

Yorbeau Resources Inc.

**Financial Statements
(Unaudited)
For the period ended
March 31, 2005**

Yorbeau Resources Inc.

Balance Sheets

	<u>March 31</u> <u>2005</u> <u>(Unaudited)</u> <u>\$</u>	<u>December 31</u> <u>2004</u> <u>(Audited)</u> <u>\$</u>
ASSETS		
Current assets:		
Cash and short-term deposits	119,182	259,326
Tax and grant receivable	508,501	491,627
Prepaid expenses and deposits	15,575	13,425
	<u>643,258</u>	<u>764,378</u>
Mining and exploration assets	7,206,746	7,170,989
	<u>7,850,004</u>	<u>7,935,367</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	146,258	84,029
Shareholders' equity		
Capital stock (Issued: 89,875,501)	22,270,295	22,270,295
Contributed surplus	276,666	259,399
Deficit	(14,843,215)	(14,678,356)
	<u>7,703,746</u>	<u>7,851,338</u>
	<u>7,850,004</u>	<u>7,935,367</u>

Yorbeau Resources Inc.

Statements of Operations and Deficit

(Unaudited)

	For three months ended March 31	
	2005	2004
	\$	\$
Interest revenue	243	6,398
Expenses		
Administrative charges	127,576	98,117
Cost of options	17,267	-
Property maintenance	8,887	4,478
Tax on capital	11,265	7,722
Financial expenses	107	-
	165,102	110,317
Loss for the period	(164,859)	(103,919)
Deficit - beginning of period	(14,678,356)	(13,998,745)
Deficit - end of period	(14,843,215)	(14,102,664)
Net loss per share, basic and diluted	(0.01)	(0.01)

Yorbeau Resources Inc.

Statements of Cash Flows

(Unaudited)

	For three months ended March 31	
	2005	2004
	\$	\$
Cash flows from operating activities:		
Net loss for the period	(164,859)	(103,919)
Cost of options	17,267	-
Changes in non-cash operating working capital:		
Tax and grant receivable	(16,874)	66,078
Prepaid expenses and deposit	(2,150)	(1,952)
Accounts payable and accrued liabilities	62,229	(478,501)
	43,205	(414,375)
	(104,387)	(518,294)
Cash flows from investing activities:		
Mining and exploration assets (net from mining duties and resource tax credits \$ 69,296 (\$ 24,248 in 2004))	(35,757)	(37,213)
Net decrease in cash and cash equivalents	(140,144)	(555,507)
Cash and cash equivalents beginning of period	259,326	1,566,147
Cash and cash equivalents end of period	119,182	1,010,640

Supplemental cash flow information:

Cash and cash equivalents are composed of cash and short-term investments maturing within 90 days and are detailed as follows:

Cash and term deposits (2.72%)	119,182	1,010,640
--------------------------------	---------	-----------

YORBEAU RESOURCES INC.

Notes to the quarterly financial statements for the three months ended March 31, 2005
(Unaudited)

1. Significant accounting policies:

The quarterly financial statements of Yorbeau Resources Inc. (the "Company") have been prepared following the same accounting policies and methods as the annual financial statements of the Company for the year ended December 31, 2004. Accordingly, these financial statements should be read in conjunction with the most recent annual financial statements.

2. Capital stock:

Authorized:

An unlimited number of Class A common shares, without nominal value or par value

	<u>Issued</u>	<u>Value</u>
December 31, 2004	89,875,501	\$ 22,270,295
Issuance during the period	none	none
March 31, 2005	89,875,501	\$ 22,270,295

Stock option plan:

As at March 31, 2005, 4,214,498 Class A common shares were reserved for future issuances under the stock option plan for the benefit of the directors, employees and service providers of the Company.

During the period, 200,000 options were granted under the Company's option plan. These options vest over a three year period. The fair value of each option granted during the period was determined using the Black-Scholes option pricing model. At the date of the grant, the fair value of stock options granted was \$0.259 per option. The following assumptions were used in the calculation:

Risk-free interest rate	4.25%
Expected life	3 years
Expected volatility	87%
Expected dividend yield	\$ 0.00

YORBEAU RESOURCES INC.

Notes to the quarterly financial statements for the three months ended March 31, 2005
(Unaudited)

The number of stock options outstanding fluctuated as follows:

	<u>Number of options</u>	<u>Weighted average exercise price</u>
Options outstanding as at December 31, 2004	3,750,000	\$0.20
Granted during the period	200,000	\$0.45
Expired during the period	none	-
Options outstanding as at March 31, 2005	3,950,000	\$0.21

As at March 31, 2005, the following options were outstanding:

- 2,350,000 shares at \$0.155 per share until July 19, 2008
- 100,000 shares at \$0.185 per share until September 14, 2008
- 1,300,000 shares at \$0.275 per share until June 21, 2009
- 200,000 shares at \$0.45 per share until February 15, 2010

3. Mining and exploration assets:

	Net book value December 31, 2004	Additions	Mining and resources tax credits	Net book value March 31, 2005
Mining and exploration assets				
Astoria property	6,390,415	105,052	50,573	6,444,894
Beschefer property	780,574	-	18,722	761,852
	7,170,989	105,052	69,295	7,206,746

4. Related party transactions and accounts:

Legal services were rendered to Yorbeau in the amount of \$50,580 (nil in 2004) by a legal firm, in which a director and shareholder of Yorbeau is a partner. As at March 31, 2005, the accounts payable include \$ 64,001 (nil in 2004) payable to this legal firm.

“Administrative charges” in the Statement of Operations and Deficit includes a sum of \$12,500 paid as a royalty to Société Minière Alta Inc., of which the president of Yorbeau is the sole shareholder.

Additions of mining and exploration assets include an amount of \$ 2,490 (\$4,500 in 2004) charged by a director in connection with consulting services rendered. The accounts payable include \$ 1,677 (nil in 2004) payable to this director.

YORBEAU RESOURCES INC.

Notes to the quarterly financial statements for the three months ended March 31, 2005
(Unaudited)

In addition, consulting services were charged to Yorbeau in the amount of \$19,563 (nil in 2004) by a numbered company, in which a director and shareholder of Yorbeau is the president as well as controlling shareholder. As at March 31, 2005, the accounts payable include \$9,657 (nil in 2004) payable to this company.

These transactions are recorded at their exchange value.