SECURITIES & EXCHANGE COMMISSION EDGAR FILING

Laredo Oil, Inc.

Form: 10-Q

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Corporate Issuer CIK: 1442492

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

x QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED FEBRUARY 28, 2011

Commission File Number 333-153168

Laredo Oil, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

111 Congress Avenue
Austin, Texas 78701

(Address of principal executive offices) (Zip code)

(512) 279-7870

(Registrant's telephone number, including area code)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the last 90 days. Yes x No ❑

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes o No o Not Applicable ☑

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," "non-accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	❑	Accelerated filer	❑
Non-accelerated filer	❑	Smaller reporting company	☑

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 or the Exchange Act). Yes o No ☑

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:

52,000,013 shares of common stock issued and outstanding as of April 14, 2011.

ITEM 1. FINANCIAL STATEMENTS

The following unaudited financial statements have been prepared by the Company, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted pursuant to such SEC rules and regulations; nevertheless, the Company believes that the disclosures are adequate to make the information presented not misleading. These financial statements and the notes attached hereto should be read in conjunction with the financial statements and notes included in the Company's May 31, 2010 Form 10-K, which was filed with the SEC on September 14, 2010. In the opinion of the Company, all adjustments, including normal recurring adjustments necessary to present fairly the financial position of Laredo Oil, Inc., as of February 28, 2011 and the results of its operations for the three and nine month periods and cash flows for the nine month period then ended, have been included. The results of operations for the three and nine month periods ended February 28, 2011 are not necessarily indicative of the results for the full year.

Laredo Oil, Inc.
(An Exploration Stage Enterprise)
Balance Sheets

	February 28, 2011 (unaudited)		May 31, 2010	
ASSETS				
Current Assets				
Cash	$	94,516	$	157,005
Prepaid Expenses		11,419		33,350
Debt Financing Fees, net of accumulated amortization of $51,444 and 6,085		17,471		62,665
TOTAL ASSETS	**$**	**123,406**	**$**	**253,020**
LIABILITIES & STOCKHOLDERS' DEFICIT				
Current Liabilities				
Accounts Payable	$	21,534		13,626
Accrued Liabilities		112,423		252,754
Notes Payable		325,000		75,000
Convertible Debt, net of unamortized debt discount of $190,902 and $215,552		184,098		128,198
Total Liabilities		643,055		469,498
Stockholders' Deficit				
Common Stock Subscribed		-		-
Preferred Stock: $0.0001 par value; 10,000,000 shares authorized; no shares issued or outstanding		-		-
Common Stock: $0.0001 par value; 90,000,000 shares authorized; 52,000,013 and 50,000,013 issued and outstanding		5,200		5,000
Additional Paid in Capital		1,448,923		720,842
Accumulated Deficit during Exploration Stage		(1,973,772)		(942,320)
Total Stockholders' Deficit		(519,649)		(216,478)
TOTAL LIABILITIES & STOCKHOLDERS' DEFICIT	**$**	**123,406**	**$**	**253,020**

The accompanying notes are an integral part of these financial statements.

Laredo Oil, Inc.
(An Exploration Stage Enterprise)
Statements of Operations
(Unaudited)

	Three Months Ended February 28, 2011	Three Months Ended February 28, 2010	Nine Months Ended February 28, 2011	Nine Months Ended February 28, 2010	Date of Inception (March 31, 2008) Thru February 28, 2011
Revenue	$ -	$ -	$ -	$ -	$ -
Cost of revenue	-	-	-	-	-
Gross profit	-	-	-	-	-
General, selling and administrative expenses	180,556	268,931	510,246	368,413	1,304,579
Consulting and professional services	21,224	-	393,226	-	503,559
Mineral expenditures	-	-	-	-	16,500
Operating loss	(201,800)	(268,931)	(903,472)	(368,413)	(1,824,638)
Non-operating income					
Interest expense	(48,122)	(1,314)	(127,980)	(1,436)	(149,134)
Net loss	$ (249,922)	$ (270,245)	$ (1,031,452)	$ (369,849)	$ (1,973,772)
Net loss per share, basic	$ (0.00)	$ (0.00)	$ (0.02)	$ (0.01)	
Weighted average number of common shares outstanding	51,366,680	50,000,013	50,919,427	40,247,259	

The accompanying notes are an integral part of these financial statements.

Laredo Oil, Inc.
(An Exploration Stage Enterprise)
Statement of Stockholders' (Deficit) Equity
From Inception March 31, 2008 to February 28, 2011
(Unaudited)

	Common Stock		Preferred Stock		Additional Paid in Capital	Common Stock Subscribed	Deficit accumulated During Exploration Stage	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
Common shares issued to founders	18,750,000	$ 1,875	-	$ -	$ 7,125	$ -	$ -	$ 9,000
Net loss	-	-	-	-	-	-	(36)	(36)
Balance at May 31, 2008	18,750,000	1,875	-	-	7,125	-	(36)	8,964
Common stock subscribed	-	-	-	-	-	23,625	-	23,625
Net loss	-	-	-	-	-	-	(21,330)	(21,330)
Balance at May 31, 2009	18,750,000	1,875	-	-	7,125	23,625	(21,366)	11,259
Issuance of common stock	12,500,000	1,250	-	-	28,750	(23,625)	-	6,375
Cancellation of common stock	(18,750,000)	(1,875)	-	-	(1,875)	-	-	-
Loan converted to equity	-	-	-	-	12,400	-	-	12,400
Issuance of common stock	37,500,013	3,750	-	-	446,250	-	-	450,000
Issuance of warrants	-	-	-	-	224,442	-	-	224,442
Net loss	-	-	-	-	-	-	(920,954)	(920,954)
Balance at May 31, 2010	50,000,013	$ 5,000	-	$ -	$ 720,842	$ -	$ (942,320)	$ (216,478)
Issuance of common stock	2,000,000	200	-	-	499,800	-	-	500,000
Issuance of warrants	-	-	-	-	228,281	-	-	228,281
Net loss	-	-	-	-	-	-	(1,031,452)	(1,031,452)
Balance at February 28, 2011	52,000,013	$ 5,200	-	$ -	$ 1,448,923	$ -	$ (1,973772)	$ (519,649)

The accompanying notes are an integral part of these financial statements.

Laredo Oil, Inc.
(An Exploration Stage Enterprise)
Statements of Cash Flows
(Unaudited)

	Nine Months Ended February 28, 2011	Nine Months Ended February 28, 2010	March 31, 2008 (Date of Inception) through February 28, 2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	$ (1,031,452)	$ (369,849)	$ (1,973,772)
Adjustments to reconcile net loss to net cash used in operating activities			
Common stock issued for services	207,067	90,000	657,067
Amortization of debt discount	45,864		54,754
Amortization of debt financing fees	51,444	-	57,529
Changes in operating assets and liabilities			
Decrease in prepaid expenses	21,931	(45,856)	(11,419)
Increase in accounts payable and accrued liabilities	(132,343)	244,396	133,957
NET CASH USED IN OPERATING ACTIVITIES	(837,489)	(81,309)	(1,081,884)
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	-
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from loans	-	-	12,400
Proceeds from notes payable	250,000	75,000	325,000
Proceeds from issuance of convertible notes payable	25,000	-	300,000
Issuance of common stock	500,000	30,000	539,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	775,000	105,000	1,176,400
Net change in cash	(62,489)	23,691	94,516
Cash at beginning of period	157,005	114	-
CASH AT END OF PERIOD	$ 94,516	$ 23,805	$ 94,516
Supplemental Disclosures			
Interest paid	$ -	$ -	$ -
Taxes Paid	$ -	$ -	$ -
Debt financing expenses on convertible debt	$ 6,250	$	$ 75,000
Officer advances converted to equity	$ -	$ 12,400	$ 12,400
Issuance of warrants in connection with bridge financing	$ 21,214	$ -	$ 245,656

The accompanying notes are an integral part of these financial statements.

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

The accompanying financial statements have been prepared by the Company without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows as of and for the period ended February 28, 2011 and for all periods presented have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in the Company's May 31, 2010 audited financial statements as reported in Form 10-K. The results of operations for the period ended February 28, 2011 are not necessarily indicative of the operating results for the full year ended May 31, 2011.

Laredo Oil, Inc. (the Company) was incorporated under the laws of the State of Delaware on March 31, 2008 under the name of “Laredo Mining, Inc.” with authorized common stock of 90,000,000 shares at $0.0001 par value and authorized preferred stock of 10,000,000 shares at $0.0001 par value. October 21, 2009 the name was changed to “Laredo Oil, Inc.” Effective October 21, 2009, all shares of the Company’s common stock issued and outstanding were combined and reclassified on a 1-to-6.25 basis. In connection with this change, the Certificate of Incorporation was amended to retain the par value at $0.0001 per share.

The Company currently is in the early stage of executing its business plan and, in accordance with ASC 915 *“Development Stage Entities,”* is considered an Exploration Stage Enterprise. The Company has been in the exploration stage since its formation and has not yet realized any revenues from its planned operations.

NOTE 2 - GOING CONCERN

Future issuances of the Company's equity or debt securities will be required in order for the Company to continue to finance its operations and continue as a going concern. The Company's present revenues are insufficient to meet operating expenses.

The financial statements of the Company have been prepared assuming that the Company will continue as a going concern, which contemplates, among other things, the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has incurred cumulative net losses of $1,973,772 since its inception and requires capital to implement its strategic plan. The Company's ability to raise additional capital through the future issuances of common stock is unknown. The obtainment of additional financing, the successful development of the Company's contemplated plan of operations, and its transition, ultimately, to the attainment of profitable operations are necessary for the Company to continue operations. The ability to successfully resolve these factors raises substantial doubt about the Company's ability to continue as a going concern.

The financial statements of the Company do not include any adjustments that may result from the outcome of these aforementioned uncertainties.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

USE OF ESTIMATES

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments as defined by FASB ASC 825-10-50 include cash, trade accounts receivable, and accounts payable and accrued expenses. All instruments are accounted for on a historical cost basis, which, due to the short maturity of these financial instruments, approximates fair value at February 28, 2011.

FASB ASC 820 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and expands disclosures about fair value measurements. ASC 820 establishes a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

Level 1. Observable inputs such as quoted prices in active markets;

Level 2. Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3. Unobservable inputs in which there is little or no market data, which requires the reporting entity to develop its own assumptions.

The Company does not have any assets or liabilities measured at fair value on a recurring basis at February 28, 2011 and May 31, 2010. The Company did not have any fair value adjustments for assets and liabilities measured at fair value on a nonrecurring basis during the periods ended February 28, 2011 and May 31, 2010.

SHARE BASED EXPENSES

ASC 718 *"Compensation - Stock Compensation"* codified SFAS No. 123 prescribes accounting and reporting standards for all stock-based payment awards to employees, including employee stock options, restricted stock, employee stock purchase plans and stock appreciation rights. Stock based payment awards may be classified as either equity or liabilities. The Company determines if a present obligation to settle the share-based payment transaction in cash or other assets exists. A present obligation to settle in cash or other assets exists if: (*a*) the option to settle by issuing equity instruments lacks commercial substance or (*b*) the present obligation is implied because of an entity's past practices or stated policies. If a present obligation exists, the transaction should be recognized as a liability; otherwise, the transaction should be recognized as equity.

The Company accounts for stock-based compensation issued to non-employees and consultants in accordance with the provisions of ASC 505-50 *"Equity - Based Payments to Non-Employees"* which codified SFAS 123 and the Emerging Issues Task Force consensus in Issue No. 96-18 ("EITF 96-18"), *"Accounting for Equity Instruments that are Issued to Other Than Employees for Acquiring or in Conjunction with Selling, Goods or Services".* Measurement of share-based payment transactions with non-employees shall be based on the fair value of whichever is more reliably measurable: (*a*) the goods or services received; or (*b*) the equity instruments issued. The fair value of the share-based payment transaction should be determined at the earlier of performance commitment date or performance completion date.

We account for share-based compensation using the Black-Scholes option pricing model to estimate the fair value of share-based awards at the date of grant. The Black-Scholes model requires the use of highly subjective assumptions, including expected life, expected volatility and expected risk-free rate of return. Other reasonable assumptions could provide differing results.

NOTE 4 - LOSS PER SHARE

Basic earnings per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted loss per share gives effect to all dilutive potential common shares outstanding during the period. Dilutive loss per share excludes all potential common shares if their effect is anti-dilutive. As of February 28, 2011, warrants to purchase 1,745,000 shares of common stock were not included in the computation of diluted net loss per share because they were anti-dilutive. In addition, shares of common stock issuable on conversion of notes payable were not included in the computation of diluted net loss per share because they were anti-dilutive. As of February 28, 2011 and since inception, the Company had no dilutive potential common shares.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

The Company is not presently involved in any litigation.

NOTE 6 - RELATED PARTY TRANSACTIONS

On October 16, 2009, Nancy L. Farrell, formerly the Company's President, Secretary, Treasurer, Chief Executive Officer, Chief Financial Officer, Principal Accounting Officer and sole director, entered into a purchase agreement with Mark See, pursuant to which Mr. See acquired 18,750,000 shares of common stock of the Company for aggregate consideration of $225,000. Upon the closing of the purchase, Mr. See acquired 60% of the Company's issued and outstanding common stock and attained voting control of the Company. Ms. Farrell resigned from all of her positions with the Company. Immediately prior to her resignation on October 16, 2009, she appointed Mark See to serve as the Company's Chief Executive Officer, Secretary and sole director. On October 19, 2009, Mr. See entered into a cancellation agreement with the Company, pursuant to which he agreed to return an aggregate of 18,750,000 shares of the Company's common stock to the Company for cancellation. Such shares were returned to the authorized capital of the Company.

In October, the sole director, Ms. Farrell, forgave debt to the Company in the amount of $12,400 as part of the change of control transaction. This amount has been recorded as an addition to paid in capital.

During 2010, David Morris who is a shareholder owning over 5% of the Company's stock was reimbursed $3,279.69 for expenses incurred for activities benefitting the Company.

In both November and December, the Company issued a note payable (see Note 8) to Mr. Kenneth Lipson who is a shareholder owning over 5% of the Company's common stock.

NOTE 7 - STOCKHOLDERS' EQUITY

Effective October 21, 2009, all shares of the Company's common stock issued and outstanding were combined and reclassified on a 1-to-6.25 basis. The effect of this stock split has been retroactively applied to all periods presented.

The stockholders' equity section of the Company contains the following classes of capital stock as of February 28, 2011

- Preferred Shares, $ 0.0001 par value: 10,000,000 shares authorized.

- Common Stock, $ 0.0001 par value: 90,000,000 shares authorized; 52,000,013 shares issued and outstanding.

On March 31, 2008 the Company issued a total of 18,750,000 shares of common stock to one director for total cash of $9,000.

On June 4, 2009 the Company issued a total of 12,500,000 shares of common stock to various individuals for cash in the amount of $0.0024 per share for a total of $30,000 to complete the Company's S-1 offering.

On October 19, 2009, the board of directors of the Company approved the issuance of an aggregate of 37,500,013 shares of the Company's common stock as consideration for services rendered to the Company for a total fair market value of $450,000.

On July 26, 2010, Laredo Oil, Inc. "the Company" entered into a Stock Purchase Agreement with Seaside 88, LP and Sutter Securities Incorporated (the "Purchase Agreement") for the private placement of 1,000,000 shares of its common stock and warrants to purchase 750,000 shares of its common stock to Seaside 88, LP for an aggregate purchase price of $500,000, or $0.50 per share. The transactions contemplated by the agreement closed on July 27, 2010. Sutter Securities Incorporated received 225,000 warrants, with substantially the same terms as those warrants received by Seaside 88, LP, as compensation for its services as the placement agent in connection with this transaction. The warrants are immediately exercisable following issuance, have a term of exercise of 5 years and an exercise price of $0.50 per share. The shares of common stock offered in the private placement and the shares issuable upon exercise of the warrants have piggy-back registration rights if the Company elects to file a registration statement in the future, subject to customary underwriter cut-backs. The shares are price protected in the event the Company issues common stock to another investor at a price below $0.50 per share, until the Company raises additional financing of at least $500,000. Moreover, should the Company fail to raise $5,000,000 in equity within six months from the closing date, another one million shares will be issued to the investor and the warrant exercise price will be adjusted to $0.25 per share for all warrants issued in connection with this financing. The Company did not raise $5 million of equity financing within six months of the initial closing date and as a result issued an additional one million shares to Seaside 88, LP in January 2011 as required by the agreement. Accordingly, the warrant exercise price for the 975,000 warrants issued with the transaction has also been reduced to $0.25 per share.

As of February 28, 2011, the Company has not granted any stock options.

The following table summarizes information about options/warrants granted during the three month period ended July 31, 2010:

	Number of Shares	Weighted Average Exercise Price
Balance, May 31, 2010	707,500	$ 2.00
Warrants granted and assumed	1,037,500	0.36
Warrants expired	—	—
Warrants cancelled, forfeited	—	—
Warrants exercised	—	—
Balance, February 28, 2011	1,745,000	$ 1.02

NOTE 7 - STOCKHOLDERS' EQUITY - *continued*

During the nine months ended February 28, 2011, the Company issued warrants for 62,500 shares of common stock with an exercise price of $2.00 as part of convertible debt offered totaling $25,000, see Note 8 for further discussions. In addition, the Company issued warrants for 750,000 shares of common stock with an adjusted exercise price of $0.25 in connection with the final issuance of 2,000,000 shares of common stock for $500,000. Further warrants for 225,000 shares of common stock were issued with an adjusted exercise price of $0.25 per share to the placement agent for this investment. All warrants as of February 28, 2011 are exercisable.

NOTE 8 - NOTES PAYABLE

On November 22, 2010, the Company entered into a Loan Agreement with Alleghany Capital Corporation ("Alleghany") for up to $250,000. The first loan installment of $150,000 contemplated by the agreement closed on November 22, 2010 and the second loan installment of $100,000 was funded December 22, 2010. The note accrues on the outstanding principal sum at the rate of 6% per annum, the interest of which will be payable in either cash or in kind semi-annually, and the note is due the earlier of either the date on which the Company raises capital of at least $500,000 or December 31, 2011.

During the year ended May 31, 2010, Laredo Oil, Inc. offered debts in the amount of $300,000 pursuant to a convertible Note and Warrant Purchase Agreement (the “Purchase Agreement”).

Pursuant to the Purchase Agreement, the Subordinated Convertible Promissory Notes (“Notes”), at the option of the holder, are either redeemable at par or convertible at a 20% discount to securities sold in a future financing greater than $7.5 million (the “New Financing”). The Company cannot prepay the Notes prior to the New Financing. Notes elected for redemption will be repaid with accrued interest at the close of the New Financing. The Notes bear interest at a rate of ten percent per annum and if not redeemed, are automatically converted to the securities issued under the New Financing. The Purchase Agreement gives the Note holders five year Warrants to Purchase Stock of Laredo Oil, Inc. to purchase 750,000 shares of the same security, at the lower of $2.00 or the same price as that issued in the New Financing.

As of February 28, 2011, the Company had issued nine convertible notes totaling $300,000 related to the $300,000 Purchase Agreement. One convertible note for $25,000 was issued during the quarter ended August 31, 2010. In addition, associated with the $300,000 Purchase Agreement the Company has issued warrants to purchase 770,000 aggregate shares of capital stock as of February 28, 2011, of which 62,500 were issued during the quarter ended August 31, 2010. These warrants are exercisable for five years from the date of the Notes and warrants. The exercise price of each warrant will be equal to the lesser of the conversion price of the corresponding New Financing or $2.00. Total proceeds from the issuance of the Notes were allocated between the notes and warrants on a relative fair value basis. The total value was allocated to the warrants based on the date of each grant. The fair value of the warrants was determined using the Black-Scholes option pricing model based on the following weighted average assumptions:

	2010
Risk-free interest rates	2.34%
Contractual life	2.5 years
Expected volatility	117.59-150.66%
Dividend yield	0%

The value of the warrants was recorded as a deferred debt discount against the proceeds of the Notes received and is being amortized over an expected 30-month expected life of each warrant.

The notes are convertible at a 20% discount to the share price of the offering in the New Financing. A debt financing premium has been recorded as an asset in conjunction with this issuance. The financing premium is being amortized over the expected 12-month term of each note.

In November and December, 2009, the Company respectively entered into a $25,000 and $50,000 bridge note with a related party (see Note 6). Interest expense accrues on both notes at a rate of 7% per annum. The term of the notes are that both outstanding principal and accrued interest are to be repaid within one week of the Company’s receiving permanent financing of at least $2.5 million. On February 28, 2011 the principal amount outstanding was $75,000 and interest accrued was $6,368.

During fiscal year 2010, a $12,400 note payable was forgiven by the former director as part of the change of control which occurred on October 16, 2009 (see Note. 6).

NOTE 9 – SUBSEQUENT EVENT

On April 6, 2011, the Company entered into a Loan Agreement with Alleghany (the “Loan Agreement”) for $100,000 (the “Loan”). The note shall accrue on the outstanding principal sum at the rate of 6% per annum, the interest of which will be payable in either cash or in kind semi-annually with the first payment at May 22, 2011. If the Proposed Transaction (defined below) is not consummated prior to May 31, 2011, then principal and interest shall be due and payable on the earlier of either the date on which the Company raises capital of at least $500,000 or December 31, 2011. If the Proposed Transaction is consummated prior to May 31, 2011, then principal and interest shall be due on December 31, 2013. The notes and interest will accelerate in all cases should the Company default on the notes as defined in the Loan Agreement. The priority of the repayment of the Loan, and all interest thereon, shall be subject and subordinate only to the $250,000 loan made by Alleghany Capital Corporation to Laredo Oil, Inc. on November 22, 2010 and shall have priority over all other indebtedness of Laredo Oil, Inc.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This report contains forward-looking statements that involve risk and uncertainties. We use words such as "anticipate", "believe", "plan", "expect", "future", "intend", and similar expressions to identify such forward-looking statements. Investors should be aware that all forward-looking statements contained within this filing are good faith estimates of management as of the date of this filing. Our actual results could differ materially from those anticipated in these forward-looking statements.

RESULTS OF OPERATIONS

Laredo Oil, Inc. is an Exploration Stage Enterprise engaged in the acquisition of mature oil fields and the recovery of stranded oil from those fields using Enhanced Oil Recovery ("EOR") methods.

From its inception through October 2009, the Company was primarily engaged in acquisition and exploration efforts for mineral properties. In October 2009, the Company shifted its focus to acquiring mature oil fields with the intention of recovering stranded oil using enhanced oil recovery methods.

The Company plans to use an EOR method entitled Underground Gravity Drainage ('UGD"). This method uses conventional mining processes to establish a chamber underneath an existing oil field from where closely spaced wellbores can be drilled up into the reservoir, using gravity to then drain the targeted reservoir through the wellbores. This method is applicable to mature oil fields that have very specific geological characteristics. The Company has done extensive research and has identified approximately 100 oil fields within the United States qualified for UGD recovery methods based upon the knowledge and knowhow pertaining to the . oil reservoir characteristics required before the UGD process can be successfully implemented. Those characteristics include engineering parameters such as depth, field porosity, permeability, oil viscosity, temperature, etc. and economic parameters such as field accessibility, business climate, etc. To arrive at the referenced target list, the Company has gathered information on oil fields in the United States and performed a screening process matching oil field data with desired oil field characteristics.

The Company intends to pursue and recover stranded oil from selected mature fields chosen from this group as funds become available. The Company has contacted and has had preliminary discussions with several targeted field owners.

We believe the costs of implementing the UGD method are radically lower than those presently experienced by commonly used EOR methods. We also estimate that we can materially increase the field oil production rate from prior periods and recover amounts of oil equal to or greater than amounts previously recovered from the mature fields selected. The Company intends to seek oil fields with a minimum of 25 million barrels of estimated recoverable oil.

The Company objective is to gain access to capital sufficient to acquire and fully implement the Underground Gravity Drainage process in one of the targeted fields. Because we feel that there will be many other firms looking to duplicate our business model once we show the success of UGD, we think it prudent to also gain access to at least one other targeted field as soon as funding is available. Funds will be used to acquire targeted fields and then invested in a test well verifying the field characteristics and their applicability to the UGD process. Then a shaft will be bored down through the reservoir, a drilling chamber established under the reservoir, and production drilling commenced. The entire process is estimated to take between 18 and 24 months, depending on the size of the oil field, from the acquisition date of the field

When the Company acquires a targeted oil field, we will continue to operate the producing field and expect to generate revenue and profit from doing so. Once development of the underground chamber and the UGD method is prepared for operation, the conventional wells will be capped and UGD production begun. The effect of such operations should result in minimal disruption of oil production from our field investments.

We have not earned any revenues to date. We do not anticipate earning revenues until such time as we acquire our first targeted oil field. We are presently pursuing negotiations for targeted fields but can provide no assurance that we will be successful in our acquisition efforts.

Our shares are currently listed for trading on the Over-the-Counter Bulletin Board under the symbol LRDC. As of the date of this report, there has been light trading for our common stock and we cannot provide assurance that an active trading market for our securities will ever develop.

LIQUIDITY & CAPITAL RESOURCES

We incurred operating expenses of $201,800 and $268,931 for the three months and $903,472 and $368,413 for the nine months ended February 28, 2011 and 2010, respectively. These expenses consisted of general operating expenses incurred in connection with the day to day operation of our business, the preparation and filing of our registration statement and required reports, and costs associated with fund raising activities. The increase in expenses for the nine months ended February 28, 2011 as compared to the same period in 2010 is primarily attributable to payroll expenses for the newly appointed CEO and CFO of the Company and fund raising costs.

The Company has no revenue to date from its operations and its ability to implement its plans for the future will depend upon the future availability of financing. The financing activities of the Company are current and ongoing, and it will implement its strategy as the timing and amount of financing allow. However, there can be no assurance that we will be successful in obtaining additional capital for such activities from the sale of its capital stock, or in otherwise raising substantial capital .During the quarter Alleghany Corporation ("Alleghany"), Laredo and Mark See were, and continue to be as of the date of this report, in discussions and negotiations with respect to a possible transaction involving Alleghany, Laredo and Mark See ("Proposed Transaction"). The Proposed Transaction would involve the establishment of a contractual relationship pursuant to which Alleghany would seek to acquire and exploit opportunities to apply the UGD process. Alleghany would provide the capital required for such opportunities and receive a preferred return on such capital after which the Company would be entitled to receive a minority share of the net profits generated by the opportunities in exchange for providing know-how, expertise and other services. Other than customary matters relating to exclusivity of negotiations, confidentiality, and payment of certain expenses, there is no obligation on the part of Alleghany or the Company with respect to any aspect of any transaction and the Company cannot predict if a transaction will be finalized or if so, when that may occur. The Proposed Transaction would not involve any investment by Alleghany in Laredo. The Proposed Transaction would present a funding alternative to develop the UGD oil recovery method.

LIQUIDITY & CAPITAL RESOURCES *- continued*

Our cash in the bank at February 28, 2011 was $94,516. On November 22, 2010, the Company entered into a Loan Agreement with Alleghany Capital Corporation ("Alleghany") for up to $250,000. The first loan installment of $150,000 contemplated by the agreement closed on November 22, 2010 and the second loan installment of $100,000 was funded December 22, 2010. In June 2010, the Company issued the remaining $25,000 convertible note related to the $300,000 Purchase Agreement for $25,000 with 62,500 warrants to purchase stock pursuant to the terms of the Purchase Agreement.

On July 26, 2010, the Company entered into a Stock Purchase Agreement with Seaside 88, LP and Sutter Securities Incorporated for the private placement of its common stock and warrants for an aggregate purchase price of $500,000

OFF-BALANCE SHEET ARRANGEMENTS

We have no off-balance sheet arrangements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our exposure to market risk is confined to our cash equivalents. We invest in high-quality financial instruments and we believe we are subject to limited credit risk. Due to the short-term nature of our cash, we do not believe that we have any material exposure to interest rate risk arising from our investments.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

The Company's Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of the Company's controls and procedures (as defined in the Securities Act of 1934 Rule 13a-15(e) or Rule 15d-15(e)) as of the end of the period covered by this report, have concluded that the Company's disclosure controls and procedures are not effective to give reasonable assurance that the information required to be disclosed in reports that the Company files under the Exchange Act is recorded, processed, summarized and reported as and when required.

Our size has prevented us from being able to employ sufficient resources to enable us to have an adequate level of supervision and segregation of duties within our internal control system. There is one person involved in processing transactions. Therefore, it is difficult to effectively segregate accounting duties. While we strive to segregate duties as much as practicable, there are insufficient financial resources to justify additional staff. As a result, this significant internal control deficiency is not expected to be remediated until the Company secures customers and additional financial resources. This lack of segregation of duties leads management to conclude that the Company's disclosure controls and procedures are not effective to give reasonable assurance that the information required to be disclosed in reports that the Company files under the Exchange Act is recorded, processed, summarized and reported as and when required.

(b) Changes in Internal Control Over Financial Reporting

During the fiscal quarter ended February 28, 2011, there was no change in Laredo's internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rule 13a-15 or Rule 15d-15 under the Exchange Act that occurred that has materially affected, or is reasonably likely to materially affect, Laredo's internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

The exhibits required to be filed herewith by Item 601 of Regulation S-K, as described in the following index of exhibits, are attached hereto unless otherwise indicated as being incorporated herein by reference, as follows:

3.1 Certificate of Incorporation, included as Exhibit 3.1 in our Form S-1 filed August 25, 2008, File No. 333-153168 and incorporated herein by reference.

3.2 Certificate of Amendment of Certificate of Incorporation, included as Exhibit 10.1 to our Form 8-K filed October 22, 2009 and incorporated herein by reference.

3.3 Bylaws, included as Exhibit 3.2 in our S-1 filed August 25, 2008, File No. 333-153168 and incorporated herein by reference.

31.1 Certification of the Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

31.2 Certification of the Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

32.1 Certificate Pursuant to 18 U.S.C. Section 1350 signed by the Chief Executive Officer

32.2 Certificate Pursuant to 18 U.S.C. Section 1350 signed by the Chief Financial Officer

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LAREDO OIL, INC.

(Registrant)

Date: April 14, 2011	By: /s/ Mark See Mark See Chief Executive Officer and sole Director
Date: April 14, 2011	By: /s/ Bradley E. Sparks Bradley E. Sparks Chief Financial Officer and Treasurer

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECURITIES EXCHANGE ACT OF 1934 RULE 13a-14(a) OR 15d-14(a)

I, Mark See, Chief Executive Officer of Laredo Oil, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended February 28, 2011 of Laredo Oil, Inc., the registrant;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 14, 2011

/s/ Mark See
Mark See
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECURITIES EXCHANGE ACT OF 1934 RULE 13a-14(a) OR 15d-14(a)

I, Bradley E. Sparks, Chief Financial Officer and Treasurer of Laredo Oil, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended February 28, 2011 of Laredo Oil, Inc., the registrant;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 14, 2011

/s/ Bradley E. Sparks
Bradley E. Sparks
Chief Financial Officer and Treasurer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Laredo Oil, Inc. on Form 10-Q for the period ended February 28, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark See, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Mark See
Mark See
Chief Executive Officer

Date: April 14, 2011

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Laredo Oil, Inc. on Form 10-Q for the period ended February 28, 2011, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Bradley E. Sparks, Chief Financial Officer and Treasurer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Bradley E. Sparks
Bradley E. Sparks
Chief Financial Officer and Treasurer

Date: April 14, 2011