Management Discussion and Analysis

(A Development Stage Enterprise)

For the three months ended July 31, 2008

This Management Discussion and Analysis ("MD&A") of Probe Mines Limited ("Probe" or the "Company") is dated September 26, 2008 and provides an analysis of the Company's performance and financial condition for the three months ended July 31, 2008, as well as an analysis of future prospects. This MD&A should be read in conjunction with the Company's unaudited interim financial statements and related notes for the three months ended July 31, 2008 and audited financial statements for the year ended April 30, 2008 including the related note disclosures, which are prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). All amounts referred to in this MD&A are in Canadian dollars unless otherwise specified. These documents along with others published by the Company are available on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

This MD&A may contain forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements speak only as of the date on which they are made, are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of the Company are set out below under "Risk Factors". Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.

Business and Corporate History

Probe is a junior resource company focused on the acquisition and exploration of base and precious metals, with activities currently centered in the Province of Ontario. The Company is a reporting issuer in Ontario, Quebec, British Columbia and Alberta, and trades on the TSX Venture Exchange under the symbol "PRB".

The Company has not generated operating revenue since incorporation. Management anticipates that the Company will experience net losses as a result of ongoing exploration and general corporate and administrative costs and expenses until such time as revenue generating activity is commenced.

Probe's goal is to deliver superior returns to shareholders by concentrating on the acquisition of properties prospective for base and precious metals. The Company plans to do this by focusing on certain properties, as set out below under "Overall Performance – Current Activities".

Overall Performance

(a) Trend analysis

There are significant uncertainties regarding the prices of base and precious metals and the availability of equity financing for the purposes of mineral exploration and development. The prices of base and precious metals have fluctuated widely in recent years and wide fluctuations are expected to continue. Apart from the “Risk Factors”, noted below, management is not aware of any other trends, commitments, events or uncertainties that would have a material adverse effect on the Company’s business, financial condition or results of operations.

(b) Current activities

The Company’s exploration activities are at an early stage, and it has not yet been determined whether its properties contain an economic mineral reserve. There are no known deposits of minerals on any of the mineral exploration properties of the Company and any activities of the Company thereon will constitute exploratory searches for minerals. See “Risk Factors”.

The McFauld’s West Project

The McFaulds West Project is comprised of 87 claims covering 1,392 hectares in the McFauld’s Lake area of Ontario’s James Bay Lowlands. The properties are located to the west of the Company’s Tamarack claims and were acquired by staking between January and March 2006.

The claims consist of four individual blocks of claims, two of which lie less than 450m from a recent, high-grade nickel discovery made by Noront Resources in August 2007. The remaining two blocks are situated to the east of the discovery and along strike of the volcanic horizon associated with the nickel mineralization.

In addition, on February 29, 2008, the Company acquired six mineral claim licenses totaling 46 claim units in the McFauld's Lake area, which became part of the McFauld's West property. The claims were staked and recorded in the Company's name and are 100%-owned by Probe**.**

<u>Exploration Program and Results</u>

During September 2007 a single soil geochemical profile was completed over one of two circular magnetic anomalies located on the westernmost claims. The samples were analyzed using the Mobile Metal Ion technique and results within the single profile showed significant anomalies in nickel, cobalt, copper, silver and gold.

During July and August 2008, a total of eight holes have been completed during first-phase of drilling. Ultramafic intrusive rock was intersected in three of the eight holes, and represents three unique bodies. Diamond drill holes MW-02 and MW-08 identified a thick (over 80 metres) peridotite intrusive body, which closely resembles the host peridotite of the Eagle One nickel-copper discovery. The holes were designed to test a number of discrete geophysical anomalies identified through the ground program, however, the anomalies were not explained by the amount of sulphides observed in the core and further work is required. Drill hole MW-01 was collared to test the “mafic” dyke identified in outcrop during the winter geophysical program and intersected two separate ultramafic dykes at depth The dykes were barren of sulphide at this location. The peridotite and ultramafic dykes have been sampled and assay results will be released shortly.

Owing to the presence of potential nickel-PGE host rocks and the lack of explanations for the geophysical and geochemical anomalies, the Company is now planning further geophysical programs on the property.

A VTEM survey was contracted to Geotech Ltd. The survey has now been completed and the Company is waiting for final results. The survey will be used to guide ground geophysical surveys in preparation of second phase of drilling.

The Tamarack-McFauld's Lake Property

The Tamarack-McFauld's Lake Property is located in the McFauld's Lake area of the James Bay Lowlands of Northern Ontario, approximately 300 kilometres north of the town of Nakina. It is comprised of 360 claim units covering approximately 4,800 hectares, and was acquired by staking from December 2003 to November 2005. The Company maintains 100% ownership of the claims, which are free of any encumbrances. On May 21, 2007, the Company signed an agreement with Mantis Mineral Corp. ("Mantis") for the acquisition of a 51% interest in Probe's Tamarack Project. The terms of the agreement are: a) Mantis must issue 400,000 shares over a 3-year term starting on closing of the agreement (100,000 common shares, valued at $25,000, were issued to Probe on closing) and b) Mantis must complete a $500,000 work program over three years, of which $100,000 is required within the initial year. The agreement also requires Mantis to deliver a resource report to the standards required by National Instrument 43-101.

Subsequent to July 31, 2008, in accordance with the agreement regarding Probe's 100% owned Tamarack-McFauld's Lake Property with Mantis, Probe received 100,000 Mantis common shares.

Interest in the area covered by the Tamarack property was initiated by the discovery of at least eight volcanogenic massive sulphide deposits by Spider Resources Inc. since 2002. In 2005, Probe discovered a high-grade copper VMS occurrence during drilling on the Tamarack Project. More recently, Noront Resources has intersected high-grade nickel-copper mineralization in the belt.

Exploration Program and Results

When acquired, the project represented grass roots exploration, and no previous industry work had been completed within the claim boundaries. A first-phase program of exploration was completed on the project during the 2004 fiscal year, and was comprised of airborne and ground geophysical surveys, as well as a five-hole diamond drilling campaign. In April 2004, a ground geophysical survey was completed on the properties, comprising seven grids of cut lines, while a drill program, totaling 940 metres of drilling, was concluded in September 2004. Owing to the success of the drilling program, a high-resolution VTEM airborne geophysical survey was flown over selected portions of the property in January 2005.

In September and October 2005, the Company completed a drill program to test two of the geophysical targets identified in the January 2005 survey with two drill holes. Drill hole M6 encountered massive sulphide mineralization at a vertical depth of 50 metres consisting of a 7.8 metre section of chalcopyrite mineralization grading 3.1% Cu. Drill Hole M7, collared 50 metres west and down dip of M6, intersected the zone at 97 metres vertical depth with an average grade of 2.4% Cu over six metres, including 3.4% Cu over 2.5m. Anomalous zinc and precious metal values are also present, including up to 800ppm zinc, 0.3g/t Au and 9 g/t Ag. In late 2005, the Company conducted a ground-based InfiniTEM geophysical survey on the project, centred over the A-zone.

In the 2006 winter drilling program, fifteen holes were drilled on the company's 100%-owned Tamarack Project, totalling 2334m, testing the recently discovered A-zone copper mineralization, and two new conductors identified in the winter ground geophysical program. A-zone mineralization was intersected in four of the seven holes drilled on the target, over a minimum strike length of 100m, to the south and west of the initial discovery, while a new zone of massive sulphide mineralization was intersected 900m to the south of the A-zone and corresponds to one of the two new conductors.

Mantis is currently compiling and evaluating exploration results and has completed an airborne geophysical survey covering the entire western block of claims. The results are expected shortly and will be followed by diamond drilling.

The Victory Project

In April 2005, the Company acquired a 100% interest, by staking, in 493 claims totaling 7,888 hectares covering at least 34 airborne electromagnetic (EM) conductors, within a new and previously unexplored greenstone belt in the James Bay Lowlands of Northern Ontario (the "Victory Project"). Sixteen claim units were allowed to lapse, bringing the current total to 477 (7,744 ha). The Victory claim blocks are immediately adjacent to the McFauld's Lake volcanic belt, which is host to Spider Resources' important high-grade copper-zinc-gold-silver volcanogenic massive sulphide (VMS) discoveries and Noront Resources high-grade nickel-copper deposit.

Exploration Program and Results

An airborne geophysical program was completed by Fugro Airborne Surveys in April 2005, which concluded that at least 34 conductors with volcanogenic massive sulphide potential exist within the property. The Company subsequently entered into a drilling contract with Norex Drilling of Porcupine, Ontario, in order to test the conductors. The drilling, conducted between July and August 2005, represents the first program of its kind within the Victory volcanic belt and tested 13 of 34 priority conductors in thirteen holes totaling 2,301 metres. Prior to commencing the diamond drilling program, a ground geophysical survey was completed by Exsics Geophysics of Timmins, Ontario.

All 13 holes successfully intercepted sulphides, consisting of pyrrhotite and pyrite with minor chalcopyrite and sphalerite, in altered felsic to intermediate volcanic rocks, predominantly fragmental tuffs and breccias. The host rocks, alteration and sulphides in the project area are indicative of the type of Archean volcanic centers with which VMS deposits are associated and are markedly similar to the adjacent Spider/KWG deposits.

A second phase of exploration was initiated in September 2005, comprised of a high-resolution, helicopter-borne geophysical AEROTEM survey and a second phase of diamond drilling. Six drill holes were completed on the project, which targeted a number of AeroTEM airborne anomalies. Massive sulphides were intersected in four of the six holes, and are associated with coarse fragmental volcanic rocks representing a potentially productive volcanic horizon.

During June 2008, a total of nine holes have been completed with a thick (30m) horizon of coarse-grained, sulphide-mineralized ultramafic intrusive rock intersected in diamond drill hole V08-27. The sulphide mineralization in drill hole V08-27 is comprised predominantly of pyrrhotite and chalcopyrite occurring as coarse interstitial grain and narrow (<1m) massive bands in the ultramafic unit. The presence of sulphide mineralized ultramafic intrusive is encouraging, as it represents a potential nickel-copper-PGE host. Core samples from hole V08-27 returned anomalous values of nickel, copper, platinum and palladium throughout the section. The ultramafic is situated at the end of an over 300 metre long airborne conductor and suggests the potential for higher-grade and thicker mineralization towards the middle zone. The remaining anomalies tested by this drilling program were explained by sulphide-rich horizons within the felsic volcanic package, and indicate an additional potential for volcanogenic massive sulphide (VMS) deposits. Owing to the drill results, a VTEM survey was completed over the area containing the mineralized horizon in advance of continued drilling and the Company is waiting for final results.

The Bristol Township Project

The Bristol Township Project is located in the prolific gold-producing Timmins mining camp of Northern Ontario, approximately 15 kilometres southwest of the town of Timmins. It is comprised of 52 claim units (approximately 832 hectares) in two claim blocks, which are situated between, and immediately adjacent to, the Lake Shore Gold Corp. property. Reinterpretation of historical work suggests that the property has the potential to host gold mineralization. The properties contain a significant strike length of the gold-bearing structure that hosts the known mineralization to the west and east, and geophysical surveys confirmed the presence of numerous anomalies similar to those associated with gold-bearing sulphide mineralization.

The Bristol Township properties were acquired through two separate agreements. The first 27 claim units were purchased in consideration for 100,000 shares of the Company, a cash payment of $5,000 and a grant to the vendors of a 3% Net Smelter Royalty (NSR), 2% of which can be bought by the Company for a payment of $1,500,000. During the fourth quarter of 2004, the remaining 25 claim units were optioned from another vendor in consideration of 100,000 shares of the Company, a $6,000 cash payment, a grant to the vendor of a 3% Net Smelter Royalty (NSR), 2% of which can be bought by the Company for a payment of $1,500,000 and a $100,000 cash payment if a positive feasibility study is produced for the property.

On November 8, 2005, the Company announced that it entered into an option and joint-venture agreement (the “Sydney Agreement”) with Sydney Resource Company (TSX-V: SYR) (“Sydney”). Under the terms of the Sydney Agreement, Sydney may earn an initial 55% interest in Probe’s right to the Bristol property by making cash payments totaling $55,000, issuing 400,000 common shares over three years and completing $2,000,000 in exploration expenditures on the Bristol property over a four year period. On September 14, 2006 Sydney Resources merged with Band Ore Resources to form West Timmins Mining “WTM”, a TSX-listed company. Accordingly, all agreements are now with WTM. On March 21, 2007 it was mutually agreed upon to amend the option agreement with the following terms: WTM may earn an initial 55% interest in Probe’s right to the Bristol property by making cash payments totaling $25,000; issuing 325,000 common shares over three years; and completing $1,000,000 in exploration expenditures on the Bristol property over a four year period. WTM will commit to fund a minimum of $125,000 in exploration during the first 12 months of the agreement. Share payments of 75,000 shares at the first and second anniversary dates are value limited to $150,000 based on the 10 day trading average of Sydney common shares preceding the date of issue. Having vested at a 55% interest in Probe’s right to the Bristol property, Sydney may increase its interest to 70% by making an additional cash payment of $50,000 and issuing an additional 50,000 common shares within 60 days of vesting and delivering a resource report to the standards required by National Instrument 43-101 on a resource developed within the bounds of the properties within 2 years of having vested.

Anniversary dates for the agreement are now: 1st - June 30, 2007; 2nd – June 30, 2008; and 3rd – June 30, 2009.

Subsequent to July 31, 2008, in accordance with the amended joint-venture agreement, Probe received 75,000 West Timmins common shares.

All payments and expenditures have been made up to, and including, the second anniversary.

<u>Exploration Programs and Results</u>

Work on the Bristol Township Project commenced with a ground geophysical program covering seven grids contracted to Exsics Geophysics of Timmins, Ontario and was completed in July 2004. The program consisted of Induced Polarization (IP) and magnetic surveys to test for potential gold-bearing sulphide mineralization. Final results of the survey, interpreted by Exsics, identified numerous prospective IP anomalies on all grids surveyed and, based on these results, numerous conductors of high priority were selected for further evaluation.

A Mobile Metal Ion (MMI) geochemical sampling program was completed over selected grid lines containing geophysical anomalies, and was intended to independently evaluate the conductors for their gold potential. The MMI program was successful in delineating numerous gold anomalies in unconsolidated surficial material that indicate potential bedrock sources. Between October and November 2004 a drilling program comprising ten drill holes totaling approximately 1,100 metres tested ten IP anomalies throughout the seven grids. Geochemical results for diamond drill core analyses were very encouraging with four of the ten holes containing highly anomalous gold intersections, and two of these containing intervals of potential economic significance.

A second-phase drill program, comprising six holes and totaling 770 metres of drilling, was carried out in January 2005 and was designed to define the two new gold zones discovered in previous drilling in late 2004.

WTM is now conducting exploration on the property and a report of results is expected shortly.

The Goldex Mine Royalty

The Company maintains a 5% net smelter royalty (NSR) on 10 unpatented mining claims in Dubuisson Township, located approximately five kilometres from Val d'Or, Quebec. The claims form part of the Goldex Mine property owned by Agnico-Eagle Mines Ltd. ("Agnico-Eagle"), which was originally discovered in the 1960's. As the Company maintains only a royalty interest in the 10 claims, the Company is not responsible for any exploration work that is carried out on the property.

Initial feasibility studies of the Goldex Mine were completed in 2004 and results from a recent bulk-sampling program have been announced by Agnico-Eagle. An 18,213 ton sample taken from three raises spanning 1,000 feet with a vertical distance of 650 feet returned a grade of 0.081 ounces of gold per ton, exceeding that of an earlier bulk sample taken in 1996, which returned 0.074 ounces per ton. In response to these results, Agnico-Eagle proceeded with a final feasibility study and announced on October 27, 2005 that a new mine would be built at Goldex. The Goldex Mine was approved for construction by Agnico's Board, with an expected production date in 2008, and an annual production rate of 170,000 ounces of gold at total cash costs of $240 per ounce. Official production at the mine began in June 2008 processing ore from outside the royalty boundary.

As the 10 unpatented mining claims of the Goldex Mine Royalty only form part of the Goldex Mine project, and as the Company is not currently aware whether any part of these claims will be mined under the current mine plan, it is not possible to determine at the present time to what extent royalty payments, if any, might be received by the Company pursuant to the terms of the Goldex Mine Royalty. The Company will continue to watch for future developments regarding the Goldex Mine from Agnico-Eagle, as the royalty interest has the potential of generating revenues that will help finance exploration on existing and future projects of the Company.

<u>Technical Disclosure</u>

All technical disclosure covering the Company's properties was prepared under the supervision of David Palmer, Ph.D., P. Geo who the Chief Executive Officer and a director of the Company and a "qualified person" within the meaning of National Instrument 43-101.

<u>Cash Reserves</u>

As at July 31, 2008 and to the date of this MD&A, the cash resources of Probe are held with one reputable Canadian chartered bank. In addition, the Company's short-term investment is held in bank-backed guaranteed investment certificates with the same reputable Canadian chartered bank.

(c) Industry and economic factors affecting Probe

The following factors may affect Probe's performance:

- Probe's future performance will be largely tied to the outcome of future drilling results and public markets relating to junior exploration companies; and
- Any decrease in the price of base and precious metals could have an adverse effect on the Company's business and financial results. The Company mitigates this risk by having no debt and its credit and interest rate risks are limited to the Company's bank-backed guaranteed investment certificates. Accounts payable and accrued liabilities are short-term and non-interest bearing.

(d) Financial summary

As of July 31, 2008, the Company had a cash and short-term investments balance amounting to $5,157,648 (April 30, 2008 - $5,534,643).

As the Company's operations are still in the exploration stage and the Company's only source of revenue is derived from interest earned on its bank-backed guaranteed investment certificates, which is $47,083 for the three months ended July 31, 2008 (three months ended July 31, 2007 - $nil). The primary source of funding for the Company has and continues to be the issue of equity capital through private placements and the exercise of stock options and warrants. The funds on hand are adequate to meet the Company's working capital requirements and ongoing exploration program for the ensuing twelve months. However, the Company will require additional funds from equity sources to complete the development of its properties, if warranted.

The Company is in the process of complying with its flow-through contractual obligations with subscribers with respect to the requirements of the Income Tax Act (Canada). The Company is obligated to incur qualifying exploration expenditures in Canada ("CEE") within 12 months from the effective date of renunciation (expected to be December 31, 2008) as defined by the Income Tax Act (Canada). As at July 31, 2008, the Company's remaining commitment with respect to unspent resource expenditures under flow-through common share agreements is $1,370,000.

(e) Conclusion

As of July 31, 2008 and to the date of this MD&A, management is

- Continuing exploration on its existing properties;
- Searching for potential property acquisitions while planning to drill the McFauld's West and Victory projects; and
- The Company is expecting to complete its flow-through commitment by December 31, 2009.

There is no certainty that the Company will discover a viable mineral resource from the Company's projects.

Overall objective

The objective of the Company is to develop the Company's mineral property portfolio, expand its geological knowledge related to its properties and to pursue the development of mineralization which if discovered, is economically significant. The Company will also continue to evaluate the acquisition of other high quality exploration properties in order to augment and strengthen its current mineral property portfolio.

The Company will seek to acquire additional mineral resource properties. In conducting its search for additional mineral properties, the Company will consider acquiring properties that it considers prospective based on criteria such as the exploration history of the properties, the location of the properties, or a combination of these and other factors. Risk factors to be considered in connection with the Company's search for and acquisition of additional mineral properties include the significant expenses required to locate and establish mineral reserves; the fact that expenditures made by the Company may not result in discoveries of commercial quantities of minerals; environmental risks; risks associated with land title; the competition faced by the Company; and the potential failure of the Company to generate adequate funding for any such acquisitions. See "Risk Factors".

Related Party Transactions

For the three months ended July 31, 2008, the Company paid consulting fees of $37,500 (three months ended July 31, 2007 - $13,000) to a company ("Palmer & Associates") controlled by David A. S. Palmer, the Chief Executive Officer and a director of the Company. Probe was also charged legal fees of $5,250 (three months ended July 31, 2007 - $nil) by a professional corporation ("Peterson Law Professional Corporation") controlled by Dennis H. Peterson, a director of the Company. As at July 31, 2008, the professional corporation was owed $nil (April 30, 2008 - $11,066) and this amount is included in accounts payable and accrued liabilities. As at July 31, 2008, the Company accrued in sundry receivable $13,913

(April 30, 2008 - $10,364) for expenses paid on behalf of Canstar Resources Inc. ("Canstar"). The Chief Executive Officer of the Company acts in the same capacity with Canstar. In addition, both companies have two directors in common. This balance bears no interest and is due on demand.

Carmelo Marrelli, the Chief Financial Officer is a partner in a firm ("Marrelli & Drake Corporate Services") providing corporate secretarial and accounting services to the Company. During the three months ended July 31, 2008, the Company expensed $12,969 (three months ended July 31, 2007 - $7,560) for services rendered by this firm. In addition, as at July 31, 2008, this firm was owed $10,344 (April 30, 2008 - $10,243) and this amount is included in accounts payable and accrued liabilities.

For the three months ended July 31, 2008, director fees of $4,000 (John B. Gammon - $2,000 and Patrick Reid - $2,000) (three months ended July 31, 2007 - $nil) were paid.

These transactions were in the normal course of operations and were measured at the exchange amount of consideration established by and agreed to by the related parties and did not differ from the arm's length equivalent value for these services.

Selected Quarterly Information

		Net Income (Loss)	
Three Months Ended	Net Revenues $	Total $	Per Share $
Jul. 31, 2008	-	(48,064) (1)	(0.00)
Apr. 30, 2008	-	117,507 (2)	(0.00)
Jan. 31, 2008	-	(197,932) (3)	(0.01)
Oct. 31, 2007	-	(125,436) (4)	(0.00)
Jul. 31, 2007	-	(60,731) (5)	(0.00)
Apr. 30, 2007	-	(243,580) (6)	(0.00)
Jan. 31, 2007	-	(859,186) (7)	(0.04)
Oct. 31, 2006	-	(124,144) (8)	(0.01)

Notes:

(1) Net loss of $48,064 principally relates to stock-based compensation of $28,679, professional fees of $38,745 and shareholder information of $15,062. Expenses for the three months ended July 31, 2008 were offset by interest income of $47,083 and a foreign exchange gain of $11,611. All other expenses relate to general working capital purposes.

(2) Net income of $117,507 principally relates to future income tax recovery of $258,200 and stock-based compensation of $61,063. All other expenses relate to general working capital purposes.

(3) Net loss of $197,932 principally relates to stock-based compensation of $142,302 and professional fees of $34,705. All other expenses relate to general working capital purposes.

(4) Net loss of $125,436 principally relates to stock-based compensation of $54,169 and legal and audit fees of $10,679. All other expenses relate to general working capital purposes.

(5) Net loss of $60,731 principally relates to stock-based compensation of $24,822. All other expenses relate to general working capital purposes.

(6) Net loss of $243,580 was principally due to a stock-based compensation of $82,344 and a write-off of the Freewest Joint Venture, Greenlaw Property and Norway Lake Property of an aggregate amount of $673,704. However, the fourth quarter net loss is reduced from a future income tax recovery of $583,900. All other expenses relate to general working capital purposes.

(7) Net loss of $859,186 principally relates to stock-based compensation of $82,149 and a write-off of the Double Eagle Property and Fancamp Property of an aggregate amount of $723,345. All other expenses relate to general working capital purposes.
(8) Net loss of $124,144 principally relate to stock-based compensation of $72,497. All other expenses relate to general working capital purposes.

Results of operations

<u>Three months ended July 31, 2008 compared with three months ended July 31, 2007</u>

Probe's net loss totaled $48,064 for the three months ended July 31, 2008 with basic and diluted loss per share of $0.00. This compares with a net loss of $60,731 with basic and diluted loss per share of $0.00 per share for the three months ended July 31, 2007. The decrease of $12,667 in net loss was principally due to:

- Professional fees increased by $30,800 for the three months ended July 31, 2008 compared to the three months ended July 31, 2007. The increase can be attributed to the following:
    (1) Included in professional fees are accounting and corporate secretarial expenses paid to Marrelli & Drake Corporate Services to maintain the Company's reporting issuer status (See "related party transactions" for further information). Fees paid to Marrelli & Drake Corporate Services increased by $4,500 pertaining to the Chief Financial Officer ("CFO") function performed by Carmelo Marrelli. Marrelli & Drake Corporate Services charges $1,500 per month for the CFO function performed by Carmelo Marrelli;
    (2) Fees paid to legal counsel increased by $14,169 due to increased corporate activity that required legal assistance;
    (3) Fees paid to the auditor increased by $8,000 due to an under accrual for audit fees in fiscal 2008; and
    (4) Director fees of $4,000 were paid or accrued for the three months ended July 31, 2008 compared to $nil in the comparative period.

- Office and general increased by $4,059 for the three months ended July 31, 2008 compared to the three months ended July 31, 2007 and consisted of administrative costs such as telephone, insurance, postage, bank charges and office supplies. The increase in office and general can be attributed to increased corporate activity.

- Shareholder information increased by $6,275 for the three months ended July 31, 2008 compared to the three months ended July 31, 2007. The increase in shareholder information can be attributed to increased corporate activity with investor relation firms.

- For the three months ended July 31, 2008, the above cost increases/decreases were offset by a interest income increase of $47,083. As at July 31, 2008, the Company had a short-term investment balance of $4,394,125 in bank-backed guaranteed investment certificates.

- In addition, for the three months ended July 31, 2008, the above cost increases/decreases were offset by a foreign exchange gain increase of $11,611. The Company maintains a United States dollar bank account in Canada. The United States dollars were received in fiscal 2008 from US investors. The Company will convert the United States dollars when it becomes advantageous to convert the currency into Canadian dollars or liquidity concerns necessitate such conversion. As at July 31, 2008, the Company had a United States dollars cash balance of $691,112.

- All other expenses relate to general working capital purposes.

Liquidity and Financial Position

The activities of the Company, principally the acquisition and exploration of properties prospective for base and precious metals, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. For the three months ended July 31, 2008, the Company did not have any equity transactions. There is no assurance that equity capital will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to the Company, if at all. See "Risk Factors".

As at July 31, 2008, Probe had $763,523 in cash (April 30, 2008 - $1,086,673). The Company had working capital of $4,662,266 as of July 31, 2008 compared to working capital of $5,336,910 as of April 30, 2008. Working capital has decreased in the current period presented as a result of funds spent on the Company's mineral property portfolio in the amount of $652,623 while maintaining the Company's reporting issuer status.

Probe is a junior exploration company without operating revenues and therefore, the Company must utilize its current cash reserves, income from investments, funds obtained from the exercise of warrants and stock options and other financing transactions to maintain the Company's capacity to meet working capital requirements and ongoing exploration program, or to fund any further development activities. See "Risk Factors" of this MD&A.

The Company relies on external financings to generate capital. As a result, the Company continues to incur net losses.

As of July 31, 2008, the Company had 33,516,472 common shares issued and outstanding, 3,666,833 share purchase warrants outstanding which would raise $4,333,500 if exercised in full, 463,333 broker compensation warrants outstanding which would raise $375,000 if exercised in full and 1,737,500 options outstanding which would raise $973,625 if exercised in full.

As of July 31, 2008 and to the date of this MD&A, the cash resources of Probe are held with the Royal Bank of Canada in bank-backed guaranteed investment certificates.

The Company continues to have no debt and its credit and interest rate risk is minimal. Accounts payable and accrued liabilities are short-term and non-interest bearing.

The Company's liquidity risk with financial instruments is minimal as excess cash is invested in highly liquid bank-backed guaranteed investment certificates. In addition, sundry receivables are comprised mainly of sales tax receivable from government authorities in Canada and deposits held with service providers.

Liquidity costs have not negatively affected the Company's financial position since the market value of the Company's long-term investments as of July 31, 2008 was $108,250. The Company can sell the long-term investments to access funds to settle its obligations as they arise. However, management intends to maintain the Company's long-term investments until it becomes advantageous to sell these shares or liquidity concerns necessitate such sale.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements.

Proposed Transactions

There are no proposed transactions of a material nature being considered by Probe. However, Probe continues to evaluate properties that it may acquire in the future.

Critical accounting estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of certain revenue and expenses during the period. Critical estimates inherent in these accounting policies are the valuation of the Company's interest in mineral properties and deferred exploration expenditures. The policy of capitalizing exploration costs to date does not necessarily relate to the future economic value of the mineral resource properties. The valuation of the mineral resource properties is dependent entirely upon the discovery of economic mineral deposits. Other items requiring estimates for the three months ended July 31, 2008 are sundry receivables, accounts payable and accrued liabilities, future income taxes and stock-based compensation. Changes in the accounting estimates in these items will not have a material impact on the financial presentation of Probe.

Change in accounting policies

During the three months ended July 31, 2008, the Company adopted the following new accounting policies:

Capital Disclosures and Financial Instruments – Disclosures and Presentation

On December 1, 2006, the CICA issued three new accounting standards: Capital Disclosures (Handbook Section 1535), Financial Instruments – Disclosures (Handbook Section 3862), and Financial Instruments – Presentation (Handbook Section 3863). These new standards became effective for the Company on May 1, 2008.

Capital Disclosures
Handbook Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such noncompliance.

Financial Instruments
Handbook Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

Amendments To Section 1400 – General Standards of Financial Statement Presentation
In June 2007, the CICA amended Handbook Section 1400, Going Concern, to include additional requirements to assess and disclose an entity's ability to continue as a going concern. Section 1400 is effective for interim and annual reporting periods beginning on or after January 1, 2008. The adoption of this standard had no impact on the Company's operating results or financial position.

Future accounting changes

International Financial Reporting Standards ("IFRS")
In January 2006, the CICA's Accounting Standards Board ("AcSB") formally adopted the strategy of replacing Canadian GAAP with IFRS for Canadian enterprises with public accountability. The current conversion timetable calls for financial reporting under IFRS for accounting periods commencing on or after January 1, 2011. On February 13, 2008 the AcSB confirmed that the use

of IFRS will be required in 2011 for publicly accountable profit-oriented enterprises. For these entities, IFRS will be required for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company is currently assessing the impact of these new accounting standards on its financial statements.

Goodwill and Intangible Assets
In November 2007, the CICA approved Handbook Section 3064, “Goodwill and Intangible Assets” which replaces the existing Handbook Sections 3062, “Goodwill and Other Intangible Assets” and 3450 “Research and Development Costs”. This standard is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2009, with earlier application encouraged. The standard provides guidance on the recognition, measurement and disclosure requirements for goodwill and intangible assets. The Company is currently assessing the impact of these new accounting standards on its financial statements.

Financial instruments

GAAP requires that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

At July 31, 2008, the Company's financial instruments consisted of cash and short-term investments, sundry receivables, long-term investments and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The Company estimates that the fair value of these financial instruments approximate the carrying values.

Environmental contingency

The Company's mining and exploration activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and generally becoming more restrictive. As at July 31, 2008, the Company does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future.

Outlook

The Company will continue to search for potential property acquisitions while planning to drill the McFauld’s West and Victory projects.

There is no guarantee that the Company will discover a viable mineral deposit.

The Company’s performance will be largely tied to the outcome of the exploration program in Ontario.

Subsequent events

(i) Subsequent to July 31, 2008, in accordance with the amended joint-venture agreement regarding Probe's 100% owned Bristol Project with West Timmins Mining Inc. ("West Timmins"), Probe received 75,000 West Timmins common shares.

(ii) Subsequent to July 31, 2008, in accordance with the agreement regarding Probe's 100% owned Tamarack-McFauld's Lake Project with Mantis Mineral Corp. ("Mantis"), Probe received 100,000 Mantis common shares.

Share capital

At September 26, 2008, the Company had 33,516,472 issued and outstanding common shares.

Share purchase warrants outstanding for the Company at September 26, 2008 were as follows:

Warrants	Expiry Date	Exercise Price
2,333,500	November 6, 2009	$1.00
1,333,333	February 7, 2010	$1.50
3,666,833		

Broker compensation warrants outstanding for the Company at September 26, 2008 were as follows:

Warrants	Expiry Date	Exercise Price
200,000	November 6, 2009	$0.69
52,667	February 7, 2010	$1.50
210,666	February 7, 2010	$0.75
463,333		

Stock options outstanding for the Company at September 26, 2008 were as follows:

Options	Expiry Date	Exercise Price
250,000	September 20, 2009	$0.90 - $1.35
300,000	January 5, 2010	$0.40
500,000	September 19, 2010	$0.45
287,500	January 23, 2011	$0.75
200,000	November 28, 2011	$0.20
200,000	November 15, 2012	$0.74
1,737,500		

Risks Factors

An investment in the securities of the Company is highly speculative and involves numerous and significant risks and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors described below.

- *Development Stage Company and Exploration Risks*
  The Company is a junior resource company focused primarily on the acquisition and exploration of mineral properties located in Canada. The properties of the Company have no established reserves. There is no assurance that any of the projects can be mined profitably. Accordingly, it is not assured that the Company will realize any profits in the short to medium term, if at all. Any profitability in the future from the business of the Company will be dependent upon developing and commercially mining an economic deposit of minerals, which in itself is subject to numerous risk factors. The exploration and development of mineral deposits involve a high degree of financial risk over a significant period of time of which even a combination of careful evaluation, experience and knowledge of management may not eliminate. While discovery of ore-bearing structures may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that

the current exploration, development and production programs of the Company will result in profitable commercial mining operations. The profitability of the Company's operations will be, in part, directly related to the cost and success of its exploration and development programs, which may be affected, by a number of factors. Substantial expenditures are required to establish reserves that are sufficient to commercially mine some of the Company's properties and to construct, complete and install mining and processing facilities in those properties that are actually mined and developed.

- *No History of Profitability*
  The Company is a development stage company with no history of profitability. There can be no assurance that the operations of the Company will be profitable in the future. The Company has limited financial resources and will require additional financing to further explore, develop, acquire, retain and engage in commercial production on its property interests and, if financing is unavailable for any reason, the Company may become unable to acquire and retain its mineral concessions and carry out its business plan.

- *Government Regulations*
  The Company's exploration operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In order for the Company to carry out its mining activities, the Company's exploitation licences must be kept current. There is no guarantee that the Company's exploitation licences will be extended or that new exploitation licences will be granted. In addition, such exploitation licences could be changed and there can be no assurances that any application to renew any existing licences will be approved. The Company may be required to contribute to the cost of providing the required infrastructure to facilitate the development of its properties. The Company will also have to obtain and comply with permits and licences which may contain specific conditions concerning operating procedures, water use, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to comply with any such conditions.

- *Market Fluctuation and Commercial Quantities*
  The market for minerals is influenced by many factors beyond the control of the Company such as changing production costs, the supply and demand for minerals, the rate of inflation, the inventory of mineral producing companies, the international economic and political environment, changes in international investment patterns, global or regional consumption patterns, costs of substitutes, currency availability and exchange rates, interest rates, speculative activities in connection with minerals, and increased production due to improved mining and production methods. The metals industry in general is intensely competitive and there is no assurance that, even if commercial quantities and qualities of metals are discovered, a market will exist for the profitable sale of such metals. Commercial viability of precious and base metals and other mineral deposits may be affected by other factors that are beyond the Company's control including particular attributes of the deposit such as its size, quantity and quality, the cost of mining and processing, proximity to infrastructure and the availability of transportation and sources of energy, financing, government legislation and regulations including those relating to prices, taxes, royalties, land tenure, land use, import and export restrictions, exchange controls, restrictions on production, as well as environmental protection. It is impossible to assess with certainty the impact of various factors that may affect commercial viability so that any adverse combination of such factors may result in the Company not receiving an adequate return on invested capital.

- *Mining Risks and Insurance*
  The Company is subject to risks normally encountered in the mining industry, such as unusual or unexpected geological formations, cave-ins or flooding. The Company may become subject to liability for pollution, damage to life or property and other hazards of mineral exploration against which it or the operator if its exploration programs cannot insure or against which it or such operator may elect not to insure because of high premium costs or other reasons. Payment of

such liabilities would reduce funds available for acquisition of mineral prospects or exploration and development and would have a material adverse affect on the financial position of the Company.

- *Environmental Protection*
  The mining and mineral processing industries are subject to extensive governmental regulations for the protection of the environment, including regulations relating to air and water quality, mine reclamation, solid and hazardous waste handling and disposal and the promotion of occupational health and safety, which may adversely affect the Company or require it to expend significant funds.

- *Capital Investment*
  The ability of the Company to continue exploration and development of its property interests will be dependent upon its ability to raise significant additional financing hereafter. There is no assurance that adequate financing will be available to the Company or that the terms of such financing will be favourable. Should the Company not be able to obtain such financing, its properties may be lost entirely.

- *Conflicts of Interest*
  Certain of the directors and officers of the Company may also serve as directors and officers of other companies involved in natural gold and precious metal resource exploration and development and consequently, the possibility of conflict exists. Any decisions made by such directors involving the Company will be made in accordance with the duties and obligations of directors to deal fairly and in good faith with the Company and such other companies. In addition, such directors declare, and refrain from voting on any matters in which such directors may have a conflict of interest.

Additional disclosure for Venture Issuers without significant revenue

See attachment

Disclosure of Internal Controls

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the unaudited interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited interim financial statements and (ii) the unaudited interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited interim financial statements.

In contrast to the certificate required under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (MI 52-109), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in MI 52-109. In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP. The

Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in MI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

ATTACHMENT

PROBE MINES LIMITED

(A Development Stage Enterprise)

INTEREST IN MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

At July 31, 2008

	Cumulative Since Inception	Tamarack-McFauld's Lake Property	Bristol Township	Victory Property	McFauld's West Project	Total
Property Acquisition Costs						
Balance, April 30, 2008	$ -	$ 39,658	$ (32,279)	$ 36,849	$ 5,830	$ 50,058
Option payments	283,976	-	-	-	-	-
Staking claims	116,557	-	-	-	-	-
Written off	(350,475)	-	-	-	-	-
Balance, July 31, 2008	$ 50,058	$ 39,658	$ (32,279)	$ 36,849	$ 5,830	$ 50,058
Deferred Exploration Expenditures						
Balance, April 30, 2008	$ -	$ 1,352,956	$ 269,519	$ 1,444,169	$ 379,697	$ 3,446,341
Geophysical	1,123,819	(51,846)	-	-	41,422	(10,424)
Assays, analysis	43,289	-	-	1,802	-	1,802
Geological	177,611	-	-	-	26,596	26,596
Geochemical	30,173	-	-	-	-	-
Drilling	2,866,430	-	-	424,278	15,404	439,682
Line cutting	31,023	-	-	-	-	-
Reports	37,470	-	-	-	-	-
Stock based compensation	7,400	-	-	-	-	-
Transportation	536,906	-	-	92,961	64,602	157,563
Travel	39,488	-	-	8,886	1,428	10,314
Consulting	233,381	-	-	16,500	-	16,500
Other	62,570	-	-	10,590	-	10,590
Advance	6,000	-	-	-	-	-
Written off	(1,096,596)	-	-	-	-	-
Balance, July 31, 2008	4,098,964	1,301,110	269,519	1,999,186	529,149	4,098,964
Total, active properties	$ 4,149,022	$ 1,340,768	$ 237,240	$ 2,036,035	$ 534,979	$ 4,149,022
Inactive properties	1					1
Total, July 31, 2008	$ 4,149,023					$ 4,149,023