

**LAURENTIAN GOLDFIELDS LTD.**

**(Formerly CAPO RESOURCES LTD.)**

**(An Exploration Stage Company)**

**INTERIM FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2009**

**(Unaudited – Prepared by Management)**

**In Canadian Dollars**

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management and approved by the Board of Directors of the Company. The Company's independent auditor has not performed a review of these interim financial statements.

**LAURENTIAN GOLDFIELDS LTD.**

Statement 1

(Formerly CAPO RESOURCES LTD.)

(An Exploration Stage Company)

**Interim Balance Sheets**

(Unaudited – Prepared by Management)

Canadian Dollars

<b>ASSETS</b>	<b>As at September 30, 2009</b>	<b>As at March 31, 2009</b>
<b>Current</b>		
Cash and cash equivalents (Note 8e)	\$ 2,133,033	\$ 507,450
Restricted cash (Notes 6d and 6e)	617,437	-
Short-term investments	34,500	-
GST and other receivables	41,547	125,081
Prepaid expenses	26,870	17,326
	<b>2,853,387</b>	<b>649,857</b>
<b>Property and Equipment</b> (Note 5)	<b>53,440</b>	<b>50,422</b>
<b>Resource Property Costs</b> (Note 6) – Schedule	<b>4,980,555</b>	<b>4,301,652</b>
	<b>\$ 7,887,382</b>	<b>\$ 5,001,931</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 218,108	\$ 109,390
<b>Mineral Properties Funding Obligation</b> (Notes 6d, 6e and 8b)	<b>417,437</b>	<b>-</b>
<b>Future Income Tax Liability</b> (Note 13b)	<b>120,267</b>	<b>260,934</b>
	<b>537,704</b>	<b>260,934</b>
<b>SHAREHOLDERS' EQUITY</b>		
<b>Share Capital</b> (Note 8a) – Statement 3	<b>6,639,423</b>	<b>5,206,350</b>
<b>Share Purchase Warrants</b> (Note 8c) – Statement 3	<b>1,901,283</b>	<b>807,047</b>
<b>Contributed Surplus</b> (Note 8f) – Statement 3	<b>730,534</b>	<b>190,149</b>
<b>Deficit</b> - Statement 2	<b>(2,139,670)</b>	<b>(1,571,939)</b>
	<b>7,131,570</b>	<b>4,631,607</b>
	<b>\$ 7,887,382</b>	<b>\$ 5,001,931</b>

**Schedule of Resource Property Costs**

ON BEHALF OF THE BOARD:

"Andrew Brown", President &amp; CEO \_\_\_\_\_, Director

"Brian P. Fowler" \_\_\_\_\_, Director

- See Accompanying Notes -

**LAURENTIAN GOLDFIELDS LTD.****(Formerly CAPO RESOURCES LTD.)***(An Exploration Stage Company)***Interim Statements of Loss, Comprehensive Loss and Deficit***(Unaudited – Prepared by Management)**Canadian Dollars*

Statement 2

	For the three months ended September 30, 2009	For the three months ended September 30, 2008	For the six months ended September 30, 2009	For the six months ended September 30, 2008
<b>Expenses</b>				
Amortization	\$ 8,129	\$ 7,045	\$ 11,129	\$ 11,865
Conferences and meetings	13,385	9,974	25,050	19,589
Investor relations	3,968	10,874	27,566	23,753
Listing and filing fees	5,209	17,266	18,008	17,726
Office and administration	17,907	15,077	36,473	22,817
Professional fees	16,221	36,008	22,496	174,903
Rent	5,332	9,648	11,413	16,140
Stock-based compensation <i>(Note 8d)</i>	305,564	-	305,564	-
Transfer agent fees	3,902	5,623	7,580	10,073
Wages and consulting fees	109,723	77,975	226,097	157,092
<b>Loss before the undernoted</b>	<b>(489,340)</b>	<b>(189,490)</b>	<b>(691,376)</b>	<b>(453,958)</b>
<b>Other Income (Expenses)</b>				
Interest income	1,318	3,076	1,318	5,905
Interest expense	-	(2,465)	-	(2,465)
Generative activities	(10,341)	(11,957)	(18,340)	(27,238)
	<b>(9,023)</b>	<b>(11,346)</b>	<b>(17,022)</b>	<b>(23,798)</b>
<b>Loss Before Income Taxes</b>	<b>(498,363)</b>	<b>(200,836)</b>	<b>(708,398)</b>	<b>(477,756)</b>
<b>Future Income Tax Recovery <i>(Note 13a)</i></b>	<b>66,088</b>	<b>60,016</b>	<b>140,667</b>	<b>245,945</b>
<b>Net Loss and Comprehensive Loss for the Period</b>	<b>(432,275)</b>	<b>(140,820)</b>	<b>(567,731)</b>	<b>(231,811)</b>
<b>Deficit - Beginning of Period</b>	<b>(1,707,395)</b>	<b>(1,105,751)</b>	<b>(1,571,939)</b>	<b>(1,014,760)</b>
<b>Deficit - End of Period</b>	<b>\$ (2,139,670)</b>	<b>\$ (1,246,571)</b>	<b>\$ (2,139,670)</b>	<b>\$ (1,246,571)</b>
<b>Basic Loss per Share</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.02)</b>	<b>\$ (0.01)</b>
<b>Weighted Average Number of Shares Outstanding</b>	<b>38,747,991</b>	<b>21,038,134</b>	<b>30,477,298</b>	<b>18,968,514</b>

- See Accompanying Notes -

**LAURENTIAN GOLDFIELDS LTD.****(Formerly CAPO RESOURCES LTD.)***(An Exploration Stage Company)***Interim Statements of Changes in Shareholders' Equity***(Unaudited – Prepared by Management)**Canadian Dollars*

Statement 3

	For the three months ended September 30, 2009	For the three months ended September 30, 2008	For the six months ended September 30, 2009	For the six months ended September 30, 2008
<b>Share capital</b>				
Balance – beginning of period	\$ 5,414,313	\$ 5,359,596	\$ 5,206,350	\$ 3,161,439
Shares issued on reverse takeover transaction - <i>(Notes 4a and 7)</i>	-	-	-	337,772
Qualifying Transaction finder's fee <i>(Note 8a)</i>	-	-	-	35,000
Share issuance costs – Qualifying Transaction <i>(Note 8a)</i>	-	-	-	(35,000)
Issued during the period – Flow-through <i>(Note 8b)</i>	885,763	-	885,763	869,593
Issued during the period – Non Flow-through <i>(Note 8b)</i>	734,006	-	900,419	1,107,629
Issued during the period – exercise of stock options <i>(Note 8d)</i>	-	32,500	-	32,500
Fair value of stock options exercised <i>(Note 8d)</i>	-	12,914	-	12,914
Shares issued for properties <i>(Note 6c)</i>	-	24,840	41,550	24,840
Share issuance costs	(159,838)	-	(159,838)	(116,837)
Fair value of compensation options issued <i>(Note 8b)</i>	(234,821)	-	(234,821)	-
Balance – end of period	6,639,423	5,429,850	6,639,423	5,429,850
<b>Share purchase warrants</b>				
Balance – beginning of period	1,040,634	807,047	807,047	-
Fair value of share purchase warrants issued <i>(Notes 8b and 8c)</i>	915,981	-	1,149,568	857,828
Warrant issuance costs <i>(Notes 8b and 8c)</i>	(55,332)	-	(55,332)	(50,781)
Balance – end of period	1,901,283	807,047	1,901,283	807,047
<b>Contributed surplus</b>				
Balance – beginning of period	190,149	203,063	190,149	203,063
Stock-based compensation on options vested <i>(Note 8d)</i>	305,564	-	305,564	-
Fair value of stock options exercised	-	(12,914)	-	(12,914)
Fair value of compensation options issued	234,821	-	234,821	-
Balance – end of period	730,534	190,149	730,534	190,149
<b>Deficit</b>				
Balance – beginning of period	(1,707,395)	(1,105,751)	(1,571,939)	(1,014,760)
Net loss for the period	(432,275)	(140,820)	(567,731)	(231,811)
Balance – end of period	(2,139,670)	(1,246,571)	(2,139,670)	(1,246,571)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>\$ 7,131,570</b>	<b>\$ 5,180,475</b>	<b>\$ 7,131,570</b>	<b>\$ 5,180,475</b>

- See Accompanying Notes -

**LAURENTIAN GOLDFIELDS LTD.**  
**(Formerly CAPO RESOURCES LTD.)**  
*(An Exploration Stage Company)*  
**Interim Statements of Cash Flows**

Statement 4

*(Unaudited – Prepared by Management)*

Canadian Dollars

	For the three months ended September 30, 2009	For the three months ended September 30, 2008	For the six months ended September 30, 2009	For the six months ended September 30, 2008
<b>Cash Flows from Operating Activities</b>				
Net loss for the period	\$ (432,275)	\$ (140,820)	\$ (567,731)	\$ (231,811)
Items not affected by cash:				
Future income tax recovery <i>(Note 13a)</i>	(66,088)	(60,016)	(140,667)	(245,945)
Stock-based compensation <i>(Note 8d)</i>	305,564	-	305,564	-
Interest expense	-	2,465	-	2,465
Amortization	8,129	7,045	11,129	11,865
	<b>(184,670)</b>	<b>(191,326)</b>	<b>(391,705)</b>	<b>(463,426)</b>
Change in non-cash working capital:				
GST and other receivables	(20,305)	(31,832)	83,534	(72,857)
Prepaid expenses	72,291	7,172	(9,544)	6,033
Accounts payable and accrued liabilities	175,034	(335,986)	158,216	(35,833)
	<b>42,350</b>	<b>(551,972)</b>	<b>(159,499)</b>	<b>(566,083)</b>
<b>Cash Flows from Investing Activities</b>				
Cash acquired on reverse takeover transaction <i>(Note 7)</i>	-	-	-	307,602
Restricted cash <i>(Notes 6d and 6e)</i>	(492,377)	-	(617,437)	-
Short-term investments	-	-	(34,500)	-
Increase in property and equipment, net	(14,147)	(7,423)	(14,147)	(68,383)
Resource property costs, net	(234,397)	(643,342)	(269,414)	(1,353,093)
	<b>(740,921)</b>	<b>(650,765)</b>	<b>(935,498)</b>	<b>(1,113,874)</b>
<b>Cash Flows from Financing Activities</b>				
Issuance of share capital and share purchase warrants, net	2,320,580	32,500	2,720,580	2,699,932
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>1,622,009</b>	<b>(1,170,237)</b>	<b>1,625,583</b>	<b>1,019,975</b>
<b>Cash and Cash Equivalents- Beginning of Period</b>	<b>511,024</b>	<b>2,445,512</b>	<b>507,450</b>	<b>255,300</b>
<b>Cash and Cash Equivalents - End of Period</b>	<b>\$ 2,133,033</b>	<b>\$ 1,275,275</b>	<b>\$ 2,133,033</b>	<b>\$ 1,275,275</b>

**Supplemental Schedule of Non-Cash Investing and Financing Activities**

Accounts payable and accrued liabilities included in resource property costs	\$ 172,994	\$ 222,492	\$ 172,994	\$ 222,492
Issuance of shares for property	\$ -	\$ 24,840	\$ 41,550	\$ 24,840
Fair value of compensation options issued	\$ 234,821	\$ -	\$ 234,821	\$ -
Shares issued during the period – finder's fee	\$ -	\$ -	\$ -	\$ 35,000

- See Accompanying Notes -

# LAURENTIAN GOLDFIELDS LTD.

(Formerly CAPO RESOURCES LTD.)

(An Exploration Stage Company)

## Notes to Interim Financial Statements

September 30, 2009

(Unaudited – Prepared by Management)

Canadian Dollars

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### 1. Nature of Operations

Laurentian Goldfields Ltd. (formerly “Capo Resources Ltd.”) (the “Company” or “Laurentian”) was incorporated under the Business Corporations Act of British Columbia on November 14, 2005. Effective May 15, 2008, the Company acquired 0785531 B.C. Ltd. through a reverse takeover which completed its Qualifying Transaction requirement under TSX-V Policy 2.4. The Company’s principal business activities include the acquisition, exploration and development of economic gold and other precious and base metal properties. The Company is in the exploration stage and has not yet determined whether any of the mineral properties contain mineral reserves that are economically recoverable.

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### 2. Comparative Figures

Certain of the comparative figures have been reclassified to conform to the current period’s presentation.

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### 3. Significant Accounting Policies

These interim financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles and follow the same accounting policies and methods of their application as the most recent annual financial statements for the year ended March 31, 2009 except that the Company has adopted the following CICA guidelines effective April 1, 2009.

#### New Accounting Policies

##### a) Credit Risk and Fair Value of Financial Assets and Financial Liabilities

Effective January 2009, the CICA approved EIC-173 “Credit Risk and the Fair Value of Financial Assets and Financial Liabilities.” This guidance clarified that an entity’s own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. The Company has evaluated this new section and determined that the adoption of these new requirements has not had an impact on the Company’s interim financial statements.

##### b) Mining Exploration Costs

Effective March 27, 2009, the CICA approved EIC-174 “Mining Exploration Costs.” This guidance clarified that an entity that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. This standard is effective for the Company beginning on April 1, 2009. The adoption of this EIC did not have an impact on the Company’s interim financial statements.

These interim financial statements do not include all disclosures required by Canadian Generally Accepted Accounting Principles for annual financial statements and accordingly, these interim financial statements should be read in conjunction with the audited financial statements and notes thereto of the Company as at March 31, 2009.

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# LAURENTIAN GOLDFIELDS LTD.

(Formerly CAPO RESOURCES LTD.)

(An Exploration Stage Company)

## Notes to Interim Financial Statements

September 30, 2009

(Unaudited – Prepared by Management)

Canadian Dollars

### 4. Reverse Takeover and Basis of Presentation

- a) On May 15, 2008, the Company acquired through a reverse takeover 0785531 B.C. Ltd. by issuing to 0785531 B.C. Ltd.'s shareholders 11,341,067 of the Company's common shares. The acquisition was accounted for according to the accounting guidelines for reverse takeover transactions that do not constitute a business combination, with 0785531 B.C. Ltd. being the deemed accounting acquirer for financial statement purposes. The Qualifying Transaction effectively represents an issuance of shares by 0785531 B.C. Ltd. for the net assets of the Company (*Note 7*).

The Company's comparative financial statements reflect the financial position, results of operations and cash flows of 0785531 B.C. Ltd., the deemed acquirer (*Note 7*). The Company's shareholder's equity (*Note 8a*) gives effect to the shares issued to the shareholders of 0785531 B.C. Ltd. The financial statements include the results of operations of Laurentian Goldfields Ltd. (formerly Capo Resources Ltd.) commencing from the date of acquisition on May 15, 2008.

The Qualifying Transaction described above involved the amalgamation of a wholly-owned subsidiary of the Company ("Laurentian Exploration Ltd.") with 0785531 B.C. Ltd. These two entities were amalgamated as one company under the name Laurentian Exploration Ltd. The amalgamation was completed in accordance with the terms of a Statutory Plan of Arrangement under the Business Corporations Act (British Columbia). The amalgamated entity is a wholly-owned subsidiary of the Company.

- b) On January 22, 2009, the Company completed an amalgamation with its wholly owned subsidiary, Laurentian Exploration Ltd. These two entities were amalgamated as one company under the name Laurentian Goldfields Ltd. The amalgamation was completed in accordance with the terms of a Statutory Plan of Arrangement under the Business Corporations Act (British Columbia).

### 5. Property and Equipment

Details are as follows:

	As at September 30, 2009			As at March 31, 2009		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 24,267	\$ (14,739)	\$ 9,528	\$ 16,594	\$ (11,125)	\$ 5,469
Computer software	13,979	(11,013)	2,966	8,047	(8,047)	-
Office furniture and equipment	2,121	(496)	1,625	1,579	(316)	1,263
Project field equipment	54,613	(15,292)	39,321	54,613	(10,923)	43,690
	\$ 94,980	\$ (41,540)	\$ 53,440	\$ 80,833	\$ (30,411)	\$ 50,422

**LAURENTIAN GOLDFIELDS LTD.**  
**(Formerly CAPO RESOURCES LTD.)**  
*(An Exploration Stage Company)*  
**Notes to Interim Financial Statements**

**September 30, 2009**

*(Unaudited – Prepared by Management)*

*Canadian Dollars*

**6. Resource Property Costs**

Details are as follows:

	Acquisition Costs	Exploration Costs	September 30, 2009	March 31, 2009
Maze Lake, Nunavut	\$ 357,150	\$ 2,545,016	\$ 2,902,166	\$ 2,916,021
Grenville, Quebec	221,652	961,112	1,182,764	1,040,982
Van Horne, Dryden, Ontario	189,821	679,439	869,260	344,649
Other Properties, Ontario	1,000	25,365	26,365	-
AngloGold Alliance	3,900	612,733	616,633	-
AngloGold Cash Calls / Funds Used	(3,900)	(612,733)	(616,633)	-
Uchi Alliance	-	4,313	4,313	-
Uchi Alliance Cash Calls / Funds Used	-	(4,313)	(4,313)	-
	\$ 769,623	\$ 4,210,932	\$ 4,980,555	\$ 4,301,652

**See Schedule of Resource Property Costs after Note 13 for further detail**

**a) Maze Lake Property, Nunavut**

On June 25, 2007, the Company entered into an agreement with Terrane Metals Corp. (“Terrane”) to acquire up to a 75% interest in the Maze Lake Property, located in Nunavut. The Company has earned a 51% interest in the property by incurring a total of over \$2 million in expenditures on the property, with a minimum of \$1 million required on or before December 31, 2007 (incurred) and the balance on or before December 31, 2008 (incurred).

The Company can increase its interest to 60% by incurring an additional \$1.5 million in expenditures on or before December 31, 2009 and can increase its interest to 75% by incurring an additional \$2.5 million in expenditures on or before December 31, 2010.

In addition, the Company issued to Terrane 1,000,000 common shares (fair value \$350,000) upon signing of the agreement. These shares are subject to sale restrictions whereby 10% was available to be sold on May 15, 2008 and an additional 15% becomes available to be sold every 6 months for a period of 36 months. The Company has also granted Terrane a right to participate in future financings for a period of two years from the date of listing of the common shares on the TSX Venture Exchange to maintain its percentage interest in the issued and outstanding common shares.

On January 29, 2009, Laurentian Goldfields Ltd. and Terrane Metals Corp. officially formed a joint venture on the Maze Lake Property located in Nunavut, which is being accounted for as a jointly controlled asset (*Note 9*). Initially Laurentian Goldfields Ltd. will hold a 51% interest in the jointly controlled asset and Terrane Metals Corp. will hold a 49% interest in the jointly controlled asset. Work programs will be agreed between the parties, provided that if one party does not contribute to a work program, straight line dilution will occur. If either party's interest under the jointly controlled asset is reduced to 10%, it will revert to a royalty equal to 2% of Net Smelter Returns payable on the commencement of commercial production.

The related claims are subject to an underlying net profit royalty of 12%.

# LAURENTIAN GOLDFIELDS LTD.

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## Notes to Interim Financial Statements

September 30, 2009

(Unaudited – Prepared by Management)

Canadian Dollars

### 6. Resource Property Costs – Continued

#### b) 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 of Canada. The Company issued 250,000 (fair value - \$87,500) common shares to Ausmin upon signing.

On January 23, 2009, Laurentian Goldfields Ltd. 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, Laurentian Goldfields Ltd. issued 1,000,000 common shares (fair value \$80,000). The shares are subject to transfer restrictions with one-third being released immediately, one-third being released on January 23, 2010 and one-third being released on January 23, 2011.

#### c) Van Horne, Dryden, Ontario

On July 1, 2008, the company signed 7 option agreements to acquire a 100% interest in 7 contiguous mining properties in the Eagle-Wabigoon-Manitou Lakes Greenstone Belt near Dryden, Ontario. These properties are also adjacent to claims acquired 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 7 properties under option by paying the following aggregate consideration over a 4 year period:

Payments:

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

Common shares:

i)	103,500	on or before June 1, 2008 <i>(issued – fair value \$24,840)</i>
ii)	155,000	on or before June 1, 2009 <i>(issued – fair value \$40,300)</i>
iii)	205,000	on or before June 1, 2010
iv)	220,000	on or before June 1, 2011
v)	284,000	on or before May 1, 2012
	<u>967,500</u>	

# LAURENTIAN GOLDFIELDS LTD.

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(An Exploration Stage Company)

## Notes to Interim Financial Statements

September 30, 2009

(Unaudited – Prepared by Management)

Canadian Dollars

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### 6. Resource Property Costs – Continued

#### c) Van Horne, Dryden, 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	
iv)	<u>750,000</u>	on or before June 1, 2012	
	<u>1,600,000</u>		

The Company will also be subject to certain additional buyout payments relating to the final acquisition of surface/access rights under 3 of the 7 option agreements. The property optionors will retain a 2% Net Smelter Royalty (NSR) on each of the 7 properties under option. The Company will have the right to reduce the NSRs to 1% for 6 of the 7 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 pay the following aggregate consideration over a 3 year period:

Payments:

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

Common shares:

i)	<u>10,000</u>	upon signing of agreement	(issued – fair value \$1,250)
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Minimum expenditures:

This option will be subject to the aggregate \$1,600,000 in exploration expenditures required to maintain the adjacent options in good standing as noted above.

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

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## Notes to Interim Financial Statements

September 30, 2009

(Unaudited – Prepared by Management)

Canadian Dollars

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### 6. Resource Property Costs – Continued

#### d) AngloGold Alliance

On April 29, 2009, the Company entered into a 3 year strategic exploration alliance (the “Anglo Alliance”) with AngloGold Ashanti Ltd. (“AngloGold”). The Anglo Alliance included a subscription by AngloGold to a \$400,000 private placement in the Company (*Note 8b*).

In year 1 of the Anglo Alliance, AngloGold will fund a total of \$700,000 in exploration including at least \$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 up to \$200,000 for upgrading targets within portions of the Company’s existing Grenville Project (*Note 6b*).

In years 2 and 3 of the Anglo Alliance, at AngloGold’s option, AngloGold may fund additional exploration totaling \$4,700,000 (year 2- \$1,700,000, year 3 - \$3,000,000) to follow up on year 1 project results. Upon spending \$5,400,000 in exploration over 3 years (the “Earn-In Period”), AngloGold will earn a 60% interest in each exploration project defined under the Anglo Alliance and Laurentian will retain a 40% interest. AngloGold, at its option, may then increase 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 3 years of completion of the Earn-In Period. Any assets acquired during the Earn-In Period that do not progress to a joint venture will revert 100% to Laurentian.

As at September 30, 2009, the Company had restricted cash of \$121,750 which must be spent on exploration relating to the Anglo Alliance.

#### e) Uchi Alliance

On July 21, 2009, the Company entered into a 1 year strategic exploration alliance (the “Uchi Alliance”) with Kinross Gold Corporation (“Kinross”) to conduct a \$500,000 generative exploration program in the Uchi Geological Sub-province of Ontario and Manitoba.

Under the terms of the Uchi Alliance, Kinross and Laurentian will invest \$400,000 and \$100,000 respectively to fund one year of early-stage exploration to identify new gold exploration projects. Kinross may elect to form a joint venture with Laurentian on a 50/50 percentage basis in any of the projects identified and acquired as a result of the Uchi Alliance. Kinross can then increase its interest to 75% on each joint venture property by solely funding an additional \$1,500,000 in exploration expenditures over a two year period from the date the joint venture is formed.

As at September 30, 2009, the Company had restricted cash of \$495,687 which must be spent on exploration relating to the Uchi Alliance.

# LAURENTIAN GOLDFIELDS LTD.

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(An Exploration Stage Company)

## Notes to Interim Financial Statements

September 30, 2009

(Unaudited – Prepared by Management)

Canadian Dollars

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### 6. Resource Property Costs – Continued

#### f) Other Properties, Ontario

##### New Klondike Property

On July 27, 2009, the Company signed an option agreement to acquire a 100% interest in two contiguous patent claims in the Kenora Mining Division. The Company also staked an additional six claim units, contiguous with and along strike from the patents under option.

To earn a 100% interest in the patents under option, the aggregate consideration to be paid by Laurentian over a 4 year period is as follows:

Payments:

i)	\$	1,000	on or before August 1, 2009 (paid)
ii)		1,000	on or before August 1, 2010
iii)		1,000	on or before August 1, 2011
iv)		<u>27,000</u>	on or before August 1, 2012
	\$	<u>30,000</u>	

The property vendor will retain a 2% Net Smelter Royalty (“NSR”) on the two patents under option and the Company will have the right to reduce the NSR to 1% at a price of \$1,000,000.

##### Sakoose Property

On August 25, 2009, the Company signed an option agreement to acquire a 100% interest in two contiguous mining claims in the Kenora Mining Division.

To earn a 100% interest in the mining claims under option, the aggregate consideration to be paid by Laurentian is as follows:

Payments:

i)	\$	<u>8,000</u>	on or before August 27, 2011
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Minimum expenditures:

i)	<u>2,400</u>	on or before September 30, 2009 (incurred)
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The property vendor will retain a 2% Net Smelter Royalty (“NSR”) on the two mining claims under option and the Company will have the right to reduce the NSR to 1% at a price of \$1,000,000.

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**7. Acquisition of 0785531 B.C. Ltd.**

On May 15, 2008, the Company acquired all of the issued and outstanding shares of 0785531 B.C. Ltd. in consideration for 11,341,067 common shares of the Company. 0785531 B.C. Ltd. was a private Canadian resource exploration company which held mineral claims located in the Province of Quebec and the Territory of Nunavut, Canada. The acquisition constituted the Company's Qualifying Transaction that satisfied the related conditions of a Qualifying Transaction under the TSX Venture Exchange (the "Exchange") rules, and was approved by all applicable regulatory authorities.

Upon completion of the acquisition, the former shareholders of 0785531 B.C. Ltd. gained control of the post-transaction voting common shares of the Company. The transaction has been accounted for as a capital transaction effectively representing an issuance of shares by 0785531 B.C. Ltd. for the net assets of the Company. Accordingly, 0785531 B.C. Ltd. is deemed to be the acquirer for accounting purposes. The combined entity for financial statement purposes is considered to be a continuation of 0785531 B.C. Ltd. with the net assets of \$337,772 of the Company deemed to have been acquired by 0785531 B.C. Ltd. The net assets acquired on May 15, 2008 were as follows:

Cash	\$	307,602
Other Current Assets		14,536
Future Income Tax Assets		59,902
		<hr/>
		382,040
Less: Current Liabilities		(44,268)
<b>Net Assets Acquired</b>	<b>\$</b>	<b>337,772</b>

The Company's results of operations for the period from April 1, 2008 to the date of the acquisition on May 15, 2008 were as follows:

Listing and filing fees	\$	22,302
Professional fees		6,021
Investor relations		414
Office and administration		15
Bank charges and interest		20
<b>Net Loss for the Period</b>	<b>\$</b>	<b>28,772</b>

The above noted expenditures relate to the expenditures of Laurentian Goldfields Ltd. (formerly Capco Resources Ltd.) prior to the date of the qualifying transaction (*Note 4a*) and as a consequence have not been included in the September 30, 2009 interim financial statements.

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**8. Share Capital**

**a) Details are as follows:**

	Number	Amount
<b>Authorized:</b>		
Unlimited number of common voting shares without par value		
Unlimited number of preferred shares		
<b>Issued:</b>		
Shares of the legal parent company (Capo Resources Ltd.) immediately before the reverse takeover transaction (i)	1,609,125	\$ 3,161,439
Shares issued on reverse takeover transaction <i>(Notes 4a and 7)</i>	11,341,067	337,772
Issued during the period – Qualifying Transaction finder's fee	100,000	35,000
Share issuance costs	-	(35,000)
Flow-through shares issued during the period – <i>(Note 8b)</i>	3,035,000	869,593
Non flow-through shares issued during the period – <i>(Note 8b)</i>	4,631,572	1,107,629
Share issuance costs	-	(116,837)
Issued during the period – exercise of stock options – <i>(Note 8d)</i>	295,455	32,500
Fair value of stock options exercised – <i>(Note 8d)</i>	-	12,914
Issued during the period – property payments – <i>(Notes 6b and 6c)</i>	1,103,500	104,840
Flow-through income tax renunciation – <i>(Note 8e)</i>	-	(303,500)
<b>Balance – March 31, 2009</b>	<b>22,115,719</b>	<b>5,206,350</b>
Non flow-through shares issued during the period <i>(Note 8b)</i>	12,991,504	900,419
Flow-through shares issued during the period – <i>(Note 8b)</i>	6,657,552	885,763
Share issuance costs	-	(159,838)
Issued during the period – property payments <i>(Note 6c)</i>	165,000	41,550
Fair value of compensation options issued <i>(Note 8b)</i>	-	(234,821)
<b>Balance – September 30, 2009</b>	<b>41,929,775</b>	<b>\$ 6,639,423</b>

- (i) The share capital amount represents the share capital of the legal subsidiary prior to the reverse takeover transaction, in compliance with the guidance in EIC 10.

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**8. Share Capital – Continued**

**b) Private Placements**

*Private Placement August 2009*

On August 7, 2009, the Company closed a non-brokered private placement of 1,102,000 flow-through units at a price of \$0.18 per unit and 8,547,060 non flow-through units at a price of \$0.15 per unit for aggregate gross proceeds of \$1,480,419. Each flow-through unit comprises of one flow-through common share and one-half of one non flow-through common share purchase warrant, each whole warrant exercisable to purchase one additional non flow-through common share for a period of two years from the date of issuance at a price of \$0.25 per share during year one and \$0.35 per share during year two. Each non flow-through unit comprises of one non flow-through common share and one non flow-through common share purchase warrant, each warrant exercisable to purchase one additional non flow-through common share for a period of two years from the date of issuance at a price of \$0.25 per share during year one and \$0.35 per share during year two. The warrants attached to this issuance have been valued at \$598,348 (\$626,080 net of warrant issuance costs of \$27,732) based upon the average of the residual method and the Black-Scholes Method using the following assumptions noted below.

**Assumptions**

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Risk-free interest rate	1.33%
Expected stock price volatility	196%
Expected dividend yield	0.00%
Expected life of warrants	2 years

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In connection with this private placement the Company issued 547,000 compensation options at a price of \$0.18 per option. The Company has recorded the fair value of these compensation options as share issuance costs. The 547,000 compensation options are exercisable for a period of two years from the date of issuance into units comprised of one non flow-through common share and one-half of one non flow-through common share purchase warrant, each whole warrant exercisable to purchase one additional non flow-through common share at a price of \$0.25 per share during year one and \$0.35 per share during year two. The compensation options attached to this issuance have been valued at \$105,825 based upon the average of the residual method and the Black-Scholes Method using the following assumptions noted below. Finder's fees of \$51,000 were paid in cash.

**Assumptions**

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Risk-free interest rate	1.33%
Expected stock price volatility	196%
Expected dividend yield	0.00%
Expected life of compensation options	2 years

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**8. Share Capital – Continued**

**b) Private Placements – Continued**

*Private Placement July 2009*

On July 2, 2009, the Company closed a non-brokered private placement of 5,555,552 flow-through units at a price of \$0.18 per unit for gross proceeds of \$999,999. Each flow-through unit comprises of one flow-through common share and one-half of one non flow-through common share purchase warrant, each whole warrant exercisable to purchase one additional non flow-through common share for a period of two years from the date of issuance at a price of \$0.25 per share during year one and \$0.35 per share during year two. The warrants attached to this issuance have been valued at \$262,301 (\$289,901 net of warrant issuance costs of \$27,600) based upon the average of the residual method and the Black-Scholes Method using the following assumptions noted below.

**Assumptions**

Risk-free interest rate	1.33%
Expected stock price volatility	193%
Expected dividend yield	0.00%
Expected life of warrants	2 years

In connection with this private placement the Company issued 555,000 compensation options at a price of \$0.18 per option. The Company has recorded the fair value of these compensation options as share issuance costs. The 555,000 compensation options are exercisable for a period of two years from the date of issuance into units comprised of one non flow-through common share and one-half of one non flow-through common share purchase warrant, each whole warrant exercisable to purchase one additional non flow-through common share at a price of \$0.25 per share during year one and \$0.35 per share during year two. The compensation options attached to this issuance have been valued at \$128,996 based upon the average of the residual method and the Black-Scholes Method using the following assumptions noted below. Finder's fees of \$80,000 were paid in cash.

**Assumptions**

Risk-free interest rate	1.33%
Expected stock price volatility	193%
Expected dividend yield	0.00%
Expected life of compensation options	2 years

*Private Placement June 2009*

On June 16, 2009, the Company closed a non-brokered private placement of 4,444,444 non flow-through units at a price of \$0.09 per unit for gross proceeds of \$400,000. Each non flow-through unit consists of one non flow-through common share and one non flow-through common share purchase warrant, each warrant being exercisable to purchase one additional non flow-through common share of Laurentian Goldfields Ltd. at a price of \$0.18 per common share to June 16, 2011.

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**8. Share Capital – Continued**

**b) Private Placements – Continued**

*Private Placement June 2009 – Continued*

The warrants attached have been valued at \$233,587 based upon the average of the residual method and the Black-Scholes Method using the following assumptions:

<b>Assumptions</b>	
Risk-free interest rate	1.04%
Expected stock price volatility	192%
Expected dividend yield	0.00%
Expected life of warrants	2 years

Under the terms of the Alliance (*Note 6d*) the Company agreed to invest \$100,000 of the proceeds from this private placement into year 1 exploration.

*Private Placement May 2008*

On May 15, 2008, the Company closed a non-brokered private placement of 3,035,000 flow-through units at a price of \$0.40 per unit for gross proceeds of \$1,214,000 and a total of 4,631,572 non flow-through units at a price of \$0.35 per unit for gross proceeds of \$1,621,050. Each Flow-through Unit consists of one flow-through common share of Laurentian Goldfields Ltd. and one-half of one non flow-through common share purchase warrant, each whole warrant being exercisable to purchase one additional non flow-through common share of Laurentian Goldfields Ltd. at a price of \$0.60 per share to May 15, 2010. Each Non Flow-through Unit consists of one non flow-through common share of Laurentian Goldfields Ltd. and one-half of one non flow-through common share purchase warrant, each whole warrant being exercisable to purchase one additional non flow-through common share of Laurentian Goldfields Ltd. at a price of \$0.55 per share to May 15, 2010. The warrants attached have been valued at \$807,047 (\$857,828 net of share issuance costs of \$50,781) based upon the average of the residual method and the Black Scholes Method using the following assumptions:

<b>Assumptions</b>	
Risk-free interest rate	3.05%
Expected stock price volatility	134%
Expected dividend yield	0.00%
Expected life of warrants	2 years

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**8. Share Capital – Continued**

**c) Share Purchase and Agents Warrants**

Details of issued and outstanding warrants are as follows:

	Number of Warrants	Weighted Average Exercise Price
March 31, 2008	-	-
Issued	3,833,286	\$0.57
March 31, 2009	3,833,286	\$0.57
Issued	16,320,278	\$0.30
<b>September 30, 2009</b>	<b>20,153,564</b>	<b>\$0.35</b>

At September 30, 2009, the following warrants were outstanding:

Expiry Date	Exercise Price	Number of Warrants	Warrant Valuation
May 15, 2010 <i>(Note 8b)</i>	\$0.60	1,517,500	\$ 324,019
May 15, 2010 <i>(Note 8b)</i>	\$0.55	2,315,786	483,028
June 16, 2011 <i>(Note 8b)</i>	\$0.18	4,444,444	233,587
July 2, 2011 <i>(Note 8b)</i>	\$0.25 or \$0.35	2,777,774	262,301
August 7, 2011 <i>(Note 8b)</i>	\$0.25 or \$0.35	8,547,060	548,053
August 7, 2011 <i>(Note 8b)</i>	\$0.25 or \$0.35	551,000	50,295
<b>Weighted Average</b>	<b>\$0.35</b>	<b>20,153,564</b>	<b>\$ 1,901,283</b>

**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 not 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.

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**8. Share Capital – Continued**

**d) Stock Options – Continued**

The associated stock-based compensation expenses for options granted during the current period and prior periods are as follows:

Grant Date	No. of Options Granted	Total Expense	Amount of expense recognized or recognizable			
			2007	2008	2009	2010
April 26, 2006	155,000	\$ 49,801	\$ 49,801	\$ -	\$ -	\$ -
July 11, 2007	295,455	12,914	-	12,914	-	-
November 30, 2007	568,182	190,149	-	190,149	-	-
August 11, 2009	1,935,000	305,564	-	-	-	305,564
<b>Total</b>	<b>2,953,637</b>	<b>\$ 558,428</b>	<b>\$ 49,801</b>	<b>\$ 203,063</b>	<b>\$ -</b>	<b>\$ 305,564</b>
<b>Weighted average fair value of options granted during the year</b>			<b>\$ 0.32</b>	<b>\$ 0.24</b>	<b>\$ -</b>	<b>\$ 0.16</b>

**Period ended September 30, 2009**

On August 11, 2009, the Company granted 1,935,000 incentive stock options to certain directors, officers, employees and consultants. The options are exercisable at \$0.17 per share and will expire on August 11, 2014. The corresponding stock-based compensation amounts to \$305,564 which was estimated using the Black Scholes Option Pricing Model with the following assumptions:

**Assumptions**

Risk-free interest rate	2.49%
Expected stock price volatility	159%
Expected dividend yield	0.00%
Expected life of options	5 years

During the period ended September 30, 2009, 163,636 stock options expired without exercise.

**Fiscal year ended March 31, 2009**

On July 11, 2008, a total of 295,455 stock options were exercised by various directors, officers, employees and consultants of the Company for proceeds of \$32,500 (*Note 8a*). The previously determined fair value of these stock options of \$12,914 (*Note 8a*) has been removed from contributed surplus and included in share capital.

During the fiscal year ended March 31, 2009, 130,000 stock options expired without exercise.

At September 30, 2009, the following options were outstanding:

Expiry Date	Weighted Average Exercise Price	Number of Options	Weighted Average Remaining in Years
April 26, 2011	\$0.40	25,000	1.57
November 30, 2012	\$0.44	404,547	3.17
August 11, 2014	\$0.17	1,935,000	4.87
	<b>\$0.22</b>	<b>2,364,547</b>	<b>4.54</b>

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**8. Share Capital – Continued**

**e) Flow-Through Shares**

**Period Ended September 30, 2009**

During the period ended September 30, 2009, the Company issued 6,657,552 flow-through common shares for total proceeds of \$1,198,359, which must be used for qualifying exploration expenditures and will be renounced to the flow-through shareholders effective December 31, 2009 when the Company files the required renunciation tax forms in early 2010. The future income tax liability is estimated to be \$299,590 resulting from the renunciation of these qualifying expenditures and will be recorded in the 2010 fiscal year once the renunciation tax forms are filed. The unspent balance of this flow-through issuance at September 30, 2009 was \$624,476 which must be spent by December 31, 2010.

**Fiscal Year Ended March 31, 2009**

During the year ended March 31, 2009, the Company issued 3,035,000 flow-through common shares for total proceeds of \$1,214,000, which were used for qualifying exploration expenditures and were renounced to the flow-through shareholders effective December 31, 2008. The future income tax liability was estimated to be \$303,500 resulting from the renunciation of these qualifying expenditures and has been recorded on February 5, 2009, the date the renunciation tax forms were filed. As the Company had previously unrecognized tax assets available, the future income tax liability as at March 31, 2009 had been reduced to \$260,934 (*Note 13b*) resulting in a recovery of \$42,566 and as at September 30, 2009 has further been reduced to \$120,267 (*Note 13b*) resulting in a further recovery of \$140,667 (*Note 13a*). The unspent balance of this flow-through issuance at September 30, 2009 was \$Nil.

**f) Contributed Surplus**

Contributed surplus relates to the recognition of the estimated fair value of stock options vested, the estimated fair value of compensation options issued and the expiry of warrants as follows:

Balance – March 31, 2008	\$	203,063
Fair value of stock options exercised ( <i>Note 8d</i> )		(12,914)
Balance – March 31, 2009		190,149
Fair value of stock-based compensation on options vested ( <i>Note 8d</i> )		305,564
Fair value of compensation options issued ( <i>Note 8b</i> )		234,821
<b>Balance – September 30, 2009</b>	<b>\$</b>	<b>730,534</b>

**g) Escrow Shares**

As at September 30, 2009, 2,263,138 shares are held in escrow. These common shares will be held in escrow and will be released pro-rata to the shareholders in six equal tranches of 15% every six months beginning May 15, 2008 (date of Qualifying Transaction) for a period of 36 months. These escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities.

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### 9. Maze Lake Joint Venture (“MLJV”)

On January 29, 2009, the Company formed the Maze Lake Joint Venture (“MLJV”) with Terrane Metals Corp. (“Terrane”) in accordance with the Option and Joint Venture Agreement dated May 15, 2008. The MLJV is being accounted for as a jointly controlled asset in accordance with Canadian GAAP. The Company contributed capitalized mining acquisition and exploration costs (“Mining Interest”) to the MLJV for an initial 51% interest. As at September 30, 2009, Terrane’s initial 49% interest in the MLJV was diluted to 43% with the participating interest of the Company recalculated to 57%. Should Terrane’s interest in the MLJV decline below 10%, their interest is converted to a royalty equal to 2% of Net Smelter Returns payable on the commencement of commercial production.

The Company operates its Maze Lake Project through the MLJV 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. As at September 30, 2009, the Company’s proportionate share of the assets of the MLJV is \$2,545,016. There were no liabilities, revenues, operating costs or cash flow activities and there are no contingencies or commitments in the MLJV as at and for the period ended September 30, 2009.

As of September 30, 2009, the MLJV has not yet commenced operations and the Company continues to act as the operator of the MLJV.

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### 10. Related Party Transactions

During the period, the Company paid consulting fees of \$Nil (2008 - \$40,000) to the President and CEO; \$20,550 (2008 - \$14,000) to its Chief Financial Officer; \$30,000 (2008 - \$30,000) to a Director of the Company; \$Nil (2008 - \$79,300) to the Vice President of Exploration of which \$Nil (2008 - \$77,350) was capitalized to resource properties; \$3,700 (2008 - \$Nil) to an Officer of the Company; and \$Nil (2008 - \$10,027) to a company controlled by a former Director of the Company.

Related party transactions are in the normal course of business and occur on terms similar to transactions with non-related parties, and therefore are measured at the exchange amount.

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### 11. Capital Management

The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern in order to pursue the development of its resource properties and to maintain flexible capital structure for its projects for the benefit of its stakeholders.

In the management of capital, the Company includes the components of shareholders’ equity.

The Company manages the capital structure and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements, or acquire or dispose of assets.

Management reviews the capital structure on a regular basis to ensure that the above noted objectives are met.

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**12. Financial Instruments**

**Categories of financial assets and liabilities**

As at September 30, 2009, the carrying and fair value amounts of the Company's financial instruments are the same. The carrying value of the Company's financial instruments is classified into the following categories:

	<b>September 30, 2009</b>		March 31, 2009	
Held-for-trading	\$	<b>2,784,970</b>	\$	507,450
Loans and receivables	\$	<b>41,547</b>	\$	125,081
Other financial liabilities	\$	<b>218,108</b>	\$	109,390

**a) Classification of Financial Instruments**

The Company designated its cash and cash equivalents, restricted cash and short-term investments as held-for-trading, which is measured at fair value. GST and other receivables have been designated as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities have been designated as other financial liabilities, which are measured at amortized cost.

**b) Fair Value**

The fair values of financial assets and liabilities that are included in the balance sheet approximate their carrying values as the financial assets and liabilities have a short term to maturity.

**c) Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company ensures that it has sufficient capital to meet short-term financial obligations when they become due. The Company prepares cash flow forecasts to ensure it has sufficient funds to fulfill its obligations.

**d) Credit Risk**

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The majority of the Company's cash is held through a large Canadian financial institution with a high investment grade rating. The carrying value of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk as at September 30, 2009.

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### 13. Income Taxes

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

	For the Period Ended September 30, 2009	For the Period Ended September 30, 2008
Loss before income taxes (Note 7)	\$ (708,398)	\$ (506,528)
Statutory Canadian federal and provincial tax rates	28.50%	30.00%
Expected tax recovery	(201,893)	(151,959)
Adjustments:		
Stock-based compensation	87,086	-
Other	(16,608)	(131,091)
Statutory tax rate difference	(9,252)	37,105
Income tax recovery	\$ (140,667)	\$ (245,945)

- b) The components of the future income tax asset (liability) balances are as follows:

	September 30, 2009	March 31, 2009
Future income tax asset (liability):		
Non-capital loss carry-forwards	\$ 489,975	\$ 370,274
Share issuance costs	74,304	60,705
Other	10,385	7,603
Resource property costs - book value in excess of tax value	(694,931)	(699,516)
Future income tax liability	\$ (120,267)	\$ (260,934)

The effective income tax rate is the rate that is estimated to be applicable when the timing differences reverse. For the period ended September 30, 2009, the future enacted rate is estimated to be 25% (March 31, 2009 – 25%).

- c) The Company has non-capital losses which may be applied to reduce future year's taxable income. As at September 30, 2009, these amounted to \$1,959,902 (March 31, 2009 – \$1,481,095). Of these non-capital losses, \$23,287 will expire in 2026, \$60,040 will expire in 2027, \$584,581 will expire in 2028, \$813,187 will expire in 2029 and the remaining \$478,807 will expire in 2030.

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## Schedule of Resource Property Costs

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Schedule

	For the six months ended September 30, 2009 (Unaudited – Prepared by Management)			For the year ended March 31, 2009 (Audited)		
	Acquisition Costs	Deferred Exploration	Total	Acquisition Costs	Deferred Exploration	Total
<b>Mineral Interests</b>						
<i>Maze Lake, Nunavut</i>						
Fieldwork	\$ -	\$ -	\$ -	\$ -	\$ 647,533	\$ 647,533
Reimbursement of field expenditures	-	(17,994)	(17,994)	-	-	-
Assay and sampling	-	-	-	-	32,111	32,111
Geological consulting	-	4,139	4,139	-	98,273	98,273
	-	(13,855)	(13,855)	-	777,917	777,917
<i>Grenville, Quebec</i>						
Staking and recording	-	-	-	90,727	-	90,727
Fieldwork	-	64,549	64,549	-	457,231	457,231
Assay and sampling	-	5,720	5,720	-	134,209	134,209
Geological consulting	-	71,513	71,513	-	261,134	261,134
Government assistance	-	-	-	-	(39,861)	(39,861)
	-	141,782	141,782	90,727	812,713	903,440
<i>Van Horne, Dryden, Ontario</i>						
Acquisition costs - shares	41,550	-	41,550	24,840	-	24,840
Acquisition costs - cash	65,000	-	65,000	41,500	-	41,500
Staking and recording	7,810	-	7,810	9,121	-	9,121
Fieldwork	-	189,595	189,595	-	90,208	90,208
Assay and sampling	-	31,614	31,614	-	41,147	41,147
Geological consulting	-	189,042	189,042	-	137,833	137,833
	114,360	410,251	524,611	75,461	269,188	344,649
<i>Other Properties, Ontario</i>						
Acquisition costs - cash	1,000	-	1,000	-	-	-
Fieldwork	-	4,455	4,455	-	-	-
Geological consulting	-	20,910	20,910	-	-	-
	1,000	25,365	26,365	-	-	-
<i>AngloGold Alliance</i>						
Staking and recording	3,900	-	3,900	-	-	-
Fieldwork	-	263,452	263,452	-	-	-
Assay and sampling	-	44,046	44,046	-	-	-
Geological consulting	-	305,235	305,235	-	-	-
AngloGold cash calls / funds used	(3,900)	(612,733)	(616,633)	-	-	-
	-	-	-	-	-	-
<i>Uchi Alliance</i>						
Fieldwork	-	1,790	1,790	-	-	-
Assay and sampling	-	523	523	-	-	-
Geological consulting	-	2,000	2,000	-	-	-
Uchi cash calls / funds used	-	(4,313)	(4,313)	-	-	-
	-	-	-	-	-	-
<b>Resource Costs for the Period</b>	<b>115,360</b>	<b>563,543</b>	<b>678,903</b>	<b>166,188</b>	<b>1,859,818</b>	<b>2,026,006</b>
Costs, Beginning of the Period	654,263	3,647,389	4,301,652	488,075	1,787,571	2,275,646
<b>Costs, End of the Period</b>	<b>\$ 769,623</b>	<b>\$ 4,210,932</b>	<b>\$ 4,980,555</b>	<b>\$ 654,263</b>	<b>\$ 3,647,389</b>	<b>\$ 4,301,652</b>