

YORBEAU RESOURCES INC.

**Interim Condensed Financial Statements
(Unaudited and not reviewed)
For the nine-month periods ended
September 30, 2020 and 2019**

Yorbeau Resources Inc.
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YORBEAU RESOURCES INC.

Interim Condensed Statements of Financial Position (Unaudited)

As at September 30, 2020 and 2019

	September 30, 2020	December 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 291,219	\$ 819,056
Tax credits and other receivables (note 4)	52,012	45,583
Prepaid expenses	39,745	76,314
	382,976	940,953
Non-current assets:		
In-trust deposits (note 5)	303,000	279,000
Right-of-use assets (note 16)	30,544	28,899
Chibougamau building (note 6)	212,210	220,427
Mining Properties (note 7)	3,810,708	3,786,708
Exploration and evaluation assets (note 7)	22,508,337	22,665,671
	26,864,799	26,980,705
	\$ 27,247,775	\$ 27,921,658
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities (note 8)	\$ 197,916	\$ 185,252
Lease liabilities (note 16)	18,150	18,244
Deferred revenue	109,908	127,009
Loan CEBA	40,000	--
Liability related to flow-through shares (notes 10 and 12)	155,918	279,727
	521,892	610,232
Non-current liabilities:		
Provisions (note 9)	303,000	279,000
Lease liabilities (note 16)	13,589	10,485
	316,589	289,485
Total liabilities	838,481	899,717
Shareholders' equity:		
Share capital (note 10)	54,705,051	54,686,801
Contributed surplus	3,045,262	2,976,766
Deficit	(31,341,019)	(30,641,626)
	26,409,294	27,021,941
	\$ 27,247,775	\$ 27,921,658

Reporting entity and going concern (note 1)

Commitments and contingencies (note 12)

See accompanying notes to interim consolidated financial statements

YORBEAU RESOURCES INC.

Interim Condensed Statements of Profit or Loss and Other Comprehensive Income or loss (Unaudited)

For the nine-month periods ended September 30, 2020 and 2019

	For three months ended September 30		For nine months ended September 30	
	2020	2019	2020	2019
Revenues (note 17):				
Contracts revenue	\$ 177,948	\$ 178,229	\$ 652,258	\$ 574,660
Rental of facilities	7,650	7,650	22,950	22,950
Other revenue related to flow-through shares	75,743	59,096	123,809	462,350
	261,341	244,975	799,017	1,059,960
Charges				
Cost of sales	162,404	162,026	592,954	520,191
Administrative expenses (note 13)	267,341	184,934	759,997	710,164
Share-based payments	54,771	9,647	68,496	44,480
Mining property managements fees	860	5,075	40,578	59,887
Chibougamau building expenses (note 14)	16,770	6,355	32,822	23,444
	502,146	368,037	1,494,847	1,358,166
Interest expenses	717	1,006	3,563	2,411
	717	1,006	3,563	2,411
Net loss and comprehensive loss	\$ (241,522)	\$ (124,068)	\$ (699,393)	\$ (300,617)
Net loss per share, basic and dilutes	(0.01)	(0.01)	(0.01)	(0.01)
Average weighted number of shares outstanding	341,159,013	326,549,013	341,159,013	326,549,013

See accompanying notes to interim condensed financial statements.

YORBEAU RESOURCES INC.

Interim Condensed Statements of Changes in Cash Flows (Unaudited)

For the nine-month periods ended September 30, 2020 and 2019

	September 30 2020	September 30 2019
Cash flows from operating activities		
Operating:		
Net loss for the period	\$ (699,393)	\$ (300,617)
Items not involving cash:		
Other revenue related to flow-through shares	(123,809)	(452,350)
Share-based payments	68,496	44,480
Amortization expense (note 13 and 14)	21,255	8,217
Net interest expense	3,563	2,411
Net change in non-cash operating working capital items		
Change in sales tax and other receivables	(6,429)	193,737
Change in prepaid expenses	36,569	971
Change in accounts payable and accrued liabilities	12,664	71,401
Change in deferred revenue	(17,101)	--
Interest paid	(321)	(2,411)
	(704,506)	(444,161)
Investing:		
Payment received as part of Option Agreement (Note 7)	500,000	--
Addition to mining properties	(24,000)	--
Additions to exploration and evaluation assets	(342,666)	(646,653)
	133,334	(646,653)
Financing:		
Loan CEBA	40,000	--
Proceed from issuance of shares	18,250	--
Lease payments	(14,915)	--
	43,335	--
Net decrease in cash and cash equivalents	(527,837)	(1,090,814)
Cash and cash equivalents, beginning of period	819,056	1,378,601
Cash and cash equivalents, end of period	\$ 291,219	\$ 287,787

See accompanying notes to interim condensed financial statements.

YORBEAU RESOURCES INC.

Interim Condensed Statements of Changes in Shareholders' s Equity (Unaudited)

For the nine-month periods ended September 30, 2020 and 2019

	September 20 2020	September 30 2019
Transactions with shareholders, recorded directly in equity		
Share capital :		
Balance, beginning of period	\$ 54,686,801	\$ 54,265,001
Issued of shares under option plan (note 10)	18,250	--
	54,705,051	54,265,001
Contributed surplus:		
Balance, beginning of period	2,976,766	2,923,756
Share-based payments under the option plan	68,496	44,479
	3,045,262	2,968,235
Deficit:		
Balance, beginning of period	(30,641,626)	(30,105,714)
Net loss and comprehensive loss for the period	(699,393)	(300,617)
	(31,341,019)	(30,406,331)
Total shareholders' Equity, end of the period	\$ 26,409,294	\$ 26,826,905

See accompanying notes to interim condensed financial statements.

YORBEAU RESOURCES INC.

Notes to Interim Condensed Financial Statements, Continued

Nine months ended September 30, 2020 and 2019

(Unaudited)

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 West Crémazie Boulevard, Suite 503, Montréal, Québec.

The Company is involved in the exploration of mineral properties in the Province of Québec. 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. However, 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 interim condensed 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 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.

Management expects that the working capital available to the Company at the end of the period will not provide the Company with adequate funding to cover its budgeted general administrative expenses and to meet its short-term obligations for the next twelve months, and to complete its planned 2020 calendar year exploration budget. Consequently, the Company will need to obtain additional financing in 2020.

The conditions mentioned above indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. The interim condensed financial statements do not reflect the adjustments to the carrying amounts 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.

YORBEAU RESOURCES INC.

Notes to Interim Condensed Financial Statements, Continued

Nine months ended September 30, 2020 and 2019

(Unaudited)

2. Statement of compliance:

These interim condensed financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), in accordance with IAS 34, Interim Financial Reporting and on a basis consistent with those accounting policies followed by the Corporation in the most recent audited consolidated annual financial statements except where noted below.

These unaudited interim condensed 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, 2019.

3. Basis of preparation:

(a) Basis of measurement:

These condensed interim financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), in accordance with IAS 34, Interim Financial Reporting and on a basis consistent with those accounting policies followed by the Corporation in the most recent audited consolidated annual financial statements except where noted below.

(b) Functional and presentation currency:

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

(c) Use of estimates and judgments:

The preparation of the unaudited interim condensed financial statements in conformity with IFRS requires management to make judgments, 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 assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Notes 9 - estimation of the provision for site restoration costs;

- Note 11 - 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.

YORBEAU RESOURCES INC.

Notes to Interim Condensed Financial Statements, Continued

Nine months ended September 30, 2020 and 2019

(Unaudited)

3. Basis of preparation (continued):

(d) New standards and interpretations recently adopted:

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 recognise a right-of use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease by determining whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. This policy is applied to contracts entered into, or changed, on or after January 1, 2019.

The Company recognizes a right-of-use asset and a lease liability on the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, and estimate of costs to dismantle and remove or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term using the straight-line method. The lease term includes consideration of an option to renew or to terminate if the Company is reasonably certain to exercise that option. Lease terms, including options to renew for which the Company is reasonably certain to exercise, range from one to four years for the vehicle and rent. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising mainly from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, renewal or termination option.

YORBEAU RESOURCES INC.

Notes to Interim Condensed Financial Statements, Continued

Nine months ended September 30, 2020 and 2019

(Unaudited)

3. Basis of preparation (continued):

(d) New standards and interpretations recently adopted (continued):

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss and comprehensive income or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Payments related to short-term leases (12 months or less) and leases of low-value assets are recorded as expenses in the statement of profit or loss and comprehensive income or loss on a straight-line basis.

Impact of transition to IFRS 16 The new standard is effective for annual periods beginning on or after January 1, 2019. 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.

4. Tax credits and other receivables:

		September 30 2020		December 31 2019
Sales taxes	\$	30,352	\$	36,195
Others		21,660		9,388
Tax credits and other receivables	\$	52,012	\$	45,583

5. In-trust deposits:

At as September 30, 2020, the Company has an in-trust deposit of \$303,000 (2019 - \$279,000) in accordance with the current guarantees 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 for the future restoration of the Augmitto and Astoria sites on the Rouyn property. Additional guaranties may be required from the government (see note 9)

YORBEAU RESOURCES INC.

Notes to Interim Condensed Financial Statements, Continued

Nine months ended September 30, 2020 and 2019

(Unaudited)

6. Chibougamau Building:

	September 30, 2020		December 31, 2019	
Cost				
Balance, beginning of year	\$	273,890	\$	273,890
Balance, end of period	\$	273,890	\$	273,890
Accumulated amortization				
Balance, beginning of year	\$	53,463	\$	42,508
Amortization during the period		8,217		10,955
Balance, end of period	\$	61,680	\$	53,463
Carrying amount				
Balance, end of period	\$	212,210	\$	220,427

7. Mining properties and exploration and evaluation assets:

Mining properties:

	December 31, 2019	Additions	September 30, 2020
	\$	\$	\$
Rouyn	2,510,940	24,000	2,534,940
Scott Lake	774,235	-	774,235
Lemoine	270,492	-	270,492
Selbaie West	63,369	-	63,369
Estrades-Caribou	167,672	-	167,672
	3,786,708	24,000	3,810,708

	December 31, 2018	Additions	December 31, 2019
	\$	\$	\$
Rouyn	2,510,940	-	2,510,940
Scott Lake	774,235	-	774,235
Lemoine	270,492	-	270,492
Selbaie West	63,369	-	63,369
Estrades-Caribou	167,672	-	167,672
	3,786,708	-	3,786,708

YORBEAU RESOURCES INC.

Notes to Interim Condensed Financial Statements, Continued

Nine months ended September 30, 2020 and 2019

(Unaudited)

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

Exploration and evaluation assets:

	December 31 2019	Additions	Payment received as option agreement	September 30 2020
	\$	\$	\$	\$
Rouyn ^(a)	15,075,051	-	(500,000)	14,575,051
Beschefer ^(b)	772,569	84,930	-	857,499
Kistabiche ^(c)	191,930	9,122	-	201,052
Scott Lake ^(e)	4,630,817	7,477	-	4,638,294
Lemoine ^(f)	19,064	28,936	-	48,000
Selbaie Ouest ^(d)	324,876	5,984	-	330,860
Estrades-Caribou ^(g)	1,205,047	4,031	-	1,209,078
Gemini ^(c)	2,498	-	-	2,498
Turgeon ^(c)	387	-	-	387
Allard ^(c)	1,186	-	-	1,186
Landrienne ^(h)	1,278	298	-	1,576
Kb ^(f)	440,968	201,888	-	642,856
	22,665,671	342,666	(500,000)	22,508,337

	December 31 2018	Additions	Initial payment received as option agreement	December 31 2019
	\$	\$	\$	\$
Rouyn ^(a)	15,575,051	-	(500,000)	15,075,051
Beschefer ^(b)	766,835	5,734	-	772,569
Kistabiche ^(c)	187,918	4,012	-	191,930
Scott Lake ^(e)	4,013,969	616,848	-	4,630,817
Lemoine ^(f)	18,743	321	-	19,064
Selbaie Ouest ^(d)	324,795	81	-	324,876
Estrades-Caribou ^(g)	1,199,490	5,557	-	1,205,047
Gemini ^(c)	2,417	81	-	2,498
Turgeon ^(c)	387	-	-	387
Allard ^(c)	1,105	81	-	1,186
Landrienne ^(h)	1,197	81	-	1,278
Kb ^(f)	168,232	272,736	-	440,968
	22,260,139	905,532	(500,000)	22,665,671

YORBEAU RESOURCES INC.

Notes to Interim Condensed Financial Statements, Continued

Nine months ended September 30, 2020 and 2019

(Unaudited)

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

(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 December 17, 2018, Yorbeau entered into a definitive option agreement ("Option Agreement") with IAMGOLD Corporation ("IAMGOLD"), whereby IAMGOLD has an option to acquire a 100% interest in the Rouyn property in Québec, Canada.

The Option Agreement provides that, subject to certain conditions, IAMGOLD would make certain payments and incur exploration expenditures toward an option to purchase a 100% interest in the Rouyn property. In order to earn the purchase option, IAMGOLD required to:

- (i) Make an initial cash payment to Yorbeau of \$1 million on the effective date of Final Option Agreement (the "Effective Date");
- (ii) Fund and incur \$9 million of exploration expenditures in a period of up to forty-eight (48) months following the Effective Date (the "Expenditure Period"), including minimum exploration expenditures in each 12-month period of the Expenditure Period and at least 20,000 meters of diamond drilling within a twenty-four (24) month period following the later of the Effective Date or the date all requisite governmental approvals or consents for the drilling program is obtained;
- (iii) Make interim cash payments to Yorbeau during the Expenditure Period of an aggregate amount of \$3 million;
- (iv) Complete a resource estimate for the Rouyn property in accordance with IAMGOLD's standard estimation and reporting practices subject to detailed technical parameters agreed to be agreed between IAMGOLD and Yorbeau; and
- (v) Make a final cash payment to Yorbeau, in three instalments over up to a two-year period following the Expenditure Period, in an aggregate amount equal to the lesser of (a) an amount calculated by multiplying the total number of ounces of gold identified in the resource estimate by \$15.00 and (b) \$30 million.

In addition to the final cash payment, Yorbeau will be issued and granted by IAMGOLD, at the time of exercise of the option, a 2% net smelter return ("NSR") royalty on the minerals produced on the Rouyn property. IAMGOLD will be the operator and project manager of

YORBEAU RESOURCES INC.

Notes to Interim Condensed Financial Statements, Continued

Nine months ended September 30, 2020 and 2019

(Unaudited)

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

(a) Rouyn Property:

the Rouyn property during the option period. Yorbeau will be represented on a technical committee that will oversee the work program.

The Option Agreement is considered to be a depreciation agreement. As a result, the initial cash consideration of \$1 million received on the Effective Date was recognized as a reduction of the Rouyn exploration and evaluation assets.

The definitive Option Agreement stipulated that IAMGOLD will be liable to pay the royalty of \$50,000 per annum to Société Minière Alta Inc.

During the period, the Company acquired a piece of land for an amount of \$100,900. This acquisition was paid by IAMGOLD in exchange for a reduction, of the same amount, of their obligation to incur \$ 9 million exploration expenses in order to exercise their option.

(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 of 350,000 Class A common shares. 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 consideration of either a cash payment of \$500,000 or the issuance of 1,800,000 additional Class A common shares, 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.

In 2020, Yorbeau expanded its Beschefer property by acquiring 13 news claims located in the northwest part of the property. Yorbeau holds a 100% interest in these claims

(c) Gemini, Turgeon, Kistabiche, Bonfortel, Poirier and Allard:

The Gemini-Turgeon property results from the merging of two contiguous mining properties: the Gemini property and the Turgeon property. It is located 80 kilometers north of La Sarre in Abitibi region of Quebec, more specifically in the Laberge and Casa-Berardi townships.

- Yorbeau has a 50% interest in the Turgeon property, with the remaining 50% interest held by IAMGOLD. Certain claims of this property are subject to a 2% NSR royalty in favor of a third party.

YORBEAU RESOURCES INC.

Notes to Interim Condensed Financial Statements, Continued

Nine months ended September 30, 2020 and 2019

(Unaudited)

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

(c) Gemini, Turgeon, Kistabiche, Bonfortel, Poirier and Allard:

- Yorbeau has a 37.5% interest in the Gemini property with the remaining interest of 37.5% held by IAMGOLD and 25% held by a third party. Certain claims of this property are subject to a 2% NSR royalty in favor of another third party. IAMGOLD is currently the operator of the joint venture.

The Joutel- Explo Zinc property results from the merging of three mining properties: Kistabiche, Bonfortel and Poirier. It is located 135 kilometers north of Amos in the Abitibi region of Quebec, more specifically, in the Joutel and Poirier townships.

- Yorbeau owns a 100% interest in the Bonfortel and Poirier blocks. Certain claims of this property are subject to a 2% NSR royalty in favor of a third party.
- Yorbeau owns a 73.87% interest in Kistabiche and the remaining interest of 26.13% is held by a third party.

The Allard property is located 175 kilometers north of Amos in the Abitibi region of Quebec, more specifically in Desmazures township. Yorbeau owns a 70% interest in the property and the remaining interest of 30% is held by a third party.

(d) 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 consists of 105 claims, 100 of which claims are subject to a right of return 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 Yorbeau. 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.

(e) Scott Lake:

Yorbeau owns a 100% interest in the Scott Lake property, which is composed of three (3) claim blocks totalling 123 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

YORBEAU RESOURCES INC.

Notes to Interim Condensed Financial Statements, Continued

Nine months ended September 30, 2020 and 2019

(Unaudited)

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

(e) 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.

1948565 Ontario Inc. ("1948565") block: These claims may be subject to various underlying royalty agreements, payable upon commercial production, and a one-time cash payment is due upon commercial production to 1948565, as follows: (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.

An advance amount of \$35,000 is payable annually to 1948565 until commercial production is achieved. These advances are recoverable from payments payable to 1948565 described in the subparagraph above and are recorded in the statements of comprehensive income or loss under *Mining property management fees*.

(f) Lemoine:

In July 2015, the 199 staked claims which formed the Lemoine property were converted into an aggregate of 102 map designated claims. The property is located in the Lemoine, Rinfret and Dollier townships in Quebec. Yorbeau has a 79.30% interest in the Lemoine property, with the remaining of 20.70% interest held by First Quantum. Some claims of this property are subject to a 2% NSR royalty and to a \$1,000,000 payment upon commercial production. Other claims on this property are subject to a 1% NSR royalty, half of which can be purchased for \$1,000,000.

(g) Estrades-Caribou:

The Estrades-Caribou property consists of three contiguous claim blocks totalling 118 claims located in the Estrées township in Quebec. Yorbeau owns varying interests in these claims, as follows:

Estrades block (7 claims): 67.20% interest owned by Yorbeau, with the residual interest owned by First Quantum.

Caribou East block (38 claims): 67.20% interest owned by Yorbeau, with the residual interest owned by First Quantum.

West Caribou block (73 claims): 100% interest owned by Yorbeau.

YORBEAU RESOURCES INC.

Notes to Interim Condensed Financial Statements, Continued

Nine months ended September 30, 2020 and 2019

(Unaudited)

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

(g) Estrades-Caribou (continued):

A total of 111 claims on the Caribou East and Caribou West blocks are subject to a 2.5% NSR royalty.

(h) 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. In addition, 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.

(i) KB:

In December 2017, Yorbeau acquired the KB property located in McCorkill township, 35 kilometres east of the town of Chibougamau. The property (locally known also as "Kill Bill") is comprised of 30 claims covering 16.7 square kilometres located in the eastern limit of the Abitibi belt of Quebec.

8. Accounts payable and accrued liabilities:

	September 30 2020	December 31 2019
Accounts payable	\$ 125,013	\$ 99,566
Accrued liabilities	72,903	85,686
Accounts payable and accrued liabilities	\$ 197,916	\$ 185,252

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 takes into account factors such as changes in legislation and regulations and requirements under existing permits

The Company anticipates total restoration costs in relation to the aforementioned regulations of \$255,000 and \$48,000, respectively. These amounts represent what is anticipated in the most recent mine site closure plan approved by the government authorities in 2016. Any future adjustments to this provision due to changes in laws, regulations and operating assumptions will be added to the cost of the underlying asset and could be significant.

YORBEAU RESOURCES INC.

Notes to Interim Condensed Financial Statements, Continued

Nine months ended September 30, 2020 and 2019

(Unaudited)

10. Share capital:

Authorized:

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

Changes in shares during the period as follows:

	September 30 2020		December 31 2019	
	Number of shares	\$	Number of shares	\$
Balance, beginning of year	340,609,013	54,686,801	326,549,013	54,265,001
Shares issued:				
Option exercise	550,000	18,250		
Private placement- flow-through	-	-	14,060,000	703,000
Liability related to flow-through	-	-	-	(281,200)
Balance, end of period	341,159,013	54,705,051	340,609,013	54,686,801

Flow-through shares issuance:

On December 21, 2019, the Company completed a private placement. The Company issued a total of 14,060,000 flow-through shares at a price of \$0.05 per share for gross proceeds of \$703,000. At closing, the Company paid a \$21,000 finder's fee.

The carrying amount of the flow-through shares is presented net of the liability related to flow-through shares of \$281,200, which was recognised at the time of issuance.

11. Share option plan:

As at September 30, 2020, 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 February 15, 2019 and March 12, 2019, the Company granted 1,500,000 share options to employees and directors exercisable at \$0.025 and \$0.030 per share, respectively.

On June 16, 2020 and July 13, 2020, the Company granted 6,800,000 share options to employees and directors exercisable at \$0.06 and \$0.055 per share, respectively.

YORBEAU RESOURCES INC.

Notes to Interim Condensed Financial Statements, Continued

Nine months ended September 30, 2020 and 2019

(Unaudited)

11. Share option plan (continued):

Share options expire after a period of five years. The fair value of each option granted was determined using the Black-Scholes option pricing model. At the date of grant, the weighted average fair value of the options granted was \$0.051 per option for a total value of \$301,519.

The fair value measurement assumptions used at the share option plan grant date were as follows:

Risk-free interest rate	1.63% - 1.80%
Expected life	5 years
Expected volatility	126% - 130%
Share price on grant date	\$0.025 to \$0.03

Change in the number of options outstanding under the Company's plan during the period were as follows:

	September 30, 2020		September 30, 2019	
	Number of shares options	Average weighted exercise price	Number of options	Average weighted exercise price
Balance, beginning of year	8,525,000	\$ 0.09	7,025,000	\$ 0.09
Granted	6,800,000	0.55	1,500,000	0.027
Expired	(3,775,000)		--	
Balance, end of period	11,550,000	0.048	8,525,000	0.079
Option exercisable end of period	4,250,000	\$ 0.039	7,025,000	\$ 0.09

As at June 30, 2020, the following options were outstanding:

- 300,000 options at \$0.10 per share until June 27, 2021;
- 2,525,000 options at \$0.035 per share until June 14, 2023
- 925,000 options at \$0.04 per share until July 12, 2023
- 500,000 options at \$0.03 per share until February 14, 2024
- 500,000 options at \$0.025 per share until March 11, 2024
- 1,000,000 options at \$0.06 per share until June 17, 2025.
- 5,800,000 options at \$0.055 per share until July 13, 2025.

YORBEAU RESOURCES INC.

Notes to Interim Condensed Financial Statements, Continued

Nine months ended September 30, 2020 and 2019

(Unaudited)

12. Commitments and contingencies:

In 2019, the Company committed to carry out \$703,000 in eligible exploration and evaluation work prior to December 31, 2021, related to the flow-through financing completed in 2019.

As at September 30, 2020, the Company incurred expenditures of \$433,448 in respect of this financing and therefore retains a commitment of \$269,552.

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.

13. Administrative expenses:

	For nine months ended September 30	
	2020	2019
Salaries	\$ 262,586	\$ 174,975
Fees	265,064	155,720
Investor relations	78,558	146,524
Taxes, licenses and other	22,771	65,699
Rent	19,098	53,402
Insurance	11,230	8,852
Depreciation of right-of-use	13,038	-
Miscellaneous	87,652	104,992
Total	\$ 759,997	\$ 710,164

YORBEAU RESOURCES INC.

Notes to Interim Condensed Financial Statements, Continued

Nine months ended September 30, 2020 and 2019

(Unaudited)

14. Chibougamau building expenses:

	For nine months ended September 30	
	2020	2019
Depreciation	\$ 8,217	\$ 8,217
Heating	3,959	5,612
Taxes, licences and fees	5,882	6,621
Property maintenance	12,142	268
Insurance	990	941
Miscellaneous	1,632	1,785
Total	\$ 32,822	\$ 23,444

15. Related party transactions:

Transactions with key management personnel

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

	September 30 2020	September 30 2019
Short-term employee benefits	\$ 213,728	\$ 113,788
Share-based payments	68,497	34,833
Total	\$ 282,225	\$ 146,621

In connection with the private placement that closed on December 31, 2019, three insiders of the Company purchased a total of 1,260,000 common shares for total proceeds of \$63,000. The terms and conditions offered to the related parties in this transaction are identical to those offered to non-related common shareholders.

Other related party transactions:

A property in the statement of financial position is encumbered with a royalty of \$50,000 per annum (2019 – \$50,000) payable to Société Minière Alta Inc., a corporation controlled by a director of Yorbeau (note 7 (a)).

These transactions were made in the normal course of business and measured at the exchange amount, which is the amount established and agreed to by the parties.

YORBEAU RESOURCES INC.

Notes to Interim Condensed Financial Statements, Continued

Nine months ended September 30, 2020 and 2019

(Unaudited)

16. Company's right-of-use assets and lease liabilities:

The following table shows the change in the Company's right-of-use during the period:

	September 2020	September 2019
Company's right-of use assets as at January 1 st 2019	\$	\$
Balance, beginning of year	33,419	--
Additions	10,163	--
Depreciation expense with respect to right-of-use assets	(13,038)	--
Company's right-of-use assets as at end of period	\$ 30,544	\$ --

The following table shows the change in lease liabilities of the Company's during the period:

Lease liabilities of the Company as at January 1 st , 2019		
Balance, beginning of year	\$ 28,729	\$ --
Additions	15,325	--
Lease liability payments, including related interest	(14,915)	--
Interest expense with respect to lease liabilities	2,600	--
Company's lease liabilities, end of period	\$ 31,739	\$ --
Current portion	18,150	--
Non-current portion	13,589	--

For any leases incurred during the year, the Company discounted future rent payments using its marginal borrowing rate. The weighted average rate applied was 10%.

17. Comparative figures:

Following a new presentation of income and expenses for the year ended December 31, 2019, the presentation of income and expenses related to the option agreement with IAMGOLD at the gross amount starting from March 30, 2020. It was determined that the Company was acting as principal and not as agent. This reclassification had no impact on net loss and comprehensive income.