

YORBEAU RESOURCES INC.

**Condensed Interim Financial Statements
(Unaudited and not reviewed)
For the Nine-month periods ended
September 30, 2024 and 2023**

Yorbeau Resources Inc.
50, Crémazie West, Suite 403
Montreal (Quebec) H2P 2T1
Tel. : (514) 384-2202 – Fax.: (514) 384-6399
Toll free in North America: 1-855-384-2202

YORBEAU RESOURCES INC.

Condensed Interim Statements of Financial Position
(Unaudited)

	September 30, 2024	December 31, 2023
	\$	\$
Assets		
Current assets:		
Cash and cash equivalents	290,496	222,759
Investment (note 8(e))	15,000	15,000
Tax credits and other receivables (note 5)	54,044	46,754
Prepaid expenses	34,855	51,000
	<u>394,395</u>	<u>335,513</u>
Non-current assets:		
In-trust deposits (note 6)	339,000	339,000
Right-of-use assets (note 18)	--	449
Chibougamau building (note 7)	168,388	176,605
Mining properties (note 8)	3,643,507	3,345,178
Exploration and evaluation assets (note 8)	21,577,215	21,047,131
	<u>25,728,110</u>	<u>24,908,363</u>
	<u>26,122,505</u>	<u>25,243,876</u>

Liabilities and Shareholders' Equity

Current liabilities:		
Trade and other payables (note 9)	132,132	152,129
Lease liabilities (note 18)	--	542
Deferred revenue	--	1,151
Liability related to flow through shares (notes 12 and 19)	373,018	339,159
Loan (note 11 (a) and (b))	800,000	40,000
	<u>1,305,150</u>	<u>532,981</u>
Non-current liabilities:		
Provisions (note 10)	<u>339,000</u>	<u>339,000</u>
Total liabilities	<u>1,644,150</u>	<u>871,981</u>
Shareholders' equity:		
Share capital (note 12)	59,685,353	58,985,353
Contributed surplus	3,436,613	3,436,613
Deficit	(38,643,611)	(38,050,071)
	<u>24,478,355</u>	<u>24,371,895</u>
	<u>26,122,505</u>	<u>25,243,876</u>

Reporting entity and going concern (note 1)
Commitments and contingencies (note 14)
Subsequent events (note 20)

See accompanying notes to condensed interim financial statements.

(s) G. Bodnar Jr., Director

(s) Marcel Lecourt, Director

YORBEAU RESOURCES INC.

Condensed Interim Statements of Loss and Comprehensive Loss (Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Revenues				
Contract revenue (note 8a)	--	1,150	--	1,297
Rental of facilities	11,550	25,680	35,700	46,780
Other revenue related to flow-through shares (notes 12 & 14)	83,146	10,322	266,141	35,793
	<u>94,696</u>	<u>37,152</u>	<u>301,841</u>	<u>83,870</u>
Expenses				
Administrative expenses (note 15)	256,788	241,665	753,266	690,366
Shares-based payments	--	2,146	--	6,413
Mining property management fees	12,499	30,985	59,096	73,808
Chibougamau building expenses (note 16)	12,699	7,259	25,812	22,201
	<u>281,986</u>	<u>282,055</u>	<u>838,174</u>	<u>792,788</u>
Operating loss	(187,290)	(244,903)	(536,333)	(708,918)
Net interest expenses	26,092	2,681	51,666	7,689
Net loss and comprehensive loss for the period	<u>(213,382)</u>	<u>(247,584)</u>	<u>(587,999)</u>	<u>(716,607)</u>
Net loss per share, basic and diluted	<u>(0,01)</u>	<u>(0,01)</u>	<u>(0,01)</u>	<u>(0,01)</u>
Weighted average number of shares outstanding	461,588,330	422,803,408	461,588,330	422,803,408

See accompanying notes to condensed interim financial statements.

YORBEAU RESOURCES INC.

Condensed Interim Statements of Changes in Cash Flows (Unaudited)

	For nine months ended	
	September 30, 2024	September 30, 2023
Cash provided by (used in):		
Operating:		
Net loss	\$ (587,999)	\$ (716,607)
Items not involving cash:		
Other revenue related to flow-through shares	(266,141)	(35,793)
Share-based payments	--	6,412
Amortization expense (notes 15 and 16)	16,433	18,986
Net interest expenses	51,666	7,689
Net change in non-cash operating working capital items		
Change in tax credits and other receivables	(7,291)	97,879
Change in prepaid expenses	16,147	56,965
Change in accounts payable and accrued liabilities	(19,997)	(72,052)
Change in others payable	(1,150)	--
Change in deferred revenue	--	(26,138)
Liability related to flow through	(64,976)	--
Net interest paid	--	(14,603)
Cash flows from operating activities	(863,308)	(677,262)
Investing:		
Additions to mining properties	(298,329)	--
Additions to exploration and evaluation assets	(530,084)	(381,405)
Cash flows from investing activities	(828,413)	(381,405)
Financing:		
Proceed from issuance of shares	1,000,000	1,200,000
Refund Loan (note 11(b))	(40,000)	--
Loan (note 11 (b))	800,000	--
Proceed from options exercise	--	29,000
Lease payments	(542)	(15,224)
Cash flows from financing activities	1,759,458	1,213,776
Net change in cash	67,737	155,109
Cash, beginning of year	222,759	376,012
Cash, end of period	290,496	531,121

See accompanying notes to condensed interim financial statements.

YORBEAU RESOURCES INC.

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

	For nine months ended	
	September 30, 2024	September 30, 2023
Transactions with shareholders, recorded directly in equity:		
Share capital and warrants:		
Balance, beginning of year	\$ 58,985,353	\$ 58,106,334
Issue of common shares (note 12)	--	500,000
Issue of flow-through shares (note 12)	1,000,000	700,000
Options exercise (note 12)	--	29,000
Liability related to flow-through shares	(300,000)	(317,342)
<u>Balance, end of period</u>	<u>59,685,353</u>	<u>59,017,992</u>
Contributed surplus:		
Balance, beginning of year	3,436,613	3,430,202
Share-based payments under the option plan (note 13)	--	6,411
<u>Balance, end of period</u>	<u>3,436,613</u>	<u>3,436,613</u>
Deficit:		
Balance, beginning of year	(38,050,071)	(35,591,936)
Net loss and comprehensive loss for the period	(587,999)	(716,607)
Equity financing expenses	(5,541)	(21,596)
<u>Balance, end of period</u>	<u>(38,643,611)</u>	<u>(36,330,139)</u>
<u>Total shareholders' equity, end of period</u>	<u>\$ 24,478,355</u>	<u>\$ 26,124,466</u>

See accompanying notes to condensed interim financial statements.

YORBEAU RESOURCES INC.

Notes to Condensed Interim Financial Statements,
Nine months ended September 30, 2024 and 2023
(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 2024 calendar year exploration budget. Consequently, the Company will need to obtain additional financing in 2024. 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

YORBEAU RESOURCES INC.

Notes to Condensed Interim Financial Statements,
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(Unaudited)

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, 2023.

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.

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Notes to Condensed Interim Financial Statements,
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(Unaudited)

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, 2023.

5. Tax credits and other receivables:

	September 30, 2024	December 31, 2023
Sales taxes	\$ 44,721	\$ 42,730
Other	9,323	4,024
	<u>\$ 54,044</u>	<u>\$ 46,754</u>

6. In-trust deposits:

At as September 30, 2024, the Company had an in-trust deposit of \$ 339 000 (2023 - \$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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 (Unaudited)

7. Chibougamau Building:

	September 30 2024	December 31, 2023
Cost		
Balance, beginning of year	\$ 273,890	\$ 273,890
Balance, end of period	\$ 273,890	\$ 273,890
Accumulated depreciation		
Balance, beginning of year	\$ 97,285	\$ 86,329
Depreciation	8,217	10,956
Balance, end of period	\$ 105,502	\$ 97,285
Carrying amount		
Balance, end of period	\$ 168,388	\$ 176,605

8. Mining properties and exploration and evaluation assets:

Mining properties:

	December 31, 2023	Additions	September 30 2024
Rouyn	\$ 2,570,940	\$ --	\$ 2,570,940
Scott Lake	774,235	--	774,235
Lemoine	1	--	1
Selbaie West	1	--	1
Estrades-Caribou	1	--	1
Beschefer	--	298,329	298,329
	\$ 3,345,178	\$ 298,329	\$ 3,643,507

	December 31, 2022	Impairment (note 8(i))	December 31, 2023
Rouyn	\$ 2,570,940	\$ --	\$ 2,570,940
Scott Lake	774,235	--	774,235
Lemoine	270,492	(270,491)	1
Selbaie West	1	--	1
Estrades-Caribou	1	--	1
	\$ 3,615,669	\$ (270,491)	\$ 3,345,178

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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:

	December 31, 2023	Additions	September 30, 2024
Rouyn ^(a)	\$ 13,600,281	\$ 114,933	\$ 13,715,214
Beschefer ^(b)	1,078,050	211,404	1,289,454
Kistabiche ^(c)	1	420	421
Scott Lake ^(e)	6,167,427	1,795	6,169,222
Lemoine ^(f)	1	4,777	4,778
Selbaie West ^(d)	1	21,810	21,811
Estrades-Caribou ^(g)	1	60	61
Gemini and Turgeon ^(c)	2,892	--	2,892
Allard ^(c)	43,979	97,986	141,966
Landrienne ^(h)	154,498	76,899	231,396
	\$21,047,131	530,084	\$ 21,577,215

	December 31, 2022	Additions	Impairment (note (8i))	December 31, 2023
Rouyn ^{a)}	\$ 13,386,690	\$ 213,591	\$ --	\$ 13,600,281
Beschefer ^{b)}	1,097,992	(19,942)	--	1,078,050
Kistabiche ^{c)}	206,809	(1,853)	(204,955)	1
Scott Lake ^{e)}	5,977,029	190,398	--	6,167,427
Lemoine ^{f)}	994,560	(2,275)	(992,284)	1
Selbaie Ouest ^{d)}	1	--	--	1
Estrades-Caribou ^{g)}	1	--	--	1
Gemini and Turgeon ^{c)}	2,892	--	--	2,892
Allard ^{c)}	3,157	40,822	--	43,979
Landrienne ^{h)}	95,975	58,523	--	154,498
	\$ 21,765,106	\$ 479,264	\$ (1,197,239)	\$ 21,047,131

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):

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 74 mining claims 12 of which 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.

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 17, 2018.

b) Beschefer property:

Yorbeau owns 100% of 128 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 189 claims.

- Yorbeau has a 50% interest in the Turgeon property (61 claims), 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 (128 claims) 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.

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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):

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

The Kistabiche mining property 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 71.65% interest in Kistabiche.

The Allard property is located 175 kilometers north of Amos in the Abitibi region of Quebec, more specifically in Desmazures Township. Yorbeau owns a 51% interest in the property.

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") (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 78 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: 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 2023 is \$15,000 (\$52,500 in 2022). The Company recognized an unrealized loss on investment of \$37,500 (\$22,500 in 2022) in the statement of loss and comprehensive loss.

YORBEAU RESOURCES INC.

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):

e) Scott Lake (continued):

The Scott-Diagold claims (16 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.

The 1948565 Ontario Inc. ("1948565") 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:

The property is composed of 102 claims. The property is located in the Lemoine, Rinfret and Dollier townships in Quebec. Yorbeau has a 100% interest in the Lemoine property. 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 a 100% interest in 118 claims located in the Estrées Township in Quebec.

A total of 111 claims 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 50 % Back-in Right Agreement with First Quantum. In addition:

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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):

(h) Landrienne (continued):

- 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 First Quantum;
- 16 claims of the property are subject to a 1% NSR royalty in favor of First Quantum;
- 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 First Quantum;
- 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 First Quantum.

(i) Impairment:

During the year ended December 31, 2023, the Company identified impairment indicators on certain mining properties for which there were indications that their carrying amounts may not be recoverable. The impairment related to the two mining properties being Kistabiche and Lemoine. Given the Company's available resources and the stage 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 \$1,467,730, of which \$204,955 related to Kistabiche and \$1,262,775 related to Lemoine, were recognized in the statement of loss and comprehensive loss and were applied against the following:

Mining properties \$270,491

Exploration and evaluations assets \$1,197,239

9. Trade and other payables:

	September 30, 2024	December 31, 2023
Trade	\$ 98,299	\$ 113,080
Other payables	33,833	39,049
	<u>\$ 132,132</u>	<u>\$ 152,129</u>

YORBEAU RESOURCES INC.

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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 \$103,000 (2022 - \$279,000) for the Astoria site and \$236,000 (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:

(a) Loan CUEC

Consists of a term loan of \$40,000 (2022 - \$60,000) under the Canadian Small Business Emergency Account, interest free. The loan was repaid in January 2024.

(b) Loans

Loans on demand of \$750,000, and another loan of \$50,000, bearing interest at the rate of 12% per year. Interest is payable monthly.

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12. Share capital:

Authorized:

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

	September 30, 2024		December 31, 2023	
	Number of shares	\$	Number of shares	\$
Balance, beginning of year	441,588,330	58,985,353	416,402,616	58,106,334
Shares issued				
Options exercise (note 13)	--	--	900,000	29,000
Private placement				
Common shares	--	--	14,285,714	500,000
flow-through shares	20,000,000	1,000,000	10,000,000	700,000
Liability related to flow-through shares	--	(300,000)	--	(349,981)
Balance, end of period	461,588,330	59,685,353	441,588,330	58,985,353

Flow-through shares issuance:

On August 7, 2024, Yorbeau closed a non-brokered private placement, by issuing 20,000,000 “flow-through” Class A common shares at a price of \$0.05 per share for aggregate gross proceeds of \$1,000,000.

The company has completed the first and second tranches of a \$1,200,000 private placement (the “Private Placement”) by issuing (i) on June 29, 2023, 10,037,381 Class A common shares comprised of 4,121,667 “flow-through” Class A common shares at a price of \$0.07 per share and 5,915,714 non-flow-through Class A common shares at a price of \$0.035 per share for an aggregate gross proceeds of \$495,567 and (ii) on June 30, 2023, 5,350,000 Class A common shares comprised of 2,210,000 “flow-through” Class A common shares at a price of \$0.07 per share and 3,140,000 non-flow-through Class a common shares at a price of \$0.035 per share for aggregate gross proceeds of \$264,600. The first and second tranches of the Private Placement generated an aggregate of \$760,167 in gross proceeds for the Company.

13. Share option plan:

As at September 30, 2024, 22,933,334 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.

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(Unaudited)

13. Share option plan (continued):

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 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:

	June 30, 2024		December 31, 2023	
	Number of share options	Average weighted exercise price	Number of share options	Average weighted exercise price
Balance, beginning of year	7,200,000	\$ 0.055	10,900,000	\$ 0.049
Expired	(500,000)	\$ 0.055	(2,475,000)	0.036
Forfeited	--	--	(325,000)	0.053
Exercised	--	--	(900,000)	0.032
Balance, end of period	6,700,000	\$ 0.055	7,200,000	\$ 0.049
Options exercisable, end of period	6,700,000	\$ 0.055	7,200,000	\$ 0.041

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13. Share option plan (continued):

As at June 30, 2024, the following options were outstanding:

- 1,000,000 options at \$0.06 per share until June 17, 2025;
- 3,900,000 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

14. Commitments and contingencies:

The Company has committed to carry out \$700,000 in eligible exploration and evaluation work prior to December 31, 2024, related to the flow-through financing completed from June to August, 2023. As at September 30, 2024, the Company has incurred eligible expenditures of \$ 551,767 in respect of this financing .

As to the \$1,000,000 “flow-through” August 7, 2024 financing, the company has committed to carry out eligible exploration and evaluation work for such amount before December 31, 2025.

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 nine months ended	
	September 30, 2024	September 30, 2023
Salaries	\$ 182,748	\$ 173,676
Fees	322,639	281,567
Investor relations	56,760	47,335
Taxes, licences and other	11,439	30,473
Rent	30,533	17,727
Insurance	15,992	15,071
Depreciation of right-of-use	8,217	10,769
Miscellaneous	124,938	113,748
	<hr/>	<hr/>
	\$ 753,266	\$ 690,366

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16. Chibougamau building expenses:

	For nine months ended	
	September 30 2024	September 30 2023
Depreciation	\$ 8,216	\$ 8,217
Taxes, licences, and fees	6,737	5,892
Heating	5,130	4,309
Property maintenance	5,198	494
Insurance	431	1,476
Miscellaneous	100	1,813
	<u>\$ 25,812</u>	<u>\$ 22,201</u>

17. Related party transactions:

Transactions with key management personnel

h key management personnel

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

	September 30, 2024	September 30, 2023
Salaries	\$ 83,097	\$ 86,880
Fees	\$ 49,500	\$ 16,500
Share-based payments	--	6,412
	<u>\$ 132,597</u>	<u>\$ 109,792</u>

Other related party transactions:

In connection with the private placement that closed on June 30 , 2023, three insiders of the Company purchased a total of 8,008,571 common shares for total proceeds of \$395,800. The terms and conditions offered to the related parties in this transaction are identical to those offered to non-related common Shareholders.

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, 2023, IAMGOLD made the \$50,000 payment. These transactions were made in the normal

YORBEAU RESOURCES INC.

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17. Related party transactions (continued):

Other related party transactions (continued):

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.

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

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

	September 30, 2024	December 31, 2023
Balance, beginning	\$ 449	\$ 16,303
Depreciation	(449)	(15,854)
Balance, end	\$ --	\$ 449

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

	September 30, 2024	December 31, 2023
Balance, beginning of year	\$ 542	\$ 17,784
Lease liability payments	(449)	(19,039)
Interest expense	(93)	1,797
Balance, end of period	\$ --	\$ 542
Curent portion	\$ --	\$ 542
Non-curent portion	--	--

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%.

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19. Liability related to flow through shares:

	September 30, 2024	December 31 2023
Balance, beginning of year	\$ 339,159	\$ 49,504
Increase (note 12)	300,000	349,981
Other Revenue related to flow through shares	(266,141)	(60,326)
Balance, end of year	\$ 373,018	\$ 339,159

20. Subsequent Events:

On October 1, 2024, a definitive asset purchase agreement in the context of a transaction (the “**Transaction**”) whereby Lac Gold (Rouyn) Inc. (“**Lac Gold**”), a Canadian based subsidiary of Lac Gold Pty Ltd (Au) newly created for purposes of the Transaction, would, subject to certain conditions, acquire a 100% interest in Yorbeau’s Rouyn property (the “**Property**”).

The asset purchase agreement provides that, in consideration of a 100% interest in the Property, Lac Gold must pay a purchase price of C\$25,000,000 to the Company as follows:

- C\$2,000,000 paid to the Company within 48 hours of signing;
- C\$3,000,000 payable to the Company on the closing date of the Transaction, but no later than December 16, 2024; and
- three equal instalments of C\$6,666,666 payable to the Company on each of the second, third and fourth anniversary of the closing date of the Transaction, collectively making up the C\$20,000,000 unpaid balance of the purchase price, as evidenced by a promissory note to be issued by Lac Gold to the Company carrying interest at a rate of 5% per annum.

In addition to the purchase price payable by Lac Gold, upon closing of the Transaction, Lac Gold will issue and grant to the Company a 2% net smelter royalty (“**NSR**”) on any minerals produced from the Property.

Assuming satisfaction of customary closing conditions in respect of the Transaction, title to the Property shall be transferred to Lac Gold upon payment of the second tranche of C\$3,000,000. Lac Gold has until the fourth anniversary of the closing date of the Transaction to pay the final instalment on the unpaid balance of the purchase price, but may accelerate any such payment. Lac Gold’s payment of the unpaid balance of the purchase price, together with accrued and unpaid interest thereon, will be secured, as of the closing date of the Transaction, by a first-ranking hypothec on the Property.

Yorbeau intends to use the proceeds from the sale of the Property to fund exploration programs and pre-development activities on its other properties, as well as for general corporate purposes.