YORBEAU RESOURCES INC.

Condensed Consolidated Interim Financial Statements
(Unaudited and not reviewed by the
Company's independent auditors)
For the period ended
September 30, 2017

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

Management's Discussion and Analysis
for the period ended September 30, 2017

The following Management’s Discussion and Analysis (“MD&A”) was prepared as at November 3, 2017 and should be read in conjunction with the Company’s third quarter 2016 unaudited condensed consolidated interim financial statements and the accompanying notes and the audited annual consolidated financial statements and the accompanying notes for the year ended December 31, 2016 and the related annual MD&A. The Company’s third quarter 2017 unaudited condensed consolidated 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

In the third quarter of 2017, Kinross completed the first phase of an exploration program at Yorbeau’s Rouyn project. The program, which started in the fourth quarter of 2016, included a total of 24,149 metres of diamond drilling and therefore significantly exceeded the firm commitment of 12,500 metres defined in the Kinross agreement. The second tranche of a $1.5 million flow-through financing was also closed in the quarter.

At the Rouyn project, the Kinross drill program focussed on the Astoria and Lac Gamble deposits with the aim of identifying high-grade shoots at depth within the broad mineralized gold corridor represented by the Piché Group. A recent intercept at Astoria in hole AS-17-678 suggests that the Footwall and Lower Piché zones may be merging at least locally, providing significantly wider mineralized zones. This newly interpreted zone called “Main Zone” returned high grade gold and supports potential to add significant resources at depth. Results are summarized in the table below.

Note: gold grades reported below are uncut and depth intervals are core length.

Drill hole	**from**	**to**	**Zone**	**Au (g/t)**	**Core length (m)**
AS-17-669	594.8	598.8	Upper Piché	2.7	4.0
AS-17-669	696.8	701.5	**Main zone**	**11.6**	**4.7**
AS-17-672	690.0	691.5	Upper Piché	**11.4**	1.5
AS-17-676W	495.0	498.0	Upper Piché	**6.0**	3.0
AS-17-676W	507.3	520.3	**Main zone**	**5.3**	**13.0**
including	507.3	510.9	Main zone	**8.0**	3.6
	516.8	520.3	Main zone	**7.4**	3.5
AS-17-678	677.0	707.1	**Main zone**	**5.4**	**30.1**
including	677.0	682.0	Lower Piché	**5.3**	**5.0**
	687.2	691.1	Lower Piché	**5.0**	3.9
	693.1	697.6	Lower Piché	3.0	4.5
	703.0	707.1	Footwall	**23.7**	**4.1**
AS-17-678W	674.2	678.3	**Main zone**	**19.3**	**4.1**
including	676.7	677.4	Main zone	**107.0**	0.7
AS-17-673	561.5	564.9	Lower Piché	1.9	3.4
GA-17-670W	853.0	857.0	Lower Piché	2.9	4.0
GA-17-671	843.8	847.2	Lower Piché	4.7	3.4
GA-17-671W	796.4	799.4	Lower Piché	3.3	3.0

Core lengths are reported above. Horizontal widths range from about 75 to 85% of the core lengths.

At Scott, a series of metallurgical tests were completed, including a “locked cycle test” on a composite sample representative of various holes and mineralized zones at Scott. The final report was received in October and results are encouraging. Commercial grades of concentrates of copper and zinc can indeed be produced from the Scott mineralization using standard flotation processes. This represents a very important milestone for the Scott project and will serve as additional strong technical support for an on-going Preliminary Economic Assessment (“PEA”) by mining consultants Roscoe Postle Associates.

During the quarter, Roscoe Postle Associates Inc. continued various work as part of the PEA at Scott. The work done to-date includes stope design, a field visit to the project, review of metallurgical testing, and preparation of cost estimates. The PEA will assess the economic potential of the existing resources and help to guide further exploration and evaluation work.

Risk and uncertainties

The exploration for and development of mineral deposits may be affected in varying degrees by various factors such as government regulations, environmental risks and hazards, land use, dependence on key personnel and other risks normally encountered in the mining industry. The Company has numerous competitors with greater financial, technical and other resources.

The exploration, development and mining of the Company's properties may require substantial additional financing. The source of future funds available to the Company is through the sale of additional equity capital or joint venture and/or royalty financings. There is no assurance that such funding will be available to the Company. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production on any or all of the Company's properties or even a loss of property interest

Summary of quarterly results

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

Quarter ending	Revenue	Net earnings (loss)	Net loss per share, basic and diluted
September 30, 2017	$238,306	$57,111	$(0.00)
June 30, 2017	$2,389,787	$2,111,881	$(0.00)
March 31,2017	$303,376	$92,698	$(0.00)
December 31, 2016	$225,117	$(211,263)	$(0.01)
September 30, 2016	$129,055	$(95,672)	$(0.01)
June 30, 2016	$159,611	$(199,502)	$(0.01)
March 31, 2016	$160,230	$(41,119)	$(0.01)
December 31, 2015	$123,546	$(100,771)	$(0.01)

Liquidity

The Company finances its operations mainly through the sale of its shares. The Company also considers other financing alternatives, such as joint venture and/or royalty financings.

During the period, the Company completed a second tranche of $1 500 000 flow-through financing to which it issued 14 285 714 flow-through shares at a price of $0.105 per share for a gross proceed of $1 500 000.

As at September 30, 2017, the Company had cash and cash equivalents of $2 560 172 compared to $1 375 590 as at December 31, 2016. Working capital as at September 30, 2017 was $2 468 614 compared to $836,966 as at December 31, 2016. The increase in working capital is a result of the Company's private placements described above and the sales of the net smelter royalty of Ellison property.

Capital Resources

The second tranche of a $1 500 000 flow-through financing was closed in the third quarter. The company is committed to incur eligible exploration and evaluation expenses of $1 500 000 by December 2018.

The Company is committed to incur eligible exploration and evaluation expenses of $1 392 410 by December 31, 2017 related to its flow-through financing completed in 2016. As at September 30, 2017, the Company had incurred such eligible expenses.

There is no guarantee that the funds spent by the Company in the future will qualify as Canadian exploration expenses, even if the Company has committed to take all the necessary measures for this purpose. Refusals of certain expenses by tax authorities could have negative tax consequences for investors. In such event, the Company will indemnify each flow-through share subscriber for the additional taxes payable by such subscriber as a result of the Company's failure to renounce the qualifying expenditures as agreed.

Critical Accounting Estimates

The preparation of consolidated 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, revenues and expenses. Actual results may differ from these estimates.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in Note 4 of the audited annual consolidated financial statements of the Company for the year ended December 31, 2016 and consists in the determination of capitalizable costs as exploration and evaluation assets relating to the acquisition of assets of Cancor and Cogitore as well as the recognition and measurement of refundable credits on mining duties.

Critical judgments in applying accounting policies relate to the accounting for the transaction with Cogitore which was recorded as an asset acquisition since the assets acquired do not meet the definition of a business according to IFRS 3, *Business Combinations*.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year have been made in respect of the following:

- Recoverability of mining properties and exploration and evaluation assets;
- Assessment of refundable credit on mining duties and tax credits related to resources;
- Estimation of the provision for site restoration costs;
- Recoverability of income tax assets;
- Estimation of the fair value of the liability related to flow-through shares.

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

New accounting standards and amendments adopted

The following amendments have been applied in preparing the third quarter 2017 unaudited condensed consolidated interim financial statements and did not have a significant impact on the financial statements:

Amendments to IAS 1

On December 18, 2014, the IASB issued amendments to IAS 1, *Presentation of Financial Statements* as part of its major initiative to improve presentation and disclosure in financial reports (the "Disclosure Initiative").

Future Accounting Standards

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

IFRS 9, *Financial Instruments*

On July 24, 2014, the IASB issued the complete IFRS 9 (IFRS 9 (2014)).

The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exemptions. Early adoption is permitted. The restatement of prior periods is not required and is only permitted if information is available without the use of hindsight.

IFRS 9 (2014) introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2014), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows.

The standard introduces additional changes relating to financial liabilities.

It also amends the impairment model by introducing a new "expected credit loss" model for calculation impairment.

IFRS 9 (2014) also includes a new general hedge accounting standard which aligns hedge accounting more closely with risk management. This new standard does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness; however, it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship.

Special transitional requirements have been set for the application of the new general hedging model.

The Company intends to adopt IFRS 9 (2014) in its consolidated financial statements for the annual period beginning on January 1, 2018. The Company has not yet assessed the impact of the adoption of this standard on its consolidated financial statements.

IFRS 15, *Revenue from Contracts with Customers*

On May 28, 2014, the IASB issued IFRS 15, *Revenue from Contracts with Customers*. The new standard is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

IFRS 15 will replace IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programmes*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfer of Assets from Customers*, and SIC 31, *Revenue – Barter Transactions Involving Advertising Services*.

The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized.

The new standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRS.
The Company intends to adopt IFRS 15 in its consolidated financial statements for the annual period beginning on January 1, 2018. The extent of the impact of adoption of the standard has not yet been determined.

IFRS 16, *Leases*

On January 13, 2016 the IASB issued IFRS 16, *Leases*. The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15, *Revenue from Contracts with Customers* at or before the date of initial adoption of IFRS 16. IFRS 16 will replace IAS 17, *Leases*.

This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors.

Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided.

The Company intends to adopt IFRS 16 in its consolidated financial statements for the annual period beginning on January 1, 2019. The extent of the impact of adoption of the standard has not yet been determined.

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 year ended December 31, 2016 and the period ended September 30, 2017. Based on that evaluation, the officers have concluded that as at that date, such disclosure controls and procedures are not effective as they contain a material weaknesses as further described in the section "Internal control over financial reporting". These material weaknesses have the potential to result in a material misstatement in the Company's financial statements, and should also be considered material weaknesses 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's operations do not have sufficient size and scale to warrant the hiring of additional staff to correct these weaknesses 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 IFRS. The Chief Executive Officer and the Chief Financial Officer have evaluated the effectiveness of the Company's internal control over financial reporting as at December 31, 2016. Based on that evaluation, the officers have concluded that as at that date, such internal control over financial reporting is not effective as it contains the following material weaknesses:

- there is an inadequate segregation of duties;
- there is no formal process to identify a loss of value of the long-term assets; and
- there is no formal process to evaluate the provision for the site restoration.

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's operations do not have sufficient size and scale to warrant the hiring of additional staff to correct these weaknesses with respect to the inadequate segregation of duties at this time.

Management is frequently in discussions with various third parties regarding its mining properties and possible joint ventures and other transactions. Accordingly, in spite of the lack of a formal process to assess any potential loss in valuation for long term assets, management believes that any important inaccuracy in valuation is unlikely due to information obtained from discussions with potential industry partners.

With regard to the lack of a formal process to evaluate provisions for site restoration, management believes that any important inaccuracy is unlikely as only two properties of the Company are subject to restoration work and an evaluation of the provision for site restoration of these two properties has recently been completed.

There has been no change in the Company's internal control over financial reporting that occurred during the year ending December 31, 2016 and the period ended September 30, 2017 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Disclosure of technical and scientific information

The qualified person under National Instrument 43-101 who reviews and approves the technical and scientific information disclosed in the press releases and other continuous disclosure documents of the Company is Gérald Riverin, Ph.D., P. Geo.

Transactions with related parties

As partial consideration for the acquisition of one mining lease and 12 mining claims which now form part of the Rouyn property, the Company agreed to pay to Société Minière Alta Inc. ("Alta"), by agreement dated July 14, 1997, a royalty of $50,000 per year. The royalty payments are accounted for in the consolidated statement of comprehensive loss because such payments will never be recovered. G. Bodnar jr., an officer and director of the Company, is the sole shareholder of Alta. For the three month period ended September 30, 2017, a sum of $12,500 was paid as a royalty payment to Société Minière Alta Inc.

Financial Instruments

Financial instruments used by the Company consist of cash and cash equivalents, temporary investments, other receivables, in-trust deposits and accounts payable and accrued liabilities. Cash and cash equivalents are invested in short-term highly liquid investments with maturities of three months or less and are used for working capital and any other corporate purposes.

Outstanding Share Data

The authorized share capital of the Company consists of an unlimited number of Class A common shares of which 307 539 013 were issued and outstanding as at September 30, 2017. As of such date, the Company also had outstanding options to purchase a total of 6,925,000 shares at prices ranging from $0.10 to $0.27 per share and warrants to purchase a total of 11,626,982 shares at prices ranging from $0.10 to $0.12 per share.

Additional information

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

YORBEAU RESOURCES INC.

Condensed Consolidated Interim Statements of Financial Position
(Unaudited)

	September 30 2017 $	December 31 2016 $
Assets		
Current assets		
Cash and cash equivalents	**2 560 172**	1 375 590
Tax credits and other receivables (Note 4)	**102 015**	260 080
Prepaid expenses	**48 378**	63 221
	2 710 565	1 698 891
Non-current assets		
In-trust deposits (Note 5)	**279 000**	197 380
Chibougamau Building (Note 6)	**245 589**	253 293
Mining Properties (Note 7)	**3 840 538**	3 840 538
Exploration and evaluation assets (Note 7)	**21 712 996**	20 085 274
	26 078 123	24 376 485
	28 788 688	26 075 .376
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities (Note 8)	**75 673**	520 542
Liability related to flow-through shares (Notes 11)	**166 278**	341 383
	241 951	861 925
Non-current liabilities		
Provisions (Note 9)	**279 000**	279 000
Total liabilities	**520 951**	1,140 925
Shareholders' Equity		
Share capital and warrants (Note 10)	**53 884 797**	52 741 943
Contributed surplus	**2,889 956**	2,889 256
Deficit	**(28 507 016)**	(30 696 748)
	28 267 737	24 934 451
	28 788 688	26 075 376

Commitments and contingencies (Note 12)

See accompanying notes to condensed consolidated interim financial statements

YORBEAU RESOURCES INC.
Condensed Consolidated Interim Statements of Comprehensive Loss
(Unaudited)

	For three months ended September 30		For nine months ended September 30	
	2017	2016	**2017**	2016
	$	$	**$**	$
Revenues				
Management fees	**9 791**	7 500	**36 271**	22 500
Rental of facilities	**37 650**	7 650	**112 950**	22 950
Sales of the net smelter royalty of Ellison property	**-**	-	**2 250 000**	-
Other revenue related to flow-through shares	**190 865**	113 891	**532 248**	402 378
	238 306	129 041	**2 931 469**	447 828
Expenses				
Administrative charges (Note 13)	**142 105**	181 183	**535 755**	568 553
Share-based payments	**-**	5 113	**700**	39 141
Property maintenance	**31 793**	30 379	**108 795**	119 521
Chibougamau building expenses (Note 14)	**6 777**	8 035	**22 264**	53 825
	180 675	224 710	**667 514**	781 040
Interest income	**-**	(14)	**(27)**	(1 068)
Interest expense	**520**	17	**2 307**	4 149
Net interest expense	**520**	3	**2 280**	3 081
Net earnings (net loss) and comprehensive loss for the period	**57 111**	(95 672)	**2 261 675**	(336 293)
Net loss per share, basic and diluted	**(0.00)**	(0.01)	**(0.00)**	(0.01)
Weighted average number of shares outstanding	**324 942 168**	269 739 155	**351 639 445**	258 972 256

See accompanying notes to condensed consolidated interim financial statements.

YORBEAU RESOURCES INC.

Condensed Consolidated Interim Statements of Changes in Cash Flows
(Unaudited)

	For nine months ended September 30 2017 $	For nine months ended September 30 2016 $
Cash flows from operating activities		
Net earnings (net loss) and comprehensive loss for the period	**2 261 675**	(336 293)
Adjustments for:		
Other revenue related to flow-through shares	**(532 248)**	(402 378)
Share-based payments	**700**	39 141
Amortization expense (note 8)	**7 704**	7 915
Net interest expense (income)	**2 280**	3 081
Working capital adjustments		
Change in sales tax and other receivables	**158 065**	35 095
Change in prepaid expenses	**14 843**	30 905
Change in accounts payable and accrued liabilities	**(444 869)**	(295 042)
Interest received	**27**	1 068
Interest paid	**(2 307)**	(4 149)
Cash provided from (used) in operating activities	**1 465 870**	(920 657)
Cash flows from investing activities		
Increase in in-trust deposits	**(81 620)**	(81 620)
Additions to exploration and evaluation assets	**(1 627 725)**	(1 635 361)
Credit on mining duties and resource tax credits	--	41 530
Net cash used in investing activities	**(1 709 345)**	(1 675 451)
Cash flows from financing activities		
Proceeds from issuance of shares	**1 500 000**	2 912 500
Equity financing expenses	**(71 943)**	(200 576)
Net cash from financing activities	**1 428 057**	2 711 924
Net increase in cash and cash equivalents	**1 184 582**	115 816
Cash and cash equivalents, beginning of year	**1 375 590**	341 774
Cash and cash equivalents, end of period	**2 560 172**	457 590

See accompanying notes to condensed consolidated interim financial statements.

YORBEAU RESOURCES INC.

Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited)

	For nine months ended September 30 2017 $	For nine months ended September 30 2016 $
Transactions with shareholders, recorded directly in equity		
Share capital and warrants		
Balance beginning of year	**52 741 943**	48 532 227
Issue of common shares	**-**	850 000
Issue of flow-through shares	**1 142 854**	2 062 500
Liability related to flow-through shares	**-**	(543 976)
Balance end of the period	**53 884 797**	50 900751
Contributed surplus		
Balance beginning of year	**2 889 256**	2 849 483
Share-based payments under the option plan	**700**	39 141
Balance end of the period	**2 889 956**	2 888 624
Deficit		
Balance beginning of year	**(30 696 748)**	(29 838 827)
Total comprehensive earnings (loss) for the period	**2 261 675**	(336 293)
Equity financing expenses	**(71 943)**	(200 576)
Balance end of the period	**(28 507 016)**	(30 375 696)
Total shareholders' equity end of the period	**28 267 737**	23 413 679

See accompanying notes to condensed consolidated interim 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 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 condensed consolidated interim 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 and discharge its liabilities as they become payable and pursue 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. As at the date of the condensed consolidated interim financial statements, management determined that the carrying amount of mining properties and exploration and evaluation assets represents the best estimate of their net recoverable value. This value may nonetheless be reduced in the future.

2. Statement of compliance:

These condensed consolidated interim financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), including IAS 34, *Interim Financial Reporting.* These unaudited condensed consolidated 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, 2016.

3. Basis of preparation:

These condensed consolidated interim 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, 2016, except for the following:

New accounting standards and amendments adopted:

The following amendments have been applied in preparing the unaudited condensed consolidated financial statements as at September 30, 2017 and did not have a significant impact on the financial statements:

On January 2016, the IASB issued amendments to IAS 7, *Statements of cash flows* as part of its major initiative to improve presentation and disclosure in financial reports (the "Disclosure Initiative").

4. Tax credits and other receivables:

		September 30 2017		December 31 2016
Sales taxes	$	18 323	$	115 152
Kinross gold corporation		83 692		130 035
Others		-		14 893
Tax credits and other receivables	$	102 015	$	260 080

5. In-trust deposits:

As at September 30, 2017, the Company has deposited $ 279 000 in a trust account in accordance with the current financial guarantee requirements set forth by the *Regulation respecting mineral substances other than petroleum, natural gas and brine* and the *Commission de protection du territoire agricole* for future site restoration costs at the Augmitto and Astoria sites on the Rouyn property. Additional guarantees may be required by the government bodies (refer to Note 10).

6. Chibougamau Building

Cost		September 30, 2017		December 31, 2016
Balance, beginning of year	$	273 890	$	273 890
Balance, end of period	$	273 890	$	273 890
Accumulated amortization				
Balance, beginning of year	$	20 597	$	10 043
Amortization during the period		7 704		10 554
Balance, end of period	$	28 301	$	20 597
Carrying amount				
Balance	$	245 589	$	253 293

7. Mining properties and exploration and evaluation assets:

Mining properties:

	Balance, December 31, 2016	Additions	Balance, September 30, 2017
	$	$	$
Rouyn	2 494 895	-	2 494 895
Scott Lake	774 235	-	774 235
Lemoine	270 492	-	270 492
Selbaie West	63 369	-	63 369
Estrades-Caribou	167 672	-	167 672
Normetal West	69 875	-	69 875
	3 840 538	-	3 840 538

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

Mining properties (continued)

	Balance, December 31, 2015	Allocation of other	Additions	Balance, December 31, 2016
	$		$	$
Rouyn	2 831 770	(336 875)	-	2 494 895
Scott Lake	774 235	-	-	774 235
Lemoine	270 492	-	-	270 492
Selbaie West	63 369	-	-	63 369
Estrades-Caribou	167 672	-	-	167 672
Normetal West	69 875	-	-	69 875
	4 177 413	(336 875)	-	3 840 538

Exploration and evaluation assets:

	Balance, December 31, 2016	Additions	Mining and Resource Tax Credits	Balance, September 30, 2017
	$	$		$
Rouyn	16 067 453	9 420	-	16 074 631
Beschefer	223 727	513 421	-	720 567
Kistabiche	130 793	3 347	-	130 839
Scott Lake	3 262 276	464 658	-	3 574 303
Lemoine	18 426	-	-	18 426
Landrienne	-	1 177	-	1 177
Selbaie West	318 033	646	-	318 679
Estrades-Caribou	8 271	633 525	-	641 796
Normetal West	56 295	1 528	-	57 823
	20 085 274	1 627 722	-	21 712 996

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

Exploration and evaluation assets (continued)

	Balance, December 31, 2015	Additions	Balance, December 31, 2016
	$	$	$
Rouyn	15 929 512	137 941	16 067 453
Beschefer	72 412	151 315	223 727
Kistabiche	108 583	22 210	130 793
Scott Lake	1 308 912	1 953 364	3 262 276
Lemoine	8 832	9 594	18 426
Selbaie West	310 875	7 158	318 033
Estrades-Caribou	3 702	4 569	8 271
Normetal West	55 880	415	56 295
	17 798 708	2 286 566	20 085 274

a) Rouyn Property

Yorbeau owns a 100% interest in the Rouyn property which is located in the Rouyn and Beauchastel Townships, Québec. The Rouyn property is composed of one mining concession and a group of 94 mining claims. Twelve of the 94 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.

On October 25, 2016, the Company signed a definitive option agreement with an affiliate of Kinross Gold Corporation ("Kinross") pursuant to which the Company granted to Kinross an option to purchase a 100% interest in the Rouyn property. The definitive option agreement provides that Kinross must complete a resource estimate for the Rouyn property after funding CA$12 million of exploration expenditures on or before December 16, 2020 ("the funding requirement"), including a firm commitment to spend CA$3 million ("the firm commitment") in the first 18 months including no less than 12 500 metres of diamond drilling. If Kinross has incurred the firm commitment, but the aggregate exploration expenditures incurred on or before the December 16, 2020 are less than the funding requirement, Kinross may pay the deficiency to Yorbeau in cash within 60 days after the fourth anniversary in order to meet the funding requirement provided that no less than 50% of the exploration expenditures then actually incurred have been allocated to drilling costs.

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

a) Rouyn Property (continued)

Kinross will be the operator and project manager of the property during the option period. Upon completion of the resource estimate, Kinross will have the option to acquire a 100% interest in the property for a single cash payment consisting of (i) US$25 000 000, plus (ii) 2% of the prevailing gold price multiplied by the number of ounces of gold in measured, indicated and inferred resources identified in the resource estimate. In addition to the cash payment, Yorbeau will retain a 2% NSR on any ounces produced in excess of the number of ounces identified by Kinross in the resource estimate. The definitive option agreement was subject to the approval of the shareholders of Yorbeau who approved the agreement at a special meeting that was held on December 14, 2016.

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.

On May 31,2017, Yorbeau has entered into an agreement to sell to Agnico its net smelter royalty over the Ellison Property which the Company had received as part of its sale of the Ellison Property to Agnico in 2002.

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

c) Ellison property (continued)

The purchase price for the net smelter royalty is $2 250 000 and was paid in cash by Agnico upon execution of the agreement. In addition to the sale of the net smelter royalty, the remaining instalment of 2002 sale in the amount of $500 000, which was payable only upon commencement of commercial production, would no longer be payable.

d) Cancor properties

Cancor has six Québec properties (Gemini, Turgeon, Kistabiche, Bonfortel, Poirier and Allard). All of these properties are in good standing.

e) Selbaie West

Yorbeau owns a 100% interest in the Selbaie West property, which is located in the Carheil and Brouillan Townships in Quebec. The property is composed of 105 claims, of which 100 claims are subject to a back-in right in favor of First Quantum Minerals Ltd. ("First Quantum") pursuant to an agreement dated June 29, 2009 as amended on January 15, 2015 (the "Back-in Right Agreement"). Under the terms of the Back-in Right Agreement, First Quantum has the right to earn back a 50% interest in the property by funding, with Yorbeau as operator, the exploration expenditures on the property in an amount equal to twice the amount of expenditures made on such property since it was acquired by Cogitore. If First Quantum does not exercise its back-in right, it will have the right to receive a 1% NSR royalty on the claims which are subject to the said back-in right.

f) Scott Lake:

Yorbeau owns a 100% interest in the Scott Lake property, which is composed of three (3) claim blocks totalling 129 claims located in the Scott, Lévy and Obalski Townships in Quebec. Some of these claims are subject to production royalties to third parties, as follows:

Ouje block: no underlying royalty.

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

f) Scott Lake (continued)

Scott-Diagold block: These claims are subject to a 1% NSR royalty in favor of Exploration Diagold Inc., which can be purchased at any time by Yorbeau for an amount of $750 000.

Thundermin block: These claims are subject to various underlying royalty agreements providing for the following royalties, payable upon commercial production. Effective January 12, 2016, 1948565 Ontario Inc., a wholly owned subsidiary of Rambler Metals and Mining PLC. acquired by way of amalgamation all of the issued and outstanding shares of Thundermin Resources Inc.

(i) a one-time cash payment to 1948565 Ontario Inc. (“1948565”) of: (1) $1 000 000 if the feasibility study in respect of the property indicates contained mineral reserves of less than 5 million tonnes; (2) $2 000 000 if such reserves are in excess of 5 million tonnes but less than 10 million tonnes; and (3) $4 000 000 if such reserves are in excess of 10 million tonnes;

(ii) a $1 per ton royalty, up to a maximum payout of $300 000; and

(iii) a 4% NSR royalty on mining in excess of 1 million tons.

An advance amount of $35,000 is payable annually to 1948565 until commercial production is achieved. Such advance payments are recoupable out of the payments payable to 1948565 described under subsection (i) above.

g) Lemoine

In July 2015, the 199 staked claims which formed the Lemoine property were converted into an aggregate of 103 map designated claims. The property is located in the Lemoine, Rinfret and Dollier Townships in Quebec. Yorbeau has a 79.17% interest in the Lemoine property and the remaining interest of 20.83% is held by First Quantum. Certain claims of this property are subject to a 2% NSR royalty and to a $1 M payment upon commercial production while other claims of this property are subject to a 1% NSR royalty, 50% of which can be purchased for $1 M.

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

h) Estrades-Caribou

The Estrades-Caribou property consists of three (3) contiguous claim blocks totalling 120 claims located in the Estrées Township in Quebec. Yorbeau owns varying interests in these claims, as follows:

- Estrades block (7 claims): 65% interest owned by Yorbeau, residual interest owned by First Quantum.
- Caribou East block (38 claims): 65% interest owned by Yorbeau, residual interest owned by First Quantum.
- Caribou West block (75 claims): 100% interest owned by Yorbeau
- 111 claims on the Caribou East and Caribou West blocks are subject to a 2.5% NSR royalty.

i) Normetal West:

Yorbeau owns a 100% interest in the Normetal West property which consists of 18 claims located in the Abbotsford and Adair Townships in Ontario. Three of these claims are subject to a 1% NSR royalty which can be purchased for $500 000.

j) Landrienne:

Yorbeau owns a 100% interest in the Landrienne property which consists of 62 claims located in the Landrienne Township in Quebec. This property is subject to the Back-in Right Agreement with First Quantum. Also, 22 claims of the property are subject to a 2% NSR royalty and 24 claims of the property are subject to a 1% NSR royalty.

k) Other properties:

Yorbeau owns a 100% interest in the Hébécourt (23 claims subject to the Back-in Right Agreement and 1% NSR royalty) and Castagnier (1 claim subject to the Back-in Right Agreement) properties.

8. Accounts payable and accrued liabilities:

		September 30, 2017		December 31, 2016
Accounts payable	$	18 384	$	431 410
Accrued liabilities		57 289		89 132
Accounts payable and accrued liabilities	$	75 673	$	520 542

9. Provisions:

The Company's provisions consist of obligations for site restoration costs associated with mine reclamation and closure activities at the Astoria and Augmitto sites on the Rouyn property as required under the *Regulation respecting mineral substances other than petroleum, natural gas and brine and the Act Respecting the Preservation of Agricultural Land and Agricultural Activities.* In determining the estimated costs, the Company considered such factors as changes in laws and regulations and requirements under existing permits. The Company estimates the total restoration costs required in connection with the above-mentioned regulations to be approximately $255 000 and $24 000, respectively. Provisions are measured at each reporting date based on its best estimate of cash outflows. Any future changes to the estimated restoration provisions as a result of amended laws, regulations and operating assumptions will be added to the cost of the related assets and could be significant.

The Company has already deposited amounts of $255 000 and $24 000 with governmental authorities (refer to Note 5) in partial satisfaction of the required financial guarantees for the Astoria and Augmitto sites.

During the period, the provisions for site restoration costs have changed as follows:

		September 30, 2017		December 31, 2016
Balance, beginning of year	$	279 000	$	615 875
Provision used during the period		-		(336 875)
Balance end of period	$	279 000	$	279 000

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:

	September 30, 2017		December 31, 2016	
	Number of shares	$	Number of shares	$
Balance, beginning of year	293 253 299	52 741 943	243 678 359	48 532 227
Shares issued:				
Private placement – common shares	-	-	23 253 970	1 850 000
Private placement – flow-through	14 285 714	1 500 000	25 445 970	3 066 250
Liability related to flow-through	-	(357 146)	-	(776 534)
Exercice of warrant	-	-	875 000	70 000
Balance, end of period	307 539 013	53 884 797	293 253 299	52 741 943

a) 2017 financing

i) Flow-through shares issuance:

On June 14, 2017, the Company completed the first tranche of a private placement financing. The Company issued a total of 11 999 285 flow-through shares at a price of $0.105 per share for gross proceeds of $1 259 925. At closing, the Company paid 5% of the gross proceeds as a finder's fee.

On August 28, 2017, the Company completed the second tranche of a private placement financing. The Company issued a total of 2 286 429 flow-through shares at a price of $0.105 per share for gross proceeds of $240 075.

The carrying amount of these flow-through shares is presented net of the liability related to flow-through shares of $357 146 that was recorded when the flow-through shares were issued during the financings on June 14. 2017 and August 28, 2017.

10. Share capital and warrants (continued):

b) 2016 financing

i) Issuance of units:

On March 10, 2016, the Company completed a private placement financing. The Company issued a total of 7 142 859 units ("Units") at a price of $0.07 per Unit for gross proceeds of $500 000. Each Unit consists of one Class A common share of the Company and one half of one common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one Class A common share at a price of $0.10 until March 10, 2018.

On April 20, 2016, the Company completed a private placement financing. The Company issued a total of 3 571 428 Units at a price of $0.07 per Unit for gross proceeds of $250 000. Each Unit consists of one Class A common share of the Company and one half of one common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one Class A common share at a price of $0.10 until April 20, 2018.

On April 28, 2016, the Company completed a private placement financing. The Company issued a total of 1 428 572 Units at a price of $0.07 per Unit for gross proceeds of $100 000. Each Unit consists of one Class A common share of the Company and one half of one common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one Class A common share at a price of $0.10 until April 28, 2018.

On December 15, 2016, the Company completed a private placement financing. The Company issued a total of 11 111 111 Units at a price of $0.09 per Unit for gross proceeds of $1 000 000. Each Unit consists of one Class A common share of the Company and one half of one common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one Class A common share at a price of $0.12 until December 15, 2018.

ii) Flow-through shares issuance:

On March 31, 2016, the Company completed a private placement financing. The Company issued a total of 5 952 381 flow-through shares at a price of $0.105 per share for gross proceeds of $625 000. At closing, the Company paid 8% of the gross proceeds as a finder’s fee.

On April 28, 2016, the Company completed a private placement financing. The Company issued a total of 1 666 667 flow-through shares at a price of $0.105 per share for gross proceeds of $175 000.

10. Share capital and warrants (continued):

b) 2016 financing

ii) Flow-through shares issuance (continued):

On July 19, 2016, the Company completed a private placement financing. The Company issued a total of 6 200 000 flow-through shares at a price of $0.125 per share for gross proceeds of $775 000. At closing, the Company paid 7% of the gross proceeds as a finder's fee.

On August 29, 2016, the Company completed a private placement financing. The Company issued a total of 3 200 000 flow-through shares at a price of $0.125 per share for gross proceeds of $400 000.

On September 13, 2016, the Company completed a private placement financing. The Company issued a total of 700 000 flow-through shares at a price of $0.125 per share for gross proceeds of $87 500. At closing, the Company paid 7% of the gross proceeds as a finder's fee.

On October 17, 2016, the Company completed a private placement financing. The Company issued a total of 150 000 flow-through shares at a price of $0.125 per share for gross proceeds of $18 750.

On December 23, 2016, the Company completed a private placement financing. The Company issued a total of 7 576 922 flow-through shares at a price of $0.13 per share for gross proceeds of $985 000. At closing, the Company paid 6% of the gross proceeds as a finder's fee.

The warrants are composed of the following:

	September 30, 2017	December 31, 2016
Balance, beginning of year	11 626 982	875 000
Warrants issued:		
Pursuant to private placement	-	11 626 982
Warrants expired	-	(875 000)
Balance, end period	11 626 982	11 626 982

As at September 30, 2017, the following share purchase warrants were outstanding:

- 3 571 427 warrants at $0.10 per warrant expiring on March 10, 2018.
- 1 785 714 warrants at $0.10 per warrant expiring on April 20, 2018.
- 714 286 warrants at $0.10 per warrant expiring on April 28, 2018.
- 5 555 555 warrants at $0.12 per warrant expiring on December 15, 2018.

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 September 30, 2017, 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 TSX prior to the grant of the option.

The option plan provides that directors shall determine, in their sole discretion, whether vesting conditions should be applicable to any option granted thereunder at the time of such grant.

On June 28, 2016, the Company granted 300 000 share options to a director exercisable at $0.10 per share. These options vested immediately and will expire after a period of five years. The fair value of each option was determined using the Black-Scholes option pricing model. At the date of the grant, the weighted average fair value of options granted was $0.04 per option for a total value of $12 395.

The following weighted average assumptions were used in these calculations:

	December 31, 2017
Risk-free interest rate	0.5757%
Expected life	5 years
Expected volatility	57,412%

The number of stock options outstanding under the Company's plan fluctuated as follows during the period:

	September 30 2017		**December 31 2016**	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Balance, beginning of year	9 525 000	$ 0.23	9 275 000	$ 0.23
Granted	-	0.10	300 000	0.10
Expired	(2 600 000)	0.27	(50 000)	0.24
Balance, end of period	6 925 000	0.22	9 525 000	0.23

As of September 30, 2017, the following options were outstanding:

- 1 075 000 options at $0.25 per share until December 31, 2017
- 950 000 options at $0.18 per share until December 31, 2017
- 1 825 000 options at $0.25 per share until August 12, 2018
- 2 475 000 options at $0.18 per share until April 12, 2020
- 300 000 options at $0.18 per share until November 4, 2020 and
- 300 000 options at $0.10 per share until June 27, 2021

12. Commitments and contingencies

The Company is committed to incur eligible exploration and evaluation expenses of $2 892 410 by December 31, 2018, related to its flow-through share financings completed in 2016 and 2017. As of September 30, 2017, the Company has incurred $1 607 985 of eligible expenses.

There is no guarantee that the funds spent by the Company in the future will qualify as Canadian exploration expenses, even if the Company has committed to take all the necessary measures for this purpose. Refusals of certain expenses by tax authorities could have negative tax consequences for investors. In such event, the Company will indemnify each flow-through share

13. Administrative charges

	For three months ended September 30		For nine months ended September 30	
	2017	2016	2017	2016
	$	$	$	$
Professional fees	35 937	37 650	98 397	132 077
Investor relations	20 569	30 246	110 469	81 938
Salaries	50 424	82 610	206 397	256 627
Miscellaneous	14 796	6 209	55 940	32 915
Rent	17 096	21 161	52 025	54 234
Insurance	3 025	2 996	8 944	8 888
Taxes, licenses, fees	258	311	3 583	1 874
Total	142 105	181 183	535 755	568 553

14. Chibougamau building expenses

	For three months ended September 30		For nine months ended September 30	
	2017	2016	2017	2016
	$	$	$	$
Building maintenance	48	1 092	563	32 300
Insurance	294	307	871	912
Heating	242	590	4 396	4 167
Taxes, licenses, fees	2 927	2 817	6 898	6 795
Miscellaneous	628	589	1 832	1 734
Amortization expense	2 638	2 640	7 704	7 917
Total	6 777	8 035	22 264	53 825

15. Related party transactions:

Transactions with key management personnel

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

		For nine months ended September 30 2017		For nine months ended September 30 2016
Short-term employee benefits	$	112 565	$	126 488
Share-based payments		700		29 042
Total	$	113 265	$	155 530

In connection with the private placement of completed on August 28, 2017, three insiders of the Corporation subscribed for a total of 961,901 common shares having an aggregate subscription price of $100 999.The terms offered to related parties in the share subscription are identical to those offered to non-related common shareholders of the Corporation.

Other related party transactions

Property maintenance in the consolidated statements of loss and comprehensive loss include an amount of $25 000 (2016 - $25 000) paid as a royalty to Société Minière Alta Inc., of which a director of Yorbeau is the sole shareholder (Note 8 (a)).

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.