

Yorbeau Resources Inc.

**Financial Statements
(Unaudited)
For the period ended
June 30, 2007**

LES RESSOURCES YORBEAU INC. - YORBEAU RESOURCES INC.
110, Place Cremazie West, Bureau 430, Montreal, Quebec, H2P 1B9
Tel. : (514) 384-2202- Fax. : (514) 384-6399

YORBEAU RESOURCES INC.

Balance Sheets

	(Unaudited) June 30 2007	(Audited) December 31 2006
Assets		
Current assets:		
Cash and short-term deposits	\$ 3,220,856	\$343,303
Taxes receivable	132,288	165,526
Prepaid expenses and deposits	28,619	47,394
	<u>3,381,763</u>	<u>556,223</u>
Mining and exploration assets (note 2)	9,988,452	9,236,107
	<u>\$13,370,215</u>	<u>\$9,792,330</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$549,840	\$789,515
Shareholders' equity:		
Capital stock (note 3)	29,524,879	24,798,629
Contributed surplus	807,618	629,818
Deficit	<u>(17,512,122)</u>	<u>(16,425,632)</u>
	<u>12,820,375</u>	<u>9,002,815</u>
	<u>\$13,370,215</u>	<u>\$9,792,330</u>

See accompanying notes to financial statements.

Yorbeau Resources Inc.

Statements of Operations and Deficit

(Unaudited)

	For three months ended June 30		For six months ended June 30	
	2007	2006	2007	2006
	\$	\$	\$	\$
Interest revenues and other	8,451	25,122	9,430	36,780
Expenses				
Administrative charges	193,897	168,665	386,251	296,665
Stock-based compensation	14,916	88,584	32,181	105,851
Property maintenance	3,275	792	4,259	2,088
Tax on capital	21,489	12,216	34,989	24,432
Financial expenses	2,909	12,445	2,997	21,161
	236,486	282,702	460,677	450,197
Loss for the period	(228,035)	(257,580)	(451,247)	(413,417)
Deficit - beginning of period	(16,650,844)	(15,707,637)	(16,425,632)	(15,551,800)
Share issue expenses	(633,243)	-	(635 243)	-
Deficit - end of period	(17,512,122)	(15,965,217)	(17,512,122)	(15,965,217)
Net loss per share, basic and diluted	0.01	(0.01)	0.01	(0.01)

See accompanying notes to financial statements.

Yorbeau Resources Inc.

Statements of Cash Flows

(Unaudited)

	For three months ended June 30		For six months ended June 30	
	2007	2006	2007	2006
	\$	\$	\$	\$
Cash flows from operating activities:				
Net loss for the period	(228,035)	(257,580)	(451,247)	(413,417)
Stock-based compensation	14,916	88,584	32,181	105,851
Changes in non-cash operating working capital:				
Tax receivable	(48,245)	(2,468)	33,238	(43,863)
Prepaid expenses	17,022	(53,207)	18,775	(58,061)
Accounts payable and accrued liabilities	(153,287)	2,327	(239,675)	33,754
	(184,510)	(53,348)	(187,662)	(68,170)
	(397,629)	(222,344)	(606,728)	(375,736)
Cash flows from financing activities:				
Issuance of capital stock	4,642,500	-	4,726,250	-
Share issue expenses	(487,624)	-	(489,624)	-
	4,154,876	-	4,236,626	-
Cash flows from investing activities:				
Mining and exploration assets (net of mining duties and resource tax credits \$44,218 (\$33,338 in 2006))	(560,064)	(249,978)	(752,345)	(611,733)
Net (decrease) increase in cash and cash equivalents	3,197,183	(472,322)	2,877,553	(987,469)
Cash and cash equivalents beginning of period	23,673	1,312,029	343,303	1,827,176
Cash and cash equivalents end of period	3,220,856	839,707	3,220,856	839,707
Non-cash financing activities:				
Share issue expenses representing cost of brokers' warrants	145,619		145,619	

See accompanying notes to financial statements.

YORBEAU RESOURCES INC.

Notes to the quarterly financial statements for the six months ended June 30, 2007
(Unaudited)

1. Basis of presentation:

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, 2006. Accordingly, these financial statements should be read in conjunction with the most recent annual financial statements.

2. Mining and exploration assets:

	Net book value December 31, 2006	Additions	Mining and resources tax credits	Net book value June 30, 2007
Mining and exploration Assets				
Rouyn property	8,479,617	796,563	44,218	9,231,962
Beschefer property	756,490			756,490
	9,236,107	796,563	44,218	9,988,452

3. 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, 2006	99,489,786	\$ 24,798,629
Issuance during the period	13,687,500	4,726,250
June 30, 2007	113,177,286	\$ 29,524,879

Issuance during the period:

During the period 1,025,000 Class A common shares were issued in consideration of \$161,250 to three directors as a result of the partial exercise of their options at prices varying between \$0.155 and \$0.25 per share.

The Company has completed a private placement of units and flow-through shares which generated gross proceeds of \$4,565,000. A total of 12,662,500 common shares, of which 6,412,500 are flow-through shares and 3,125,000 warrants, have been issued under the private placement. Each warrant entitles the holder to purchase one common share at a price of \$0.45 until December 6, 2008.

Brokers' warrants to purchase a total of 1,266,250 common shares at a price of \$0.32 per share until December 6, 2008 have also been issued as partial remuneration for the services of the agent in connection with the placement. The Company accounted for its Brokers' warrants by using the Black-Scholes pricing model. At the time of issuance, the fair value of such warrants was \$0.115 per warrant.

YORBEAU RESOURCES INC.

Notes to the quarterly financial statements for the six months ended June 30, 2007
(Unaudited)

4. Stock option plan:

As at June 30, 2007, 7,989,499 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.

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, 2006	5,100,001	\$0.22
Exercised during the period	1,025,000	\$0.16
Cancelled during the period	400,001	\$0.35
Options outstanding as at June 30, 2007	3,675,000	\$0.23
Exercisable options, end of period	2,924,998	\$0.22

As at June 30, 2007, the following options were outstanding:

- 1,350,000 shares at \$0.155 per share until July 19, 2008
- 100,000 shares at \$0.185 per share until September 14, 2008
- 1,100,000 shares at \$0.275 per share until June 21, 2009
- 875,000 shares at \$0.25 per share until August 11, 2010
- 250,000 shares at \$0.35 per share until June 14, 2011

All options may be exercised on a cumulative basis over a period of five years from the date they are granted, as to one-third after one year, an additional one-third after two years and the balance after the end of the third year.

5. Related party transactions:

Legal services were rendered to Yorbeau in the amount of \$208,015 (2006 - \$111,060) by a legal firm, in which a director and shareholder of Yorbeau is a partner. As at June 30, 2007, the accounts payable include \$166,809 (2006 - \$75,336) payable to this legal firm.

"Administrative charges" in the Statement of Operations and Deficit include an amount of \$25,000 (2006 - \$25,000) paid as a royalty to Société Minière Alta Inc., of which the president of Yorbeau is the sole shareholder.

These transactions are recorded at their exchange value.