

YORBEAU RESOURCES INC.
(“Yorbeau” or the “Company”)

Management's Discussion and Analysis
for the period ended June 30, 2012

The following Management's Discussion and Analysis (“MD&A”) was prepared as at August 8, 2012 and should be read in conjunction with the Company's second quarter 2012 unaudited condensed interim financial statements and the accompanying notes and the audited annual financial statements and the accompanying notes for the year ended December 31, 2011 and the related annual MD&A. The Company's second quarter 2012 unaudited condensed interim financial statements and the accompanying notes have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and with International Accounting Standard (“IAS”) 34, “Interim financial Reporting” as issued by the International Accounting Standards Board (“IASB”) and using the accounting policies described therein.

Certain statements contained in this MD&A constitute forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The Company believes the expectations reflected in these forward-looking statements are based on reasonable assumptions but no assurance can be given that these expectations will prove to be correct.

General

During the period ended June 30, 2012, the Company continued its 2012 drilling program, which is focused on the Lake Gamble deposit located on the Company's Rouyn property.

The objective of this program is to conduct in-fill and definition drilling that will aid in the preparation of a resource estimate for the Cinderella and Lake Gamble discoveries compliant with National Instrument 43-101 (“NI 43-101”). Drilling on the Cinderella deposit was completed in December 2011 and the 11,000 m program planned on the Lake Gamble portion of the property was commenced in the second week of January 2012. To date, a total of 22 holes have been completed under the program for a total of approximately 8,363 metres.

In addition to on-going infill drilling at Lake Gamble, the Company continues to evaluate both the Durbar and the Wright Rouyn targets in order to prepare a diamond drilling program for 2013. These targets, which are located to the north of the Augmitto-Astoria corridor, were recently identified pursuant to field and compilation work by the Yorbeau technical team (see press release dated April 18, 2012).

MKK Consulting Inc. and TSO Research Inc., two mining consulting analysts, are preparing a research report assessing the business and affairs of Yorbeau. The Company expects the report to be finalized before the end of August.

Results of operations

During the three month period ended June 30, 2012, the Company recorded a loss of \$283,292 compared to a loss of \$291,508 for the corresponding period in the previous year. This represents a loss of \$0.01 per share. Interest and other revenues for the three months ended June 30, 2012 amounted to \$60,229, of which \$59,862 relates to the issuance of flow-through shares and is considered as revenue only for accounting purposes. The expenses for the period totalled \$343,521, compared to \$294,071 for the period ending June 30, 2011. The administrative charges for the period increased by \$10,237 compared to the corresponding period in the previous year mainly as a result of an increase in cost of public relations. During the six month period ended June 30, 2012, the Company incurred a total of \$1,007,096 in

exploration expenses (compared to \$1,293,550 for the corresponding period in the previous year), all of which were spent on the Rouyn property.

Summary of quarterly results

The following table sets forth selected quarterly financial information for each of the eight most recently completed quarters:

<u>Quarter ending</u>	<u>Revenue</u>	<u>Net profit (loss)</u>	<u>Net profit (loss) per share, basic and diluted</u>
June 30, 2012	\$60,229	\$(283,292)	\$(0.01)
March 31, 2012	\$2,489	\$(233,957)	\$(0.01)
December 31, 2011	\$4	\$(210,294)	\$(0.01)
September 30, 2011	\$1,207	\$(274,753)	\$(0.01)
June 30, 2011	\$2,563	\$(291,508)	\$(0.01)
March 31, 2011	\$2,395	\$(361,486)	\$(0.01)
December 31, 2010	\$706	\$(339,416)	\$(0.01)
September 30, 2010	\$409	\$(257,931)	\$(0.01)

Liquidity

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 contains 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 Company has financed its operations almost exclusively through the sale of its shares and will continue to do so for the foreseeable future.

As at June 30, 2012, the Company had cash and short term deposits of \$468,716 compared to \$1,906,781 as at December 31, 2011. Working capital as at June 30, 2012 was \$976,382 compared to \$2,328,325 as at December 31, 2011. The decrease in working capital is a result of the Company's ongoing corporate expenses and cost relating to its exploration program on the Rouyn property.

Critical Accounting Estimates

The preparation of the condensed interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are as follows:

- Recoverability of mining properties and exploration and evaluation assets;
- Assessment of refundable tax credits related to resources and credit on mining duties;

- Estimate of the fair value of share-based payment and warrants;
- Recoverability of income tax assets;
- Estimate of the fair value of the liability related to flow-through shares.

Future Accounting Standards

The following new standards have been issued but are not yet applicable to the Company:

(i) IFRS 9 Financial Instruments:

Effective for annual periods beginning on or after January 1, 2015, with earlier adoption permitted.

As part of the project to replace IAS 39, Financial Instruments: Recognition and Measurement, this standard retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets. More specifically, the standard:

- deals with classification and measurement of financial assets;
- establishes two primary measurement categories for financial assets: amortized cost and fair value;
- prescribes that classification depends on entity's business model and the contractual cash flow characteristics of the financial asset;
- eliminates the existing categories: held to maturity, available for sale, and loans and receivables.

Certain changes were also made regarding the fair value option for financial liabilities and accounting for certain derivatives linked to unquoted equity instruments.

The extent of the impact of adoption of this new standard has not yet been determined.

(ii) IFRS 13 Fair Value Measurement

In May 2011, the IASB published IFRS 13 Fair Value Measurement, which is effective prospectively for annual periods beginning on or after January 1, 2013. The disclosure requirements of IFRS 13 need not be applied in comparative information for periods before initial application.

IFRS 13 replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, i.e. an exit price. The standard also establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements to provide information that enables financial statement users to assess the methods and inputs used to develop fair value measurements and, for recurring fair value measurements that use significant unobservable inputs (Level 3), the effect of the measurements on profit or loss or other comprehensive income.

IFRS 13 explains 'how' to measure fair value when it is required or permitted by other IFRSs. IFRS 13 does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards.

The Company intends to adopt IFRS 13 prospectively in its financial statements for the annual period beginning on January 1, 2013. The Company does not expect IFRS 13 to have a material impact on the financial statements.

Disclosure controls and procedures

The Chief Executive Officer and the Chief Financial Officer of the Company have evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period ended June 30, 2012. Based on that evaluation, the officers have concluded that as at that date, such disclosure controls and procedures contain a material weakness due to inadequate segregation of duties between the authorization, recording, review and reconciliation of purchases and sales and recording of cash receipts and bank account reconciliations. This material weakness has the potential to result in a material misstatement in the Company's financial statements, and should also be considered a material weakness in its internal control over financial reporting. The management and board of directors have concluded and agreed that, taking into account the present stage of the Company's development and the best interests of its shareholders, the Company does not have sufficient size and scale to warrant the hiring of additional staff to correct this weakness at this time.

Internal control over financial reporting

The Chief Executive Officer and the Chief Financial Officer of the Company have designed, or have caused to be designed under their supervision, internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted auditing principles. The Chief Executive Officer and the Chief Financial Officer have evaluated the effectiveness of the Company's internal control over financial reporting as at June 30, 2012. Based on that evaluation, the officers have concluded that as at that date, such internal control over financial reporting contains a material weakness due to inadequate segregation of duties as previously mentioned in "Disclosure controls and procedures."

There has been no change in the Company's internal control over financial reporting that occurred during the period beginning on April 1, 2012 and ended June 30, 2012 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Transactions with related parties

David Crevier, the President and Chief Executive Officer and a director of the Company is a partner of Colby, Monet, Demers, Delage & Crevier L.L.P., a law firm which has rendered legal services to the Company in an amount of \$153,800 for the six month period ended June 30, 2012.

During this period, Yorbeau paid \$24,843 to a company whose president and controlling shareholder is Thomas L. Robyn, the Chairman of Yorbeau. In consideration for this payment, the company made available to Yorbeau the services of Mr. Robyn.

During the same period, Gérald Riverin, a director of Yorbeau, rendered consulting services to the Company in an amount of \$30,000 and a sum of \$25,000 was paid as a royalty payment to Société Minière Alta Inc., of which G. Bodnar Jr., a director of the Company, is the sole shareholder.

Outstanding Share Data

The authorized share capital of the Company consists of an unlimited number of Class A common shares of which 174,385,206 were issued and outstanding as at August 8, 2012. As of such date, the Company also had outstanding options to purchase a total of 8,083,334 shares at prices ranging from \$0.16 to \$0.30 per share.

Additional information

Additional information on the Company is available on SEDAR at www.sedar.com.