

Yorbeau Resources Inc.

**Financial Statements
(Unaudited)
For the period ended
September 30, 2008**

Yorbeau Resources Inc.

Balance Sheets

	(Unaudited) September 30 2008 \$	(Audited) December 31 2007 \$
Assets		
Current assets:		
Cash and cash equivalents (note 3)	1,701,574	1,183,501
Taxes receivable (note 4)	243,486	256,738
Prepaid expenses and deposits	52,623	69,606
	<u>1,997,683</u>	<u>1,509,845</u>
Mining and exploration assets (note 5)	13,218,095	11,399,333
	<u>15,215,778</u>	<u>12,909,178</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	678,034	450,649
Shareholders' equity:		
Capital stock (note 6)	32,709,772	29,635,629
Contributed surplus	914,719	964,602
Deficit	(19,086,747)	(18,141,702)
	<u>14,537,744</u>	<u>12,458,529</u>
	<u>15,215,778</u>	<u>12,909,178</u>

See accompanying notes to financial statements.

Yorbeau Resources Inc.

Statements of Operations, Comprehensive Loss and Deficit

(Unaudited)

	For three months ended September 30		For nine months ended September 30	
	2008 \$	2007 \$	2008 \$	2007 \$
Interest revenue and other	14,911	60,150	24,982	69,580
Expenses				
Administrative	221,701	149,022	721,340	535,273
Stock-based compensation	-	40,234	14,917	72,415
Property maintenance	4,195	6,861	10,436	11,120
Tax on capital	21,000	18,500	63,000	53,489
Financial expenses	380	499	3,635	3,496
	247,276	215,116	813,328	675,793
Net loss for the period	(232,365)	(154,966)	(788,346)	(606,213)
Deficit - beginning of period	(18,797,270)	(17,512,122)	(18,141,702)	(16,425,632)
Share issue expenses	(57,112)	(10,423)	(156,699)	(645,666)
Deficit - end of period	(19,086,747)	(17,677,511)	(19,086,747)	(17,677,511)
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 September 30		For nine months ended September 30	
	2008 \$	2007 \$	2008 \$	2007 \$
Cash flows from operating activities:				
Net loss for the period	(232,365)	(154,966)	(788,346)	(606,213)
Stock-based compensation	-	40,234	14,917	72,415
Changes in non-cash operating working capital:				
Tax receivable	31,494	(93,028)	13,252	(59,790)
Prepaid expenses	10,152	2,857	16,983	21,632
Accounts payable and accrued liabilities	199,431	141,825	227,385	(97,850)
	<u>241,077</u>	<u>51,654</u>	<u>257,620</u>	<u>(136,008)</u>
	8,712	(63,078)	(515,809)	(669,806)
Cash flows from financing activities:				
Issuance of capital stock	93,000	-	3,009,343	4,726,250
Share issue expenses	(57,112)	(10,423)	(156,699)	(500,047)
	<u>35,888</u>	<u>(10,423)</u>	<u>2,852,644</u>	<u>4,226,203</u>
Cash flows from investment activities:				
Mining and exploration assets (net of mining duties and resource tax credits of \$288,322 (\$44,218 in 2007))	(816,870)	(1,013,430)	(1,818,762)	(1,765,775)
Net (decrease) increase in cash and cash equivalents	(772,270)	(1,086,931)	518,073	1,790,622
Cash and cash equivalents beginning of period	2,473,844	3,220,856	1,183,501	343,303
Cash and cash equivalents end of period	1,701,574	2,133,925	1,701,574	2,133,925
Non-cash financing activities:				
Share issue expenses representing cost of brokers' warrants	-	-	-	145,619

See accompanying notes to financial statements.

Yorbeau Resources Inc.

Notes to Financial Statements
Nine months ended September 30, 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 nine months period ended September 30, 2008.

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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:

	September 30 2008 (Unaudited) \$	December 31 2007 (Audited) \$
Cash and term deposits	1,701,574	383,609
Exploration fund	--	789,892
	1,701,574	1,183,501

Exploration fund is restrictive for the purpose of exploration expenses.

4. Taxes receivable:

	September 30 2008 (Unaudited) \$	December 31 2007 (Audited) \$
Sales tax and other	158,447	61,163
Resource tax credit	--	155,631
Mining duty refund	85,039	39,944
	243,486	256,738

5. Properties and deferred expenditures:

	Balance 31/12/2007	Additions	Mining and resource tax credits	Balance 30/09/2008
Mining and exploration assets:				
Rouyn Property (net of accumulated depletion of \$2,411,831)	10,638,643	2,099,349	288,322	12,449,670
Beschefer property	760,690	7,735	-	768,425
	11,399,333	2,107,084	288,322	13,218,095

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6. Capital stock:

Authorized:

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

	Issued	Value
December 31, 2007	113,177,286	\$ 29,635,629
Issuance during the period (including cost of options)	16,801,964	3,009,343
September 30, 2008	129,979,250	32,709,772

In June 2008, 16,201,964 Class A common shares were issued at a subscription price of \$0.18 per share under a rights offering.

In July 2008, an aggregate of 600,000 Class A common shares were issued at a price of \$0.155 per share to a director and officer and to a service provider as a result of the exercise of their options.

Share purchase warrants:

As at September 30, 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 September 30, 2008, 7,389,499 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.

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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	600,000	\$0.155
Expired during the period	750,000	\$0.155
Options outstanding as at September 30, 2008	5,225,000	\$0.292
Exercisable options, end of period	1,641,667	\$0.27

As at September 30, 2008, the following options were outstanding:

- 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.

Contributed surplus:

	\$
Balance, beginning of year	964,602
Stock-based compensations	14,917
Cost of options exercised	(64,800)
Balance, end of period	914,719

8. Related party transactions and accounts:

During the period, a law firm, in which a director of the Company is a partner, rendered legal and consulting services in the amount of \$130,490 (2007 - \$163,515) as well as with respect to financing (share issue expenses) in the amount of \$63,380 (2007 - \$92,495), totaling an aggregate amount of \$193,870 (2007 - \$256,010). At period-end, \$37,488 was outstanding (2007 - \$166,809).

"Administrative charges" in the Statement of Operations, Comprehensive Loss and Deficit include an amount of \$37,500 (2007 - \$37,500) paid as a royalty to Société Minière Alta Inc., of which a director of Yorbeau is the sole shareholder.

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In addition, during the same period, consulting services were charged to Yorbeau in the amount of \$117,565 (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 September 30, 2008, the accounts payable include \$13,717 (2007 - nil) payable to this company.

The above transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.