

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

Management's Discussion and Analysis
for the year ended December 31, 2021

The following Management's Discussion and Analysis (“MD&A”) was prepared as at March 30, 2022 and should be read in conjunction with the audited annual financial statements of the Company for the year ended December 31, 2021 and the accompanying notes. The Company's audited annual financial statements for the year ended December 31, 2021 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 2021, to maintain its option to purchase a 100% interest in the Rouyn property, IAMGOLD made a cash payment to Yorbeau in the amount of \$750,000, part of the total \$4,000,000 to be received under the agreement and with a payment of \$750,000 remaining to be made to Yorbeau.

This year's drilling program was completed at mid-December with a total of 10,414 metres drilled on the Cinderella-Augmitto sector, for 27 holes completed including 2 abandoned holes. The entire 2021 program totalled 11,519 metres including the Lac Gamble exploration program. Geotechnical holes are excluded from this total (an additional 720.5 metres).

The Company is continuing its valuation of the other properties in order to optimize its future exploration activities. In addition, Yorbeau is in discussions with potential partners who could join our exploration projects.

In December 2021, the Company completed a private placement and issued a total of 26,666,680 Class A common shares composed of (i) 13,333,340 “flow-through” Class A common shares at a price of \$0.05 per share and (ii) 13,333,340 Class A common shares at a price of \$0.04 per share for aggregate gross proceeds of \$1,200,000. The Company will use the proceeds raised from the issuance of the flow-through Class A common shares to incur Canadian exploration expenses on its properties and the proceeds raised from the additional issuance of the Class A common shares for general corporate purposes.

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, 2021, the Company incurred a net loss of \$968,605 compared to a net loss of \$1,578,221¹ the previous year. This represents a net loss of \$0.01 per share. Revenues for the year totaled \$897,852 (including non-cash income related to flow-through shares of \$42,337) compared to \$1,131,797 (including non-cash income related to flow-through shares of \$281,061 for the year ended December 31, 2020. Revenues other than from flow-through shares consisted of: (i) \$820,893 representing the fees billed to IAMGOLD; (ii) \$34,622 representing the lease costs of \$3,622 invoiced to 1948565 Ontario Inc. for the storage of cores on the Yorbeau property and the \$31,000 fee charged to IAMGOLD for the rental of the Yorbeau Core Library located in Chibougamau.

Expenses for the year totaled \$1,834,447 (including non-cash items of share-based payments of \$237,110) compared to \$2,694,984¹ (including non-cash items of share-based payments of \$172,600) for the year ended December 31, 2020. The administrative expenses for the year other than share-based payments, the details of which are shown in the table below, decreased by \$301,806 compared to the previous year, principally due to lower salaries, fees, investor relation and miscellaneous expenses.

	<u>2021</u>	<u>2020</u>
Salaries	\$ 226,850	\$ 323,051
Fees	269,634	326,158
Investor relations	58,573	122,874
Taxes, licences and other	(5,042)	33,892
Rent	26,863	15,265
Insurance	17,804	14,408
Depreciation of right-of-use asset	16,929	25,207
Miscellaneous	136,983	189,545 ¹
Total	\$ 748,594	\$ 1,050,400¹

Mining properties and exploration and evaluation assets

During the year, the Company incurred a total of \$561,627 in exploration expenditures compared to \$999,192¹ in the previous year.

The Company's exploration and evaluation assets decreased to \$21,919,686 as at December 31, 2021 (compared to \$22,108,059¹ as at December 31, 2020), of which the amount of \$13,379,397 represents the carrying amount of the Rouyn property. Exploration expenditures of \$561,627 were incurred during the year, offset by \$750,000 payment received from IAMGOLG under the Rouyn property option agreement. The lower expenditures in 2021 were principally due to lower investments in the Lemoine property compared to 2020. In addition, the Company invested \$220,814 in the KB property in 2020 before it was abandoned. Accordingly, there was no activity for this property in 2021.

A detail of the Company's exploration and evaluation assets by property, as well as a rollforward of the activity for the years ended December 31, 2021 and 2020, is presented in note 8 to the annual financial statements. Additional information on achieved milestones for these properties and whether these milestones are based on a technical report filed under NI 43-101 is presented in the Annual Information Form dated March 31, 2022.

¹ Adjusted for the correction of immaterial prior year errors. Refer to note 22 of the financial statements.

Selected annual information

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total revenues	\$ 897,852	\$ 1,131,797 ¹	\$ 1,378,892
Net loss and comprehensive loss	\$ (968,605)	\$ (1,578,221) ¹	\$ (514,912)
Net loss per share, basic and diluted	\$ (0.01)	\$ (0.01)	\$ (0.01)
Total assets	\$ 28,313,437	\$ 28,088,147 ¹	\$ 27,921,658
Non-current liabilities	\$ 416,784	\$ 355,279	\$ 289,485

Summary of quarterly results

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

<u>Quarter ended</u>	<u>Revenues</u>	<u>Net earnings (Net loss)</u>	<u>Net earnings (net loss) per share basic and diluted</u>
December 31, 2021	\$ 264,336	\$ (173,421)	\$ (0,01)
September 30, 2021	\$ 237,792	\$ (265,343)	\$ (0,01)
June 30, 2021	\$ 196,939	\$ (318,836)	\$ (0,01)
March 31, 2021	\$ 198,775	\$ (211,005)	\$ (0,01)
December 31, 2020	\$ 332,779	\$ (878,829)	\$ (0,01)
September 30, 2020	\$ 261,341	\$ (241,522)	\$ (0,01)
June 30, 2020	\$ 229,905	\$ (171,498)	\$ (0,01)
March 31, 2020	\$ 307,772	\$ (286,372)	\$ (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 26,666,680 Class A shares for gross proceeds of \$1,200,000. Additional information on the Company's liquidity is included in note 1 and 18 to the annual financial statements.

Capital Resources

The Company also committed to carry out eligible exploration and evaluation work for an amount of \$2,166,667 before December 31, 2022 in relation to the flow-through financing completed in 2020, and 2021. As at December 31, 2021 the Company incurred \$899,086 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.

¹ Adjusted for the correction of immaterial prior year errors. Refer to note 22 of the financial statements.

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.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in these financial statements is included in note 1 to the annual financial statements with respect to the Company's ability to continue as a going concern, and note 4(c), Impairment - *Non-financial assets*, on indicators of impairment of exploration and evaluation assets.

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. There were no changes to the Company's accounting policies in 2021.

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, 2021. 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 indicators of 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 indicators of 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, 2021 nor during the fourth quarter of fiscal 2021, 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 Laurent Hallé, B.Sc.Geol.

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. Other transactions with key management personnel are disclosed in note 20 to the annual financial statements.

Off-balance sheet arrangements

Significant off balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company are disclosed in note 8 to the annual financial statements.

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, other receivables and in-trust deposits, are categorized and valued at amortized cost. All of the Company's financial liabilities, including trade and other 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. Additional information of financial instruments and financial risk management is presented in note 18 to the annual financial statements.

Information on current shares

The authorized capital of the Company consists of an unlimited number of Class A common shares of which 390,902,616 were issued and outstanding as of December 31, 2021. At that date, the Company also had outstanding options to purchase a total of 13,050,000 shares at prices ranging from \$0.025 to \$0.065 per share.

Additional information

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