

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

Management's Discussion and Analysis
for the period ended September 30, 2019

The following Management's Discussion and Analysis (“MD&A”) was prepared as at November 13, 2019 and should be read in conjunction with the Company's third quarter 2019 unaudited condensed interim financial statements and the accompanying notes and the audited annual financial statements and the accompanying notes for the year ended December 31, 2018 and the related annual MD&A. The Company's third quarter 2019 unaudited condensed interim financial statements and the accompanying notes have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and with International Accounting Standard (“IAS”) 34, “Interim financial Reporting” as issued by the International Accounting Standards Board (“IASB”) and using the accounting policies described therein.

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

General

At the Rouyn project, the Company and its operator of the Property, IAMGOLD published the last series of assay results from a phase 1 program consisting of 13,381 metres of drilling in 48 diamond drill holes at lac Gamble. These assays were published in a press release dated July 31, 2019. The best results are shown below but all assays from all holes were published.

Best assays released in the third quarter 2019:

Hole number	Core length (metres)	Gold grade (g/t Au)
GA-19-711	9.7	6.6
including	5.9	10.0
GA-19-719	16.9	3.4
including	5.8	5.7
and	1.8	10.3
GA-19-721	23.4	6.1
including	8.1	13.3
and	1.0	65.5
GA-19-722	10.1	6.6
including	3.0	10.9
and	4.0	7.9

Commenting on the above results, Gérald Riverin, the Company's president remarked that this latest series of assays released by our partner IAMGOLD are most encouraging and that broadly speaking, the delineation drilling program completed recently has confirmed interpretations of the Lac Gamble zone

and met with expectations. In particular, the core lengths and grades of some of the intersections, combined with the apparent opening of the mineralization to the west, augur well for the future.

In a separate press release, Craig MacDougall, Senior Vice President Exploration for IAMGOLD, commented that the program successfully targeted mineralization in the upper part of the zone with a number of drill holes intersecting good grades over wide intervals. In addition, the zone also appears to remain open along strike to the west and at depth.

The goal of this drilling program was to convert into mineral resources a portion of the exploration potential already drilled off on the Lac Gamble zone by Yorbeau and its previous partner. The drilling completed consisted mostly of “in-fill” drilling with the objective of obtaining a drill hole spacing pattern of 50 to 60 meters to support an estimate of mineral resources.

In the third quarter, drilling resumed with one drill rig in the Astoria sector of the Rouyn property on a phase 2 program with the goal of converting well established exploration potential into mineral resources. The Astoria deposit already benefits from significant underground infrastructure including a 515 metre deep shaft and over 5 kilometres of lateral workings. At the end of the quarter this new phase 2 program totalling 6,585 metres in 18 holes (including a wedge cut from a pre-existing hole) had been completed. Our partner IAMGOLD has therefore drilled a total of 19,966 metres on the Company’s Rouyn project in 2019. Assay results for phase 2 drilling are pending.

At the Scott project, the Company had drilled one deep hole during the second quarter with the purpose of testing a conductor (borehole geophysical anomaly) identified west of the Gwillim Fault earlier in the year. The final report on a borehole geophysical survey in this hole was received and confirms that, although the targeted conductive zone was not intersected in the drill hole itself, a strong conductor was detected just to the west of the hole. This conductor is located to the west of the Gwillim Fault and constitutes an exciting drill target that should be tested in the future.

Risk and uncertainties

Exploration and development of mineral deposits may be affected to varying degrees by a number of factors such as government regulations, environmental risks, land use, dependency on key personnel and other risks normally encountered incurred in the mining industry. The Company has many competitors with more financial, technical and other resources than its own.

The exploration, development and operation of the Company’s properties may require significant additional financing. The sources of future funds available to the Company are the additional issue of share capital and financing by joint venture and/or the sale of royalties. There is no assurance that such financing will be available to the Company. Failure to obtain sufficient funding may result in delay or indefinite postponement of exploration, development or production work to any or all of the Company’s properties, and may even result in loss of ownership in the property.

Summary of quarterly results

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

<u>Quarter Ending</u>	<u>Revenues</u>	<u>Net earnings (Net loss)</u>	<u>Net earnings (net loss) per share basic and diluted</u>
September 30, 2019	\$ 630,257	\$ (144,429)	\$ (0.01)
June 30, 2019	\$ 517,298	\$ (51,322)	\$ (0.01)
March 31, 2019	\$ 446,616	\$ 178,383	\$ (0.00)
December 31, 2018	\$ 278,369	\$ (1,004,277)	\$ (0.01)
September 30, 2018	\$ 253,145	\$ (476,925)	\$ (0.01)
June 30, 2018	\$ 243,095	\$ (249,208)	\$ (0.00)
March 31, 2018	\$ 217,745	\$ 13,429	\$ (0.00)
December 31, 2017	\$ 2,900,709	\$ 1,720,554	\$ 0.01

Liquidity

As at September 30, 2019, the Company had cash and cash equivalents of \$287,787 compared to \$1,378,601 as at December 31, 2018. Working capital as at September 30, 2019 was \$ (89,759 - negative) compared to \$804,814 as at December 31, 2018.

Management expects that the working capital available to the Company will not be sufficient to fund the Company's 2019 and 2020 corporate and exploration expenses. Consequently, the company is pursuing additional financing through stock issuance and/or sales of assets or joint venture possibilities.

Capital Resources

The Company has committed to incur carry out eligible exploration and evaluation expenses of \$950,500 by December 31, 2019 related to its flow-through share financings completed in 2018. As at September 30, 2019, the Company had incurred \$770,583 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 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 financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the carrying amount of assets, liabilities, liabilities and other assets, products and expenses. Actual results may differ from these estimates.

Assumptions and estimates uncertainties that present a significant risk of causing a material adjustment in the next fiscal year are recognized in the relation to:

- Recoverability of mining properties and exploration and evaluation assets;
- Assessment of resource credits and refundable mineral rights credits;
- Assessment of the provision for site restoration;

- Recoverability of deferred tax assets;
- Fair value measurement of the flow-through share liability.

The estimates and underlying assumptions are reviewed regularly. Any revision of accounting estimates is recognized in the period in which the estimates are revised and in future periods affected by those revisions.

New accounting standards and interpretations not yet adopted

The following new standards have been published but have not yet been applied by the Company:

IFRS 16, Leases

In January 2016, the IASB issued IFRS 16, Leases, which will replace IAS 17, Leases. The standard will require all leases of more than 12 months to be reported on a company's statement of financial position as assets and liabilities. The new standard is effective for annual periods beginning on or after January 1, 2019, and is available for early adoption for companies that also apply IFRS 15, Revenue from Contracts with Customers. The Company expects that its operating leases will need to be recognized in its consolidated statement of financial position on initial adoption of IFRS 16.

Controls and procedures for the communication of information

The Company's Chief Executive Officer and Chief Financial Officer evaluated the effectiveness of the Company's disclosure controls and procedures at the end of the year ended December 31, 2018. Based on that evaluation, managers have concluded that, at this time, these disclosure controls and procedures are not effective as they have a significant weakness, as described in more detail in the section "Internal Control over financial reporting". These material weaknesses could give rise to material misstatements in the financial statements of the Company and are also considered to be a material weakness of the Company's internal control over financial reporting. Management has concluded and the Board of Directors has approved that, given the current size of the Company, its current stage of development and the current interest of shareholders, the Company does not have the resources to hiring additional staff to correct this deficiency.

Internal control over financial reporting

The Chief Executive Officer and Chief Financial Officer of the Corporation have designed, or have had under their supervision, design an internal control over financial reporting to provide reasonable assurance that the financial information is reliable and that the financial statements have been prepared in accordance with IFRS. This internal control over financial reporting is not effective because it has the following significant weaknesses:

- there is an inadequate separation of duties as previously mentioned in "Disclosure controls and procedures";
- there is no formal process to identify long-term asset impairment; and
- there is no formal process to evaluate the provision for site restoration.

Management has concluded and the Board of Directors has approved that, given the current size of the Company, its current stage of development and the current interest of shareholders, the Company does not have the resources to hiring additional staff to correct the deficiency resulting from inadequate separation of duties.

Management frequently has discussions with third parties regarding its mineral properties and the possibility of forming joint ventures and other transactions. As a result, despite the absence of a formal process to identify long-term asset impairment, management believes that a material misstatement in the valuation is unlikely due to the information obtained from discussions with potential industry partners.

With respect to the lack of a formal assessment process for the site restoration provision, it is management's opinion that a material misstatement is unlikely since only two properties of the Company are subject to restoration work and that an assessment of the provision for site restoration of these two properties has been made recently.

There has been no change to the Company's internal control over financial reporting during the Corporation's quarter ended September 30, 2019, which has or may reasonably be expected to have a material impact on the Company's internal control over financial reporting.

Disclosure of technical and scientific information

The qualified person under NI 43-101 who reviews and approves the technical and scientific information disclosed in the Company's press releases and other continuous disclosure documents is Gérald Riverin, PhD, P. Geo.

Transactions with related parties

In partial consideration for the acquisition of a mining lease and 12 mining claims that are now part of the Rouyn property, the Corporation has agreed, under an agreement dated July 14, 1997, to pay to Société Minière Alta Inc. ("Alta") a royalty of \$50,000 per year. Royalty payments are charged to the consolidated statement of comprehensive income as these payments will never be recovered. G. Bodnar Jr., a director of the Company, is the sole shareholder of Alta.

Financial instruments

Financial instruments used by the Company consist of cash and cash equivalents, other notes receivable, trust deposits and suppliers and other payables. Cash and cash equivalents are invested in short-term investments with maturities of three months or less and are used for working capital and other corporate purposes.

Information on current actions

The authorized capital of the Company consists of an unlimited number of Class A common shares of which 326,549,013 were issued and outstanding as of September 30, 2019. At that date, the Company also had outstanding options to purchase a total of 8,525,000 shares at prices ranging from \$0.025 to \$0.18 per share.

Additional information

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