

PROBE MINES LIMITED

(A Development Stage Enterprise)

Unaudited Interim Financial Statements

Three Months Ended July 31, 2007

Responsibility for Financial Statements

The accompanying unaudited financial statements for Probe Mines Limited have been prepared by management in accordance with Canadian Generally Accepted Accounting Principles consistently applied. The most significant of these accounting principles have been set out in the April 30, 2007 audited financial statements. Only changes in accounting information have been disclosed in these financial statements. These statements are presented on the accrual basis of accounting. Accordingly, a precise determination of many assets and liabilities is dependent upon future events. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these unaudited financial statements have been fairly presented.

Auditor involvement

The independent auditor of Probe Mines Limited has not performed a review of the unaudited financial statements for the three months ended July 31, 2007 and July 31, 2006.

PROBE MINES LIMITED

(A Development Stage Enterprise)

INTERIM BALANCE SHEETS

(Unaudited)

	July 31, 2007	April 30, 2007
Assets		
Current assets		
Cash and cash equivalents	\$ 233,937	\$ 257,182
Sundry receivable and prepaid expenses	14,852	34,144
	248,789	291,326
Equipment (Note 3)	1,697	1,834
Long-term investment	113,000	46,000
Interest in mineral properties and deferred exploration expenditures (Note 4)	2,983,905	2,988,188
	\$ 3,347,391	\$ 3,327,348
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 51,812	\$ 62,860
Future income tax liability	497,600	485,500
Shareholders' Equity		
Capital stock (Note 5(b))	4,225,799	4,225,799
Share purchase warrants (Note 5(d))	-	867,866
Broker compensation warrants (Note 5(e))	-	18,011
Contributed surplus	2,582,728	1,672,029
Deficit	(4,065,448)	(4,004,717)
Accumulated other comprehensive income	54,900	-
	2,797,979	2,778,988
	\$ 3,347,391	\$ 3,327,348

Nature and continuance of operations - (Note 1)

See accompanying notes to interim financial statements

APPROVED ON BEHALF OF THE BOARD:

"David Palmer"
Director

"Harry J. Hodge"
Director



PROBE MINES LIMITED

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INTERIM STATEMENTS OF LOSS

(Unaudited)

	Three Months Ended July 31 2007	Three Months Ended July 31 2006	Cumulative Since Inception
Operating Expenses			
Stock-based compensation	\$ 24,822	\$ 72,496	\$ 816,353
Professional fees	7,945	22,723	256,828
Shareholder information	8,787	410	194,411
Transfer agent and filing fees	5,885	8,670	166,112
Office and general	2,959	15,886	71,446
Occupancy costs	4,214	8,241	70,209
Consulting fees	3,250	-	59,062
Advertising	-	-	20,929
Travel and promotion	65	543	13,722
General exploration	2,666	-	2,666
Amortization	138	197	4,595
	60,731	129,166	1,676,333
Loss before the undernoted items	(60,731)	(129,166)	(1,676,333)
Interest income	-	2,301	11,648
Write down of interest in mineral properties and deferred exploration expenditures	-	-	(1,447,071)
Loss before income taxes	(60,731)	(126,865)	(3,111,756)
Future income tax recovery	-	-	916,460
Net loss	\$ (60,731)	\$ (126,865)	\$ (2,195,296)
Net loss per share - basic and diluted	\$ (0.00)	\$ (0.01)	
Weighted average number of shares	23,914,973	22,863,192	

See accompanying notes to interim financial statements



PROBE MINES LIMITED

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INTERIM STATEMENT OF TOTAL COMPREHENSIVE LOSS

(Unaudited)

	Three Months Ended July 31 2007	Cumulative Since Inception
Net loss	\$ (60,731)	\$ (2,195,296)
Other comprehensive loss		
Net increase in unrealized gain on long-term investment, net of taxes	43,428	43,428
Total other comprehensive loss	\$ (17,303)	\$ (2,151,868)

See accompanying notes to interim financial statements

PROBE MINES LIMITED

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INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited)

	Three Months Ended July 31 2007	Three Months Ended July 31 2006	Cumulative Since Inception
Capital Stock			
Balance, beginning of period	\$ 4,225,799	\$ 4,473,699	\$ 1,251,939
Common shares issued for settlement of debt	-	-	19,770
Common shares issued for interest in mineral properties	-	18,000	420,600
Common shares issued for services	-	-	11,500
Common shares issued pursuant to private placements	-	-	4,907,963
Fair value of warrants issued	-	-	(1,188,814)
Fair value of broker compensation warrants issued	-	-	(84,753)
Exercise of warrants	-	-	344,448
Fair value of warrants exercised	-	-	55,685
Exercise of options	-	-	85,000
Fair value of exercise of options	-	-	57,015
Renunciation of flow-through expenditures	-	-	(1,385,960)
Share issue costs	-	-	(268,594)
Balance, end of period	\$ 4,225,799	\$ 4,491,699	\$ 4,225,799
Share Purchase Warrants			
Balance, beginning of period	\$ 867,866	\$ 1,133,129	\$ -
Fair value of warrants issued	-	-	1,188,814
Fair value of warrants exercised	-	-	(55,685)
Fair value of warrants expired	(867,866)	-	(1,133,129)
Balance, end of period	\$ -	\$ 1,133,129	\$ -
Broker Compensation Warrants			
Balance, beginning of period	\$ 18,011	\$ 31,253	\$ -
Fair value of broker compensation warrants issued	-	-	84,753
Fair value of broker compensation warrants expired	(18,011)	-	(84,753)
Balance, end of period	\$ -	\$ 31,253	\$ -

See accompanying notes to interim financial statements



PROBE MINES LIMITED

(A Development Stage Enterprise)

INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)

(Unaudited)

	Three Months Ended July 31 2007	Three Months Ended July 31 2006	Cumulative Since Inception
Contributed Surplus			
Balance, beginning of period	\$ 1,672,029	\$ 1,084,038	\$ 598,108
Stock-based compensation charged to the statement of loss	24,822	72,496	816,353
Stock-based compensation charged to interest in mineral properties and deferred exploration expenditures	-	-	7,400
Fair value of stock options exercised	-	-	(57,015)
Fair value of warrants expired	867,866	-	1,133,129
Fair value of broker compensation warrants expired	18,011	-	84,753
Balance, end of period	\$ 2,582,728	\$ 1,156,534	\$ 2,582,728
Deficit			
Balance, beginning of period	\$ (4,004,717)	\$ (2,650,942)	\$ (1,870,152)
Net loss	(60,731)	(126,865)	(2,195,296)
Balance, end of period	\$ (4,065,448)	\$ (2,777,807)	\$ (4,065,448)
Accumulated other comprehensive income			
Balance, beginning of period	\$ -	\$ -	\$ -
Transition adjustments ⁽¹⁾	11,472	-	11,472
Net increase in unrealized gain on long-term investment, net of taxes	43,428	-	43,428
Balance, end of period	\$ 54,900	\$ -	\$ 54,900

⁽¹⁾ Transition adjustments relate to the adoption of the new financial instruments accounting standards. Refer to Note 2.

See accompanying notes to interim financial statements



PROBE MINES LIMITED**(A Development Stage Enterprise)****INTERIM STATEMENTS OF CASH FLOWS****(Unaudited)**

	Three Months Ended July 31 2007	Three Months Ended July 31 2006	Cumulative Since Inception
Cash provided by (used in):			
Operating Activities			
Net loss	\$ (60,731)	\$ (126,865)	\$ (2,195,296)
Items not affecting cash			
Future income tax recovery	-	-	(916,460)
Amortization	138	197	4,595
Stock-based compensation	24,822	72,496	816,353
Write down of interest in mineral properties and deferred exploration expenditures	-	-	1,447,071
Net change in non-cash working capital			
Sundry receivable and prepaid expenses	19,292	74,547	(14,066)
Accounts payable and accrued liabilities	(11,048)	(80,882)	68,957
	(27,527)	(60,507)	(788,846)
Financing Activities			
Advances from shareholder	-	-	3,104
Exercise of options	-	-	70,000
Exercise of warrants	-	-	344,448
Private placement proceeds	-	-	4,596,516
Issuance of share purchase warrants	-	-	11,987
Subscriptions receivable	-	-	310,000
Share issue costs	-	-	(263,134)
	-	-	5,072,921
Investing Activities			
Purchase of equipment	-	-	(6,291)
Interest in mineral properties and deferred exploration expenditures	4,282	(83,261)	(4,048,976)
	4,282	(83,261)	(4,055,267)
Net (decrease) increase in cash and cash equivalents	(23,245)	(143,768)	228,808
Cash and cash equivalents, beginning of period	257,182	822,723	5,129
Cash and cash equivalents, end of period	\$ 233,937	\$ 678,955	\$ 233,937

See accompanying notes to interim financial statements



PROBE MINES LIMITED

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INTERIM STATEMENT OF INTEREST IN MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

(Unaudited)

At July 31, 2007

	Cumulative Since Inception	Tamarack- McFauld's Lake Property	Bristol Township	Victory Property	Double Eagle Project	Fancamp Property	Freewest Joint Venture	Greenlaw Property	Norway Lake Property	Total
Property Acquisition Costs										
Balance, April 30, 2007	\$ -	\$ 64,658	\$ 37,721	\$ 36,849	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 139,228
Option payments	380,476	-	-	-	-	-	-	-	-	-
Staking claims	109,227	-	-	-	-	-	-	-	-	-
Written off	(350,475)	-	-	-	-	-	-	-	-	-
Balance, July 31, 2007	\$ 139,228	\$ 64,658	\$ 37,721	\$ 36,849	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 139,228

See accompanying notes to interim financial statements

PROBE MINES LIMITED

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INTERIM STATEMENT OF INTEREST IN MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (CONTINUED)

(Unaudited)

At July 31, 2007

	Cumulative Since Inception	Tamarack- McFauld's Lake Property	Bristol Township	Victory Property	Double Eagle Project	Fancamp Property	Freewest Joint Venture	Greenlaw Property	Norway Lake Property	Total
Deferred Exploration Expenditures										
Balance, April 30, 2007	\$ -	\$ 1,336,929	\$ 269,519	\$ 1,242,511	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,848,959
Geophysical	774,103	-	-	-	-	-	-	-	-	-
Assays, analysis	40,951	-	-	-	-	-	-	-	-	-
Geological	111,440	-	-	-	-	-	-	-	-	-
Geochemical	29,823	-	-	-	-	-	-	-	-	-
Drilling	2,444,726	-	-	-	-	-	-	-	-	-
Line cutting	31,023	-	-	-	-	-	-	-	-	-
Reports	37,470	-	-	-	-	-	-	-	-	-
Stock based compensation	7,400	-	-	-	-	-	-	-	-	-
Transportation	224,019	-	-	-	-	-	-	-	-	-
Travel	19,922	-	-	-	-	-	-	-	-	-
Consulting	182,839	14,463	-	-	-	-	-	-	-	14,463
Other	50,302	-	-	-	-	-	-	-	-	-
Advance	6,000	-	-	-	-	-	-	-	-	-
Camp rental	(18,746)	-	-	(18,746)	-	-	-	-	-	(18,746)
Written off	(1,096,596)	-	-	-	-	-	-	-	-	-
Balance, July 31, 2007	2,844,676	1,351,392	269,519	1,223,765	-	-	-	-	-	2,844,676
Total, active properties	\$ 2,983,904	\$ 1,416,050	\$ 307,240	\$ 1,260,614	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,983,904
Inactive properties	1									1
Total, July 31, 2007	\$ 2,983,905									\$ 2,983,905

See accompanying notes to interim financial statements



PROBE MINES LIMITED

(A Development Stage Enterprise)

NOTES TO INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED JULY 31, 2007

(Unaudited)

1. NATURE AND CONTINUANCE OF OPERATIONS

Probe Mines Limited ("the Company" or "Probe") is in the process of exploring its resource properties for mineral resources and has not determined whether the properties contain economically recoverable reserves. The Company has not yet discovered any deposits, nor has it earned any income and it is therefore considered to be an enterprise in the development stage, in accordance with CICA Accounting Guideline 11. The recovery of the amounts shown for resource properties and related deferred expenditures is dependent upon the existence of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production.

These unaudited financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company has suffered recurring losses from operations that raise substantial doubt about its ability to continue as a going concern. These unaudited financial statements do not include the adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The unaudited financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and notes to the financial statements required by Canadian generally accepted accounting principles for annual financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the three months ended July 31, 2007 may not necessarily be indicative of the results that may be expected for the year ended April 30, 2008.

The balance sheet at April 30, 2007 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by Canadian generally accepted accounting principles for annual financial statements. The interim financial statements have been prepared by management in accordance with the accounting policies described in the Company's annual audited financial statements for the year ended April 30, 2007, except as noted below. For further information, refer to the audited financial statements and notes thereto for the year ended April 30, 2007.

Accounting Changes

Section 1506, "Accounting Changes". This section prescribes the criteria for changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and corrections of errors. The Company has adopted these new standards effective May 1, 2007.

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NOTES TO INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED JULY 31, 2007

(Unaudited)

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES (Continued)

Financial instruments, comprehensive income (loss) and hedges

In January 2005, the Canadian Institute of Chartered Accountants ("CICA") issued Handbook Sections 3855, "Financial Instruments – Recognition and Measurement", 1530, "Comprehensive Income", and 3865, "Hedges". These new standards are effective for interim and annual financial statements relating to fiscal years commencing on or after October 1, 2006 on a prospective basis; accordingly, comparative amounts for prior periods have not been restated. The Company has adopted these new standards effective May 1, 2007.

(a) Financial instruments - recognition and measurement

Section 3855 prescribes when a financial instrument is to be recognized on the balance sheet and at what amount. It also specifies how financial instrument gains and losses are to be presented. This Section requires that:

- All financial assets be measured at fair value on initial recognition and certain financial assets to be measured at fair value subsequent to initial recognition;
- All financial liabilities be measured at fair value if they are classified as held for trading purposes. Other financial liabilities are measured at amortized cost using the effective interest method; and
- All derivative financial instruments be measured at fair value on the balance sheet, even when they are part of an effective hedging relationship.

(b) Comprehensive income (loss)

Section 1530 introduces a new requirement to temporarily present certain gains and losses from changes in fair value outside net income. It includes unrealized gains and losses, such as: changes in the currency translation adjustment relating to self-sustaining foreign operations; unrealized gains or losses on available-for-sale investments; and the effective portion of gains or losses on derivatives designated as cash flow hedges or hedges of the net investment in self-sustaining foreign operations.

(c) Hedges

Section 3865 provides alternative treatments to Section 3855 for entities which choose to designate qualifying transactions as hedges for accounting purposes. It replaces and expands on Accounting Guideline 13 "Hedging Relationships", and the hedging guidance in Section 1650 "Foreign Currency Translation" by specifying how hedge accounting is applied and what disclosures are necessary when it is applied.

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NOTES TO INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED JULY 31, 2007

(Unaudited)

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES (Continued)

Financial instruments, comprehensive income (loss) and hedges (Continued)

(d) Impact upon adoption of Sections 1530, 3855 and 3865

The primary impact on the financial statements resulting from the adoption of sections 1530 and 3855 is as follows:

(1) The Company's long-term investment is classified as "available-for-sale" and is measured at fair value. Changes in fair value are recognized in other comprehensive income until their disposition, at which time they are transferred to net income. Investments in securities having quoted market values and which are publicly traded on a recognized securities exchange and for which no sales restrictions apply are recorded at values based on the current bid prices.

As at April 30, 2007, the Company's long-term investment is carried at cost.

(2) The Company has recorded the following transition adjustments in its financial statements as at May 1, 2007 resulting from the adoption of sections of 1530 and 3855:

(i) an increase of \$14,000, representing a fair value adjustment to the value of the Company's long-term investment; and

(ii) an increase in accumulated other comprehensive income of \$11,472, representing the fair value adjustment to the Company's long-term investment of \$14,000, net of taxes of \$2,528.

(3) The Company has evaluated the impact of section 3865 on its financial statements and determined that no adjustments are currently required.

(4) The adoption of these Handbook Sections had no impact on opening deficit.

Future accounting changes

Capital Disclosures and Financial Instruments – Disclosures and Presentation

On December 1, 2006, the CICA issued three new accounting standards: Handbook Section 1535, Capital Disclosures, Handbook Section 3862, Financial Instruments – Disclosures, and Handbook Section 3863, Financial Instruments – Presentation. These new standards are effective for interim and annual financial statements for the Company's reporting period beginning on May 1, 2008.

PROBE MINES LIMITED

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NOTES TO INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED JULY 31, 2007

(Unaudited)

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES (Continued)

Future accounting changes (Continued)

Capital Disclosures and Financial Instruments – Disclosures and Presentation (Continued)

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 non-compliance.

The new 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.

The Company is currently assessing the impact of these new accounting standards on its financial statements.

3. EQUIPMENT

	Cost	Accumulated Amortization	July 31, 2007 Net	April 30, 2007 Net
Computer equipment	\$ 6,291	\$ 4,594	\$ 1,697	\$ 1,834

4. INTEREST IN MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

For a description of the mineral properties owned by the Company, refer to Note 4 of the audited financial statements as at April 30, 2007.

On a quarterly basis, management of the Company review exploration costs to ensure deferred expenditures include only costs and projects that are eligible for capitalization. Specific changes to mineral properties and deferred exploration that occurred from May 1, 2007 to July 31, 2007 are as follows:

On May 23, 2007, the Company has signed an agreement with Mantis Mineral Corp. ("Mantis") for the acquisition of a 51% interest in Probe's 100% owned Tamarack Project located in the McFauld's Lake area, James Bay Lowlands, Ontario. The terms of the purchase are: a) 2,000,000 Mantis shares granted over a 3-year term starting on closing of the agreement, and b) the completion by Mantis of a \$500,000 work program over three years, of which \$100,000 is required within the initial year. The agreement is subject to regulatory approval, and upon delivering a resource report to the standards required by National Instrument 43-101.



PROBE MINES LIMITED

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NOTES TO INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED JULY 31, 2007

(Unaudited)

5. CAPITAL STOCK

(a) Authorized

Unlimited common shares

(b) Issued

23,914,973 common shares

	Number of shares	Amount
Outstanding, beginning and end of period	23,914,973	\$ 4,225,799

(c) Stock Options

A summary of changes in stock options is as follows:

	Number of options	Weighted Average Exercise Price
Outstanding, beginning and end of period	3,450,000	\$ 0.40

As of July 31, 2007, the following stock options were outstanding:

Expiry Date	Exercise Price (\$)	Options Outstanding	Black-Scholes Valuation
November 7, 2008	0.10	800,000	\$ 61,000
January 5, 2010	0.40	800,000	200,000
September 19, 2010	0.45	1,000,000	203,533
January 23, 2011	0.75	650,000	270,092
November 28, 2011	0.20	200,000	24,712
		3,450,000	\$ 759,337

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NOTES TO INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED JULY 31, 2007

(Unaudited)

5. CAPITAL STOCK (Continued)

(d) Share Purchase Warrants

A summary of changes in share purchase warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, April 30, 2007	4,159,721	\$ 1.00
Expired	(4,159,721)	1.00
Balance, July 31, 2007	-	\$ -

(e) Broker Compensation Warrants

A summary of changes in broker compensation warrants is as follows:

	Number of Compensation Warrants	Weighted Average Exercise Price
Balance, April 30, 2007	66,666	\$ 0.45
Expired	(66,666)	0.45
Balance, July 31, 2007	-	\$ -

PROBE MINES LIMITED

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NOTES TO INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED JULY 31, 2007

(Unaudited)

6. RELATED PARTY TRANSACTIONS

During the period, the Company paid consulting fees of \$13,000 (2006 - \$22,500) to company controlled by a director. The Company incurred legal fees of \$nil (2006 - \$13,993) to a corporation controlled by a former director of the Company.

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.

7. COMMITMENT

Pursuant to the terms of the flow-through share agreements, the Company is in the process of complying with its flow-through contractual obligations with subscribers with respect to the Income Tax Act (Canada) requirements for the look-back rule. The look-back rule requires the Company to incur qualifying exploration expenditures in Canada ("CEE") within 12 months from the effective date of renunciation (December 31, 2006). As at July 31, 2007, the Company is committed to incur \$244,119 in CEE by December 31, 2007 arising from the flow-through offering completed during fiscal 2006.

8. SUBSEQUENT EVENTS

(a) Subsequent to July 31, 2007, the Company issued 1,412,500 common shares for total proceeds of \$385,625. The common shares were issued as a result of the exercise of the following stock options:

- (1) 800,000 stock options with an exercise price of \$0.10 and expiry date of November 7, 2008;
- (2) 225,000 stock options with an exercise price of \$0.40 and expiry date of January 5, 2010;
- (3) 250,000 stock options with an exercise price of \$0.45 and expiry date of September 19, 2010; and
- (4) 137,500 stock options with an exercise price of \$0.75 and expiry date of January 23, 2011.

(b) On September 20, 2007, Probe granted 250,000 incentive stock options to a consultant for investor relation services. The incentive stock options are exercisable over twelve months, priced as follows: 100,000 shares at \$0.90 per share; 75,000 shares at \$1.125 per share; and 75,000 shares at \$1.35 per share.