



PROBE MINES LIMITED
(A Development Stage Enterprise)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JULY 31, 2010

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of Probe Mines Limited ("Probe" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three months ended July 31, 2010. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the unaudited interim financial statements of the Company for the three months ended July 31, 2010, as well as the audited financial statements for the year ended April 30, 2010, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The unaudited interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") for financial reporting and, accordingly, do not include all of the information and notes required by Canadian GAAP for annual financial statements. The results for the three months presented are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at September 24, 2010, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Probe common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from the offices of the Company or from www.sedar.com.

Cautionary Note Regarding Forward-Looking Information

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the potential of Probe's properties to contain economic precious and base metal deposits; the Company's ability to meet its working capital needs at the current level for the twelve-month period ending July 31, 2011; the plans, costs, timing and capital for future exploration and development of Probe's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations; management's outlook regarding future trends; sensitivity analysis on financial instruments, which may vary from amounts disclosed; prices and price volatility for precious and base metals; and general business and economic conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Probe's ability to predict or control. These risks, uncertainties and other factors include, but are not limited to, precious and base metal deposits, price volatility, changes in debt and equity markets, timing and availability of external financing on acceptable terms, the uncertainties involved in interpreting geological data and confirming title to the Company's properties, the possibility that future exploration results will not be consistent with Probe's expectations, increases in costs, environmental compliance and changes in environmental and other local legislation and regulation, interest rate and exchange rate fluctuations, changes in economic and political conditions and other risks involved in the precious and base metal and development industry, as well as those risk factors listed in the "Risks and Uncertainties" section below. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to, assumptions about the following: the availability of financing for Probe's exploration and development activities; operating and exploration costs; the Company's ability to retain and attract skilled staff; timing of the receipt of regulatory and governmental approvals for exploration projects and other operations; market competition; and general business and economic conditions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Probe's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

Probe is a Canadian base and precious metal exploration company with approximately \$4.1 million in its treasury and a portfolio of highly prospective mineral properties. The Company is currently focused on the McFaulds Lake area where it owns 875 claims covering approximately 14,000 hectares, including a 100% interest in the Black Creek chromite deposit. In addition, the Company has two gold properties, Cree Lake and Borden Lake. Probe currently has an option-joint venture agreement with Lake Shore Gold Corp. on its Bristol Township gold project. Probe also maintains a 5% net smelter royalty on a portion of Agnico-Eagle Mines Ltd.'s Goldex Mine near Val d'Or, Quebec, which began production in 2008. As of September 24, 2010, the Company has 36,652,581 shares issued and outstanding, which trade on the TSX Venture Exchange under the symbol PRB.

The Company has no revenues, so its ability to ensure continuing operations is dependent on its completing the acquisition of its mineral property interests, the discovery of economically recoverable reserves, confirmation of its interest in the underlying mineral claims, and its ability to obtain necessary financing to complete the exploration activities, development and future profitable production.

Probe is a development stage company, as defined by AcG 11 of the Canadian Institute of Chartered Accountants' Handbook.

Goal

Probe's goal is to deliver superior returns to shareholders by concentrating on the acquisition of properties that have the potential to contain base and precious metals. The Company plans to focus on certain properties, as set out below under "Mineral Exploration Properties".

Outlook and Overall Performance

While general economic conditions continue to improve and stability appears to be returning to financial and commodity markets, significant uncertainty concerning the short and medium term global economic outlook persists. The Board of Directors and management of Probe will continue to monitor these developments and their effect on Probe's business.

For the three months ended July 31, 2010, Probe personnel evaluated a number of new business opportunities. These business opportunities have resulted in the amendment to the Borden Lake gold property agreement and the dissolution of the joint venture agreement on the Black Creek project. The Company continues to search for additional business opportunities.

The Company expects to continue to explore its properties in a prudent manner. The Company spent \$335,604 during the three months ended July 31, 2010 (three months ended July 31, 2009 - \$238,049) on exploration activities on its mineral properties. At July 31, 2010, the Company had mineral properties and deferred exploration expenditures valued at \$3,958,890, compared to \$3,623,286 at April 30, 2010.

At July 31, 2010, the Company had working capital of \$4,146,027 (April 30, 2010 - \$3,603,423; and July 31, 2009 - \$4,004,378). The Company had cash and short-term investments of \$4,135,044 (April 30, 2010 - \$3,621,572; and July 31, 2009 - \$4,094,512). The increase in working capital and cash and short-term investments is primarily due to proceeds from the private placement of \$1,000,000, which was offset by the expenditures incurred for the Company's exploration activities, discussed above, and operating expenses.

The Company is committed to spend \$1,000,000 associated with its flow-through offering completed on June 3, 2010.

The Company has sufficient cash to fund its discretionary exploration and operating activities at the current level for the twelve-month period ending July 31, 2011. A discretionary budget of \$1,000,000 has been allocated to the Tamarack project, the McFaulds West project, the Victory project, the Cree Lake gold project and the Borden Lake gold property. Management may increase or decrease the budget depending on exploration results and ongoing volatility in the economic environment. See "Liquidity and Capital Resources" below.

The Company's outlook is good, thanks to its significant working capital. Management and directors are currently reviewing opportunities that have developed as a result of present market conditions and the Company's strong cash position.

See "Mineral Exploration Properties" below.

Trends

The Company anticipates that it will continue to experience net losses as a result of ongoing exploration and development activities on its mineral properties and operating costs until such time as revenue-generating activity is commenced. The Company's future financial performance is dependent on many external factors. Both the price of, and the market for, base and precious metals are volatile, difficult to predict, and subject to changes in domestic and international political, social, and economic environments. Circumstances and events such as current economic conditions and ongoing volatility in the capital markets could materially affect the future financial performance of the Company. For a summary of other factors and risks that have affected, and which in future may affect, the Company and its financial position, please refer to the sections entitled "Trends" and "Risks and Uncertainties" in the Company's management's discussion and analysis for the fiscal year ended April 30, 2010, available on SEDAR at www.sedar.com.

Mineral Exploration Properties

- (a) In addition to the mineral properties that it owns, the Company enters into exploration (option) and joint venture agreements with other companies whereby Probe may earn an interest in other mineral properties by issuing common shares, making cash payments and/or incurring expenditures in varying amounts by varying dates, all of which are at Probe's discretion. Failure by Probe to issue any such shares, make any such payments or incur any such expenditure when due will result in a reduction or loss of the Company's ability to earn or maintain an ownership interest. As at July 31, 2010, the Company had total mineral properties and related expenditures of \$3,958,890, an increase of \$335,604 compared to \$3,623,286 as at April 30, 2010.

Statement of Exploration Activities to Date

Project	Year	Description
Black Creek	2007	Soil geochemical program identifies base metal anomaly
Black Creek	2008	8-hole diamond drilling program, ultramafic rocks identified
Black Creek	2008	Airborne VTEM survey coverage over all claims
Black Creek	2009	20-hole diamond drilling program, discovery of Black Creek chromite deposit
Black Creek	2010	NI-43101-compliant initial mineral resource estimate; diamond drilling program designed to expand deposit commenced
Tamarack	2004	Ground geophysics, 5-hole diamond drill program
Tamarack	2005	Airborne VTEM survey, 3-hole drill program, Cu-rich VMS discovery
Tamarack	2006	Ground geophysics, 15-hole diamond drill program
Victory	2005	Airborne GEOTEM airborne survey, full belt coverage
Victory	2005	Phase I 13-hole diamond drill program, Phase II 6-hole drill program
Victory	2008	Phase III 9-hole drill program, ultramafic identified
McFaulds West	2010	Airborne VTEM survey
Bristol (Timmins West)	2004	Ground geophysics, ground geochemistry
Bristol (Timmins West)	2004	10-hole drill program, four gold-anomalous zones identified

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Bristol (Timmins West)	2005	6-hole drill program targeting previous gold discoveries
Borden Lake	2010	Airborne VTEM survey completed, ground geophysical program completed; eight-hole diamond drilling program completed (results pending)
Cree Lake	2010	Six hole diamond drill program completed

(b) Borden Lake Project

The Company amended the Borden Lake agreement to include additional claims staked by the vendors surrounding the original property package. In consideration for the claims, the Company issued an additional 50,000 shares on August 25, 2010, to the vendors upon signing of the amended agreement. The agreement has also been amended to include an area of influence covering these new claims and all future acquisitions by the optionor. All other terms and payments from the original agreement remain unchanged.

(c) Black Creek Project

On August 9, 2010, the Board of Directors of Probe announced that Probe and Noront Resources Ltd. ("Noront") have come to an agreement to dissolve the current joint venture agreement in the Ring of Fire, James Bay Lowlands, and divide the joint venture claims between the two companies. As part of the agreement, Probe will acquire a 100% interest in the Black Creek chromite deposit and another claim along the chromite trend, while Noront will acquire a 100% interest in claims surrounding its Eagle's Nest nickel deposit and north of its Thunderbird vanadium deposit.

Under the terms of the agreement, Noront and Probe will each acquire a 100% undivided interest in their respective claims. No cash or share payments will be made as part of the agreement, which is a straight transfer of interests in the mineral properties.

(d) Initial Resource Estimate for the Black Creek Chromite Deposit

On August 23, 2010, the Board of Directors of Probe announced that the Company had received the initial mineral resource estimate for its 100%-owned Black Creek chromite deposit from Micon International Limited ("Micon").

The resource estimate, which meets the guidelines for reporting mineral exploration programs set out in National Instrument 43-101, was based on an initial 15 diamond drill holes that tested the chromite horizon along approximately 200 metres (m) of strike length and to a vertical depth of approximately 175 m at a spacing of approximately 50 m by 50 m. Mineralization at Black Creek is dominated by three massive chromite layers, with subordinate amounts of banded, semi-massive and disseminated chromite found between and below the massive layers. The cumulative thickness of the mineralized zone averages approximately 65 m.

The following table summarizes the Black Creek chromite mineral resource estimate at a cut-off grade of 30% Cr₂O₃:

Summary of Black Creek Chromite Resources

Category	Tonnes	Avg. Cr2O3 (%)	Cr:Fe Ratio
Measured (M)	3,729,000	39.90	1.8
Indicated (I)	1,985,000	40.06	1.8
Total M & I	5,714,000	40.00	1.8
Inferred	2,726,000	40.99	1.9

Mineral resources do not have demonstrated economic viability. The estimate of mineral resources may also be materially affected by other relevant factors or issues. There is no guarantee that the project will be placed into production. Micon is currently in the process of completing the NI 43-101 technical report supporting the estimate and the technical report will be filed with SEDAR within 45 days of the press release dated August 23, 2010.

The mineralized material was classified into the measured, indicated or inferred mineral resource category on the basis of a combination of the following factors: (a) confidence in the geological and mineralization continuity, (b) position of blocks in relation to the range of influence as defined by the variographic analysis, and (c) the search ellipse ranges.

The Black Creek deposit's measured and indicated resources have been categorized taking into account the search parameters in relation to variographic results, and the observed geological and mineralization continuity based on sectional interpretation. The inferred resource down to a vertical depth of about 360 m is based on drilling intercepts recorded at this depth at the adjacent Big Daddy deposit. The known mineralization in the entire McFaulds Lake area has been considered in the process of resource categorization.

The cut-off grade of 30% Cr2O3 is based on consideration of chromite operations in South Africa, Zimbabwe and Finland. The lack of infrastructure in the McFaulds Lake area demands an above-average grade deposit to ensure reasonable prospects for economic extraction.

Probe's mineral properties in Ontario and related expenditures are outlined under "Additional Disclosure for Venture Corporation", below.

Overall Objective

The Company's business objective is to discover a precious and base metal deposit on a property it has an interest in. Probe is in the process of exploring its mineral properties and has not yet determined whether these properties contain an economic precious and base metal deposit. The recoverability of the amounts shown for interest in mineral properties and deferred exploration expenditures is dependent upon: the selling price of precious and base metals at the time the Company intends to mine its properties; the existence of economically recoverable reserves; the ability of the Company to obtain the

necessary financing to complete exploration and development; government policies and regulations; and future profitable production or proceeds from disposition of such properties.

To date, Probe has not discovered an economic deposit. While discovery of ore-bearing structures may result in substantial rewards, it should be noted that few properties that are explored are ultimately developed into producing mines.

The Company may also seek to acquire additional mineral resource properties. The Company notes that although the exploration of its existing projects is positive, mineral exploration in general is uncertain. As a result, the Company believes that by acquiring additional mineral properties, it is able to better minimize overall exploration risk. In conducting its search for additional mineral properties, the Company may consider acquiring properties that it considers prospective based on criteria such as the exploration history of the properties, their location, 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 "Risks and Uncertainties" below.

Off-Balance Sheet Arrangements

As of the date of this filing, the Company does not have any off balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

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. See "Overall Objective" above.

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. At July 31, 2010, the Company does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future.

Critical Accounting Estimates

The preparation of the Company's unaudited interim financial statements requires management to make certain estimates that affect the amounts reported in the financial statements. The accounting estimates considered to be significant are the valuation of the Company's resource assets, stock-based compensation and warrants.

The policy of capitalizing exploration costs to date does not necessarily relate to the future economic value of the exploration properties. The valuation of mineral resource properties is dependent entirely upon the discovery of economic mineral deposits.

The Company uses the Black-Scholes option-pricing model to determine the fair value of options and warrants. The main factor affecting the estimates of stock-based compensation and warrants is the stock price volatility used. The Company uses historical price data and comparables in the estimate of future volatility.

Other items requiring estimates for the three months ended July 31, 2010, are sundry receivables, accounts payable and accrued liabilities and future income taxes. Changes in the accounting estimates in these items may have a material impact on the financial position of Probe.

Selected Quarterly Information

A summary of selected information for each of the eight most recent quarters is as follows:

Three Months Ended	Net Revenues (\$)	Net (Loss) Income		Total Assets (\$)
		Total (\$)	Per Share (\$)	
2010-July 31	-	(40,912) ⁽¹⁾	(0.00)	8,343,982
2010-April 30	-	(1,295,756) ⁽²⁾	(0.03)	7,461,233
2010-January 31	-	(31,038) ⁽³⁾	(0.00)	8,641,611
2009-October 31	-	(119,184) ⁽⁴⁾	(0.01)	9,021,368
2009-July 31	-	(52,583) ⁽⁵⁾	(0.00)	9,203,927
2009-April 30	-	(8,689) ⁽⁶⁾	(0.00)	8,798,261
2009-January 31	-	(83,896) ⁽⁷⁾	(0.00)	8,796,726
2008-October 31	-	(325,646) ⁽⁸⁾	(0.01)	8,825,889

Notes:

- (1) Net loss of \$40,912 principally relates to professional fees of \$23,634, transfer agent and filing fees of \$12,406 and costs of preparing information for shareholders of \$11,161. All other expenses related to general working capital purposes.
- (2) Net loss of \$1,295,756 principally relates to stock-based compensation of \$186,526, professional fees of \$30,321, consulting fees of \$67,500 and write-down of interest in mineral

- properties and deferred exploration expenditures of \$1,358,956. All other expenses related to general working capital purposes.
- (3) Net loss of \$31,038 principally relates to professional fees of \$27,002, costs of preparing information for shareholders of \$7,635 and consulting fees of \$7,500. All other expenses related to general working capital purposes.
 - (4) Net loss of \$119,184 principally relates to professional fees of \$24,266, costs of preparing information for shareholders of \$19,722 and transfer agent and filing fees of \$18,094. All other expenses related to general working capital purposes.
 - (5) Net loss of \$52,583 principally relates to stock-based compensation of \$7,094, professional fees of \$25,269, costs of preparing information for shareholders of \$6,512 and transfer agent and filing fees of \$11,511. Expenses for the three months ended July 31, 2009, were offset by interest income of \$11,126 and a joint venture management fee of \$17,124 charged to Noront. All other expenses related to general working capital purposes.
 - (6) Net loss of \$8,689 principally relates to stock-based compensation of \$15,238, professional fees of \$36,786, costs of preparing information for shareholders of \$6,220 and transfer agent and filing fees of \$7,307. Expenses for the three months ended April 30, 2009, were offset by interest income of \$2,290, gain on sale of long-term investments of \$17,150 and future income tax recovery of \$59,000. All other expenses related to general working capital purposes.
 - (7) Net loss of \$83,896 principally relates to stock-based compensation of \$26,135, professional fees of \$30,595, costs of preparing information for shareholders of \$8,416 and transfer agent and filing fees of \$3,004. Expenses for the three months ended January 31, 2009, were offset by interest income of \$3,379. All other expenses related to general working capital purposes.
 - (8) Net loss of \$325,646 principally relates to stock-based compensation of \$260,312, professional fees of \$37,014, costs of preparing information for shareholders of \$35,874 and transfer agent and filing fees of \$21,493. Expenses for the three months ended October 31, 2008, were offset by interest income of \$22,389 and a foreign exchange gain of \$25,225. All other expenses related to general working capital purposes.

Results of operations

Three months ended July 31, 2010, compared with three months ended July 31, 2009

Probe's net loss totaled \$40,912 for the three months ended July 31, 2010, with basic and diluted loss per share of \$0.00. This compares with a net loss of \$52,583 with basic and diluted loss per share of \$0.00 for the three months ended July 31, 2009. The decrease of \$11,671 in net loss was principally because:

- Consulting fees increased by \$3,750 for the three months ended July 31, 2010, compared to the three months ended July 31, 2009. This increase can be attributed to the change in the expense allocation of consulting fees charged by the Chief Executive Officer of the Company.
- Shareholder information expense increased by \$4,649 for the three months ended July 31, 2010, compared to the three months ended July 31, 2009. The increase in shareholder information expense can be attributed to increased corporate activity with investor relation firms.
- Office and general expenses decreased by \$12,279 for the three months ended July 31, 2010, compared to the three months ended July 31, 2009, and consisted of administrative costs such as

telephone, insurance, postage, bank charges and office supplies. The decrease is mainly attributable to Part XII.6 tax for Probe's flow-through commitment of \$nil for the three months ended July 31, 2010, while \$10,820 was charged for the three months ended July 31, 2009.

- Advertising expense decreased by \$2,964 for the three months ended July 31, 2010, compared to the three months ended July 31, 2009. The decrease in advertising expense can be attributed to reduced advertising during the 2010 period.
- Joint venture management fee decreased by \$17,124 for the three months ended July 31, 2010, compared to the three months ended July 31, 2009. The decrease resulted from the Company charging Noront \$17,124 as a management fee for acting as operator of the Noront joint venture during the three months ended July 31, 2009, while in the comparable 2010 period, no management fee was charged.
- For the three months ended July 31, 2010, the above cost increases/decreases were offset by an interest income decrease of \$9,196. As at July 31, 2010, the Company had a balance of \$1,753,452 in short-term investments that earned interest income.
- All other expenses related to general working capital purposes.

Liquidity and Financial Position

The activities of the Company, principally the acquisition and exploration of properties that have the potential to contain base and precious metals, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. During the three months ended July 31, 2010, 25,000 stock options with an exercise price of \$0.15 were exercised for gross proceeds of \$3,750 and a private placement financing consisting of 2,222,221 flow-through shares was completed for gross proceeds of \$1,000,000. There is no assurance that equity capital will be available to the Company in the amounts or at the times desired or on terms that are acceptable to the Company, if at all. See "Risks and Uncertainties" below.

Cash used in operating activities was \$93,314 for the three months ended July 31, 2010. The most significant items not affecting cash were future income tax recovery of \$31,400 and stock-based compensation of \$7,944. Operating activities were also affected by the net change in non-cash working capital balances of \$29,132 because of an increase in sundry receivables and prepaid expenses and an increase in accounts payable and accrued liabilities over the prior period.

Cash provided by financing activities was \$942,390 for the three months ended July 31, 2010.

Cash used in investing activities was \$337,534 for the three months ended July 31, 2010, which relates to \$335,604 in mineral exploration and development expenditures and net purchase and sale of short-term investments of \$1,930.

At July 31, 2010, Probe had \$4,135,044 in cash and short-term investments (April 30, 2010 - \$3,621,572).

The Company had working capital of \$4,146,027 as of July 31, 2010, compared to working capital of \$3,603,423 as of April 30, 2010. The increase in working capital during the three months ended July 31, 2010, is primarily due to net proceeds of \$942,390 from the private placement and exercise of options,

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which was offset by the expenditures incurred for the Company's exploration activities of \$335,604 and operating expenses.

Accounts payable and accrued liabilities increased to \$62,048 at July 31, 2010, compared to \$49,751 at April 30, 2010, primarily due to increased corporate and exploration payables due at July 31, 2010, compared to April 30, 2010. The Company's cash, short-term investments and long-term investment balances as at July 31, 2010, are sufficient to pay these liabilities.

The Company has no operating revenues and therefore must utilize its income from short-term investments, funds obtained from the exercise of warrants and stock options and other financing transactions to maintain its capacity to meet ongoing exploration and operating activities.

As of July 31, 2010, the Company had 36,602,581 common shares issued and outstanding, 1,655,553 share purchase warrants outstanding that would raise \$1,241,665 if exercised in full, 177,777 broker compensation warrants outstanding that would raise \$80,000 if exercised in full and 3,137,500 options outstanding that would raise \$1,290,375 if exercised in full. This is not anticipated until financial markets recover. See "Trends" above.

As of July 31, 2010, and to the date of this MD&A, the cash resources of Probe are held with the Royal Bank of Canada.

Following are the plans related to Probe's properties:

Project / Property Name	Brief Description	Plans for Project	Planned Expenditures for fiscal 2011 (approx.)
Black Creek <i>(formerly part of Noront Joint Venture)</i>	28 claim units 100%-owned by Probe <i>(formerly under a 50-50 joint venture between Probe and Noront)</i>	Drilling and updated 43-101 report	\$650,000 ⁽¹⁾
McFaulds West Project	46 claim units. The claims are 100%-owned by Probe and consist of six contiguous mineral licenses	Evaluation of airborne survey results	\$10,000 ⁽¹⁾
Tamarack Property	360 claim units. The Company maintains 100% ownership of the claims, which are free of any encumbrances.	Ground geochemistry	\$27,400 ⁽¹⁾
Victory Property	446 claim units. The Company maintains 100% ownership of the claims, which are free of any encumbrances.	Ground geochemistry	\$19,800 ⁽¹⁾

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Bristol Township	52 claim units (approximately 832 hectares) in two claim blocks	Under Option	\$nil
Cree Lake Property	Option to acquire up to a 70% interest in nineteen mining claims covering 4,032 hectares	Evaluation of drilling results	\$2,500 ⁽¹⁾
Borden Property	Right to earn a 100% interest	Evaluation of drilling results, follow-up drilling	\$59,500 ⁽¹⁾
Unallocated	n/a	n/a	\$180,000 ⁽²⁾

(1) All expenditures for mineral exploration are discretionary in nature and subject to day-to-day management decisions; and

(2) \$180,000 in unallocated expenditures will be spent based on results of current exploration programs.

The Company has 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.

The market value of the Company's investment in public companies as of July 31, 2010, was \$174,725. The Company can sell the securities to access funds to settle its obligations as they arise. However, management intends to maintain the Company's investment in public companies until it becomes advantageous to sell these shares or liquidity concerns necessitate such sale.

The Company's use of cash at present occurs, and in the future will occur, principally in two areas, namely, funding of its general and administrative expenditures and funding of its investment activities. Those investing activities include the cash components of the cost of acquiring and exploring its mineral claims. To April 30, 2011, the Company's expected operating expenses are estimated to be \$30,000 per month for recurring operating costs, after interest income is taken into account, excluding future tax considerations. The Company also plans to incur \$949,200 on its property interests to satisfy its flow-through commitment from the flow-through financing completed on June 3, 2010.

Assuming that management is successful in developing a substantial base and precious metals deposit in Ontario, Canada, future work plans to develop the deposit will depend upon the Company's assessment of prior results, the condition of the Company financially and the then prevailing economic climate in general.

Regardless of whether or not the Company discovers a significant base or precious metals deposit, its working capital of \$4,146,027 at July 31, 2010, is anticipated to be adequate for it to continue operations at the current level for the twelve-month period ending July 31, 2011. However, to meet long-term

business plans, developing a significant base and precious metals deposit in Ontario is an important component of the Company's financial success.

Change in Accounting Policies

During the three months ended July 31, 2010, the Company did not adopt any new accounting policies.

Related Party Transactions

The related party transactions during the three months ended July 31, 2010, are as follows:

	Three months Ended July 31, 2010 (\$)	Three months Ended July 31, 2009 (\$)
Palmer and Associates (i) <ul style="list-style-type: none"> • capitalized to mineral properties • expensed to consulting fees 	30,000 7,500	33,750 3,750
Peterson Law Professional Corporation (ii) <ul style="list-style-type: none"> • expensed to professional fees 	19,286	3,825
Marrelli CFO Syndicate Inc. (iii) <ul style="list-style-type: none"> • expensed to professional fees 	4,500	4,500
Marrelli Support Services Inc.; DSA Corporate Services Inc. and D & R Filing Corp. (iii) <ul style="list-style-type: none"> • expensed to professional fees 	7,975	6,900
John B. Gammon (iv) <ul style="list-style-type: none"> • expensed to professional fees 	2,000	2,000
Patrick Reid (iv) <ul style="list-style-type: none"> • expensed to professional fees 	2,000	2,000
Total	73,261	56,725

- (i) Palmer & Associates is a company controlled by David A. S. Palmer, the Chief Executive Officer and a director of Probe.
- (ii) Dennis H. Peterson, a director of Probe, controls Peterson Law Professional Corporation.
- (iii) Marrelli CFO Outsource Syndicate Inc. is a company controlled by Carmelo Marrelli, the Chief Financial Officer of Probe. Carmelo Marrelli is the president of Marrelli Support Services Inc., a firm providing accounting services, an officer of DSA Corporate Services Inc., a firm providing corporate secretarial services, and an officer of D & R Filing Corp., a firm providing regulatory filing services to Probe. As at July 31, 2010, these firms were owed \$11,096 (April 30, 2010 - \$10,479) and these amounts were included in accounts payable and accrued liabilities.

- (iv) John B. Gammon and Patrick Reid are directors of Probe.
- (v) As at July 31, 2010, the Company accrued in sundry receivables \$4,346 (April 30, 2010 - \$4,346) for expenses paid on behalf of Canstar Resources Inc. Canstar and Probe have two directors in common. This balance bears no interest and is due on demand.

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.

Future accounting changes

International Financial Reporting Standards ("IFRS")

The Canadian Accounting Standards Board has confirmed that IFRS will replace current Canadian GAAP for publicly accountable enterprises, including the Company, effective for fiscal years beginning on or after January 1, 2011.

Accordingly, the Company will report interim and annual financial statements in accordance with IFRS beginning with the quarter ended July 31, 2011. The Company's 2011 interim and annual financial statements will include comparative 2010 financial statements, adjusted to comply with IFRS.

IFRS Transition Plan

The Company has established a comprehensive IFRS transition plan and engaged third-party advisers to assist with the planning and implementation of its transition to IFRS. The following summarizes the Company's progress and expectations with respect to its IFRS transition plan:

Initial scoping and analysis of key areas for which accounting policies may be impacted by the transition to IFRS.	Complete.
Detailed evaluation of potential changes required to accounting policies, information systems and business processes, including the application of IFRS 1 First-time Adoption of International Financial Reporting Standards.	Complete.
Final determination of changes to accounting policies and choices to be made with respect to first-time adoption alternatives.	In progress, completion expected during Q3 2011
Resolution of the accounting policy change implications on information technology, business processes and	In progress, completion expected during

contractual arrangements.	Q3 2011
Quantification of the financial statement impact of changes in accounting policies.	Throughout 2011
Management and employee education and training.	Throughout the transition process

Impact of Adopting IFRS on the Company's Business

As part of its analysis of potential changes to significant accounting policies, the Company is assessing what changes may be required to its accounting systems and business processes. The Company believes that the changes identified to date are minimal and the systems and processes can accommodate the necessary changes.

To date, the Company has not identified any contractual arrangements that may be affected by potential changes to significant accounting policies.

The Company's staff and advisers involved in the preparation of the financial statements are being trained on the relevant aspects of IFRS and the anticipated changes to accounting policies. Employees of the Company who will be affected by a change to business processes as a result of the conversion to IFRS will also be trained as necessary.

The Board of Directors and the Audit Committee have been regularly updated on the progress of the IFRS conversion plan, and made aware of the evaluation to date of the key aspects of IFRS affecting the Company.

First-time adoption of IFRS

The adoption of IFRS requires the application of IFRS 1 *First-time Adoption of International Financial Reporting Standards* ("IFRS 1"), which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS, effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment.

The Company has identified the following optional exemptions that it expects apply in its preparation of an opening IFRS statement of financial position as at May 1, 2010, its transition date:

- To apply IFRS 2 *Share-based Payments* only to equity instruments issued after November 7, 2002, and that had not vested by the transition date.
- To apply IFRS 3 *Business Combinations* prospectively from the transition date, therefore not restating business combinations that took place prior to the transition date.
- To apply the transition provisions of IFRIC 4 *Determining whether an Arrangement Contains a Lease*, therefore determining if arrangements existing at the transition date contain a lease based on the circumstances existing at that date.
- To apply IAS 23 *Borrowing Costs* prospectively from the transition date. IAS 23 requires the capitalization of borrowing costs directly attributable to the acquisition, production or construction of certain assets.

Prior to reporting interim financial statements in accordance with IFRS for the quarter ending July 31, 2011, the Company may decide to apply other optional exemptions contained in IFRS 1.

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company's opening IFRS statement of financial position as at the transition date will be consistent with those made under current Canadian GAAP. If necessary, estimates will be adjusted to reflect any difference in accounting policy.

Impact of Adopting IFRS on the Company's Financial Statements

The adoption of IFRS will result in some changes to the Company's accounting policies that are applied in the recognition, measurement and disclosure of balances and transactions in its financial statements.

The following provides a summary of the Company's evaluation to date of potential changes to accounting policies in key areas based on the current standards and guidance within IFRS. This is not intended to be a complete list of areas where the adoption of IFRS will require a change in accounting policies, but to highlight the areas the Company has identified as having the most potential for a significant change. The International Accounting Standards Board has a number of ongoing projects, the outcome of which may have an effect on the changes required to the Company's accounting policies on adoption of IFRS. At the present time, however, the Company is not aware of any significant expected changes prior to its adoption of IFRS that would affect the summary provided below.

1) Exploration and Evaluation Expenditures

Subject to certain conditions, IFRS currently allows an entity to determine an accounting policy that specifies the treatment of costs related to the exploration for and evaluation of mineral properties. The Company expects to establish an accounting policy to expense, as incurred, all costs relating to exploration and evaluation until such time as it has been determined that a property has economically recoverable reserves.

The application of this policy on the adoption of IFRS will have a significant impact on the Company's financial statements. On adoption of IFRS, the carrying value of the mineral resource properties will be reduced to zero (as at the transition date), with a corresponding adjustment to accumulated deficit. All subsequent exploration and evaluation costs will be expensed as incurred until such time as it has been determined that a property has economically recoverable reserves.

2) Impairment of (Non-financial) Assets

IFRS requires a write-down of assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Current Canadian GAAP requires a write-down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

The Company's accounting policies related to impairment of non-financial assets will be changed to reflect these differences. However, the Company does not expect that this change will have an immediate impact on the carrying value of its assets. The Company will perform impairment assessments in accordance with IFRS at the transition date.

3) *Share-based Payments*

In certain circumstances, IFRS requires a different measurement of stock-based compensation related to stock options than current Canadian GAAP.

The Company does not expect any changes to its accounting policies related to share-based payments that would result in a significant change to line items within its financial statements.

4) *Asset Retirement Obligations (Decommissioning Liabilities)*

IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while current Canadian GAAP only requires the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take certain actions.

The Company's accounting policies related to decommissioning liabilities will be changed to reflect these differences. However, the Company does not expect this change will have an immediate impact on the carrying value of its assets.

5) *Property and Equipment*

IFRS contains different guidance related to recognition and measurement of property and equipment than current Canadian GAAP.

The Company does not expect any changes to its accounting policies related to property and equipment that would result in a significant change to line items within its financial statements.

6) *Income Taxes*

In certain circumstances, IFRS contains different requirements related to recognition and measurement of future (deferred) income taxes.

The Company does not expect any changes to its accounting policies related to income taxes that would result in a significant change to line items within its financial statements.

Subsequent Disclosures

Further disclosures of the IFRS transition process are expected as follows:

- The Company's MD&A for the 2011 interim periods and the year ended April 30, 2011, will include updates on the progress of the transition plan, and, to the extent known, further information regarding the impact of adopting IFRS on key line items in the annual financial statements.
- The Company's first financial statements prepared in accordance with IFRS will be the interim financial statements for the three months ending July 31, 2011, which will include notes disclosing transitional information and disclosure of new accounting policies under IFRS. The interim financial statements for the three months ending July 31, 2011, will also include 2010 financial statements for

the comparative period adjusted to comply with IFRS, and the Company's transition date IFRS statement of financial position (at May 1, 2010).

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling interests. These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Company is in the process of evaluating the requirements of the new standards.

Section 1582 replaces section 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3 - Business Combinations. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace section 1600, Consolidated Financial Statements. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27 - Consolidated and Separate Financial Statements, and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

Financial Instruments

The Company's activities expose it to a variety of financial risks: liquidity risk, market risk (including interest rate, foreign exchange rate and price risk) and credit risk.

The Company's management team carries out risk management with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

(a) Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities and interest income earned on its cash and short-term investments. The Company has cash and short-term investments of \$4,135,044 (April 30, 2010 - \$3,621,572) to settle current liabilities of \$62,048 (April 30, 2010 - \$49,751). Interest-bearing instruments included in cash and short-term investments are held by the Royal Bank of Canada. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(b) Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates and equity prices. In the normal course of business, the Company is exposed to market risks as a result of its investment in publicly traded companies. During periods of significant broader market volatility or volatility experienced

by the resource/commodity markets, the value of the Company's investment portfolio can be vulnerable to market fluctuations. Sensitivity to a plus or minus 100% change in the closing bid price of the Company's investments in public companies with all other variables held constant would affect comprehensive loss by approximately \$174,700.

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal. The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In the normal course of business, the Company is exposed to interest rate fluctuations as a result of cash and short-term investments being invested in interest-bearing instruments. Cash and short-term investments include guaranteed investment certificates at call, which have variable interest rates. Sensitivity to a plus or minus one percentage point change in interest rates would affect net loss by approximately \$4,400.

(c) Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, short-term investments and sundry receivables. The Company has no significant concentration of credit risk arising from operations. Cash and short-term investments are held with the Royal Bank of Canada, from which management believes the risk of loss to be minimal. Sundry receivables consist of harmonized sales tax and goods and services tax due from the Government of Canada and a receivable from Canstar. Management believes that the credit risk concentration with respect to sundry receivables is minimal. Sundry receivables are in good standing as of July 31, 2010.

(d) Fair value

The Company, for accounting purposes, has designated its cash and short-term investments as held-for-trading, measured at fair value. Sundry receivables are classified for accounting purposes as loans and receivables, measured at amortized cost. Long-term investments are classified for accounting purposes as available-for-sale, measured at fair value. Accounts payable and accrued liabilities are classified for accounting purposes as other financial liabilities, measured at amortized cost.

As at July 31, 2010, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent.

Fair value measurements of assets and liabilities recognized on the balance sheet are categorized into levels within a fair value hierarchy based on the nature of valuation inputs. The Company's cash, short-term investments and long-term investments are classified as Level 1 within the fair value hierarchy as at July 31, 2010.

Capital Management

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of its mineral properties. The Board of Directors does not establish quantitative return on

capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business. The Company considers its capital to be equity, which consists of capital stock, share purchase warrants, broker compensation warrants, contributed surplus, deficit and accumulated other comprehensive income, and which at July 31, 2010, totaled \$7,973,334 (April 30, 2010 - \$7,071,482).

The properties in which the Company currently has an interest are in the exploration stage. As such the Company is dependent on external financing to fund its activities. In order to carry out its planned exploration programs and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts when economic conditions permit it to do so.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

- (i) maintaining a liquidity cushion in order to address any potential disruptions or industry downturns;
- (ii) minimizing discretionary disbursements;
- (iii) reducing or eliminating exploration expenditures that are of limited strategic value; and
- (iv) exploring alternative sources of liquidity.

In light of the above, the Company will continue to assess new properties and seek to acquire an interest in additional properties if it believes there is sufficient potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate.

The Company is not subject to any capital requirements imposed by a regulator or lending institution. The Company expects that its current capital resources will be sufficient to discharge its liabilities as at July 31, 2010.

Share Capital

As of the date of this MD&A, the Company had 36,652,581 issued and outstanding common shares.

Warrants outstanding for the Company at the date of this MD&A were as follows:

Warrants	Expiry Date	Exercise Price
500,000	February 2, 2012	\$0.75
1,155,553	June 3, 2012	\$0.75
1,655,553		

Broker compensation warrants outstanding for the Company at the date of this MD&A were as follows:

Warrants	Expiry Date	Exercise Price
177,777 ⁽¹⁾	June 3, 2011	\$0.45
177,777		

⁽¹⁾ Each whole unit consists of one non-flow-through common share and one-half of one non-flow-through common share purchase warrant. Each whole common share purchase warrant entitles the holder to acquire one common share for \$0.75 until June 3, 2012.

Stock options outstanding for the Company at the date of this MD&A were as follows:

Options	Expiry Date	Exercise Price
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
200,000	December 3, 2012	\$0.74
75,000	December 14, 2012	\$0.74
150,000	January 28, 2013	\$0.61
925,000	October 16, 2013	\$0.15
600,000	April 12, 2015	\$0.38
3,137,500		

Risks and Uncertainties

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 that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risks and Uncertainties" in the Company's management's discussion and analysis for the fiscal year ended April 30, 2010, available on SEDAR at www.sedar.com. There have been no significant changes to such risk factors since the date thereof.

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support 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 flow of the Company, as of the date of and for the years presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), the Venture Issuer Basic Certificate 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 NI 52-109. In particular, the certifying officers filing this 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 issuer'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 the 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 NI 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.

Subsequent Events

- (1) The Company amended the Borden Lake agreement to include additional claims staked by the vendors surrounding the original property package. In consideration for the claims, the Company issued an additional 50,000 shares on August 25, 2010, to the vendors upon signing of the amended agreement. The agreement has also been amended to include an area of influence covering these new claims and all future acquisitions by the optionor. All other terms and payments from the original agreement remain unchanged.
- (2) On August 9, 2010, the Board of Directors of Probe announced that Probe and Noront have come to an agreement to dissolve the current joint venture agreement in the Ring of Fire, James Bay Lowlands, and divide the joint venture claims between the two companies. As part of the agreement, Probe will acquire a 100% interest in the Black Creek chromite deposit and another claim along the chromite trend, while Noront will acquire a 100% interest in claims surrounding its Eagle's Nest nickel deposit and north of its Thunderbird vanadium deposit.

Under the terms of the agreement, Noront and Probe will each acquire a 100% undivided interest in their respective claims. No cash or share payments will be made as part of the agreement, which is a straight transfer of interests in the mineral properties.

- (3) On August 16, 2010, Probe announced that its Board of Directors has approved the adoption of a shareholder right plan dated August 16, 2010.

The purpose of the plan is to provide both shareholders and the board sufficient time to adequately consider a takeover bid and to allow for competing and alternative proposals to emerge during the period between the announcement of a proposed takeover bid and the period of review allowed within the plan. The plan is similar to those adopted by other Canadian public companies, and Probe is currently unaware of any party contemplating or preparing a proposal to acquire control of the Company.

At the close of business on August 16, 2010, existing shareholders of the Company were granted rights to acquire additional common shares. The rights were granted for no cash or non-cash consideration. These rights are attached to each share as long as the plan remains in effect. Each subsequent shareholder who invests in the Company's common shares will also be entitled to the rights for no consideration.

The value of these rights are that they allow shareholders, other than the takeover bidder, to purchase at the exercise price one common share of the Company for each common share held. This right is triggered only if a party acquires or announces its intention to acquire 20% or more of the outstanding shares of the Company and a proposed acquisition does not meet the permitted bid requirements set forth within the plan. Under the plan, only bids that meet certain specific requirements intended to protect the interests of all shareholders will qualify as permitted bids. Permitted bids must be made to all shareholders of the Company, must remain open for 60 days and must be made by way of a takeover bid circular prepared in compliance with applicable securities laws.

The Board's approval of the plan is subject to the ratification by the shareholders of the Company at the annual meeting of shareholders of the Company scheduled for October 7, 2010. Unless otherwise terminated in accordance with its terms, the plan will terminate at the close of the third annual meeting of Probe shareholders following the meeting at which the plan is ratified by shareholders, unless the plan is reconfirmed and extended at such meeting.

PROBE MINES LIMITED
(A Development Stage Company)
Management's Discussion & Analysis
Three Months Ended July 31, 2010
Dated – September 24, 2010

Additional Disclosure for Venture Corporation

	Cumulative Since Inception	Tamarack- McFaulds Lake Property	Bristol Township	Victory Property	McFaulds West Project	Black Creek	Cree Lake Property	Borden Property	Total
Property Acquisition Costs									
Balance, April 30, 2010		\$ 24,658	\$ (197,279)	\$ 36,849	\$ 5,830	\$ -	\$ 55,500	\$ 28,250	\$ (46,192)
Option payments (proceeds)	\$ 187,726	-	-	-	-	-	-	-	-
Staking claims	116,557	-	-	-	-	-	-	-	-
Written off	(350,475)	-	-	-	-	-	-	-	-
Balance, July 31, 2010	\$ (46,192)	\$ 24,658	\$ (197,279)	\$ 36,849	\$ 5,830	\$ -	\$ 55,500	\$ 28,250	\$ (46,192)
Deferred Exploration Expenditures									
Balance, April 30, 2010		\$ -	\$ 269,519	\$ 2,120,425	\$ 771,774	\$ 485,321	\$ -	\$ 22,438	\$ 3,669,477
Geophysical	\$ 1,292,859	-	-	-	40,815	-	-	59,047	99,862
Assays, analysis	77,840	-	-	-	-	1,749	292	292	2,333
Geological	272,628	-	-	-	-	26,269	-	-	26,269
Geochemical	71,842	-	-	-	2,952	-	611	611	4,174
Drilling	3,524,096	-	-	-	-	-	74,951	80,236	155,187
Line cutting	31,023	-	-	-	-	-	-	-	-
Reports	37,470	-	-	-	-	-	-	-	-
Stock based compensation	7,400	-	-	-	-	-	-	-	-
Transportation	652,625	215	-	215	-	6,819	-	-	7,249
Travel	51,480	361	-	362	-	-	1,600	-	2,323
Consulting	447,945	-	-	7,500	-	26,250	-	-	33,750
Other	88,611	2,016	-	2,116	-	-	-	325	4,457
Advance	6,000	-	-	-	-	-	-	-	-
Recovery of costs	(101,186)	-	-	-	-	-	-	-	-
Written off	(2,455,552)	-	-	-	-	-	-	-	-
Balance, July 31, 2010	\$ 4,005,081	\$ 2,592	\$ 269,519	\$ 2,130,618	\$ 815,541	\$ 546,408	\$ 77,454	\$ 162,949	\$ 4,005,081
Total, active properties	\$ 3,958,889	\$ 27,250	\$ 72,240	\$ 2,167,467	\$ 821,371	\$ 546,408	\$ 132,954	\$ 191,199	\$ 3,958,889
Inactive properties	1	-	-	-	-	-	-	-	1
Total, July 31, 2010	\$ 3,958,890								\$ 3,958,890