

PROBE MINES LIMITED  
**BALANCE SHEET**  
AS AT

	July 31, 2003 \$	April 30, 2003 \$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and short-term investments	46,873	46,898
Sundry receivable	<u>5,121</u>	<u>5,078</u>
	51,994	51,976
<b>INTEREST IN MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Note 2)</b>		
	<u>17,919</u>	<u>17,919</u>
	<u><u>69,913</u></u>	<u><u>69,895</u></u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	<u>13,612</u>	<u>9,592</u>
<b>CAPITAL STOCK AND DEFICIT</b>		
<b>CAPITAL STOCK (Note 3(b))</b>	1,344,725	1,344,725
<b>SHARE PURCHASE WARRANTS (Note 3(d))</b>	11,987	11,987
<b>CONTRIBUTED SURPLUS</b>	598,108	598,108
<b>(DEFICIT)</b>	<u>(1,898,519)</u>	<u>(1,894,517)</u>
	<u>56,301</u>	<u>60,303</u>
	<u><u>69,913</u></u>	<u><u>69,895</u></u>

APPROVED ON BEHALF OF THE BOARD:

(Signed): "Harry J. Hodge", Director

(Signed): "Dennis H. Peterson, Director

UNAUDITED

PROBE MINES LIMITED  
**STATEMENT OF OPERATIONS AND DEFICIT**  
 FOR THE THREE MONTHS ENDED JULY 31

	2003 \$	2002 \$
<b>OPERATING EXPENSES</b>		
Transfer agent and filing fees	2,002	3,386
Professional fees	<u>2,000</u>	<u>500</u>
<b>NET LOSS</b> for the period	4,002	3,886
<b>DEFICIT</b> , beginning of period	<u>1,894,517</u>	<u>1,870,152</u>
<b>DEFICIT</b> , end of period	<u><u>1,898,519</u></u>	<u><u>1,874,038</u></u>
<b>NET LOSS PER SHARE - Basic</b>	<u>0.00</u>	<u>0.00</u>
<b>WEIGHTED AVERAGE NUMBER OF SHARES</b>	<u>10,178,556</u>	<u>8,732,189</u>

**STATEMENT OF CASH FLOWS**  
 FOR THE THREE MONTHS ENDED JULY 31

	2003 \$	2002 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) for the period	(4,002)	(3,886)
Changes in non-cash working capital balances:		
(Increase) in sundry receivable	(43)	(348)
Increase (decrease) in accounts payable and accrued liabilities	<u>4,020</u>	<u>(3,829)</u>
Cash flows (used in) operating activities	<u>(25)</u>	<u>(8,063)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advances from shareholder	<u>-</u>	<u>3,104</u>
(Decrease) in cash and short-term investments	(25)	(4,959)
Cash and short-term investments, beginning of period	<u>46,898</u>	<u>5,129</u>
Cash and short-term investments, end of period	<u><u>46,873</u></u>	<u><u>170</u></u>
<b>SUPPLEMENTAL INFORMATION:</b>		
Interest paid	-	-
Income taxes paid	-	-

UNAUDITED

PROBE MINES LIMITED  
**NOTES TO THE FINANCIAL STATEMENTS**  
 JULY 31, 2003

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**1. BASIS OF PRESENTATION**

The accompanying unaudited interim financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). They do not include all of the information and disclosures required by Canadian GAAP for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Operating results for the period ended July 31, 2003 are not necessarily indicative of the results that may be expected for the full year ended April 30, 2004. For further information, see the Company's financial statements including the notes thereto for the year ended April 30, 2003.

**2. INTEREST IN MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES**

	July 31, <u>2003</u> \$	April 30, <u>2003</u> \$
Mineral properties	5,541	5,541
Deferred exploration expenditures	<u>12,378</u>	<u>12,378</u>
Total	<u>17,919</u>	<u>17,919</u>

**3. CAPITAL STOCK**

The capital stock is as follows:

**a) Authorized:**  
 Unlimited number of common shares

**b) Issued:**  
 10,178,556 common shares

Transactions during the year are as follows:

	<u>Number of Shares</u> #	<u>Amount</u> \$
<b>Common shares</b>		
Balance, April 30, 2002	8,732,189	1,251,939
Common shares issued for settlement of debt	197,700	19,770
Common shares issued for interest in mineral properties	50,000	2,500
Common shares issued pursuant to private placement	1,198,667	87,963
Share issue costs	<u>-</u>	<u>(17,447)</u>
Balance, April 30, 2003 and July 31, 2003	<u>10,178,556</u>	<u>1,344,725</u>

**c) Stock options**

As at July 31, 2003, there were no options issued and outstanding.

UNAUDITED

PROBE MINES LIMITED  
**NOTES TO THE FINANCIAL STATEMENTS**  
 JULY 31, 2003

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**3. CAPITAL STOCK** (Continued)

**d) Share purchase warrants**

The Company did not issue any share purchase warrants during the three month period ended July 31, 2003. As at July 31, 2003, the following share purchase warrants were outstanding:

<u>Exercise Price</u>	<u>Shares</u>	<u>Value</u>	<u>Expiry Date</u>
\$	#	\$	
0.10	1,198,667	11,987	December 31, 2003

**4. INCOME TAXES**

The Company utilizes the asset and liability method of accounting for incomes taxes.

**(a) Provision for Income Taxes**

Major items causing the Company's income tax rate to differ from the federal statutory rate of 39% (2002 – 40%) were as follows:

	July 31, <u>2003</u>	July 31, <u>2002</u>
	\$	\$
(Loss) before taxes:	<u>(4,002)</u>	<u>(3,886)</u>
Expected income tax recovery based on statutory rate	(1,560)	(1,554)
Adjustments to benefit resulting from:		
Share issue costs	(30)	-
Current year valuation allowance	<u>1,590</u>	<u>1,554</u>
	<u>-</u>	<u>-</u>

**(b) Future Tax Balances**

The tax effects of temporary differences that give rise to future income tax assets at July 31, 2003 are as follows:

	July 31, <u>2003</u>	April 30, <u>2003</u>
	\$	\$
Future income tax assets (liabilities):		
Non-capital loss carry forwards	51,400	51,100
Share issue costs	400	460
Resource properties	(15,600)	-
Valuation allowance	<u>(36,200)</u>	<u>(51,560)</u>
	<u>-</u>	<u>-</u>

As at July 31, 2003, the Company had available for deduction against future taxable income, non-capital losses of approximately \$132,000 which, if unutilized, begin to expire in 2003. The potential income tax benefit of these losses has not been recognized in the accounts.