YORBEAU RESOURCES INC.

Condensed Interim Financial Statements
(Unaudited and not reviewed by the
Company's independent auditors)
For the period ended
March 31, 2012

Yorbeau Resources Inc.
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YORBEAU RESOURCES INC.

Condensed Interim Statements of Financial Position
(Unaudited)

	March 31 2012 $	December 31 2011 $
Assets		
Current assets		
Cash and cash equivalents (Note 4)	**1,200,539**	1,906,781
Current tax and other receivables (Note 5)	**1,098,242**	1,066,120
Prepaid expenses	**55,118**	63,499
	2,353,899	3,036,400
Non-current assets		
Mining properties and exploration and evaluation assets (Note 6)	**16,976,766**	16,397,252
	19,330,665	19,433,652
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts Payable and accrued liabilities (Note 7)	**610,252**	451,787
Liability related to flow-through shares	**175,156**	256,288
	785,408	708,075
Shareholders' Equity		
Share capital (Note 8)	**42,016,618**	42,012,118
Contributed surplus	**1,916,813**	1,860,773
Deficit	**(25,388,174)**	(25,147,314)
	18,545,257	18,725,577
	19,330,665	19,433,652

Commitments (Note 11)

See accompanying notes to financial statements

YORBEAU RESOURCES INC.

Condensed Interim Statements of Comprehensive Loss
(Unaudited)

	For three months ended March 31 2012 $	For three months ended March 31 2011 $
Expenses		
Administrative charges	**257,095**	291,525
Share-based payments	**57,873**	61,248
Tax on capital	**-**	5,867
Property maintenance	**2,610**	5,241
	317,578	363,881
Interest income	**2,489**	2,395
Other revenue related to flow-through shares	**81,132**	-
Loss and comprehensive loss for the period	**(233,957)**	(361,486)
Net loss per share, basic and diluted	**(0.01)**	(0.01)

See accompanying notes to financial statements.

YORBEAU RESOURCES INC.

Condensed Interim Statements of Changes in Cash Flows
(Unaudited)

	For three months ended March 31 2012 $	For three months ended March 31 2011 $
Cash flows from operating activities		
Loss and comprehensive loss for the period	**(233,957)**	(361,486)
Adjustments for:		
Share-based payments	**57,873**	61,248
Other revenue related to flow-through shares	**(81,132)**	-
Interest income	**(2,489)**	(2,395)
Working capital adjustments		
Change in current tax and other receivables	**(32,122)**	(197,428)
Change in prepaid expenses	**8,381**	(74,072)
Change in accounts payable and accrued liabilities	**158,465**	(42,012)
Interest received	**2,489**	2,395
Net cash used in operating activities	**(122,492)**	(613,750)
Cash flows from investing activities		
Additions to mining properties and exploration and evaluation assets	**(579,514)**	(398,827)
Credit on mining duties and resource tax credits	**-**	155,888
Net cash used in investing activities	**(579,514)**	(242,939)
Cash flows from financing activities		
Proceeds from issuance of shares	**2,667**	-
Share issue expenses	**(6,903)**	(15,234)
Net cash from financing activities	**(4,236)**	(15,234)
Net decrease in cash and cash equivalents	**(706,242)**	(871,923)
Cash and cash equivalents, beginning of year	**1,906,781**	2,602,862
Cash and cash equivalents, end of period	**1,200,539**	1,730,939

See accompanying notes to financial statements.

YORBEAU RESOURCES INC.

Condensed Interim Statements of Changes in Equity
(Unaudited)

	For three months ended March 31 2012 $	For three months ended March 31 2011 $
Share Capital		
Balance beginning of year	**42,012,118**	39,827,780
Issue of common shares	**4,500**	-
Balance end of the period	**42,016,618**	39,827,780
Contributed Surplus		
Balance beginning of year	**1,860,773**	1,708,177
Share-based payments to employees	**57,873**	41,575
Share-based payments with respect to investor relations	**-**	19,673
Options exercised	**(1,833)**	-
Balance end of the period	**1,916,813**	1,769,425
Deficit		
Balance beginning of year	**(25,147,314)**	(23,683,778)
Total comprehensive loss for the period	**(233,957)**	(361,486)
Share issue expenses	**(6,903)**	(15,234)
Balance end of the period	**(25,388,174)**	(24,060,498)
Total shareholders' equity end of the period	**18,545,257**	17,536,707

See accompanying notes to financial statements.

1. Reporting Entity:

Yorbeau Resources Inc. (“Yorbeau” or the “Company”) is a company domiciled in Canada and incorporated under the laws of the Province of Québec. The address of the Company’s registered office is 110 Crémazie Boulevard, Suite 430, Montréal, Québec.

The Company is primarily in the exploration of mineral properties in the Province of Québec. Although the Company has taken steps to verify title to mineral properties in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

The financial statements have been prepared on a going concern basis, which assumes the Company will continue its operations in the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the ordinary course of business.

The Company is in the process of exploring and evaluating its mineral properties and projects and has not yet determined whether its properties and projects contain ore reserves that are economically recoverable. Operating activities have not yet generated any revenues. The ability of the Company to meet its commitments as they become payable, including the acquisition of mineral properties and the development of projects, is dependent on its ability to obtain necessary financing. The recoverability of amounts shown for mineral properties is dependent upon the ability of the Company to obtain necessary financing to complete the exploration and development thereof, and upon future profitable production or proceeds from the disposal of properties. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to realize its assets or discharge its obligations in anything other than the ordinary course of operations.

In order to honour its commitments towards its 2011 flow-through share subscribers, the Company must incur $1,251,112 of Canadian eligible exploration expenditures (“CEE”) before the end of 2012.

2. Statement of compliance:

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), including IAS 34, *Interim Financial Reporting.*

3. Basis of preparation and significant accounting policies:

The basis of preparation, including the use of estimates and judgments, and significant accounting policies are unchanged compared to the ones disclosed in the audited annual financial statements for the year ended December 31, 2011.

4. Cash and cash equivalents:

		March 31 2012		March 31 2011
Bank balances	$	199,451	$	133,555
Call deposits		1,001,088		1,597,384
Cash and cash equivalents	$	1,200,539	$	1,730,939

5. Current tax and other receivables:

		March 31 2012		March 31 2011
Sales taxes	$	98,615	$	66,032
Tax credits for resources		780,782		702,478
Exploration credits on mining duties		204,061		131,017
Others		14,784		10,013
Current tax and other receivables	$	1,098,242	$	909,540

6. Mining properties and exploration and evaluation assets:

Mining properties and exploration and evaluation assets, which relate to the Rouyn property as well as the Beschefer property, are as follows:

	Rouyn Property		Beschefer Property	
	March 31		March 31	
	2012	2011	2012	2011
Balance, beginning of year	$ 16,325,510	14,897,555	$ 71,742	-
Additions	579,514	282,135	-	116,692
Mining and resource tax credits	-	(110,938)	-	(44,950)
Balance, end of period	$ 16,905,024	15,068,752	$ 71,742	71,742

(a) Rouyn Property:

Yorbeau owns 100% interest in the Rouyn property which is located in the Rouyn and Beauchastel Townships, Quebec. The Rouyn property is composed of one mining lease, one mining concession and a group of 90 mining claims. Twelve of these mining claims are subject to a $50,000 per annum royalty payable to Société Minière Alta Inc., a company controlled by a director of Yorbeau.

(b) Beschefer property:

In 2002, Yorbeau entered into an agreement with Explorers Alliance Corporation (“Explorers”), pursuant to which Yorbeau acquired from Explorers an 80% interest in 149 mining claims in consideration of the issuance to Explorers of 350,000 Class A common shares of Yorbeau. In 2005, Yorbeau abandoned 12 of these claims. The Company also has the option to acquire, at any time, the remaining 20% interest held by Explorers in the property in consideration of either a cash payment of $500,000 or the issuance to Explorers of 1,800,000 additional Class A common shares of Yorbeau, as determined by Explorers. The Beschefer property consists of 257 claims located in the Bapst and Beschefer Townships. Yorbeau owns a 100% interest in 120 of these claims and an 80% interest in the remaining 137 claims.

(c) Ellison property:

In 2002, Yorbeau entered into an agreement with Agnico-Eagle Mines Limited (“Agnico”), pursuant to which Yorbeau transferred to Agnico all of its interests in the Ellison property in consideration of a cash payment of $1,000,000 of which $500,000 was received on closing and $500,000 is receivable upon commencement of commercial production. Yorbeau also retains a 2.5% net smelter return royalty when the current gold price as established by the London Bullion Market Association is over US$425 per ounce.

7. Accounts payable and accrued liabilities:

		March 31 2012		March 31 2011
Accounts payable	$	482,750	$	263,858
Accrued liabilities		127,502		110,536
Trade and other payables	$	610,252	$	374,394

8. Share capital:

Authorized:

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

Issuance during the period:

		March 31 2012		March 31 2011
Balance beginning of year	$	42,012,118	$	39,827,780
Common shares: 16,666 shares (2011 - nil) pursuant to exercise of options		4,500		-
Balance end period	$	42,016,618	$	39,827,780

In February 2012, options were exercised that required the Company to issue 16,666 common shares at $0.16 per share for total proceeds of $2,667. Furthermore, once options are exercised, the original cost that was accounted for in contributed surplus at the grant date is removed and accounted for in share capital. The corresponding amount regarding this specific exercise of options was $1,833.

As at March 31, 2012, the following share purchase warrants were outstanding:

- 387,150 warrants at $0.20 per warrant expiring December 20, 2012;
- 400,000 warrants at $0.25 per warrant expiring between July 22, 2012 and March 31, 2013 (relating to consulting agreements with public relations firms);
- 6,122,216 warrants at $0.35 per warrant expiring from June 20 to June 22, 2012 or such earlier date as may be applicable pursuant to the acceleration clause provided therein (relating to December 2010 private placement).

The cost of warrants is presented in the contributed surplus.

All options and warrants outstanding at the end of the period could potentially dilute basic earnings per share in the future.

9. Share option plan:

As at March 31, 2012, 13,983,334 Class A common shares were reserved for future issuances under the share option plan for the benefit of the directors, employees and service providers of the Company. Options are issued at an exercise price corresponding to the latest closing price of the Class A common shares on the Toronto Stock Exchange prior to the grant of the option. They vest over a period of three years and expire after a period of five years.

The number of stock options outstanding fluctuated as follows:

	Number of options	Weighted average exercise price
Options outstanding as at December 31, 2011	5,400,000	$ 0.20
Expired during the period	-	-
Granted during the period	2,500,000	0.27
Exercised during the period	(16,666)	0.16
Options outstanding as at March 31, 2012	7,883,334	0.25
Exercisable options, end of period	4,282,223	$ 0.20

The grant date fair value of the share option program was measured based on the Black and Scholes options pricing model. Expected volatility is estimated by considering historic share price volatility. The weighted average grant date fair value was $0.17 per option (2011 - $0.18). The inputs used in the measurement of the fair values at grant date of the share option program are the following:

	2012
Risk-free interest rate	1.36%
Expected life	5 years
Expected volatility	77.45%
Expected dividend	0.00%

As at March 31, 2012, the following options were outstanding:

- 2,750,000 options at $0.30 per share until October 29, 2012
- 1,713,334 options at $0.16 per share until June 9, 2014
- 250,000 options at $0.28 per share until March 11, 2015
- 620,000 options at $0.25 per share until November 3, 2015
- 50,000 options at $0.24 per share until February 24, 2016
- 2,500,000 options at $0.27 per share until February 2, 2017

10. Income tax:

Income tax expense (recovery) differs from the amounts computed by applying the combined federal and provincial income tax rate of 26.9% (2011 - 28.4%) as a result of the following:

	March 31 2012	March 31 2011
Loss and comprehensive loss	$ (233,957)	$ (361,486)
Computed "expected" tax recovery	(62,934)	(102,662)
Increase in income taxes resulting from:		
Non-deductible share-based payments	15,568	17,394
Income tax at future rate	-	4,504
Current year losses not recognized	69,191	80,764
Non taxable other income related to flow-through shares	(21,825)	-
Total income tax recovery	$ -	$ -

As at March 31, 2012, the Company has exploration expenditures and other costs of approximately $23,328,000 which are being carried forward for income tax purposes indefinitely and which may be deducted from future taxable income. The Company also has $8,663,000 in tax losses available to reduce future years' income. These tax losses, for which the tax effect has not been recorded in the financial statements, expire as follows:

2014	$ 480,000
2015	525,000
2026	744,000
2027	977,000
2028	1,354,000
2029	1,591,000
2030	1,324,000
2031	1,341,000
2032	327,000
Total	$ 8,663,000

10. Income tax (continued):

Deferred tax assets have not been recognized in respect of the following items:

		March 31 2012		March 31 2011
Operating losses	$	2,334,000	$	1,995,000
Share issuance costs		104,000		159,000
Equipment		137,000		144,000
Mining properties and exploration and evaluation assets		1,708,000		1,686,000
Unrecognized tax deferred assets	$	4,283,000	$	3,984,000

11. Commitments and contingencies:

The Company has lease commitments for premises, trailers and a surface vehicle. Minimum lease payments are as follows:

		March 31 2012		March 31 2011
One year	$	51,237	$	51,443
More than one and less than five years		13,400		57,538
Total	$	64,637	$	108,981

The lease contracts are standard industry contracts. The lease for the premises is primarily based on square footage. Lease payments for the surface vehicle and trailers are based primarily on the cost of the units plus related financing costs.

12. Financial instruments and financial risk management:

Risk management:

The Company is exposed to various financial risks resulting from both its operations and its investment activities. The Company's management monitors financial risks. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

12. Financial instruments and financial risk management (continued):

Risk management (continued):

The Company's main financial risk exposure and its financial risk management policies are as follows:

(a) 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 and cash equivalents is maintained with high-credit, quality financial institutions.

(b) Interest rate risk:

The cash and cash equivalents bear interest at a variable rate and the Company is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations. The Company's other financial assets and liabilities do not comprise any interest rate risk since they do not bear interest.

(c) Liquidity risk:

Management serves to maintain a sufficient amount of cash and cash equivalents, and to ensure that the Company has at its disposal sufficient sources of financing such as private placements. The Company establishes cash budgets to ensure it has the necessary funds to fulfill its obligations. Being able to obtain new funds allows the Company to pursue its activities and even though the Company was successful in the past, there is no guarantee that it will succeed in the future.

(d) Fair value:

The fair value of accounts payable and accrued liabilities approximates their carrying amount because of the short-term nature of those instruments.

13. Capital disclosures:

The Company's objectives when managing its capital are to safeguard the Company's ability to continue as a going concern in order to support ongoing exploration programs and development of its mining assets, to provide sufficient working capital to meet its ongoing obligations and to pursue potential investments.

13. Capital disclosures (continued):

The Company manages its capital structure and makes adjustments to it in accordance with the aforementioned objectives, as well as in light of changes in economic conditions and the risk characteristics of the underlying assets. In the management of capital, the Company includes the components of shareholders' equity. In order to maintain or adjust its capital structure, the Company may issue new shares, acquire or dispose of assets or adjust the amount of cash and cash equivalents and short-term investments. The Company does not intend to use long-term debts before it will generate revenues. There is no dividend policy. The Company is not subject to externally imposed capital requirements. The Company's management of capital remained unchanged since the last period.

14. Related party transactions:

Transactions with key management personnel

The compensation of directors and executive officers of the Company comprises:

		March 31 2012		March 31 2011
Short-term employee benefits	$	26,924	$	23,076
Share-based payments		33,319		-
Total	$	60,243	$	23,076

Other related party transactions

During the period, a law firm, in which a director and officer of the Company is a partner, rendered legal and consulting services in the amount of $73,470 (2011 - $73,240), as well as with respect to financing in the amount of $6,360 (2011 - $9,740) (share issue expenses), totaling an aggregate amount of $79,830 (2011 - $82,980). As at March 31, 2012, the accounts payable include $98,733 (2011 - $100,134) owed to this legal firm.

"Administrative charges" in the Statement of Comprehensive Loss include an amount of $12,500 (2011 - $12,500) paid as a royalty to Société Minière Alta Inc., of which a director of Yorbeau is the sole shareholder (note 6 (a)).

In addition, consulting services were charged to Yorbeau in the amount of $12,279 (2011 - $53,475) by a company, in which a director and officer of Yorbeau is the president as well as the controlling shareholder. This amount was charged to administrative expenses. As at March 31, 2012, the accounts payable include $12,279 (2011 - nil) payable to this company.

Furthermore, mining properties include consulting fees in the amount of $15,000 (2011 - $6,600) charged by a director. As at March 31, 2012, the accounts payable include $10,000 (2011 – $3,000) payable to this director.

14. Related party transactions (continued):

Other related party transactions (continued):

These transactions, made in the normal course of business, were measured at the exchange amount, which is the amount established and agreed to by the parties.