

Yorbeau Resources Inc.

**Financial Statements
(Unaudited)
For the period ended
September 30, 2006**

LES RESSOURCES YORBEAU INC.- YORBEAU RESOURCES INC.

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Yorbeau Resources Inc.

Balance Sheets

	<u>September 30</u> 2006 (Unaudited) \$	<u>December 31</u> 2005 (Audited) \$
ASSETS		
Current assets:		
Cash	538,426	1,827,176
Tax receivable	98,350	292,160
Prepaid expenses	69,551	20,758
	<u>706,327</u>	<u>2,140,094</u>
Mining and exploration assets	8,404,740	7,453,955
	<u>9,111,067</u>	<u>9,594,049</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	254,623	217,020
Shareholders' equity		
Capital stock (Issued: 98,575,501)	24,445,295	24,445,295
Contributed surplus	629,818	483,534
Deficit	(16,218,669)	(15,551,800)
	<u>8,856,444</u>	<u>9,377,029</u>
	<u>9,111,067</u>	<u>9,594,049</u>

Yorbeau Resources Inc.

Statements of Operations and Deficit

(Unaudited)

	For three months ended September 30		For nine months ended September 30	
	2006	2005	2006	2005
	\$	\$	\$	\$
Interest revenues and other	5,444	100	42,224	584
Expenses				
Administrative charges	191,324	87,138	487,989	361,701
Stock-based compensation	40,433	133,201	146,284	224,135
Property maintenance	7,436	7,865	9,524	21,438
Tax on capital	11,237	12,209	35,669	34,739
Financial expenses	8,466	82	29,627	204
	258,896	240,495	709,093	642,217
Loss for the period	(253,452)	(240,395)	(666,869)	(641,633)
Deficit - beginning of period	(15,965,217)	(15,079,594)	(15,551,800)	(14,678,356)
Share issue expenses	-	(46,800)	-	(46,800)
Deficit - end of period	(16,218,669)	(15,366,789)	(16,218,669)	(15,366,789)
Net loss per share, basic and diluted	(0.01)	(0.01)	(0.01)	(0.01)

Yorbeau Resources Inc.

Statements of Cash Flows

(Unaudited)

	For three months ended September 30		For nine months ended September 30	
	2006	2005	2006	2005
	\$	\$	\$	\$
Cash flows from operating activities:				
Net loss for the period	(253,452)	(240,395)	(666,869)	(641,633)
Stock-based compensation	40,433	133,201	146,284	224,135
Changes in non-cash operating working capital:				
Tax receivable	237,673	114,676	193,810	237,493
Prepaid expenses	9,268	6,452	(48,793)	1,586
Accounts payable and accrued liabilities	3,849	36,153	37,603	194,805
	250,790	157,281	182,620	433,884
	37,771	50,087	(337,965)	16,386
Cash flows from financing activities:				
Share issue expenses	-	(46,800)	-	(46,800)
Cash flows from investing activities:				
Mining and exploration assets (net of mining duties and resource tax credits \$34,213 (\$207,484 in 2005))	(339,052)	(17,996)	(950,785)	(209,686)
Net (decrease) increase in cash and cash equivalents	(301,281)	(14,709)	(1,288,750)	(240,100)
Cash and cash equivalents beginning of period	839,707	33,935	1,827,176	259,326
Cash and cash equivalents end of period	538,426	19,226	538,426	19,226

YORBEAU RESOURCES INC.

Notes to the quarterly financial statements for the nine months ended September 30, 2006
(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, 2005. 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, 2005	98,575,501	\$ 24,445,295
Issuance during the period	none	none
September 30, 2006	98,575,501	\$ 24,445,295

Stock option plan:

On June 15, 2005, the shareholders of the Company amended the option plan and increased the number of shares which may be issued under the plan by an additional 5,000,000 shares. As at September 30, 2006, options on 5,300,000 shares have been granted out of a total of 9,214,498 Class A common shares which have been reserved for future issuance.

During the period, 250,000 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 \$0.179 per option. The following assumptions were used in the calculation:

Risk-free interest rate	4.50%
Expected life	3 years
Expected volatility	74%
Expected dividend yield	\$ 0.00

YORBEAU RESOURCES INC.

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(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, 2005	5,050,000	\$0.22
Granted during the period	250,000	\$0.35
Expired during the period	none	-
Options outstanding as at September 30, 2006	5,300,000	\$0.225

As at September 30, 2006, 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
- 1,100,000 shares at \$0.25 per share until August 11, 2010
- 250,000 shares at \$0.35 per share until June 14, 2011

3. Mining and exploration assets:

	Net book value December 31, 2005	Additions	Mining and resources tax credits	Net book value September 30, 2006
Mining and exploration Assets				
Rouyn property	6,713,322	976,630	34,213	7,655,739
Beschefer property	740,633	8,368		749,001
	7,453,955	984,998	34,213	8,404,740

4. Related party transactions and accounts:

Legal services in connection with administrative and financing activities were rendered to Yorbeau in the amount of \$160,645 (\$163,350 in 2005) by a legal firm, in which a director and shareholder of Yorbeau is a partner. As at September 30, 2006, the accounts payable include \$57,311 (\$138,482 in 2005) payable to this legal firm.

“Administrative charges” in the Statement of Operations and Deficit includes a sum of \$37,500 paid as a royalty to Société Minière Alta Inc., of which the president of Yorbeau is the sole shareholder.

YORBEAU RESOURCES INC.

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Mining and exploration assets include an amount of \$5,700 (\$4,640 in 2005) charged by a director in connection with consulting services rendered.

In addition, consulting services were charged to Yorbeau in the amount of \$12,800 (nil in 2005) by a director. As at September 30, 2006, the accounts payable include \$1,259 (nil in 2005) payable to this director.

These transactions are recorded at their exchange value.