

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

**Management's Discussion and Analysis**  
**for the year ended December 31, 2020**

*The following Management's Discussion and Analysis (“MD&A”) was prepared as at March 30, 2021 and should be read in conjunction with the audited annual financial statements of the Company for the year ended December 31, 2020 and the accompanying notes. The Company's audited annual financial statements for the year ended December 31, 2020 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

The Company has implemented, in collaboration with its partner IAMGOLD Corporation (“IAMGOLD”), rigorous safety protocols in order to prevent the spread of Covid-19 in line with recommendations from the National Institute of Public Health of Québec (“INSPQ”) and the Commission des normes, de l'équité, de la santé et de la sécurité du travail (“CNESST”).

In December 2020, the Company completed a private placement and issued a total of 23 076 923 flow-through shares at a price of \$0.065 for gross proceeds of \$1,500,000.

In December 2020, to maintain its option to purchase a 100% interest in the Rouyn property, IAMGOLD made a cash payment to Yorbeau in the amount of \$500,000 corresponding to a part of the total \$4,000,000 under the agreement and with \$1,500,000 remaining payments to be made to Yorbeau.

On the Rouyn project, IAMGOLD has published assay results from eleven (11) diamond drill holes, totaling 5,950 metres drilled on the Astoria area. These are highlights:

Astoria Area – Upper Piché Zone:

- Drill hole AS-20-773A: 2.0 metres grading 13.2 g/t Au
- Drill hole AS-20-775: 2.8 metres grading 7.5 g/t Au  
includes: 0.8 metres grading 15.0 g/t Au
- Drill hole AS-20-775W: 7.6 metres grading 9.7 g/t Au  
includes: 2.0 metres grading 29.3 g/t Au

Astoria Area – Lower Piché Zone:

- Drill hole AS-17-669W: 2.0 metres grading 7.6 g/t Au
- Drill hole AS-20-772: 11.1 metres grading 3.7 g/t Au  
includes: 1.0 metres grading 23.5 g/t Au

Astoria Area – Main Zone:

- Drill hole AS-20-772: 6.1 metres grading 3.4 g/t Au  
includes: 3.0 metres grading 6.2 g/t Au
- Drill hole AS-20-776: 14.0 metres grading 3.4 g/t Au  
includes: 7.0 metres grading 5.6 g/t Au

At the Lemoine project, three holes (Lem-66, Lem-66W2 et Lem-66W3) for a total of 2,998 metres have been completed to follow-up the deepest hole drilled from underground in this sector, hole 12L-27 (drilled in 1980) which returned a high-grade massive sulphide intersection of 43 cm grading 4.3% Cu, 6.3% Zn and 1.1 g/t Au. Hole LEM-66 intercepted a gabbro dyke where the stratigraphic Lemoine horizon was interpreted.

The follow-up drill hole (LEM-66W2) hit the modelled geophysical conductor located along the Lemoine horizon. In the conductor area, hole LEM-66W2 intercepted a bedded cherty felsic tuff of 0,7 metres containing 3% of pyrrhotite and 1% of chalcopyrite and sphalerite. The result is 0,1 % Cu and 0,2% Zn over 0,7 meters. At first sight, the quantity and the texture of the mineralization observed in hole LEM-66W2 did not explain the geophysical conductor.

Hole LEM-66W3 intersected 0.6 metres of semi-massive pyrite and pyrrhotite with some traces of sphalerite and chalcopyrite along the Lemoine horizon. This quantity and texture of sulfides, especially pyrrhotite, explain the strong conductor previously modelled (target #1). Assay results will be reported when received, validated and compiled.

On the KB project, since the results of the last drilling program did not meet the Company's expectations, Yorbeau decided to return the property to Tectonic Resources Inc. and focus its efforts on Yorbeau's other properties.

The Company is continuing its evaluation 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 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 through the additional issue of share capital and financing by a 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.

#### Results of activities

##### *Administration*

During the year ended December 31, 2020, the Company achieved net loss of \$1,597,765 compared to a net loss of \$514,912 the previous year. This represents a net loss of \$0.01 per share. Revenues for the year totaled \$850,736 (excluding non-cash income related to flow-through shares) compared to \$807,119 for the year ended December 31, 2019. Revenues consist of: (i) \$817,736 representing the fees billed to IAMGOLD; (ii) \$33,000 representing the lease costs of \$6,600 invoiced to 1948565 Ontario Inc. for the storage of cores on the Yorbeau property and the \$26,400 fee charged to IAMGOLD for the rental of the Yorbeau Core Library located in Chibougamau. Expenses for the year totaled \$2,554,945 (excluding non-cash items of share-based payments) compared to \$1,836,524 at the year ended December 31, 2019. The administrative expenses for the year, the details of which are shown in the table below, increased by \$102,014 compared to the previous year.

	<u>2020</u>	<u>2019</u>
Salaries	\$ 323,051	\$ 246,243
Professional fees	326,158	217,164
Investor Relations	122,874	214,746
Taxes, permits, and other	33,892	91,721
Rent	15,265	57,345
Insurance	14,408	11,884
Amortization of the assets under the right-of-use	25,207	4,520
Miscellaneous	218,552	133,770
<b>Total</b>	<b>\$ 1,079,407</b>	<b>\$ 977,393</b>

#### *Mining properties and exploration and evaluation assets*

During the year, the Company incurred a total of \$928,895 in exploration expenditures (compared to \$905,532 in the previous year), which were incurred primarily on the Lemoine and KB properties. Significant items in exploration expenditures are drilling costs of \$575,258 and salaries and consulting costs for geologists and technicians totaling \$224,563.

The Company's exploration and evaluation assets decreased to \$21,948,319 as at December 31, 2020 (compared to \$22,665,671 as at December 31, 2019), of which the amount of \$14,075,051 represents the carrying amount of the Rouyn property. Exploration expenditures of \$928,895 were incurred during the year, offset by impairment of \$646,247 recognized on the KB property and \$1,000,000 payment received from IAMGOLG under the Rouyn property option agreement.

#### **Selected annual information**

The following table presents selected yearly financial information for each of the three most recent fiscal years:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenue	\$ 850,736	\$ 807,119	\$ 56,024
Other income related to flow-through shares	\$ 294,078	\$ 571,773	\$ 222,345
Total income	\$ 1,144,814	\$ 1,378,892	\$ 278,369
(Net loss) profit and comprehensive income	\$ (1,597,765)	\$ (514,912)	\$ (1,004,277)
(Net loss) profit per share, basic and diluted	\$ (0.01)	\$ (0.01)	\$ (0.01)
Total assets	\$ 27,928,407	\$ 27,921,658	\$ 28,211,305
Non-current liabilities	\$ 355,279	\$ 289,485	\$ 279,000

#### **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>
December 31, 2020	\$ 1,144,814	\$ (1,597,765)	\$ (0,01)
September 30, 2020	\$ 799,017	\$ (699,393)	\$ (0,01)
June 30, 2020	\$ 537,677	\$ (457,871)	\$ (0,01)
March 31, 2020	\$ 307,772	\$ (286,372)	\$ (0,01)
December 31, 2019	\$ 1,378,892	\$ (514,912)	\$ (0,01)
September 30, 2019	\$ 1,059,960	\$ (300,617)	\$ (0,01)
June 30, 2019	\$ 814,985	\$ (176,549)	\$ (0,01)
March 31, 2019	\$ 551,097	\$ 113,195	\$ 0.01

## Liquidity

The Company finances its activities primarily through the sale of its shares. The Company also considers other financing alternatives, such as financing by a joint venture and/or the sale of royalties.

During the year, the Company completed a private placement, as described under "General", pursuant to which it issued 23,076,923 flow-through shares at a price of \$0.065 per share for gross proceeds of \$1,500,000.

## Capital Resources

The Company was committed to carry out eligible exploration and evaluation work for an amount of \$703,000 before December 31, 2020 in relation to the flow-through financing completed in 2019. As at December 31, 2020 the Company incurred all such eligible expenditures.

The Company also committed to carry out eligible exploration and evaluation work for an amount of \$1,500,000 before December 31, 2022 in relation to the flow-through financing completed in 2020. As at December 31, 2020 the Company incurred \$186,565 of eligible expenditures.

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:

- Assessment of the provision for site restoration costs;
- Recoverability of income 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.

## 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, 2020. 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 hire 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 year ended in December 31, 2020 nor during the fourth quarter of fiscal 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 in-trust deposits, are categorized and valued at amortized cost. All of the Company's financial liabilities, including accounts payables, and

loan, are also categorized and measured at amortized cost. Financial assets are not reclassified after their initial recognition unless the Company identifies changes in its business model in managing 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 Class A common shares of which 364,235,936 were issued and outstanding as of December 31, 2020. At that date, the Company also had outstanding options to purchase a total of 12,550,000 shares at prices ranging from \$0.025 to \$0.10 per share.

#### Additional information

Additional information regarding the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).