

YORBEAU RESOURCES INC.

**Condensed Interim Financial Statements
(Unaudited and not reviewed by the
Company's independent auditors)
For the period ended
March 31, 2013**

YORBEAU RESOURCES INC.

Condensed Interim Statements of Financial Position
(Unaudited)

	March 31 2013 \$	December 31 2012 \$
Assets		
Current assets		
Cash and cash equivalents (Note 4)	85,457	60,538
Current tax and other receivables (Note 5)	150,069	161,654
Prepaid expenses	54,552	50,814
	290,078	273,006
Non-current assets		
Mining properties and exploration and evaluation assets (Note 6)	18,353,792	18,262,292
	18,643,870	18,535,298
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities (Note 7)	631,495	528,679
Due to a director	250,000	-
	881,495	528,679
Shareholders' Equity		
Share capital and warrants (Note 8)	42,016,618	42,016,618
Contributed surplus	2,211,269	2,158,866
Deficit	(26,465,512)	(26,168,865)
	17,762,375	18,006,619
	18,643,870	18,535,298

Commitments and contingencies (Note 11)

See accompanying notes to financial statements

YORBEAU RESOURCES INC.

Condensed Interim Statements of Comprehensive Loss
(Unaudited)

	For three months ended March 31 2013 \$	For three months ended March 31 2012 \$
Expenses		
Administrative charges	243,872	257,095
Share-based payments	52,403	57,873
Property maintenance	382	2,610
	296,657	317,578
Interest income	10	2,489
Other revenue related to flow-through shares	-	81,132
Loss and comprehensive loss for the period	(296,647)	(233,957)
Net loss per share, basic and diluted	(0.01)	(0.01)
Weighted average number of shares outstanding	174,385,206	174,370,595

See accompanying notes to financial statements.

YORBEAU RESOURCES INC.

Condensed Interim Statements of Changes in Cash Flows
(Unaudited)

	For three months ended March 31 2013 \$	For three months ended March 31 2012 \$
Cash flows from operating activities		
Loss and comprehensive loss for the period	(296,647)	(233,957)
Adjustments for:		
Share-based payments	52,403	57,873
Other revenue related to flow-through shares	-	(81,132)
Interest income	(10)	(2,489)
Working capital adjustments		
Change in current tax and other receivables	73,094	(32,122)
Change in prepaid expenses	(3,738)	8,381
Change in accounts payable and accrued liabilities	102,816	158,465
Interest received	10	2,489
Net cash used in operating activities	(72,072)	(122,492)
Cash flows from investing activities		
Additions to mining properties and exploration and evaluation assets	(153,009)	(579,514)
Net cash used in investing activities	(153,009)	(579,514)
Cash flows from financing activities		
Proceeds from issuance of shares	-	2,667
Share issue expenses	-	(6,903)
Due to a director	250,000	-
Net cash from financing activities	250,000	(4,236)
Net increase (decrease) in cash and cash equivalents	24,919	(706,242)
Cash and cash equivalents, beginning of year	60,538	1,906,781
Cash and cash equivalents, end of period	85,457	1,200,539

See accompanying notes to financial statements.

YORBEAU RESOURCES INC.

Condensed Interim Statements of Changes in Equity
(Unaudited)

	For three months ended March 31 2013 \$	For three months ended March 31 2012 \$
Share Capital		
Balance beginning of year	42,016,618	42,012,118
Issue of common shares	-	4,500
Balance end of the period	42,016,618	42,016,618
Contributed Surplus		
Balance beginning of year	2,158,866	1,860,773
Share-based payments to employees	52,403	57,873
Options exercised	-	(1,833)
Balance end of the period	2,211,269	1,916,813
Deficit		
Balance beginning of year	(26,168,865)	(25,147,314)
Total comprehensive loss for the period	(296,647)	(233,957)
Share issue expenses	-	(6,903)
Balance end of the period	(26,465,512)	(25,388,174)
Total shareholders' equity end of the period	17,762,375	18,545,257

See accompanying notes to financial statements.

YORBEAU RESOURCES INC.

Notes to Condensed Interim Financial Statements
Three months ended March 31, 2013 and 2012
(Unaudited)

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 involved 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 revenue. 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 mining properties and exploration and evaluation assets 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 adjustments that would be necessary to the carrying values of assets and liabilities if the going concern basis of accounting was not appropriate.

YORBEAU RESOURCES INC.

Notes to Condensed Interim Financial Statements, Continued
Three months ended March 31, 2013 and 2012
(Unaudited)

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, 2012.

4. Cash and cash equivalents:

		March 31 2013		December 31 2012
Bank balances	\$	85,457	\$	60,538
Call Deposits		-		-
Cash and cash equivalents	\$	85,457	\$	60,538

5. Current tax and other receivables:

		March 31 2013		December 31 2012
Sales taxes	\$	24,457	\$	97,696
Tax credits for resources		103,553		50,000
Exploration credits on mining duties		14,956		7,000
Others		7,103		6,958
Current tax and other receivables	\$	150,069	\$	161,654

YORBEAU RESOURCES INC.

Notes to Condensed Interim Financial Statements, Continued
Three months ended March 31, 2013 and 2012
(Unaudited)

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:

	March 31, 2013		December 31, 2012	
	Rouyn	Beschefer	Rouyn	Beschefer
Balance, beginning of year	\$ 18,190,550	71,742	\$ 16,325,510	71,742
Additions	153,009	-	1,999,619	-
Mining and resource tax credits	(61,509)	-	(134,579)	-
Balance, end of period	\$ 18,282,050	71,742	\$ 18,190,550	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 staked 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, at the option of Explorers. Yorbeau also owns a 100% interest in 120 staked claims located in the Beschefer Township. The 257 staked claims which form the Beschefer property were converted in July 2012 into an aggregate of 115 map designated claims. Yorbeau owns a 100% interest in 50 of these claims and an 80% interest in the remaining 65 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.

YORBEAU RESOURCES INC.

Notes to Condensed Interim Financial Statements, Continued
Three months ended March 31, 2013 and 2012
(Unaudited)

7. Accounts payable and accrued liabilities:

		March 31 2013		December 31 2012
Accounts payable	\$	494,271	\$	403,615
Accrued liabilities		137,224		125,064
Trade and other payables	\$	631,495	\$	528,679

8. Share capital and warrants:

Authorized:

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

Shares fluctuated as follows during the period:

	March 31 2013		December 31 2012	
	Number of shares	\$	Number of shares	\$
Balance, beginning of year	174,385,206	42,016,618	174,368,540	42,012,118
Shares issued:				
Exercised options	-	-	16,666	4,500
Balance, end of period	174,385,206	42,016,618	174,385,206	42,016,618

In February 2012, stock 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 the options were exercised, the original cost of \$1,833 that was accounted for in contributed surplus at the grant date was removed and accounted for in share capital.

YORBEAU RESOURCES INC.

Notes to Condensed Interim Financial Statements, Continued
Three months ended March 31, 2013 and 2012
(Unaudited)

8. Share capital and warrants (continued):

The number of share purchase outstanding warrants fluctuated as follows during the period:

	March 31 2013	December 31 2012
Balance, beginning of year	200,000	6,909,366
Warrants expired	(200,000)	(6,709,366)
Balance, end period	-	200,000

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

9. Stock option plan:

As at March 31, 2013 13,983,334 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. 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 following weighted average assumptions were used in these calculations:

	March 31, 2013	December 31, 2012
Risk-free interest rate	-	1.36%, 1.58%
Expected life	-	5 years
Expected volatility	-	77.45%, 96.31%
Expected dividend	-	0.00%

YORBEAU RESOURCES INC.

Notes to Condensed Interim Financial Statements, Continued
 Three months ended March 31, 2013 and 2012
 (Unaudited)

9. Stock option plan (continued):

The number of stock options outstanding fluctuated as follows during the period:

	March 31 2013		December 31 2012	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of year	5,333,334	\$ 0.23	5,400,000	\$ 0.24
Expired	-	-	(2,750,000)	0.30
Granted	-	-	2,700,000	0.27
Exercised	-	-	(16,666)	0.16
Balance, end of period	5,333,334	0.23	5,333,334	0.23
Exercisable options, end of period	3,243,334	\$ 0.20	2,310,001	\$ 0.18

As at March 31, 2013 the following options were outstanding:

- 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
- 200,000 options at \$0.27 per share until May 1, 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% (2012 – 26.9%) as a result of the following:

	March 31 2013	March 31 2012
Loss and comprehensive loss	\$ (296,647)	\$ (233,957)
Computed "expected" tax recovery	(79,798)	(62,934)
Increase in income taxes resulting from:		
Non-deductible share-based payments	14,096	15,568
Current year losses not recognized	65,702	69,191
Non taxable other income related to flow-through shares	-	(21,825)
Total income tax recovery	\$ -	\$ -

YORBEAU RESOURCES INC.

Notes to Condensed Interim Financial Statements, Continued
 Three months ended March 31, 2013 and 2012
 (Unaudited)

10. Income tax (continued):

Reconciliation of change in applicable tax rate	2013	2012
Applicable tax rate for the previous period	26.90%	28.40%
Change in the applicable federal tax rate	- %	(1.50)%
Applicable tax rate for the current period	26.90%	26.90%

As at March 31, 2013, the Company has exploration expenditures and other costs of approximately \$23,080,000 which are being carried forward for income tax purposes indefinitely and which may be deducted from future taxable income. The Company also has \$9,735,000 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		1,326,000
2032		1,243,000
2033		171,000
Total	\$	9,735,000

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

	March 31 2013	December 31 2012
Operating losses	\$ 2,626,000	\$ 2,580,000
Share issuance costs	90,000	104,000
Equipment	131,000	132,000
Mining properties and exploration and evaluation assets	1,237,000	1,237,000
Unrecognized tax deferred assets	\$ 4,084,000	\$ 4,053,000

YORBEAU RESOURCES INC.

Notes to Condensed Interim Financial Statements, Continued
Three months ended March 31, 2013 and 2012
(Unaudited)

11. Commitments and contingencies:

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

	March 31 2013	December 31 2012
One year and less	\$ 35,110	\$ 57,600
More than one and less than five years	-	-
Total	\$ 35,110	\$ 57,600

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. Related party transactions:

Transactions with key management personnel

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

	March 31 2013	March 31 2012
Short-term employee benefits	\$ 26,924	\$ 26,924
Share-based payments	33,256	33,319
Total	\$ 60,180	\$ 60,243

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 \$72,205 (2012 - \$73,470), charged to administrative charges as well as with respect to financing in the amount of nil (2012 - \$6,360), charged to share issue expenses, totaling an aggregate amount of \$72,205 (2012 - \$79,830). As at March 31, 2013, the accounts payable include \$223,599 (2012 - \$98,733) owed to this legal firm.

Administrative charges in the statement of comprehensive loss include an amount of \$12,500 (2012 - \$12,500) paid as a royalty to Société Minière Alta Inc., of which a director of Yorbeau is the sole shareholder (note 6 (a)).

YORBEAU RESOURCES INC.

Notes to Condensed Interim Financial Statements, Continued
Three months ended March 31, 2013 and 2012
(Unaudited)

12. Related party transactions (continued):

Other related party transactions (continued)

In addition, consulting services were charged to Yorbeau in the amount of nil (2012 -\$12,279) by a company, in which a director of Yorbeau is the president as well as the controlling shareholder. This amount was charged to administrative charges. As at March 31, 2013, the accounts payable include nil (2012 – \$12,279) payable to this company.

Furthermore, mining properties include consulting fees in the amount of \$15,000 (2012 - \$15,000) charged by a director. As at March 31, 2013, the accounts payable include \$15,000 (2012 – \$10,000) payable to this director.

In January and February 2013, a director of the Company has made loans totaling \$250,000 to the Company. These loans bear interest at a rate of 10% per annum and are repayable on demand. During the period, interest of \$3,918 was charged to administrative charges. As at March 31, 2013, \$250,000 of the loan is owed and the accounts payable include \$3,918 of interest. In April 2013, an additional loan in the amount of \$15,000 was made by such director, on the same terms as the previous loans.

In May 2013, another director of the Company made a loan of \$100,000 to the Company. This loan bears interest at a rate of 10% per annum and is repayable on June 30, 2013.

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.