

YORBEAU RESOURCES INC.

**Condensed Interim Financial Statements
(Unaudited and not reviewed)
For the three-month periods ended
March 31, 2023 and 2022**

Yorbeau Resources Inc.
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YORBEAU RESOURCES INC.

Condensed Interim Statements of Financial Position (Unaudited)

	March 31, 2023	December 31, 2022
	\$	\$
Assets		
Current assets:		
Cash and cash equivalents	124,100	376,012
Investment (note 8(e))	52,500	52,500
Tax credits and other receivables (note 5)	36,428	128,794
Prepaid expenses	107,070	116,763
	320,098	674,069
Non-current assets:		
In-trust deposits (note 6)	339,000	339,000
Right-of-use assets (note 18)	11,816	16,303
Chibougamau building (note 7)	184,822	187,561
Mining properties (note 8)	3,615,669	3,615,669
Exploration and evaluation assets (note 8)	21,895,928	21,765,106
	26,047,235	25,923,639
	26,367,333	26,597,708
Liabilities and Shareholders' Equity		
Current liabilities:		
Trade and other payables (note 9)	105,205	160,682
Lease liabilities (note 18)	13,073	17,242
Deferred revenue	31,368	26,138
Liability related to flow through shares (notes 12 and 14)	36,880	49,504
	186,526	253,566
Non-current liabilities:		
Provisions (note 10)	339,000	339,000
Lease liabilities (note 18)	--	542
Loan (note 11)	60,000	60,000
	399,000	399,542
Total liabilities	585,526	653,108
Shareholders' equity:		
Share capital (note 12)	58,106,334	58,106,334
Contributed surplus	3,432,323	3,430,202
Deficit	(35,756,850)	(35,591,936)
	25,781,807	25,944,600
Reporting entity and going concern (note 1)		
Commitments and contingencies (note 14)		
	26,367,333	26,597,708

See accompanying notes to condensed interim financial statements.

_____, Director

_____, Director

YORBEAU RESOURCES INC.

Condensed Interim Statements of Loss and Comprehensive Loss (Unaudited)

	For three months ended	
	March 31, 2023	March 31, 2022
Revenues		
Contract revenue (note 8(a))	\$ 147	\$ 167,782
Rental of facilities	9,550	8,128
Other revenue related to flow-through shares (notes 12 & 14)	12,624	8,968
	22,321	184,878
Expenses:		
Cost of sales	--	148,004
Administrative expenses (note 15)	145,669	229,957
Share-based payments	2,121	26,481
Mining property management fees	28,180	8,830
Chibougamau building expenses (note 16)	8,321	9,183
	184,291	422,455
Loss and comprehensive loss	(161,970)	(237,577)
Interest expenses	2,944	1,201
Loss and comprehensive loss for the period	(164,914)	(238,778)
Net loss per share, basic and diluted	\$ (0,01)	\$ (0,01)
Weighted average number of shares outstanding	416,402,616	390,902,616

See accompanying notes to condensed interim financial statements.

YORBEAU RESOURCES INC.

Condensed Interim Statements of Changes in Cash Flows (Unaudited)

	For three months ended	
	March 31, 2023	March 31, 2022
Cash provided by (used in):		
Operating:		
Net loss	\$ (164,914)	\$ (238,778)
Items not involving cash:		
Other revenue related to flow-through shares	(12,624)	(8,968)
Share-based payments	2,121	26,481
Amortization expense (notes 15 and 16)	7,226	7,226
Sales of claims (note 8(e))	--	75,000
Investment (note 8(e))	--	(75,000)
Net interest expense	2,944	1,201
Net change in non-cash operating working capital items		
Change in tax credits and other receivables	(92,366)	(20,633)
Change in prepaid expenses	(9,693)	(78,160)
Change in accounts payable and accrued liabilities	(55,477)	12,131
Change in deferred revenue	5,230	66,640
Net interest paid	(2,581)	(392)
	(116,016)	(233,252)
Investing:		
Additions to exploration and evaluation assets	(130,822)	(111,524)
	(130,822)	(111,524)
Financing:		
Proceed from issuance of shares		12,500
Lease payments	(5,074)	(5,074)
	(5,074)	7,426
Net change in cash and cash equivalents	(251,912)	(337,350)
Cash and cash equivalents, beginning of year	376,012	1,886,476
Cash and cash equivalents, end of period	124,100	1,549,126

See accompanying notes to condensed interim financial statements.

YORBEAU RESOURCES INC.

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

	For three months ended	
	March 31, 2023	March 31, 2022
Transactions with shareholders, recorded directly in equity:		
Share capital and warrants:		
Balance, beginning of year	\$ 58,106,334	\$ 57,156,334
Issue of flow-through shares (note 12)	--	12,500
Balance, end of period	58,106,334	57,168,834
Contributed surplus:		
Balance, beginning of year	3,430,202	3,386,476
Share-based payments under the option plan (note 13)	2,121	26,481
Balance, end of period	3,432,323	3,412,957
Deficit:		
Balance, beginning of year	(35,591,936)	(33,088,126)
Net loss and comprehensive loss for the period	(164,914)	(238,778)
Balance, end of period	(35,756,850)	(33,326,904)
Total shareholders' equity, end of period	\$ 25,781,807	\$ 27,254,887

See accompanying notes to condensed interim financial statements.

YORBEAU RESOURCES INC.

Notes to Condensed Interim Financial Statements,
Three months ended March 31, 2023 and 2022
(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 50 West Crémazie Boulevard, Suite 403, Montréal, Québec H2P 2T1.

The Company is involved in the exploration of mineral properties in the Province of Québec. The Company has taken steps to verify the 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 condensed interim 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 exploration stage with 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. Management expects that the working capital available to the Company at the end of the year 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 12 months, and to complete its planned 2023 calendar year exploration budget. Consequently, the Company will need to obtain additional financing in 2023. The Company currently has no committed sources of financing available. The Company has relied upon external financing to fund its operations in the past, primarily through the issuance of equity and amounts received from mining property option agreements.

The ability of the Company to meet its commitments and discharge its liabilities as they become due and pursue the acquisition of mineral properties and the development of projects is dependent on its ability to develop its mining properties and achieve commercial production and on its ability to raise additional funding to finance its operations. There can be no assurance that the Company will be able to obtain financing in the future, and there can be no assurance that such financing sources or initiatives will be available to the Company or that they will be available on terms acceptable to the Company. Further, 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.

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 condensed interim financial statements do not reflect the adjustments to the carrying amounts of assets and

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Notes to Condensed Interim Financial Statements,
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1. Reporting entity and going concern (continued):

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.

2. Statement of compliance:

These condensed interim financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), including IAS 34, *Interim Financial Reporting*, and in accordance with the accounting policies used by the Company in its most recent audited annual financial statements.

These unaudited condensed interim 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, 2022.

3. Basis of preparation:

(a) Basis of measurement:

The unaudited condensed interim financial statements have been prepared on the historical cost basis except for

- Share-based compensation transactions, which are measured at fair value at grant date pursuant to IFRS 2, *Share-Based Payment*.
- Lease liabilities, which are measured at the present value of minimum lease payments at the commencement date pursuant to IFRS 16, *Leases*; and
- The liability for flow-through shares which is recorded at fair value at the date of the financing announcement.

(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 condensed interim 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.

YORBEAU RESOURCES INC.

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3. Basis of preparation (continued):

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:

- Note 10 - Estimation of the provision for site restoration costs;
- Note 12 - 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.

4. Significant accounting policies:

These unaudited condensed interim financial statements have been prepared using the same accounting policies used in the audited financial statements as of December 31, 2022.

5. Tax credits and other receivables:

	March 31, 2023	December 31, 2022
Sales taxes	\$ 30,349	\$ 116,262
Other	6,079	12,532
	<u>\$ 36,428</u>	<u>\$ 128,794</u>

6. In-trust deposits:

At as March 31, 2023, the Company had an in-trust deposit of \$ 339 000 (2022 - \$339,000) 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 costs of the Augmitto and Astoria sites on the Rouyn property. Additional guarantees may be required from the government (see note 10).

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Notes to Condensed Interim Financial Statements,
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7. Chibougamau Building:

	March 31, 2023	December 31, 2022
Cost		
Balance, beginning of year	\$ 273,890	\$ 273,890
Balance, end of period	\$ 273,890	\$ 273,890
Accumulated depreciation		
Balance, beginning of year	\$ 86,329	\$ 75,375
Depreciation	2,739	10,954
Balance, end of period	\$ 89,068	\$ 86,329
Carrying amount		
Balance, end of period	\$ 184,822	\$ 187,561

8. Mining properties and exploration and evaluation assets:

Mining properties:

	December 31, 2022	Additions	March 31 2023
Rouyn	\$ 2,570,940	\$ --	\$ 2,570,940
Scott Lake	774,235	--	774,235
Lemoine	270,492	--	270,492
Selbaie West	1	--	1
Estrades-Caribou	1	--	1
	\$ 3,615,669	\$ --	\$ 3,615,669
	December 31, 2021	Impairment (note 8(i))	December 31, 2022
Rouyn	\$ 2,534,940	\$ --	\$ 2,570,940
Scott Lake	774,235	--	774,235
Lemoine	270,492	--	270,492
Selbaie West	63,369	(63,368)	1
Estrades-Caribou	167,672	(167,671)	1
	\$ 3,846,708	\$ (231,039)	\$ 3,615,669

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

Exploration and evaluations assets:

	December 31, 2022	Additions	March 31, 2023
Rouyn ^(a)	\$ 13,386,690	\$ 90,696	\$13,477,386
Beschefer ^(b)	1,097,992	172	1,098,164
Kistabiche ^(c)	206,809	(3,139)	203,670
Scott Lake ^(e)	5,977,029	39,235	6,016,264
Lemoine ^(f)	994,560	558	995,118
Selbaie West ^(d)	1	--	1
Estrades-Caribou ^(g)	1	--	1
Gemini ^(c)	2,505	--	2,505
Turgeon ^(c)	387	--	387
Allard ^(c)	3,157	--	3,157
Landrienne ^(h)	95,975	3,300	99,275
	\$21,765,106	130,822	\$21,895,927

	December 31, 2021	Additions	Impairment (note (8i))	December 31, 2022
Rouyn ^{a)}	\$ 13,379,397	\$ 7,293	\$ --	\$ 13,386,690
Beschefer ^{b)}	959,121	138,871	--	1,097,992
Kistabiche ^{c)}	203,714	3,095	--	206,809
Scott Lake ^{e)}	4,804,842	1,172,187	--	5,977,029
Lemoine ^{f)}	992,700	1,860	--	994,560
Selbaie Ouest ^{d)}	332,639	1,082	(333,720)	1
Estrades-Caribou ^{g)}	1,238,056	1,645	(1,239,700)	1
Gemini ^{c)}	2,505	--	--	2,505
Turgeon ^{c)}	387	--	--	387
Allard ^{c)}	1,859	1,298	--	3,157
Landrienne ^{h)}	4,466	91,509	--	95,975
	\$ 21,919,686	\$ 1,418,840	\$ (1,573,420)	\$ 21,765,106

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Notes to Condensed Interim Financial Statements,
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8. Mining properties and exploration and evaluation assets (continued):

Exploration and evaluations assets (continued):

a) Rouyn Property:

Yorbeau owns a 100% interest in the Rouyn property which is located in the Rouyn and Beauchastel townships in Québec. The Rouyn property is composed of one mining concession and a group of 95 mining claims. Twelve of the 95 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 (the "Effective Date"), 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 is required to:

- (i) Make an initial cash payment to Yorbeau of \$1 million on the effective date of the Final Option Agreement;
- (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 are 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 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% NSR royalty on the minerals produced on the Rouyn

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Notes to Condensed Interim Financial Statements,
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(Unaudited)

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

Exploration and evaluations assets (continued):

a) Rouyn Property (continued):

property. IAMGOLD will be the operator and project manager of the Rouyn property during the option period. Yorbeau will be represented on a technical committee that will oversee the work program.

The agreement also stipulates that IAMGOLD may engage Yorbeau to perform exploration work on the Rouyn property in exchange for reimbursement of Yorbeau's costs plus 10% administration fee. During the period ended March 31, 2022, Yorbeau recognized \$167,782 (2021 - \$168,087) as contract revenue under this arrangement in the statement of loss and comprehensive loss.

The Option Agreement is considered a farm-out agreement. As a result, the initial cash consideration of \$1 million and interim cash payments have been recognized as a reduction of the Rouyn exploration and evaluation assets.

On December 18, 2022, the Company announced that IAMGOLD Corporation terminated its option to purchase a 100% interest in Yorbeau's Rouyn property under the definitive option agreement between Yorbeau and IAMGOLD dated December 14, 2018

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 acquired 13 additional claims in 2020, which brings the total to 128. Yorbeau owns a 100% interest in 63 of these claims and an 80% interest in the remaining 65 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. The property consists of 350 claims.

YORBEAU RESOURCES INC.

Notes to Condensed Interim Financial Statements,
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8. Mining properties and exploration and evaluation assets (continued):

Exploration and evaluations assets (continued):

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

- 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 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 with the remaining 26.13% interest 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 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 be entitled 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:

YORBEAU RESOURCES INC.

Notes to Condensed Interim Financial Statements,
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8. Mining properties and exploration and evaluation assets (continued):

Exploration and evaluations assets (continued):

e) Scott Lake (continued):

- Ouje block: These 5 claims were assigned to Tomagold Inc. in return for 1,500,000 shares of Tomagold Inc. worth \$75,000 at the date of the transaction, plus a 2% NSR royalty of which 1% is redeemable for \$1 million. These shares are classified as financial assets at FVTPL and the value as at December 31 2022 is \$52,500. The Company recognized a gain on sale of \$75,000 and an unrealized loss on the investment of \$22,500 in the statement of loss and comprehensive loss.
- 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 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 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.

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

Exploration and evaluations assets (continued):

(g) Estrades-Caribou (continued):

East Caribou 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.

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 52 claims located in the Landrienne Township in Québec. This property is subject to the Back-in Right Agreement with First Quantum. In addition:

- 12 claims of the property are subject to a 2% NSR royalty in favor of Placer Dome and an additional 1% NSR royalty in favor of Inmet;
- 16 claims of the property are subject to a 1% NSR royalty in favor of Inmet;
- 14 claims of the property are subject to a 2% NSR royalty in favor of IAMGOLD and an additional 1% NSR royalty in favor of Inmet;
- 10 claims of the property are subject to a 1.5% NSR royalty in favor of Placer Dome, an additional 0.5% NSR royalty in favor of Brindle Investment Ltd. and an additional 1% NSR royalty in favor of Inmet.

(i) Impairment:

During the year ended December 31, 2022, the Company tested for impairment certain mining properties and exploration and evaluations assets for which there were indications that their carrying amounts may not be recoverable. The impairment related to the two mining properties being Selbaie West and Estrades-Caribou. Given the Company's stage of development, available resources, and the early stages of exploration for these properties, substantive expenditure of further exploration and evaluation activities is neither budgeted nor planned in the near term. As such, the estimated recoverable amounts were determined to be below the carrying amount of the assets.

Impairment losses of \$1,804,459, of which \$397,088 related to Selbaie West and \$1,407,371 related to Estrades-Caribou, were recognized in the statement of loss and comprehensive loss and were applied against the following:

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

Exploration and evaluations assets (continued):

(ii) Impairment (continued):

Mining properties \$231,039

Exploration and evaluations assets \$1,573,420

9. Trade and other payables:

	March 31, 2023	December 31, 2022
Trade	\$ 53,415	\$ 83,290
Other payables	51,790	77,391
	<u>\$ 105,205</u>	<u>\$ 160,681</u>

10. 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 \$279,000 (2022 - \$279,000) for the Astoria site and \$60,000 (2022 - \$60,000) for the Augmitto sites. These amounts represent what is anticipated in the most recent mine site closure plan approved by the government authorities. 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. The effect of discounting is not material to these financial statements.

11. Loan:

Consists of a term loan of \$60,000 (2020 - \$40,000) under the Canadian Small Business Emergency Account, interest free before December 31, 2023, with \$20,000 being forgivable provided \$40,000 is paid back before December 31, 2023. The effect of discounting the loan is not material to these financial statements.

Outstanding loan on December 31, 2023 will be converted to a 2-year term loan at 5% annual interest, paid monthly, effective January 1, 2024, with the loan fully due by December 31, 2025.

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12. Share capital:

Authorized:

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

Changes in shares during the period as follows:

		March 31, 2023		December 31, 2022
	Number of shares	\$	Number of shares	\$
Balance, beginning of year	416,402,616	58,106,334	390,902,616	57 156 334
Shares issued				
Options exercise (note 13)	--	--	500,000	12,500
Private placement common shares			12,500,000	437,500
flow-through shares	--	--	12,500,000	562,500
Liability related to flow-through shares	--	--	--	(62,500)
Balance, end of period	416,402,616	58,106,834	416,402,616	58,106,334

Flow-through shares issuance:

On August 9, 2022, the Company completed a private placement. The Company issued a total of 12,500,000 flow-through shares at a price of \$0.045 per share and 12,500,000 common shares at a price of \$0.035 per share for gross proceeds of \$1,000,000.

The carrying amount of the flow-through shares is presented net of the liability related to flow-through shares of \$62,500 which was recognized at the time of issuance.

13. Share option plan:

As at March 31, 2023, 13,983,334 Class A common shares were reserved for future issuance 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.

Share options vest over a period of two years and 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 \$0.043 per option for a total value

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13. Share option plan (continued):

of \$34,415. The fair value measurement assumptions used at the share option plan grant date were as follows:

Risk-free interest rate	1.8%
Expected service life	5 years
Expected volatility	130%
Share price on grant date	\$0.05

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

	March 31, 2023		December 31, 2022	
	Number of share options	Average weighted exercise price	Number of share options	Average weighted exercise price
Balance, beginning of year	10,900,000	\$ 0.05	13,050,000	\$ 0.05
Expired	(325,000)	0.045	(1,100,000)	0.046
Forfeited	--		(550,000)	0.055
Exercised	--	--	(500,000)	0.025
Balance, end of period	10,575,000	\$ 0.05	10,900,000	\$ 0.049
Options exercisable, end of period	10,175,000	\$ 0.048	10,250,000	\$ 0.041

As at March 31, 2023, the following options were outstanding:

- 2,250,000 options at \$0.035 per share until June 14, 2023;
- 625,000 options at \$0.04 per share until July 11, 2023;
- 500,000 options at \$0.03 per share until February 14, 2024.
- 1,000,000 options at \$0.06 per share until June 17, 2025;
- 4,400,000 options at \$0.055 per share until July 13, 2025;
- 500,000 options at \$0.065 per share until July 27, 2025 and
- 500,000 options at \$0.05 per share until October 9, 2025.
- 800,000 options at \$0.05 per share until July 07, 2026

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14. Commitments and contingencies:

The Company was committed to carry out \$1,500,000 in eligible exploration and evaluation work prior to December 31, 2022 related to the flow-through financing completed in 2020. In addition, the Company committed to carrying out \$666,667 in eligible exploration and evaluation work prior to December 31, 2022 related to the flow-through financing completed on December 9, 2021. As at December 31, 2022, the Company had incurred such eligible expenditures.

The Company has committed to carry out \$562,500 in eligible exploration and evaluation work prior to December 31, 2023, related to the flow-through financing completed on September 30, 2022. As at March 31, 2023, the Company has incurred eligible expenditures of \$229,054 in respect of this financing and, therefore, retains a commitment of \$333,446.

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 an 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.

15. Administrative expenses:

	For three months ended	
	March 31 2022	March 31 2022
Salaries	\$ 67,469	\$ 53,677
Fees	28,243	84,475
Investor relations	9,042	32,528
Taxes, licences and other	--	10,818
Rent	5,463	5,935
Insurance	5,027	5,221
Depreciation of right-of-use	4,487	4,487
Miscellaneous	25,938	32,819
	<u>\$ 145,669</u>	<u>\$ 229,957</u>

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16. Chibougamau building expenses:

	For three months ended	
	March 31 2022	March 31 2022
Depreciation	\$ 2,739	\$ 2,739
Taxes, licences, and fees	2,195	2,192
Heating	2,071	3,257
Property maintenance	184	209
Insurance	475	434
Miscellaneous	657	352
	\$ 8,321	\$ 9,183

17. Related party transactions:

Transactions with key management personnel

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

	March 31, 2023	March 31, 2022
Short-term employee benefits	\$ 45,020	\$ 17,319
Share-based payments	2,121	26,481
	\$ 47,141	\$ 43,800

In connection with the private placement that closed on August 9, 2022, five insiders of the Company purchased a total of 9,125,000 common shares for total proceeds of \$410,625. 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 (2022 – \$50,000) payable to Société Minière Alta Inc., a corporation controlled by a director of Yorbeau. The definitive Option Agreement stipulated that IAMGOLD was liable to pay the royalty of \$50,000 per annum to Société Minière Alta Inc. (note 8 (a)). During the year ended December 31, 2022, IAMGOLD made the \$50,000 payment. 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.

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.

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18. Right-of-use assets and lease liabilities:

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

	March 31, 2023	December 31, 2022
Right-of-use assets, beginning of year	\$ 16,303	\$ 34,251
Depreciation expense with respect to right-of-use assets	(4,487)	(17,948)
Right-of-use assets, end of period	\$ 11,816	\$ 16,303

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

	March 31, 2023	December 31, 2022
Lease liabilities, beginning of year	\$ 17,784	\$ 35,500
Lease liability payments, including related interest	(5,074)	(20,299)
Interest expense with respect to lease liabilities	363	2,583
Lease liabilities, end of period	\$ 13,073	\$ 17,784
Curent portion	\$ 13,073	\$ 17,242
Non-curent portion	--	542

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%.