

YORBEAU RESOURCES INC.
(“Yorbeau” or the “Company”)

Management's Discussion and Analysis
for the period ended June 30, 2005

The following discussion and analysis was prepared as at August 10, 2005 and should be read in conjunction with the interim financial statements of the Company for the period ended June 30, 2005 and the notes thereto and the annual financial statements of the Company for the year ended December 31, 2004 and the notes thereto.

Certain statements contained in this discussion and analysis constitute forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The Company believes the expectations reflected in these forward-looking statements are based on reasonable assumptions but no assurance can be given that these expectations will prove to be correct.

General

During the period the Company completed a diamond drilling program on the Cinderella block of its Astoria project which has been successful in outlining two previously-unknown gold-bearing zones associated with sulfide or “flow” mineralization.

The identification of these two new zones, located within the south half of the Cadillac Larder Lake Break, a regional structure associated with a great number of substantial gold deposits, is regarded as extremely significant in that it opens up a completely new perspective on the property. This is based on the observation that most of the economic deposits found on the Break occur within one of the stratigraphic horizons containing the two new zones which are largely untested on the property. The discovery of these two new gold zones give the Astoria property previously unrecognized exploration potential for sulphide or “flow” mineralization, in addition to the bulk mining opportunity represented by the gold bearing carbonate rocks found on the Astoria property in the northern part of the Break.

Specifically, the first newly-identified zone, called zone no. 4, is located a few meters south of the south contact of the upper half of the Break which consists of carbonate rocks. The zone is well-defined, occurring between two units of slightly graphitic argillite. It is strong, consistent and has good linearity. It has a width of about 10 meters and is located stratigraphically along the same geological contact as zone no. 21 in the Kerr Addison mine which was the most productive zone in the Kerr operation. The second newly-identified zone, zone no. 3, is located about 35 meters south of zone no. 4, and consists of sulfide mineralization found in or immediately north of a narrow conglomerate, a good marker horizon.

As a result of this new exploration potential, the Company intends to carry out a \$2M drilling program to further explore these newly-identified prime targets. Yorbeau plans to fund the program, as well as raise working capital, through a rights offering to its shareholders. While

details of the offering have not yet been finalized, shareholders will have the opportunity to acquire flow-through as well as equity shares in the Company.

Results of operations

During the period ended June 30, 2005, the Company recorded a net loss of \$236,379 compared to a net loss of \$239,173 for the corresponding period in the previous year. This represents a net loss of \$0.01 per share. The expenses for the period totalled \$236,620 compared to \$243,820 for the period ending June 30, 2004. During the period, the Company incurred a total of \$260,485 in exploration expenses net of mining duties and resources tax credits (compared to \$108,919 for the corresponding period in the previous year) all of which were spent on the Astoria property.

Summary of quarterly results

The following table sets forth selected quarterly financial information for each of the eight most recently completed quarters:

<u>Quarter ending</u>	<u>Revenue</u>	<u>Net profit (loss)</u>	<u>Net profit (loss) per share, basic and diluted</u>
June 30, 2005	\$241	\$(236,379)	\$(0.01)
March 31, 2005	\$243	\$(164,859)	\$(0.01)
December 31, 2004	\$3,179	\$(127,055)	\$(0.01)
September 30, 2004	\$2,213	\$(209,464)	\$(0.01)
June 30, 2004	\$4,647	\$(239,173)	\$(0.01)
March 31, 2004	\$6,398	\$(103,919)	\$(0.01)
December 31, 2003	\$1,666	\$(152,420)	\$(0.01)
September 30, 2003	\$17	\$(110,886)	\$(0.01)

The financial statements for the periods indicated above have been prepared in accordance with Canadian generally accepted auditing principles.

Liquidity

The Company has financed its operations almost exclusively through the sale of its shares and will continue to do so for the foreseeable future.

As at June 30, 2005, the Company had cash and short-term deposits of \$33,935 compared to \$259,326 as at December 31, 2004. Working capital as at June 30, 2005 was \$178,355 compared to \$680,349 as at December 31, 2004. The decrease in working capital is a result of corporate expenses and the Company's ongoing costs related to its exploration programme on the Astoria Property.

Transactions with related parties

There are no related party transactions other than those disclosed in note 4 of the Company's quarterly financial statements for the period ended June 30, 2005.

Outstanding Share Data

The authorized share capital of the Company consists of an unlimited number of Class A common shares of which 89,875,501 were issued and outstanding as at June 30, 2005. The Company also has options outstanding to purchase a total of 3,950,000 shares at prices ranging from \$0.155 to \$0.45 per share.

Additional information

Additional information on the Company is available on SEDAR at www.sedar.com.