YORBEAU RESOURCES INC.

Condensed Interim Financial Statements
(Unaudited and not reviewed by the Company's independent auditors)
For the period ended
March 31, 2014

Yorbeau Resources Inc.
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YORBEAU RESOURCES INC.

Condensed Interim Statements of Financial Position
(Unaudited)

	March 31 2014 $	December 31 2013 $
Assets		
Current assets		
Cash and cash equivalents (Note 4)	**549,266**	57,563
Tax credits and other receivables (Note 5)	**144,678**	128,944
Prepaid expenses	**49,906**	40,319
	743,850	226,826
Non-current assets		
Mining properties and exploration and evaluation assets (Note 7)	**18,469,992**	18,468,674
	19,213,842	18,695,500
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities (Note 8)	**360,447**	566,824
Due to directors and shareholders (Note 15)	**-**	481,000
Short-term loan (Note 9)	**-**	500,000
Gold Fields pre-payment (Note 6)	**411,989**	112,000
	772,436	1,659,824
Shareholders' Equity		
Share capital and warrants (Note 10)	**43,729,319**	42,016,618
Contributed surplus	**2,497,194**	2,424,841
Deficit	**(27,785,107)**	(27,405,783)
	18,441,406	17,035,676
	19,213,842	18,695,500

Commitments and contingencies (Note 13)

See accompanying notes to financial statements

YORBEAU RESOURCES INC.

Condensed Interim Statements of Comprehensive Loss
(Unaudited)

	For three months ended March 31 2014 $	For three months ended March 31 2013 $
Revenues		
Management fees	**30,815**	-
Rental of facilities	**18,000**	-
	48,815	-
Expenses		
Administrative charges (Note 14)	**287,743**	243,872
Share-based payments	**72,353**	52,403
Property maintenance	**1,044**	382
	361,140	296,657
Interest income	**-**	(10)
Interest expense	**13,392**	-
Net interest expense (income)	**13,392**	(10)
Loss and comprehensive loss for the period	**(325,717)**	(296,647)
Net loss per share, basic and diluted	**(0.01)**	(0.01)
Weighted average number of shares outstanding	**175,599,456**	174,385,206

See accompanying notes to financial statements.

YORBEAU RESOURCES INC.

Condensed Interim Statements of Changes in Cash Flows
(Unaudited)

	For three months ended March 31 2014 $	For three months ended March 31 2013 $
Cash flows from operating activities		
Loss and comprehensive loss for the period	**(325,717)**	(296,647)
Adjustments for:		
Share-based payments	**72,353**	52,403
Net interest expense (income)	**13,392**	(10)
Working capital adjustments		
Change in tax credits and other receivables	**(22,734)**	73,094
Change in prepaid expenses	**(9,587)**	(3,738)
Change in accounts payable and accrued liabilities	**(150,621)**	102,816
Gold Fields prepayment	**299,989**	-
Interest received	**-**	10
Interest paid	**(69,148)**	-
Net cash used in operating activities	**(192,073)**	(72,072)
Cash flows from investing activities		
Additions to mining properties and exploration and evaluation assets	**(1,750)**	(153,009)
Credit on mining duties and resource tax credits	**7,432**	-
Net cash from (used in) investing activities	**5,682**	(153,009)
Cash flows from financing activities		
Proceeds from issuance of shares	**1,712,701**	-
Share issue expenses	**(53,607)**	-
Increase in due to directors	**50,000**	250,000
Decrease in due to directors	**(531,000)**	-
Short-term loan	**(500,000)**	-
Net cash from financing activities	**678,094**	250,000
Net increase (decrease) in cash and cash equivalents	**491,703**	24,919
Cash and cash equivalents, beginning of year	**57,563**	60,538
Cash and cash equivalents, end of period	**549,266**	85,457

See accompanying notes to financial statements.

YORBEAU RESOURCES INC.

Condensed Interim Statements of Changes in Equity
(Unaudited)

	For three months ended March 31 2014 $	For three months ended March 31 2013 $
Share Capital and warrants		
Balance beginning of year	**42,016,618**	42,016,618
Issue of common shares	**1,712,701**	-
Balance end of the period	**43,729,319**	42,016,618
Contributed surplus		
Balance beginning of year	**2,424,841**	2,158,866
Share-based payments to employees	**69,656**	46,468
Share-based payments with respect to investor relations	**2,697**	5,935
Balance end of the period	**2,497,194**	2,211,269
Deficit		
Balance beginning of year	**(27,405,783)**	(26,168,865)
Total comprehensive loss for the period	**(325,717)**	(296,647)
Share issue expenses	**(53,607)**	-
Balance end of the period	**(27,785,107)**	(26,465,512)
Total shareholders' equity end of the period	**18,441,406**	17,762,375

See accompanying notes to financial statements.

1. Reporting Entity and going concern:

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 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 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 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.

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.* These unaudited condensed interim financial statements do not include all the information required for full annual financial statements, and, therefore, should be read in conjunction with the audited annual financial statements and the notes thereto for the year ended December 31, 2013.

3. Basis of preparation and significant accounting policies:

These financial statements are presented in Canadian dollars, which is the Company's functional currency. 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, 2013.

4. Cash and cash equivalents:

		March 31 2014		December 31 2013
Bank balances	$	549,266	$	57,563

5. Tax credits and other receivables:

		March 31 2014		December 31 2013
Sales taxes	$	18,048	$	4 607
Tax credits for resources		95,386		95 386
Exploration credits on mining duties		14,172		21,172
Others		17,072		7,779
Tax credits and other receivables	$	144,678	$	128,944

6. Option and joint venture agreement with Gold Fields Sudbury Exploration Corp.:

On June 26, 2013, the Company entered into an option and joint venture agreement with Gold Fields Sudbury Exploration Corp., a 100% indirect subsidiary of Gold Fields Limited ("Gold Fields") pursuant to which the Company granted to Gold Fields an option to earn a 51% interest in the Rouyn property. In order to exercise the option, Gold Fields is required to fund $19 million in exploration and development expenditures of which $4 million is a firm commitment to be spent prior to December 31, 2014. As of December 31, 2013, Gold Fields reported to the Company that they had spent approximately $1.4 million in exploration expenditures on the Rouyn property. Gold Fields is also required to participate in three private placements for securities of the Company ranging from at least $3 million and up to a maximum of $6 million between 18 months and 54 months after June 26, 2013. Gold Fields will subscribe for units of the Company, each unit to consist of one common share and one-half of a purchase warrant, the units to be priced at the greater of $0.30 or a 10% premium to market. Each whole purchase warrant will entitle Gold Fields to acquire an additional common share at an exercise price equal to 110% of the unit cost.

Upon earning a 51% interest in the Rouyn property, Gold Fields has a further option to increase its interest to 70% by incurring an additional $15 million of exploration and development expenditures over three years.

6. Option and joint venture agreement with Gold Fields Sudbury Exploration Corp. (continued):

In recognition of the value of the mining infrastructure currently existing on the Rouyn property, the option and joint venture agreement also provides the Company with an infrastructure credit in lieu of Yorbeau's future cash contributions to the joint venture. Accordingly, once the option or further option is exercised and the resulting joint venture is formed (either 51%-49% or 70%-30%), Gold Fields will be required to solely fund the joint venture until such time as the total cumulative exploration and development expenditures incurred by Gold Fields shall correspond to an amount of $40 million deemed to have been incurred by Yorbeau. In addition to the foregoing, in the case of a 70%-30% joint venture and where the expenditure by Gold Fields is in respect of development expense, Gold Fields will solely fund an additional amount of $20 million.

As part of the $19 million in exploration and development expenditures required to be spent by Gold Fields in order to earn the 51% interest in the Rouyn property, Yorbeau is entitled to receive cash prepayments of $1 million including applicable sales tax amounts in respect of services and equipment to be provided to Gold Fields. An amount of $500,000 was received on June 26, 2013 and the balance of $500,000 was received on March 11, 2014.

7. 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, 2014		December 31, 2013	
	Rouyn	Beschefer	Rouyn	Beschefer
Balance, beginning of year:				
Mining properties	$ 2,162,560	-	$ 2,162,560	-
Exploration and evaluation assets	16,234,372	71,742	16,027,990	71,742
Additions of exploration and evaluation assets	1,750	-	315,961	-
Mining and resource tax credits	(432)	-	(109,579)	-
Balance, end of period:				
Mining properties	2,162,560	-	2,162,560	-
Exploration and evaluation Assets	16,235,690	71,742	16,234,372	71,742

7. Mining properties and exploration and evaluation assets (continued):

(a) Rouyn Property:

Yorbeau owns 100% interest in the Rouyn property which is located in the Rouyn and Beauchastel Townships, Québec. The Rouyn property is composed of one mining lease, one mining concession and a group of 90 mining claims. Conversion of the mining lease into mining claims is pending. Twelve of the ninety 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. An option and joint venture agreement with Gold Fields was concluded on June 26, 2013 (refer to Note 6).

(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, as determined by 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.

8. Accounts payable and accrued liabilities:

		March 31 2014		December 31 2013
Accounts payable	$	243,335	$	352,252
Accrued liabilities		117,112		214,572
Accounts payable and accrued liabilities	$	360,447	$	566,824

9. Short-term loan:

In June 2013, a third party made a loan of $500,000 to the Company. This loan bore interest at a rate of 12% per annum and was unsecured. During the period, $4,603 was charged to interest expense. On January 29, 2014, the Company repaid this loan plus interest of $38,795, for a total of $538,795.

10. 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 2014		December 31 2013	
	Number of shares	$	Number of shares	$
Balance, beginning of year	174,385,206	42,016,618	174,385,206	42,016,618
Shares issued:				
Private placement - cash	9,515,002	1,712,701	-	-
Balance, end of period	183,900,208	43,729,319	174,385,206	42,016,618

On March 24, 2014, the Company completed a private placement financing. A total of four tranches closed. The Company issued a total of 9,515,002 units at a price of $0.18 per unit for gross proceeds of $1,712,701. Each unit consists of one common share of the Company and one half of one common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share at a price of $0.30 until December 31, 2015. In connection with this private placement, the Company issued 55,555 warrants exercisable at $0.30 per warrant until December 31, 2015. The Company accounted for these compensation warrants by using the Black-Scholes pricing model. At the date of the grant, the weighted average fair value of warrants granted was $0.01 per warrant for a total value of $451.

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

	March 31 2014	December 31 2013
Balance, beginning of year	200,000	200,000
Warrants issued:		
Pursuant to private placement	4,757,500	-
Finder’s Fee	55,555	-
With respect to investor relations	-	200,000
Warrants expired	-	(200,000)
Balance, end period	5,013,055	200,000

10. Share capital and warrants (continued):

As at March 31, 2014, the following share purchase warrants were outstanding:

- 200,000 warrants at $0.25 per warrant expiring the earlier of (i) January 31, 2015 or (ii) that date which is the first anniversary of the date upon which the consulting agreements with investor relations firms shall be terminated.
- 4,813,055 warrants at $0.30 per warrant expiring on December 31, 2015.

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

11. Share option plan:

As at March 31, 2014, 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 following weighted average assumptions were used in these calculations:

	March 31, 2014	December 31, 2013
Risk-free interest rate	-	1.89%
Expected life	-	5 years
Expected volatility	-	71.99%
Expected dividend	-	0.00%

11. Share option plan (continued):

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

	March 31 2014		December 31 2013	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of year	8,358,334	$ 0.24	5,333,334	$ 0.23
Cancelled	(50,000)	0.25	-	-
Granted	-	-	3,025,000	0.25
Balance, end of period	8,308,334	0.24	8,358,334	0.24
Exercisable options, end of period	4,366,667	$ 0.22	3,516,667	$ 0.21

As at March 31, 2014, 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
- 2,975,000 options at $0.25 per share until August 12, 2018

12. Income tax:

Income tax expense (recovery) differs from the amounts computed by applying the combined federal and provincial income tax rate of 26.9% (2013 - 26.9%) as a result of the following:

	March 31 2014	March 31 2013
Loss and comprehensive loss	$ (371,555)	$ (296,647)
Computed "expected" tax recovery	(99,948)	(79,798)
Increase in income taxes resulting from:		
Non-deductible share-based payments	31,793	14,096
Current year losses not recognized	68,155	65,702
Total income tax recovery	$ -	$ -

Reconciliation of change in applicable tax rate

	2014	2013
Applicable tax rate for the previous period	26.90%	26.90%
Change in the applicable federal tax rate	- %	- %
Applicable tax rate for the current period	26.90%	26.90%

As at March 31, 2014, the Company has exploration expenditures and other costs of approximately $23,132,000 which are being carried forward for income tax purposes indefinitely and which may be deducted from future taxable income. The Company also has $11,010,000 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	1,229,000
2033	1,173,000
2034	287,000
Total	$ 11,010,000

12. Income tax (continued):

Deferred tax assets have not been recognized because it is not probable that future taxable profits will be available against which the unused tax losses and unused tax credits can be utilised. Deferred tax assets have not been recognized in respect of the following items:

		March 31 2014		December 31 2013
Operating losses	$	2,964,000	$	2,896,000
Share issuance costs		34,000		56,000
Equipment		128,000		129,000
Mining properties and exploration and evaluation assets		1,234,000		1,233,000
Unrecognized tax deferred assets	$	4,360,000	$	4,314,000

13. Commitments and contingencies:

The Company has lease commitments for premises. Minimum lease payments are as follows:

		March 31 2014		December 31 2013
One year and less	$	28,175	$	42,262

The lease contracts are standard industry contracts. The lease for the premises is primarily based on square footage.

14. Administrative charges:

		March 31 2014		March 31 2013
Professional fees	$	93,384	$	76,939
Investor relations		79,918		20,696
Salaries		55,011		54,361
Miscellaneous		16,907		19,038
Rent		13,358		12,359
Royalty		12,500		12,500
Insurance		9,970		10,432
Taxes, licenses, fees		6,695		37,547
Total	$	287,743	$	243,872

15. Related party transactions:

Transactions with key management personnel

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

		March 31 2014		March 31 2013
Short-term employee benefits	$	26,924	$	26,924
Share-based payments		55,159		33,256
Total	$	82,083	$	60,180

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 $73,120 (2013 - $72,205), charged to administrative charges, as well as with respect to financing in the amount of $29,617 (2013 - nil) charged to share issue expenses, totalling an aggregate amount of $102,737 (2013 - $72,205). As at March 31, 2014, the accounts payable include $122,884 (2013 - $223,599) owed to this legal firm.

Administrative charges in the statements of comprehensive loss include an amount of $12,500 (2013 - $12,500) paid as a royalty to Société Minière Alta Inc., of which a director of Yorbeau is the sole shareholder (Note 7 (a)).

A director of the Company rendered investor relations services in the amount of $30,000 (2013 - nil), charged to administrative charges. As at March 31, 2014, the accounts payable include nil (2013 - nil) payable to this director.

Furthermore, mining properties and exploration and evaluation assets include consulting fees in the amount of nil (2013 - $15,000) charged by a director. Administrative charges in the statements of comprehensive loss include consulting fees in the amount of $15,000 (2013 - nil) charged by the same director. As at March 31, 2014, the accounts payable include $15,000 (2013 - $15,000) payable to this director.

During the period, certain directors made additional loans of $50,000 to the Company, which brought the total of outstanding loans to $450,000. These loans bore interest at a rate of between 10% and 12% per annum and were repayable on demand. During the period, interest of $8,699 was charged to interest expense and $450,000 has been repaid plus interest of $30,353. As at March 31, 2014, there are no more loans outstanding.

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.

16. Potential merger:

On February 17, 2014, the Company announced the proposed acquisition of all the issued and outstanding securities of Cancor Mines Inc. It is contemplated that the acquisition will proceed by way of a triangular amalgamation whereby a federally incorporated wholly-owned subsidiary of Yorbeau will amalgamate with Cancor Mines Inc. to form a new entity which will be a wholly-owned subsidiary of the Company. It is presently anticipated that the common shares of Cancor Mines Inc. outstanding on the Closing Date will be exchanged for units of the Company's on a 12 for 1 ratio. For the purpose of the acquisition, Cancor Mines Inc. will be valued at approximately $1,475,000 and the units of the Company will be valued at $0.18 each. The options of Cancor Mines Inc. outstanding on the Closing Date will be exchanged for rights granted by the Company to the holders of options entitling each holder to receive a cash payment from the Company for an amount equivalent to the increase in value that such holder would have realized on the expiry of the option. The shareholders of Cancor Mines Inc. will vote on the transaction on May 27, 2014.

17. Subsequent event:

On April 10, 2014, 500,000 share purchase warrants, exercisable at $0.18 per warrant, were issued in relation to a consulting agreement with a director and officer of the Company. These warrants are exercisable at $0.18 per warrant and will expire on April 10, 2019. These share purchase warrants are subject to shareholder approval.