

PROBE MINES LIMITED  
**BALANCE SHEET**  
AS AT

	October 31, 2003 \$	April 30, 2003 \$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and short-term investments	3,974	46,898
Sundry receivable	<u>7,621</u>	<u>5,078</u>
	11,595	51,976
<b>INTEREST IN MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Note 2)</b>		
	<u>1</u>	<u>17,919</u>
	<u>11,596</u>	<u>69,895</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	<u>15,352</u>	<u>9,592</u>
<b>CAPITAL STOCK AND DEFICIT</b>		
<b>CAPITAL STOCK (Note 3(b))</b>	1,344,725	1,344,725
<b>SHARE PURCHASE WARRANTS (Note 3(d))</b>	11,987	11,987
<b>CONTRIBUTED SURPLUS</b>	598,108	598,108
<b>(DEFICIT)</b>	<u>(1,958,576)</u>	<u>(1,894,517)</u>
	<u>(3,756)</u>	<u>60,303</u>
	<u>11,596</u>	<u>69,895</u>

APPROVED ON BEHALF OF THE BOARD:

Sgd. "Harry J. Hodge" \_\_\_\_\_, Director

Sgd. "Dennis H. Peterson" \_\_\_\_\_, Director

UNAUDITED

PROBE MINES LIMITED  
**STATEMENT OF OPERATIONS AND DEFICIT**  
FOR THE PERIODS ENDED OCTOBER 31

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	October 31, 2003 \$	October 31, 2002 \$	October 31, 2003 \$	October 31, 2002 \$
<b>OPERATING EXPENSES</b>				
Transfer agent and filing fees	7,391	4,984	9,393	8,370
Professional fees	1,000	1,300	3,000	1,800
Office and general	159	19	159	19
Shareholder information	<u>1,919</u>	<u>145</u>	<u>1,919</u>	<u>145</u>
Loss before the under-noted	10,469	6,448	14,471	10,334
Interest income	(434)	-	(434)	-
Write down of interest in mineral properties and deferred exploration expenditures	<u>50,022</u>	<u>-</u>	<u>50,022</u>	<u>-</u>
<b>NET LOSS</b> for the period	60,057	6,448	64,059	10,334
<b>DEFICIT</b> , beginning of period	<u>1,898,519</u>	<u>1,874,038</u>	<u>1,894,517</u>	<u>1,870,152</u>
<b>DEFICIT</b> , end of period	<u>1,958,576</u>	<u>1,880,486</u>	<u>1,958,576</u>	<u>1,880,486</u>
<b>NET LOSS PER SHARE - Basic</b>	<u>0.006</u>	<u>0.001</u>	<u>0.006</u>	<u>0.001</u>
<b>WEIGHTED AVERAGE NUMBER OF SHARES</b>	<u>10,178,556</u>	<u>8,732,189</u>	<u>10,178,556</u>	<u>8,732,189</u>

UNAUDITED

PROBE MINES LIMITED  
**STATEMENT OF CASH FLOWS**  
FOR THE PERIODS ENDED OCTOBER 31

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	October 31, 2003 \$	October 31, 2002 \$	October 31, 2003 \$	October 31, 2002 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net (loss) for the period	(60,057)	(6,448)	(64,059)	(10,334)
Adjustments for:				
Write down of interest in mineral properties and deferred exploration expenditures	<u>50,022</u>	<u>-</u>	<u>50,022</u>	<u>-</u>
	(10,035)	(6,448)	(14,037)	(10,334)
Changes in non-cash working capital balances:				
(Increase) in sundry receivable	(2,500)	(989)	(2,543)	(1,337)
Increase in accounts payable and accrued liabilities	<u>1,740</u>	<u>7,908</u>	<u>5,760</u>	<u>4,079</u>
Cash flows from operating activities	<u>(10,795)</u>	<u>471</u>	<u>(10,820)</u>	<u>(7,592)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Advances from shareholders	<u>-</u>	<u>3,759</u>	<u>-</u>	<u>6,863</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Mineral properties and deferred exploration expenditures	<u>(32,104)</u>	<u>(4,400)</u>	<u>(32,104)</u>	<u>(4,400)</u>
(Decrease) in cash	(42,899)	(170)	(42,924)	(5,129)
Cash, beginning of period	<u>46,873</u>	<u>170</u>	<u>46,898</u>	<u>5,129</u>
Cash, end of period	<u><u>3,974</u></u>	<u><u>-</u></u>	<u><u>3,974</u></u>	<u><u>-</u></u>
<b>SUPPLEMENTAL INFORMATION:</b>				
Interest paid	-	-	-	-
Income taxes paid	-	-	-	-

UNAUDITED

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

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**1. BASIS OF PRESENTATION**

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

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

	Serpent Creek <u>Property</u> \$	Dubuisson <u>Township</u> \$	<u>Total</u> \$
Interest in mineral properties			
Balance, April 30, 2003	5,540	1	5,541
Acquisition costs during the period	3,960	-	3,960
Written off during the period	<u>(9,500)</u>	<u>-</u>	<u>(9,500)</u>
Balance, October 31, 2003	<u>-</u>	<u>1</u>	<u>1</u>
Deferred exploration expenditures			
Balance, April 30, 2003	12,378	-	12,378
Drilling	23,803	-	23,803
Travel	4,228	-	4,228
Other	113	-	113
Written off during the period	<u>(40,522)</u>	<u>-</u>	<u>(40,522)</u>
Balance, October 31, 2003	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>-</u></u>	<u><u>1</u></u>	<u><u>1</u></u>

**3. CAPITAL STOCK**

The capital stock is as follows:

- a) **Authorized:**  
Unlimited number of common shares
- b) **Issued:**  
10,178,556 common shares

Transactions during the year are as follows:

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

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

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**3. CAPITAL STOCK** (Continued)

c) **Stock Options:**

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

d) **Share Purchase Warrants:**

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

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

**4. INCOME TAXES**

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

(a) **Provision for Income Taxes**

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

	October 31, <u>2003</u>	October 31, <u>2002</u>
	\$	\$
(Loss) before taxes:	<u>(64,059)</u>	<u>(10,334)</u>
Expected income tax recovery based on statutory rate	(24,980)	(4,130)
Adjustments to benefit resulting from:		
Share issue costs	(60)	-
Write down of interest in mineral properties and deferred exploration expenditures	19,500	-
Current year valuation allowance	<u>5,540</u>	<u>4,130</u>
	<u>-</u>	<u>-</u>

(b) **Future Tax Balances**

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

	October 31, <u>2003</u>	April 30, <u>2003</u>
	\$	\$
Future income tax assets (liabilities):		
Non-capital loss carry forwards	55,400	51,100
Share issue costs	400	460
Resource properties	4,400	-
Valuation allowance	<u>(60,200)</u>	<u>(51,560)</u>
	<u>-</u>	<u>-</u>

As at October 31, 2003, the Company had available for deduction against future taxable income, non-capital losses of approximately \$142,000 which, if unutilized, begin to expire in 2004. The potential income tax benefit of these losses has not been recognized in the accounts.

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**5. SUBSEQUENT EVENTS**

- (a) Subsequent to October 31, 2003, the Company completed a non-brokered private placement of 2,000,000 common shares at a price of \$0.06 per share for gross proceeds of \$120,000.
- (b) Subsequent to October 31, 2003, the Company granted options to directors to acquire 1,100,000 common shares of the Company, exercisable at \$0.10 per share for a five-year term.