013 and 2012 and the consolidated statements of loss and comprehensive loss, cash flows and changes in equity for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Laurentian Goldfields Ltd. as at March 31, 2013 and 2012 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter
Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which discloses conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern.

/s/ PricewaterhouseCoopers LLP

Chartered Accountants

Laurentian Goldfields Ltd.
Consolidated Statements of Financial Position
(Stated in Canadian Dollars Unless Noted Otherwise)

	As at March 31, 2013	As at March 31, 2012
ASSETS		
Current Assets		
Cash	**$ 430,606**	$ 317,489
Restricted cash *(Notes 7h and 7j)*	**2,075**	108,532
Short-term investments *(Note 5)*	**35,000**	92,500
Amounts receivable	**49,515**	281,580
Prepaid expenses	**11,650**	26,457
	528,846	826,558
Non-current Assets		
Property and equipment *(Note 6)*	**26,466**	35,650
Exploration and evaluation assets *(Note 7a)*	**313,210**	984,090
Total Assets	**$ 868,522**	$ 1,846,298
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	**$ 119,352**	$ 74,878
Mineral property funding obligations *(Notes 7h and 7j)*	**2,075**	108,532
Total Liabilities	**121,427**	183,410
Equity		
Share capital *(Note 8a)*	**11,534,788**	11,217,385
Share-based payments reserve	**4,492,018**	4,067,467
Accumulated deficit	**(15,279,711)**	(13,621,964)
Total Equity	**747,095**	1,662,888
Total Liabilities and Equity	**$ 868,522**	$ 1,846,298

Nature of Operations and Going Concern *(Note 1)*
Commitments *(Note 11)*

ON BEHALF OF THE BOARD:

"Darin Labrenz", Director

"Brian P. Fowler", Director

- See Accompanying Notes to the Consolidated Financial Statements -

Laurentian Goldfields Ltd.
Consolidated Statements of Loss and Comprehensive Loss
(Stated in Canadian Dollars Unless Noted Otherwise)

		For the year ended March 31, 2013		For the year ended March 31, 2012
Expenses				
Amortization	**$**	**9,184**	$	37,779
Corporate listing and filing fees		**33,710**		28,297
Exploration and evaluation expenditures, net *(Note 7b)*		**152,761**		2,143,847
Investor relations		**7,813**		98,761
Office		**71,539**		107,297
Professional fees		**33,469**		173,502
Rent		**35,250**		60,929
Share-based compensation expense *(Note 8d)*		**91,746**		170,373
Travel		**14,741**		70,505
Wages and consulting fees		**513,780**		611,300
Write-off of exploration and evaluation assets *(Note 7a)*		**724,100**		88,000
Loss from Operations		**(1,688,093)**		(3,590,590)
Other Income				
Interest income		**635**		4,599
Management and administration fee		**29,711**		110,031
Total Other Income		**30,346**		114,630
Net Loss and Comprehensive Loss for the Year	**$**	**(1,657,747)**	$	(3,475,960)
Weighted Average Number of Common Shares Outstanding		**6,817,925**		6,036,581
Basic and Diluted Loss per Common Share	**$**	**(0.24)**	$	(0.58)

- See Accompanying Notes to the Consolidated Financial Statements -

Laurentian Goldfields Ltd.
Consolidated Statements of Cash Flows
(Stated in Canadian Dollars Unless Noted Otherwise)

		For the year ended March 31, 2013		For the year ended March 31, 2012
Cash Flows from (used in) Operating Activities				
Net loss for the year	**$**	**(1,657,747)**	$	(3,475,960)
Items not affecting cash:				
Amortization		**9,184**		37,779
Shares issued for exploration and evaluation expenditures		**2,500**		-
Share-based compensation expense		**91,746**		170,373
Write-off of exploration and evaluation assets		**724,100**		88,000
		(830,217)		(3,179,808)
Changes in non-cash working capital:				
Amounts receivable		**232,065**		(137,486)
Prepaid expenses		**14,807**		61,231
Accounts payable and accrued liabilities		**44,474**		(354,665)
		(538,871)		(3,610,728)
Cash Flows from (used in) Investing Activities				
Short-term investments		**57,500**		350,000
Additions to property and equipment		**-**		(25,969)
Additions to exploration and evaluation assets		**(30,500)**		(118,750)
		27,000		205,281
Cash Flows from Financing Activities				
Proceeds from exercise of compensation options		**-**		106,965
Proceeds from exercise of warrants		**-**		800,000
Proceeds from shares issued		**632,400**		-
Share issuance costs		**(7,412)**		-
		624,988		906,965
Net Increase (Decrease) in Cash		**113,117**		(2,498,482)
Cash - Beginning of the Year		**317,489**		2,815,971
Cash - End of the Year	**$**	**430,606**	$	317,489

Supplemental Schedule of Non-Cash Investing and Financing Activities				
Issuance of shares for exploration and evaluation assets	**$**	**22,720**	$	102,600
Fair value of warrants attached to shares issued	**$**	**320,348**	$	-
Fair value of finder's warrants	**$**	**3,903**	$	-
Fair value of share issuance costs attached to warrants	**$**	**5,574**	$	-
Fair value of re-priced warrants	**$**	**14,128**	$	-

- See Accompanying Notes to the Consolidated Financial Statements -

Laurentian Goldfields Ltd.

Consolidated Statements of Changes in Equity

(Stated in Canadian Dollars Unless Noted Otherwise)

	Number of Shares *(Note 8)*		Share Capital		Share-Based Payments Reserve		Accumulated Deficit		Total
Balance – April 1, 2011	5,579,421	$	9,938,049	$	4,166,865	$	(10,146,004)	$	3,958,910
Shares issued for exploration and evaluation assets	74,500		102,600		-		-		102,600
Compensation options exercised	59,425		106,965		-		-		106,965
Fair value of compensation options exercised	-		93,289		(93,289)		-		-
Warrants exercised	444,444		800,000		-		-		800,000
Fair value of warrants exercised	-		176,482		(176,482)		-		-
Share-based compensation expense	-		-		170,373		-		170,373
Net loss for the year	-		-		-		(3,475,960)		(3,475,960)
Balance – March 31, 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
Common shares issued	3,162,000		632,400		-		-		632,400
Fair value of warrants issued	-		(314,774)		314,774		-		-
Share issuance costs – cash	-		(7,412)		-		-		(7,412)
Share issuance costs – warrants	-		(3,903)		3,903		-		-
Share-based compensation expense	-		-		91,746		-		91,746
Incremental fair value of re-priced warrants	-		(14,128)		14,128		-		-
Net loss for the year	-		-		-		(1,657,747)		(1,657,747)
Balance – March 31, 2013	**9,353,190**	**$**	**11,534,788**	**$**	**4,492,018**	**$**	**(15,279,711)**	**$**	**747,095**

- See Accompanying Notes to the Consolidated 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 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 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 $15,279,711 at March 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 consolidated interim 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

The consolidated financial statements of the Company were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2. Basis of Presentation - *Continued*

b. Approval of the Financial Statements

The consolidated financial statements of Laurentian for the year ended March 31, 2013 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on July 4, 2013.

3. Summary of Significant Accounting Policies

The significant accounting policies used in the preparation of these consolidated financial statements are as follows:

a. Basis of Measurement

The consolidated financial statements have been prepared on a historical cost basis except for certain long lived assets and financial instruments which have been measured at fair value.

b. Basis of Consolidation

The financial statements of the Company consolidate the accounts of Laurentian and its 100% wholly owned subsidiary Laurentian Copper Corp., a private company incorporated under the Business Corporations Act of British Columbia in Canada. All intercompany transactions, balances and unrealized gains and losses are eliminated on consolidation.

Subsidiaries are those entities which Laurentian controls by having the power to govern the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether Laurentian controls another entity. Subsidiaries are fully consolidated from the date on which control is obtained by Laurentian and are de-consolidated from the date that control ceases.

c. Cash and Cash Equivalents

Cash and cash equivalents include cash, term deposits and short-term highly liquid investments with an original term to maturity of three months or less.

As at March 31, 2013, the Company only held cash.

d. Short-term Investments

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

e. Property and Equipment

Property and equipment is recorded at cost less accumulated amortization. The Company provides for amortization using the declining balance method at rates designed to amortize the cost of the property and equipment over its estimated useful life. The annual amortization rates are as follows:

Computer equipment	55 %
Computer software	100 %
Office furniture and equipment	20 %
Project field equipment	20 %

3. Summary of Significant Accounting Policies - *Continued*

f. Exploration and Evaluation Assets

The Company's policy is to expense, as incurred, exploration and evaluation expenditures until the mineral property reaches the development stage. Costs related to property acquisitions are capitalized until the viability of the mineral interest is determined. When it has been established that a mineral deposit is commercially mineable and an economic analysis has been completed, the costs subsequently incurred to develop a mine on the property prior to the start of mining operations are capitalized and will be amortized against production following commencement of commercial production, or written off if the property is sold, allowed to lapse or abandoned.

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

g. Impairment of Non-Current Assets

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

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

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

Management estimates of mineral prices, recoverable reserves, and operating, capital and restoration costs are subject to certain risks and uncertainties that may affect the recoverability of exploration and evaluation assets. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its projects *(Note 4)*.

3. Summary of Significant Accounting Policies - *Continued*

h. Jointly Controlled Assets

Certain of the Company's mineral properties are the subject of agreements which take the form of jointly controlled assets. Accordingly, the Company records only its share of assets, liabilities, costs and expenditures.

i. Provision for Closure and Reclamation

The Company records a liability based on the best estimate of costs for site closure and reclamation activities that the Company is legally or constructively required to remediate and the liability is recognized at the time environmental disturbance occurs. The resulting costs are capitalized to the corresponding asset. The provision for closure and reclamation liabilities is estimated using expected cash flows and discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The capitalized amount is amortized on the same basis as the related asset. The liability is adjusted for the accretion of the discounted obligation and any changes in the amount or timing of the underlying future cash flows. Significant judgments and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation costs. Changes in closure and reclamation estimates are accounted for as a change in the corresponding capitalized cost. Costs of rehabilitation projects for which a provision has been recorded are recorded directly against the provision as incurred, most of which are incurred at the end of the life of the mine.

The Company has determined that it has no restoration obligations as at March 31, 2013.

j. Income Taxes

The Company uses the balance sheet method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is not probable that the related tax benefit will be realized.

k. Share-Based Payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and consultants. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The offset to the recorded cost is to share-based payments reserve. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payments reserve is transferred to share capital. Where awards are forfeited because non-market based vesting conditions are not satisfied, the expense previously recognized is proportionately reversed in the period the forfeiture occurs.

3. Summary of Significant Accounting Policies - *Continued*

l. Share Capital

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

m. Loss per Share

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

n. Flow-Through Shares

Under Canadian income tax legislation, a company is permitted to issue flow-through shares whereby the Company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. For accounting purposes, the proceeds from the issuance of these shares are allocated between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the quoted price of the existing shares and the amount the investor pays for the shares. A liability is recognized in other liabilities for this difference. The liability is reduced and the reduction of premium liability is recorded in deferred tax recovery as eligible expenditures are incurred.

o. Resource Tax Credits ("RTC")

The Company recognizes RTC amounts when the Company's RTC application is approved by the relevant jurisdiction or when the amount to be received can be reasonably estimated and collection is reasonably assured.

p. Financial Instruments

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

Financial Assets at Fair Value Through Profit or Loss

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

3. Summary of Significant Accounting Policies - *Continued*

p. Financial Instruments - *Continued*

(i) Financial Assets - *Continued*

Loans and Receivables

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

Available-For-Sale

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

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

Borrowings and Other Financial Liabilities

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

Derivative Financial Liabilities

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

q. Impairment of Financial Assets

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

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

3. Summary of Significant Accounting Policies - *Continued*

q. Impairment of Financial Assets - *Continued*

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

r. Use of Judgments and Estimates

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

Significant areas requiring the use of estimates and assumptions relate to the review of carrying values and determination of impairment charges of non-current assets; valuation of share-based payments; and the recoverability of deferred income tax assets. Actual results could differ from those estimates.

s. Changes in Accounting Policy and Disclosures

New Standards and Interpretations Not Yet Adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after January 1, 2013, and have not been applied in preparing these consolidated financial statements. None of these new standards and amendments is expected to have a significant effect on the consolidated financial statements of the Company, except the following:

IFRS 9, '*Financial Instruments,*' addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and at amortized cost. The determination is made at initial recognition and classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the statement of loss and comprehensive loss, unless this creates an accounting mismatch. The Company has yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after January 1, 2015. The Company will also consider the impact of the remaining phases of IFRS 9 when completed by the IASB.

3. Summary of Significant Accounting Policies - *Continued*

s. Changes in Accounting Policy and Disclosures - *Continued*

New Standards and Interpretations Not Yet Adopted – *Continued*

IFRS 10, '*Consolidated Financial Statements,*' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Company will adopt IFRS 10 on April 1, 2013.

IFRS 11, '*Joint Arrangements,*' 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 will follow accounting much like that for jointly controlled assets and jointly controlled operations under IAS 31. The Company will adopt IFRS 11 on April 1, 2013.

IFRS 13, '*Fair Value Measurement*,' aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend to use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. The Company will adopt IFRS 13 on April 1, 2013.

IAS 28, '*Investment in Associates and Joint Ventures (amendments),'* prescribes the accounting for investments in associates and to set out the requirements for application of the equity method when accounting for investments in associates and joint ventures. The Company will adopt IAS 28 on April 1, 2013.

There are no other IFRSs, IASs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company's consolidated financial statements.

4. Critical Accounting Estimates and Judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The following discusses the most significant accounting judgments and estimates that the Company has made in these financial statements.

Carrying Value of Exploration and Evaluation Assets

The Company has capitalized the cost of acquiring mineral property interests and has classified these interests as exploration and evaluation assets in its statement of financial position. Exploration and evaluation assets are expensed in the period in which the Company determines that the mineral property interests have no future economic value. Exploration and evaluation assets may also be written down if future cash flow, including potential sales proceeds and option payments, related to the property are estimated to be less than the carrying value of the property.

4. Critical Accounting Estimates and Judgments - *Continued*

Carrying Value of Exploration and Evaluation Assets - *Continued*

The Company reviews the carrying value of its exploration and evaluation assets periodically, and whenever events or changes in circumstances indicate that the carrying value may not be recoverable, reductions in the carrying value of each property would be recorded to the extent that the carrying value of the investment exceeds the property's estimated recoverable amount. Such events or changes in circumstances involve changes in political risk, economic risk, commodity prices, exchange rates, and interest rates among others.

The Company has determined that there are no indicators which would lead management to conclude that the carrying value of the Van Horne property is impaired.

Deferred Tax Assets

The Company accounts for tax consequences of the differences in the carrying amounts of assets and liabilities and their tax bases using tax rates expected to apply when these temporary differences are expected to be settled. When the future realization of income tax assets does not meet the test of being probable to occur, no deferred income tax asset is recognized.

The Company has not recognized any tax assets.

5. Short-term Investments

As at March 31, 2013, the Company has invested $35,000 (March 31, 2012 - $92,500) into a Guaranteed Investment Certificate ("GIC") with a Canadian Financial Institution.

This GIC yields interest at a rate of 1.20% with a maturity date of April 4, 2014.

6. Property and Equipment

Cost	Office Equipment	Computer Software	Office Furniture & Equipment	Project Field Equipment	Total
Balance – March 31, 2012	$ 46,370	$ 56,207	$ 7,589	$ 59,712	$ 169,878
Additions	-	-	-	-	-
Balance – March 31, 2013	**46,370**	**56,207**	**7,589**	**59,712**	**169,878**
Accumulated Amortization					
Balance – March 31, 2012	(40,502)	(56,207)	(3,165)	(34,354)	(134,228)
Amortization for the year	(3,227)	-	(885)	(5,072)	(9,184)
Balance – March 31, 2013	**(43,729)**	**(56,207)**	**(4,050)**	**(39,426)**	**(143,412)**
Carrying Amounts					
March 31, 2012	5,868	-	4,424	25,358	35,650
March 31, 2013	**$ 2,641**	**$ -**	**$ 3,539**	**$ 20,286**	**$ 26,466**

7. Exploration and Evaluation Assets

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

	Maze Lake (*Note 7c*)	Grenville (*Note 7d*)	Van Horne (*Note 7e*)	Thundercloud (*Note 7f*)	Sakoose West	**Total**
April 1, 2011	$ 350,000	$ 80,000	$ 270,240	$ 142,500	$ 8,000	$ 850,740
Cash	-	-	124,750	-	-	124,750
Shares	-	-	61,600	35,000	-	96,600
Write-off	-	(80,000)	-	-	(8,000)	(88,000)
March 31, 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	**$ -**	**$ -**	**$ 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 year ended March 31, 2013	Van Horne	Thundercloud	Goldpines North	Goldpines South[1]	Other Properties[2]	**Total**
Assaying and sampling	$ 4,302	$ -	$ -	$ 175	$ 656	$ 5,133
Field expenses	30,459	13,301	2,950	7,770	50,236	104,716
Geological consulting	102,778	1,242	2,691	9,085	27,466	143,262
Option payment , net [3]	-	-	-	-	(100,350)	(100,350)
Expenditures for the year	137,539	14,543	5,641	17,030	(21,992)	152,761
Expenditures, beginning of the year	1,588,597	1,712,451	98,873	64,127	4,370,938	7,834,986
March 31, 2013	**$ 1,726,136**	**$ 1,726,994**	**$ 104,514**	**$ 81,157**	**$ 4,348,946**	**$ 7,987,747**

(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, previously under the AngloGold Alliance.
(2) Other properties include Maze Lake, Belcourt and generative projects.
(3) See Note 7g

For the year ended March 31, 2012	Van Horne	Thundercloud	Goldpines North	AngloGold Alliance	Other Properties[1]	**Total**
Assaying and sampling	$ 207,965	$ 391,147	$ 19,797	$ 12,067	$ 397	$ 631,373
Field expenses	112,927	366,412	35,346	16,695	302,081	833,461
Drilling	261,433	521,086	-	14,429	-	796,948
Geological consulting	132,445	322,878	43,730	20,936	44,074	564,063
Government assistance[2]	-	-	-	-	(242,998)	(242,998)
Option payments received[3]	-	-	-	-	(439,000)	(439,000)
Expenditures for the year	714,770	1,601,523	98,873	64,127	(335,446)	2,143,847
Expenditures, beginning of the year	873,827	110,928	-	-	4,706,384	5,691,139
March 31, 2012	**$ 1,588,597**	**$ 1,712,451**	**$ 98,873**	**$ 64,127**	**$ 4,370,938**	**$ 7,834,986**

(1) Other properties include Maze Lake, Grenville, Hickson, Belcourt and generative projects.
(2) As at March 31, 2012, the Company received $4,388 and accrued $238,610 in resource tax credits for fiscal years 2010 and 2011 from Revenu Quebec and the Ministère des Resources naturelles et de la Faune and this amount is included in the amounts receivable balance of $281,580 as at March 31, 2012.
(3) See Note 7g

7. Exploration and Evaluation Assets - *Continued*

c. Maze Lake, Nunavut

On January 29, 2009, the Company formed the unincorporated Maze Laze Joint Venture ("MLJV") with Terrane Metals Corp. ("Terrane"), which is now a subsidiary of Thompson Creek Metals Company Inc., pursuant to the Option and Joint Venture Agreement dated May 15, 2008. The MLJV is accounted for as a jointly controlled asset.

Subsequent to the year ended March 31, 2013, the Company signed an agreement to transfer the whole of its legal and beneficial interest in and to the MLJV to its joint venture partner. Consequently, the Company wrote-off $350,000 of capitalized acquisition costs as at March 31, 2013.

The Company's interest to be transferred is 57% and in consideration for the transfer will be granted a one percent (1%) net smelter royalty ("NSR"). As the Maze Lake property is still in the exploration stage with no defined mineral resources or reserves, the Company concluded that no value was assigned to the NSR.

d. Grenville, Quebec

On August 9, 2007, the Company signed a joint venture agreement with Australian Mineral Fields Pty Ltd. ("Ausmin"), an Australian Company, to utilize Ausmin's expertise in the identification of exploration targets on specified exploration targets within the Grenville geological province. The Company issued 25,000 (fair value - $87,500) common shares to Ausmin upon signing. On January 23, 2009, the Company secured a 100% interest in its Grenville project through the termination of its joint venture agreement with Ausmin. Ausmin no longer has any interest in the mineral claims that were subject to the joint venture. In consideration for the termination of the joint venture agreement, the Company issued 100,000 common shares (fair value - $80,000).

During the year ended March 31, 2012, the Company wrote-off all acquisition costs on its Grenville property in the amount of $80,000.

e. Van Horne, Ontario

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

Payments:

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

Common shares:

i)	10,350	on or before June 1, 2008 *(issued – fair value $24,840)*
ii)	15,500	on or before June 1, 2009 *(issued – fair value $27,900)*
iii)	20,500	on or before June 1, 2010 *(issued – fair value $30,750)*
iv)	22,000	on or before June 1, 2011 *(issued – fair value $61,600)*
v)	28,400	on or before May 1, 2012 *(issued – fair value $22,720)*
	96,750	

7. Exploration and Evaluation Assets - *Continued*

e. Van Horne, Ontario - *Continued*

Minimum expenditures:

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

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

On May 6, 2009, the Company increased its land position by negotiating an option to acquire the mineral rights to a single patent mining claim within the boundaries of the Company's existing Van Horne Property. To earn a 100% interest in the new land position, the Company must fulfill the following optional terms, in aggregate, over a three year period:

Payments:

i)	$	3,500	upon signing of agreement *(paid)*
ii)		6,000	on or before June 1, 2010 *(paid)*
iii)		8,000	on or before June 1, 2011 *(paid)*
iv)		12,000	on or before June 1, 2012 *(paid)*
	$	29,500	

Common shares:

i)	1,000	upon signing of agreement *(issued – fair value $1,250)*

Minimum expenditures:

The Company's minimum expenditure requirement to maintain the adjacent option in good standing is to fulfill the aggregate $1,600,000 *(incurred)* of exploration expenditures noted above relating to the seven option agreements entered into on July 1, 2008. The property optionors retain a 2% NSR on the new land position. The Company has the right to repurchase one-half (or 1%) of the NSR for $1,000,000.

During the year ended March 31, 2013, the Company satisfied the cash payments, share issuances, and exploration expenditure commitments on the eight underlying option agreements noted above. As a result, the Company currently holds 100% of the right, title and interest in the mineral rights on four of the eight option agreements, with the remaining four still subject to additional consideration.

Buyout payments for two of the remaining four option agreements were not made by the Company whereas the other two option agreements are still subject to finalization. Consequently, the Company wrote-off $196,600 of capitalized acquisition costs relating to the former two option agreements as at March 31, 2013. The additional optional buyout provisions for the latter two option agreements consist of a final cash payment of $21,000 for one and for the second, the greater of (i) the fair market value of the surface rights as determined by an independent third party and (ii) the $63,500 already paid by the Company.

7. Exploration and Evaluation Assets - *Continued*

f. 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)	50,000	within five business days of TSX Venture Exchange approval *(issued – fair value $142,500)*
ii)	50,000	on or before December 31, 2011 *(issued – fair value $35,000)*
iii)	100,000	Within 65 days of notifying Teck that it has completed the $6,000,000 of minimum exploration expenditures
	200,000	

Minimum expenditures:

i)	$ 1,500,000	on or before December 31, 2011 *(incurred)*
ii)	500,000	on or before December 31, 2012
iii)	1,500,000	on or before December 31, 2013
iv)	2,500,000	on or before December 31, 2014
	$ 6,000,000	

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.

During the year ended March 31, 2013, the Company performed an internal review of its mineral interests and has determined that the Thundercloud Property did not meet its corporate objectives and has terminated its option with Teck. Consequently, the Company wrote-off $177,500 of capitalized acquisition costs during the year ended March 31, 2013.

g. 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.

The Company may earn the 100% interest in the Belcourt Option by fulfilling the following optional terms over a period of three years:

Payments:

i)	$ 25,000	upon signing of agreement *(paid)*
ii)	50,000	on or before May 24, 2012 *(paid by Pershimco)*
iii)	100,000	on or before May 24, 2013 *(not paid subsequently as option was terminated)*
	$ 175,000	

Common shares:

i)	2,500	upon signing of agreement *(issued – fair value $6,000)*
ii)	5,000	on or before May 24, 2012 *(issued – fair value $2,500; received $2,850 as reimbursement from Pershimco)*
iii)	10,000	on or before May 24, 2013 (*not issued subsequently as option was terminated)*
	17,500	

7. Exploration and Evaluation Assets - *Continued*

g. Belcourt, Quebec - *Continued*

Minimum expenditures:

i)	$ 50,000	on or before May 24, 2012 *(incurred by optionee)*
ii)	100,000	on or before May 24, 2013 *(not made subsequently as option was terminated)*
iii)	250,000	on or before May 24, 2014
	$ 400,000	

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 and on January 8, 2013, to conclude the sale of 100% of the Company's Belcourt Property and in consideration, the Company received the following payments:

(i) $200,000 cash upon signing of the agreement;

(ii) $270,000 cash on or before February 24, 2012; and

(iii) $100,000 cash on or before February 1, 2013.

The Company recorded the option payments above as cost recoveries *(Note 7b)*. During the year ended March 31, 2013, cost recoveries of $100,350 includes $350 as net of the 5,000 common shares (fair value - $2,500) issued by the Company to the Belcourt property vendor and the $2,850 reimbursement from Pershimco for the same 5,000 common shares issued by the Company in accordance with the option agreement with Pershimco.

During the year ended March 31, 2012, the Company recorded option payments from Pershimco in the amount of $439,000, net of $31,000 of acquisition costs.

The Company will retain a 2% 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.

Pershimco also notified the Company that it will not pursue the six additional claims under the Belcourt Option. Accordingly, the Company terminated the Belcourt Option on January 31, 2013.

h. 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").

On July 13, 2011 and in accordance with the terms of the joint venture agreement, Kinross exercised its option to earn an additional 25% interest in the GPNJV, thus increasing its participating interest from 50% 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. Subsequent to Kinross exercising its option to earn an additional 25%, the Company's holding was converted from a 50% carried interest to a 25% participating interest.

7. Exploration and Evaluation Assets - *Continued*

h. Goldpines North Joint Venture - *Continued*

Effective July 1, 2012, the Company has elected not to contribute its 25% proportionate share of the GPNJV's operating costs. As a result, the Company's participating interest was diluted to 24% as at March 31, 2013. If a party's participating interest dilutes to 10% or less, then such interest will be converted to a 2% NSR interest and the other party will be deemed to hold a 100% participating interest in the project concept.

The Company operates its Goldpines North Project through the GPNJV under which the joint venture participants are bound by a contractual agreement establishing joint control over the joint venture. The Company records its proportionate share of assets, liabilities, revenue and operating costs of the joint venture. There were no liabilities, revenues, operating costs or cash flow activities and there are no contingencies or commitments in the GPNJV as at and for the year ended March 31, 2013.

As operator of the GPNJV, the Company is entitled to a management and administration fee equal to 10% of the approved exploration expenditures. In accordance with the joint venture agreement, upon Kinross exercising its option under the Additional Earn-In Period, the Company's management and administration fee will be 5% while in the exploration phase, 2% while in the major construction phase and 3% while in the mining phase.

As at March 31, 2013, the Company received $1,905,154 in aggregate funding from Kinross and incurred an aggregate of $1,926,814 in exploration expenditures on Goldpines North. As a result, the Company has a receivable balance of $21,660 from the GPNJV. As at March 31, 2013, the Company had restricted cash from the GPNJV of $nil (March 31, 2012 – $108,532) which must be spent on exploration relating to the GPNJV.

As operator, the following costs were incurred on behalf of Kinross:

For the years ended March 31	**2013**	2012
Assaying and sampling	**$ 37,248**	$ 39,404
Field expenses	**45,923**	70,357
Geological consulting	**40,553**	87,045
Cash calls / funds used	**(123,724)**	(196,806)
	$ -	$ -

i. Anglo Alliance

On April 29, 2009, the Company entered into a three year strategic exploration alliance (the "Anglo Alliance") with AngloGold. The Anglo Alliance included a subscription by AngloGold to a $400,000 private placement in the Company.

In the first year of the Anglo Alliance, AngloGold funded a total of $700,000 in exploration which included $500,000 for generative exploration efforts in five selected areas in Quebec, Ontario, and Saskatchewan, with the objective of identifying new grassroots gold exploration projects, and $200,000 for upgrading targets within portions of the Company's Grenville project (*Note 7d*).

On December 9, 2009, the Company and AngloGold agreed to advance the Anglo Alliance into the second year of follow-up exploration with AngloGold funding $1,700,000 (fully funded and incurred).

7. Exploration and Evaluation Assets - *Continued*

i. Anglo Alliance - *Continued*

In the third year of the Anglo Alliance, at AngloGold's option, AngloGold had the option to fund additional exploration totaling $3,000,000 to follow-up on project results from the first and second years. Upon spending $5,400,000 in exploration over three years (the "Earn-In Period"), AngloGold could have earned a 60% interest in each exploration project defined under the Anglo Alliance and the Company would have retained a 40% interest. AngloGold, at its option, could have then increased its interest to 75% in any exploration project by fully funding any ongoing exploration through to the completion of a National Instrument 43-101 compliant, inferred gold resource within three years of completion of the Earn-In Period.

As at April 29, 2012, the third anniversary of the Anglo Alliance, AngloGold advised that it will not fund future exploration projects under the Anglo Alliance. Consequently, AngloGold did not fulfill the required funding of $3,000,000 in Year 3 and accordingly, did not fulfill the earn-in requirements during the Earn-In Period.

The Company retained 100% interest and will bear all future exploration expenditures, if any, on all the properties under the Anglo Alliance.

As operator of the Anglo Alliance, the Company was entitled to a management and administration fee equal to 10% of approved exploration expenditures with a program budget below $1,000,000. For approved exploration expenditures with a program budget of $1,000,000 or more, the Company's management and administration fee was reduced to 5%.

As operator, the following costs were incurred on behalf of AngloGold:

For the years ended March 31	2013	2012
Assaying and sampling	$ -	$ 101,147
Field expenses	-	139,927
Drilling	-	120,929
Geological consulting	-	175,468
Cash calls / funds used	-	(537,471)
	$ -	$ -

j. 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.

Copper exploration and/or development opportunities acquired by the Alliance will become Designated Properties, and will have a deemed interest of 51% and 49% for Antofagasta and the Company, respectively. Antofagasta may increase its interest in any Designated Property to 65% by completing US$5,000,000 in exploration over four years and thereafter electing to form a joint venture with a one-time cash payment of US$1,000,000 to Laurentian. In the event that Antofagasta declines to exercise its option to earn 65% in a Designated Property, the interest will remain at 51% and 49% for Antofagasta and Laurentian, respectively, with Laurentian maintaining control and management of the project.

7. Exploration and Evaluation Assets - *Continued*

j. Antofagasta Alliance - *Continued*

Exploration work with respect to the Alliance is guided through a joint Technical Committee with the Company acting as Operator. As Operator and pursuant to the terms of the Alliance agreement, the Company is entitled to be paid or credited with a fee equal to 10% of Alliance costs.

As at March 31, 2013, the Company received $345,594 in aggregate funding from Antofagasta and incurred an aggregate of $343,519 in exploration expenditures. As a result, the Company has restricted cash of $2,075 (March 31, 2012 - $Nil) 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 year ended March 31, 2013		
Field expenses	$	**156,109**
Geological consulting		**125,511**
General and administrative		**38,880**
Operator's fee		**23,019**
Cash calls / funds used		**(343,519)**
	$	**-**

8. 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.

b. Private Placements

For the fiscal year ending March 31, 2013

Private Placement March 2013

On March 20, 2013, the Company closed a non-brokered private placement of 500,000 units at a price of $0.20 per unit for aggregate gross proceeds of $100,000. Each unit comprises of one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company for up to 24 months from the date of issuance at a price of $0.30. The warrants are subject to an accelerated expiry date, which comes into effect when the trading price of the Company's common shares closes at or above $0.50 per share for 20 consecutive trading days in the period commencing four months after the date of issuance. In such an event, the Company will provide a notice and the expiry date of the warrants will be 30 days from the date of the notice.

8. Equity - *Continued*

b. Private Placements - *Continued*

For the fiscal year ending March 31, 2013 - *Continued*

Private Placement March 2013 - *Continued*

The warrants attached to this issuance have been valued at $38,483 ($39,673 net of warrant issuance costs of $1,190) based on the Black-Scholes Method using the assumptions noted below:

Assumptions	
Risk-free interest rate	1.02%
Expected stock price volatility	240%
Expected dividend yield	0.00%
Expected life of warrants	2 years

In connection with this private placement, the Company paid an administrative fee of $3,000 being 3% of the gross proceeds.

Private Placement January 2013

On January 7, 2013, the Company closed a non-brokered private placement of 2,662,000 units at a price of $0.20 per unit for aggregate gross proceeds of $532,400. Each unit comprises of one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company for up to 24 months from the date of issuance at a price of $0.30. The warrants are subject to an accelerated expiry date, which comes into effect when the trading price of the Company's common shares closes at or above $0.50 per share for 20 consecutive trading days in the period commencing four months after the date of issuance. In such an event, the Company will provide a notice and the expiry date of the warrants will be 30 days from the date of the notice.

The warrants attached to this issuance have been valued at $276,291 ($280,675 net of warrant issuance costs of $4,384) based on the Black-Scholes Method using the assumptions noted below:

Assumptions	
Risk-free interest rate	1.13%
Expected stock price volatility	233%
Expected dividend yield	0.00%
Expected life of warrants	2 years

In connection with this private placement, the Company issued 17,500 finders' warrants as finders' fees. Each finder's warrant is exercisable to purchase one common share of the Company for up to 24 months after the date of issuance at a price of $0.30 per share. The Company has recorded the fair value of these finders' warrants as share issuance costs. The finders' warrants have been valued at $3,903 based on the Black-Scholes Method using the same assumptions as the warrants pertaining to the January 2013 private placement noted above. Finders' fees of $3,500 and filing fees of $912 associated with this financing were paid in cash.

8. Equity - *Continued*

c. Share Purchase Warrants

Details of issued and outstanding warrants are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance - March 31, 2011	2,402,939	$3.40
Issued	29,712	$3.50
Exercised	(444,444)	$1.80
Expired	(1,485,797)	$3.30
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**

(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 *(Note 3l)*, the re-pricing and extension of the 443,167 warrants resulted in an increase of $14,128 in share-based payment reserve with a corresponding decrease to share capital.

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

Expiry Date	Exercise Price	Number of Warrants	Warrant Valuation
June 4, 2013[1]	$0.20	443,167	$ 740,452
January 7, 2015	$0.30	2,679,500	280,194
March 20, 2015	$0.30	500,000	38,483
Weighted Average	**$0.29**	**3,622,667**	**$ 1,059,129**

(1) Subsequent to year end, 443,167 warrants expired without exercise.

The above noted fair value of $1,059,129 is included in share-based payments reserve in the Company's Consolidated Statement of Financial Position at March 31, 2013.

d. 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.

8. Equity – *Continued*

d. Stock Options – *Continued*

For the fiscal year ending March 31, 2013

i. On February 25, 2013, the Company granted 500,000 incentive stock options to directors, officers and employees and of which 470,000 vested at the date of grant and 30,000 vests 25% every three months from the grant date. The options are exercisable at $0.20 per share and will expire on February 25, 2018. The fair value of these options was $80,300, of which $76,423 was recognized as share-based compensation expense during the year ended March 31, 2013. The corresponding share-based compensation expense has a weighted average fair value of $0.16 per option and was estimated using the Black-Scholes Option Pricing Model with the following assumptions:

Assumptions	
Risk-free interest rate	1.43%
Expected stock price volatility	201%
Expected dividend yield and forfeiture rate	0.00%
Expected life of options	5 years

ii. Subsequent to the share consolidation, the Company's board of directors approved to re-price the exercise price of certain outstanding options totalling 195,000, to $0.20 per option. As a result, the Company recognized the incremental value of the re-priced options of $15,323 as share-based compensation expenses during the year ended March 31, 2013. Accordingly, share-based payments reserve also increased by the same amount.

For the fiscal year ending March 31, 2012

There were no stock options granted during the year ended March 31, 2012.

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 year ended March 31, 2013, the Company recorded share-based payments of $91,746 (March 31, 2012 - $170,373). The comparative year's shared-based compensation expense relates to stock options granted during the year ended March 31, 2011 and fully vested during the year ended March 31, 2012.

Details of issued and outstanding stock options are as follows:

	Number of Options	Weighted Average Exercise Price
Balance – March 31, 2011	454,091	$3.10
Expired	(2,500)	$4.00
Forfeited	(197,273)	$3.20
Balance – March 31, 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**

[1] On March 11, 2013, the exercise prices ranging between $1.70 and $4.00 of 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. The effect of the re-priced options is described in *Note 8(c)(ii)* above.

8. Equity – *Continued*

d. Stock Options - *Continued*

At March 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	62,500	1.36
February 1, 2015	$0.20	20,000	1.84
January 21, 2016	$0.20	60,000	2.81
March 11, 2016	$0.20	50,000	3.20
February 25, 2018	$0.20	500,000	4.91
	$0.20	**692,500**	**4.18**

9. Related Party Transactions

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

a. Trading Transactions

As at March 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 Transaction
Director	Consulting
President and CEO	Management
0869007 B.C. Ltd.	Management
Sunjem Consulting Ltd.	Management

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

	Note	**For the year ended March 31, 2013**	For the year ended March 31, 2012
Management fees	(i)	**$ 266,000**	$ 312,500
Consulting fees	(ii)	**60,000**	60,000
Total	(iii)	**$ 326,000**	$ 372,500

(i) During the year ended March 31, 2013, the Company paid or accrued management fees of $170,000 (2012 - $170,000) to the President and CEO; $36,000 (2012 - $36,000) to a company controlled by the Company's CFO; $60,000 (2012 - $30,000) to a company controlled by the Company's Vice-President of Exploration; $nil (2012 - $75,000) to the Company's former Vice-President of Exploration; and $nil (2012 - $1,500) to the Company's former CFO.

(ii) During the year ended March 31, 2013, the Company paid or accrued $60,000 (2012 - $60,000) 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 $270,628 (2012 - $295,000), $15,220 (2012 - $77,500) in exploration and evaluation expenditures as geological consulting, $38,803 (2012 - $nil) in the Antofagasta Alliance as geological consulting *(Note 7j)* and $1,349 (2012 - $nil) as a receivable from Teck with respect to the Thundercloud property.

9. Related Party Transactions - *Continued*

a. Trading Transactions - *Continued*

Included in accounts payable and accrued liabilities at March 31, 2013 is $5,600 (March 31, 2012 - $nil) owing to a director of the Company, $17,514 (March 31, 2012 - $nil) owing to the Company's President and CEO and $nil (March 31, 2012 - $10,388) owing to the Company's Vice-President of Exploration.

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 years ended March 31, 2013 and 2012 are as follows:

	Note	**March 31, 2013**	March 31, 2012
Management and consulting fees	(i)	**$ 326,000**	$ 312,500
Share-based compensation expense	(ii)	**72,594**	142,654
		$ 398,594	$ 455,154

(i) Management and consulting fees include fees disclosed in *Note 9(a)* above.
(ii) Share-based compensation expense is the fair value of options granted and vested to key management during the year, including the incremental value of the options belonging to key management that were re-priced during the year ended March 31, 2013.

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

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.

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 is effectively a month to month lease; however, should the Company wish to discontinue use of the premises, six months written notice must be provided. The head-lease has an expiry date of April 30, 2016.

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.

12. Income Taxes

a. The income tax provision for the year differs from the amount obtained by applying the statutory Canadian federal and provincial income tax rates as follows:

		For the year ended March 31, 2013		For the year ended March 31, 2012
Loss before income taxes	**$**	**(1,657,747)**	$	(3,475,960)
Statutory Canadian federal and provincial tax rates		**26.00%**		25.00%
Expected tax recovery		**(431,014)**		(868,990)
Adjustments:				
Share-based compensation		**23,854**		42,593
Statutory tax rate difference		**(15,657)**		-
Tax assets not recognized		**422,817**		826,397
Income tax expense (recovery)	**$**	**-**	$	-

b. The components of the future income tax asset balances are as follows:

		March 31, 2013		March 31, 2012
Deferred income tax asset:				
Non-capital loss carry-forwards	**$**	**1,582,161**	$	1,132,260
Share issuance costs		**48,256**		84,435
Other		**37,287**		33,630
Resource property costs – tax basis in excess of book value		**917,649**		844,165
Tax assets not recognized		**(2,585,353)**		(2,094,490)
Deferred income tax asset	**$**	**-**	$	-

The effective income tax rate is the rate that is estimated to be applicable when timing differences reverse. As at March 31, 2013, the future enacted rate is estimated to be 26% (2012 – 25%).

c. The Company has non-capital losses which may be applied to reduce future year's taxable income. As at March 31, 2013, the non-capital losses amounted to $6,085,236 (March 31, 2012 – $4,529,039) which will expire between the years 2025 and 2032.

13. Management of Capital

The Company primarily considers shareholders' equity in the management of its capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support exploration and development of mineral properties. The Board of Directors has not established quantitative capital structure criteria management, but will review on a regular basis the capital structure of the Company to ensure its appropriateness to the stage of development of the business.

The Company's objectives when managing capital are:

- To maintain and safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds, to support continued evaluation and maintenance of the Company's existing properties, and to acquire, explore, and develop other precious and base metal deposits.
- To invest cash on hand in highly liquid and highly rated financial instruments with high credit quality issuers, thereby minimizing the risk and loss of principal.
- To obtain the necessary financing to complete exploration and development of its properties, if and when it is required.

The properties in which the Company currently holds an interest in are in the exploration stage and the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and development and pay for administrative costs, the Company will spend its existing working capital and attempt to raise additional amounts as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

In order to facilitate the management of capital and development of its mineral properties, the Company prepares annual expenditure budgets, which are updated as necessary and are reviewed and approved by the Company's Board of Directors. In addition, the Company may issue new equity, incur additional debt, option its mineral properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of certain assets. When applicable, the Company's investment policy is to hold cash in interest bearing accounts at high credit quality financial institutions to maximize liquidity. In order to maximize ongoing development efforts, the Company does not pay dividends. The Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

There were no changes in the Company's approach to capital management during the year ended March 31, 2013 compared to the year ended March 31, 2012. The Company is not subject to externally imposed capital requirements. Further information relating to management of capital is disclosed in Note 1.

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14. Financial Instruments

Fair Value

The Company classifies its cash, restricted cash, short-term investments and amounts receivable (excluding sales tax receivable and resource tax credits) as loans and receivables. Accounts payable and accrued liabilities are classified as borrowings and other financial liabilities. As of March 31, 2013, the statement of financial position carrying amounts of these financial instruments closely approximate their fair values, except for accounts payable and accrued liabilities where the fair value may be less than carrying amounts due to liquidity risks (*Note 1*). The Company held no derivative financial instruments.

14. Financial Instruments - *Continued*

Fair Value - *Continued*

The following provides the classification of financial instruments as at March 31, 2013 and March 31, 2012:

	As at March 31, 2013	As at March 31, 2012
Loans and receivables	**$ 497,547**	$ 534,112
Other financial liabilities	**$ 119,352**	$ 74,878

Financial Risk Management

The Company's activities expose it to a variety of financial risks including credit risk, liquidity risk and interest rate risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash, restricted cash, short-term investments and amounts receivable. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the maximum exposure to credit risk.

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

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

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company attempts to manage liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at March 31, 2013, the Company had cash of $430,606 (March 31, 2012 - $317,489) and restricted cash of $2,075 (March 31, 2012 - $108,532) to settle current liabilities of $121,427 (March 31, 2012 - $183,410). Further information relating to liquidity risk is disclosed in Note 1.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash, restricted cash and short-term investment include deposits which are at variable interest rates. For the year ended March 31, 2013, a plus or minus 0.5% change in market interest rates would affect the Company's interest earned on cash, restricted cash and short-term investments by approximately $2,300.