

YORBEAU RESOURCES INC.

Financial Statements

(Unaudited)

For the period ended March 31, 2008

YORBEAU RESOURCES INC.

Balance Sheets

| | (Unaudited) March 31 2008 | (Audited) December 31 2007 |
|---|---------------------------------|----------------------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents (note 3) | \$ 504,176 | \$ 1,183,501 |
| Taxes receivable (note 4) | 249,942 | 256,738 |
| Prepaid expenses and deposits | 62,511 | 69,606 |
| | 816,629 | 1,509,845 |
| Mining and exploration assets (note 5) | 11,837,648 | 11,399,333 |
| | \$ 12,654,277 | \$ 12,909,178 |
| Liabilities and Shareholders' Equity | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 478,361 | \$ 450,649 |
| Shareholders' equity: | | |
| Capital stock (note 6) | 29,635,629 | 29,635,629 |
| Contributed surplus | 964,602 | 964,602 |
| Deficit | (18,424,315) | (18,141,702) |
| | 12,175,916 | 12,458,529 |
| | \$ 12,654,277 | \$ 12,909,178 |

See accompanying notes to financial statements.

YORBEAU RESOURCES INC.

Statements of Operations, Comprehensive Loss and Deficit

Three months ended March 31
(Unaudited)

| | 2008 | 2007 |
|---------------------------------------|-----------------|-----------------|
| Interest revenue and other | \$ 4,204 | \$ 979 |
| Expenses: | | |
| Administrative charges | 238,776 | 192,354 |
| Stock-based compensation | -- | 17,265 |
| Tax on capital | 21,000 | 13,500 |
| Property maintenance | 1,700 | 984 |
| Financial expenses | 243 | 88 |
| | 261,719 | 224,191 |
| Net loss and comprehensive loss | (257,515) | (223,212) |
| Deficit, beginning of year | (18,141,702) | (16,425,632) |
| Shares issue expense | (25,098) | (2,000) |
| Deficit, end of year | \$ (18,424,315) | \$ (16,650,844) |
| Net loss per share, basic and diluted | \$ (0.01) | \$ (0.01) |

See accompanying notes to financial statements.

YORBEAU RESOURCES INC.

Statements of Cash Flows

Three months ended March 31
(Unaudited)

| | 2008 | 2007 |
|---|--------------|--------------|
| Cash flows from operating activities: | | |
| Net loss | \$ (257,515) | \$ (223,212) |
| Stock-based compensation | -- | 17,265 |
| Changes in non-cash operating working capital: | | |
| Taxes receivable | 6,796 | 81,483 |
| Prepaid expenses | 7,095 | 1,753 |
| Accounts payable and accrued liabilities | 27,712 | (86,388) |
| | (215,912) | (209,099) |
| Cash flows from financing activities: | | |
| Issuance of capital stock | -- | 83,750 |
| Share issue expenses | (25,098) | (2,000) |
| | (25,098) | 81,750 |
| Cash flows from investing activities: | | |
| Mining and exploration assets (net from mining duties and resource tax credits of \$438,315 (2007 - \$291,874)) | (438,315) | (192,281) |
| Net increase (decrease) in cash and cash equivalents | (679,325) | (319,630) |
| Cash and cash equivalents, beginning of year | 1,183,501 | 343,303 |
| Cash and cash equivalents, end of year | \$ 504,176 | \$ 23,673 |
| Cash and cash equivalents are composed of cash and short-term investments, maturing within 90 days and are detailed as follows: | | |
| Cash and deposits – 3.60% | \$ 457,500 | \$ -- |

See accompanying notes to financial statements.

YORBEAU RESOURCES INC.

Notes to Financial Statements

Three months ended March 31, 2008
(Unaudited)

Yorbeau Resources Inc. ("Yorbeau" or the "Company") is incorporated under the laws of the Province of Québec. The Company owns mining and exploration properties in the Province of Québec.

1. Basis of presentation:

These financial statements have been prepared on the going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. The application of the going concern concept is dependent on the Company's ability to generate future profitable operations and to issue capital stock.

2. Summary of significant accounting policies:

The quarterly financial statements of the Company have been prepared in accordance with the Canadian generally accepted accounting principles and should be read in conjunction with the December 31, 2007 audited annual financial statements. The accounting policies are the same as those used for the December 31, 2007 audited annual financial statements with the exception of the accounting changes listed below.

On January 1, 2008, the Company adopted CICA handbook: Section 1535 Capital Disclosures; Section 3862 Financial Instruments - Disclosures; and Section 3863 Financial Instruments - Presentation.

Section 1535 establishes disclosure requirements concerning (a) an entity's objectives, policies and processes for managing capital; (b) the quantitative data about what the entity regards as capital; and (c) whether the entity has complied with any capital requirements and the consequences of non-compliance with such capital requirements.

Sections 3862 and 3863 consist of a comprehensive series of disclosure requirements and presentation rules applicable to financial instruments. They revise and enhance the disclosure requirements set out in Section 3861 Financial Instruments - Disclosure and Presentation and carry forward unchanged the presentation requirements of Section 3861.

Section 3862 establishes disclosure requirements that enable users of financial statements to evaluate the significance of financial instruments for an entity's financial position and performance and the nature and extent of risks arising from financial instruments to which the entity is exposed and how the entity manages those risks.

The adoption of standards of Sections 1535, 3862 and 3863 had no significant impact on the financial statements for the three months period ended March 31, 2008.

YORBEAU RESOURCES INC.

Notes to Financial Statements, Continued

Three months ended March 31, 2008
(Unaudited)

3. Cash and cash equivalents:

Cash and cash equivalents include temporary investments with a maturity date of three months or less from the date of purchase, and are stated at cost, which approximates market value. The major components of cash and cash equivalents are as follows:

| | Unaudited March 31 2008 | Audited December 31 2007 |
|-------------------------|-------------------------------|--------------------------------|
| Cash | \$ 153,669 | \$ 383,609 |
| Cash - exploration fund | 350,507 | 789,892 |
| | \$ 504,176 | \$ 1,183,501 |

Exploration fund is restrictive for the purpose of exploration expenses.

4. Taxes receivable:

| | Unaudited March 31 2008 | Audited December 31 2007 |
|------------------------|-------------------------------|--------------------------------|
| Sales tax and other | \$ 73,043 | \$ 61,163 |
| Resource tax credits | 155,631 | 155,631 |
| Mining duties recovery | 21,268 | 39,944 |
| | \$ 249,942 | \$ 256,738 |

5. Mining and exploration assets:

| | Balance 31/12/2007 | Additions | Mining and resource tax credits | Balance 31/03/2008 |
|--|-----------------------|-----------|--|-----------------------|
| Mining and exploration assets: | | | | |
| Rouyn Property (net of accumulated depletion of \$2,411,831) | 10,638,643 | 438,315 | - | 11,076,958 |
| Beschefer property | 760,690 | - | - | 760,690 |
| | 11,399,333 | 438,315 | - | 11,837,648 |

YORBEAU RESOURCES INC.

Notes to Financial Statements, Continued

Three months ended March 31, 2008
(Unaudited)

6. 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, 2007 | 113,177,286 | \$ 29,635,629 |
| Issuance during the period | -- | -- |
| March 31, 2008 | 113,177,286 | \$ 29,635,629 |

Share purchase warrants:

As at March 31, 2008 the Company has outstanding share purchase warrants and could be required to issue shares as follows:

- 3,125,000 shares at \$0.45 until December 6, 2008
- 1,266,250 shares at \$0.32 until December 6, 2008

7. Stock option plan:

As at March 31, 2008, 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 Company uses the fair value method based on the Black-Scholes pricing model to record the compensation cost related to the issue of stock options to its participants over the vesting period with a corresponding credit to the contributed surplus.

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, 2007 | 6,575,000 | \$0.26 |
| Exercised during the period | -- | -- |
| Cancelled during the period | -- | -- |
| Options outstanding as at March 31, 2008 | 6,575,000 | \$0.26 |
| Exercisable options, end of period | 2,650,000 | \$0.21 |

YORBEAU RESOURCES INC.

Notes to Financial Statements, Continued

Three months ended March 31, 2008
(Unaudited)

As at March 31, 2008, the following options were outstanding:

- 1,350,000 shares at \$0.155 per share until July 19, 2008
- 700,000 shares at \$0.275 per share until June 21, 2009
- 775,000 shares at \$0.25 per share until August 11, 2010
- 250,000 shares at \$0.35 per share until June 14, 2011
- 3,500,000 shares at \$0.30 per share until October 29, 2012

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.

8. Related party transactions:

Legal services were rendered to Yorbeau in the amount of \$70,640 (2007 - \$63,825) by a legal firm, in which a director and shareholder of Yorbeau is a partner. As at March 31, 2008, the accounts payable include \$159,333 (2007 - \$168,396) payable to this legal firm.

“Administrative charges” in the Statement of Operations, Comprehensive Loss and Deficit include an amount of \$12,500 (2007 - \$12,500) paid as a royalty to Société Minière Alta Inc., of which a director of Yorbeau is the sole shareholder.

In addition, consulting services were charged to Yorbeau in the amount of \$38,081 (2007 - nil) by a company, in which the president and chief executive officer of Yorbeau is the president as well as controlling shareholder. This amount was charged to administrative expenses. As at March 31, 2008, the accounts payable include \$13,392 (2007 - nil) payable to this company.

These transactions are recorded at their exchange value.

9. Financial instruments:

(a) Fair value:

The Company has determined that the fair value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximates their carrying amount due to the relatively short periods to maturity of these instruments.

(b) Credit risk:

Credit risk results from the possibility that a loss may occur from the failure of another party to perform according to the terms of the contract. Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. Cash is maintained with high-credit, quality financial institutions. Cash equivalents consist of bank deposits.

YORBEAU RESOURCES INC.

Notes to Financial Statements, Continued

Three months ended March 31, 2008
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10. Subsequent event:

The Company has issued a total of 113,177,286 rights to its shareholders of record at the close of business on May 8, 2008. Each eligible shareholder under the offering received one right for each Class A common share held. Ten rights entitle the holder thereof to purchase one Unit of the Company at a price of \$0.36 until 4:00 p.m. on June 3, 2008. Each Unit is comprised of one flow-through Class A common share and one Class A common share of the Company. A fully subscribed rights offering would raise gross proceeds of approximately \$4,074,000.