

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

Management's Discussion and Analysis
for the period ended March 31, 2020

The following Management's Discussion and Analysis (“MD&A”) was prepared as at May 14, 2020 and should be read in conjunction with the Company's first quarter 2020 interim condensed financial statements and the accompanying notes and the audited annual financial statements and the accompanying notes for the year ended December 31, 2019 and the related annual MD&A. The Company's first quarter 2020 interim condensed financial statements and the accompanying notes have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) 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

Subsequent to the end of the Company's 2019 fiscal year, the COVID-19 novel coronavirus outbreak has and continues to cause significant market and social disruption. Following the March 23, 2020 announcement by the Government of Québec of several new social distancing measures enacted to combat the spread of the outbreak, including the closure of all non-essential businesses, the Company, together with its partner IAMGOLD, held discussions to evaluate the situation and to develop a response plan. On March 23, 2020, the drilling program being conducted on the Lac Gamble portion of the Company's Rouyn property was suspended for an initial three-week period ending on April 13, 2020, which suspension was subsequently extended in accordance with governmental guidelines. The Company also took steps to temporarily close its Rouyn office, to implement remote working initiatives for its personnel and to lay-off two temporary employees. On May 6, 2020, the Government of Québec adopted a decree authorizing the resumption of the activities of companies in the mining sector effective May 11, 2020. As a result, activities at the Company's Rouyn office began to gradually resume as at May 11, 2020, however such resumption remains subject to any measures the Company considers necessary to ensure the continued health and safety of all involved. The Company and IAMGOLD will continue to assess the situation on an ongoing basis, taking into account any new information, guidance or directives to be issued by governmental and health authorities as the situation develops.

The Company's previously adopted measures in respect of its Montreal office in response to the COVID-19 outbreak continue to remain in effect, including the closure thereof to outside visitors, a reduction in administrative and operational activities to the minimum required to ensure business continuity, and the implementation of remote working initiative for certain of its Montreal employees.

During the first quarter of 2020, the Company, with its JV partner IAMGOLD, began a drilling program on our Rouyn project. 10 469 meters of drilling were completed on the Gamble Lake zone with the objective of converting exploration potential to mineral resources and of testing the possible extension of the zone to the west. First group of results has been announced in the press release dated May 13, 2020.

On our Beschefer project, a geophysical survey (induced polarization) of 7.6 kilometres has been completed with the objective to confirm and refine I.P anomalies outlined by Billiton Canada in 1997 on the northern part of the property. The 2020 survey was designed to test the presence of chargeability anomalies close to the Brouillan pluton where the extension of the B14 fault is projected to be located. The results of the I.P survey show an E-W axes with weak chargeability highs located along the B14 fault projection on Yorbeau's Beschefer property. Furthermore, thirteen (13) new claims were acquired in order to fully cover these anomalies located in the northern part of the property.

The Company is continuing its valuation of the other properties in order to optimize its future exploration activities.

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 cumulative quarterly information for each of the eight most recently completed quarters:

| <u>Cumulative Information as at</u> | <u>Revenues</u> | <u>Net earnings (Net loss)</u> | <u>Net earnings (net loss) per share basic and diluted</u> |
|-------------------------------------|-----------------|--------------------------------|------------------------------------------------------------|
| March 31, 2020 | \$ 307,772 | \$ (286,372) | \$ (0,01) |
| December 31, 2019 ⁽¹⁾ | \$ 1,378,892 | \$ (514,912) | \$ (0,01) |
| September 30, 2019 ⁽¹⁾ | \$ 1,059,960 | \$ (300,617) | \$ (0,01) |
| June 30, 2019 ⁽¹⁾ | \$ 814,985 | \$ (176,549) | \$ (0,01) |
| March 31, 2019 ⁽¹⁾ | \$ 551,097 | \$ 113,195 | \$ 0,01 |
| 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) |

⁽¹⁾ Revenues and expenses related to the option agreement with IAMGOLD were presented separately at the gross amount starting in the first quarter of 2019, as it was determined that the Company was acting as principal and not as an agent, whereas they were presented at the net amount in previous quarters. This reclassification had no impact on the net loss and overall result.

Liquidity

As at March 31, 2020, the Company had cash and cash equivalents of \$317,993 compared to \$819,056 as at December 31, 2019. Working capital as at March 31, 2020 was \$ (43,262 - negative) compared to excess of \$330,721 as at December 31, 2019.

Capital resources

The Company has committed to carry out eligible exploration and exploration work for an amount of \$703,000 before December 31, 2020 in relation to the flow-through financing completed in 2019. As at March 31, 2020, the Company incurred \$81,643 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 judgments, 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 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 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 recently adopted

The following new standards and practices have been selected and applied by the Company:

IFRS 16, *Leases*

In January 2016, the IASB issued IFRS 16, *Leases* ("IFRS 16"). IFRS 16 sets out the method to be used to recognize, measure and present leases. The standard implements a single lessee accounting model and requires a lessee 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.

The Company has applied the simplified transition approach and has therefore not restated the comparative figures for fiscal 2018. The right-of-use assets related to real estate leases were measured at transition as if the new standard had been applied since the effective date of the respective leases but using the Company's marginal borrowing rate of 10% as at January 1, 2019 for similar assets.

Uncertainty over income tax treatment treatments

On June 7, 2017, the IASB published the IFRIC 23 interpretation entitled "Uncertainty about tax treatment." The interpretation provides guidance on the accounting of liabilities and tax assets due and deferred in circumstances where there is uncertainty about tax treatment.

The Company adopted the interpretation in its financial statements for the fiscal year open on January 1, 2019. The adoption did not have a significant impact on the Company's financial statements.

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, 2019. Based on that evaluation, Management has concluded that, at this time, these disclosure controls and procedures are not effective as they have significant weaknesses, 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 material

weaknesses 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 hire additional staff to correct these deficiencies.

Internal control over financial reporting

The Chief Executive Officer and Chief Financial Officer of the Company 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 controls over financial reporting during the Company's quarter ended in March 31, 2020, 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 Sylvain Lépine, M.Sc, P. Geo.

Transactions with related parties

In partial consideration for the acquisition of 12 mining claims that are now part of the Rouyn property, the Company agreed, under an agreement dated July 14, 1997, to pay a royalty of \$50,000 per year to Société Minière Alta Inc., a company controlled by a Yorbeau director.

Financial instruments

Financial assets are classified and valued in three categories: amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit and loss (FVTPL). Financial liabilities are categorized and assessed into two categories: amortized costs or FVTPL. The Company's financial assets, including cash and cash equivalents, other receivables and trust deposits, are categorized and valued at amortized cost. All of the Company's financial liabilities, i.e. creditors and charges payable, are

also categorized and assessed at amortized cost. Financial assets are not reclassified after their initial accounting unless the Company detects changes in its business model in the management of financial assets and would reassess the classification of financial assets.

Information on current shares

The authorized capital of the Company consists of an unlimited number of common shares. 340,609,013 were issued and outstanding as of March 31, 2020. At that date, the Company also had outstanding options to purchase a total of 6,350,000 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.