

# **PROBE MINES LIMITED**

## **(A Development Stage Enterprise)**

Unaudited Financial Statements

Three And Six Months Ended October 31, 2006

### 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, 2006 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 and six months ended October 31, 2006 and October 31, 2005.

# PROBE MINES LIMITED

(A Development Stage Enterprise)

## BALANCE SHEETS

(Unaudited)

	October 31 2006	April 30 2006
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 425,918	\$ 822,723
Sundry receivable and prepaids	28,555	86,733
	454,473	909,456
<b>Equipment</b> (Note 4)	2,227	2,620
<b>Long-term investment</b>	46,000	46,000
<b>Interest in mineral properties and deferred exploration expenditures</b> (Note 5)	4,215,282	3,869,859
	\$ 4,717,982	\$ 4,827,935
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 131,321	\$ 153,258
<b>Future income tax liability</b>	603,500	603,500
<b>Shareholders' Equity</b>		
Capital stock (Note 6(b))	4,491,699	4,473,699
Share purchase warrants (Note 6(d))	1,018,086	1,133,129
Broker compensation warrants (Note 6(e))	28,377	31,253
Contributed surplus (Note 6(f))	1,346,950	1,084,038
Deficit	(2,901,951)	(2,650,942)
	3,983,161	4,071,177
	\$ 4,717,982	\$ 4,827,935

Going concern (Note 1)

See accompanying notes to unaudited financial statements

APPROVED ON BEHALF OF THE BOARD:

"David Palmer"  
Director

"Harry J. Hodge"  
Director

# PROBE MINES LIMITED

(A Development Stage Enterprise)

## STATEMENTS OF OPERATIONS AND DEFICIT

(Unaudited)

	Three Months Ended October 31		Six Months Ended October 31		Cumulative Since Inception
	2006	2005	2006	2005	
<b>Operating Expenses</b>					
Stock-based compensation (Note 6(c))	\$ 72,497	\$ 46,695	\$ 144,993	\$ 52,945	\$ 627,038
Professional fees	11,122	4,730	33,845	14,210	196,781
Shareholder information	4,970	11,331	5,380	32,770	154,703
Transfer agent and filing fees	13,871	7,710	22,541	11,745	148,379
Office and general	6,273	4,295	22,159	8,055	66,876
Occupancy costs	7,461	3,450	15,702	6,900	54,893
Consulting fees	-	-	-	-	42,474
Travel and promotion	388	-	931	-	12,324
Advertising	7,366	-	7,366	-	18,428
Amortization	196	280	393	561	4,064
	124,144	78,491	253,310	127,186	1,325,960
<b>Loss before the undernoted items</b>	(124,144)	(78,491)	(253,310)	(127,186)	(1,325,960)
<b>Interest income</b>	-	1,402	2,301	1,418	11,623
<b>Write down of interest in mineral properties and deferred exploration expenditures</b>	-	-	-	-	(50,022)
<b>Loss before income taxes</b>	(124,144)	(77,089)	(251,009)	(125,768)	(1,364,359)
<b>Future income tax recovery</b>	-	-	-	-	332,560
<b>Net loss</b>	(124,144)	(77,089)	(251,009)	(125,768)	(1,031,799)
<b>Deficit, beginning of period</b>	(2,777,807)	(2,391,809)	(2,650,942)	(2,343,130)	(1,870,152)
<b>Deficit, end of period</b>	\$(2,901,951)	\$(2,468,898)	\$(2,901,951)	\$(2,468,898)	\$(2,901,951)
<b>Net loss per share - basic and diluted (Note 7)</b>	\$ 0.01	\$ 0.00	\$ 0.01	\$ 0.01	
<b>Weighted average number of shares</b>	22,914,973	19,844,141	22,889,493	18,928,180	

See accompanying notes to unaudited financial statements

# PROBE MINES LIMITED

(A Development Stage Enterprise)

## STATEMENTS OF CASH FLOWS

(Unaudited)

	Three Months Ended October 31		Six Months Ended October 31		Cumulative Since Inception
	2006	2005	2006	2005	
<b>Cash provided by (used in)</b>					
<b>Operations</b>					
Net loss	\$ (124,144)	\$ (77,089)	\$ (251,009)	\$ (125,768)	<b>\$(1,031,799)</b>
Items not affecting cash					
Future income tax recovery	-	-	-	-	<b>(332,560)</b>
Amortization	196	280	393	561	<b>4,064</b>
Stock-based compensation (Note 6(c))	72,497	46,695	144,993	52,945	<b>627,038</b>
Write down of interest in mineral properties and deferred exploration expenditures	-	-	-	-	<b>50,022</b>
Net change in non-cash working capital					
Sundry receivable and prepaids	(16,369)	113,373	58,178	(16,806)	<b>(27,769)</b>
Accounts payable and accrued liabilities	58,945	101,919	(21,937)	33,289	<b>148,466</b>
	<b>(8,875)</b>	<b>185,178</b>	<b>(69,382)</b>	<b>(55,779)</b>	<b>(562,538)</b>
<b>Financing</b>					
Advances from shareholder	-	-	-	-	<b>3,104</b>
Exercise of options	-	-	-	-	<b>70,000</b>
Exercise of warrants	-	-	-	-	<b>344,448</b>
Private placement proceeds	-	-	-	1,748,495	<b>4,396,516</b>
Issuance of share purchase warrants	-	-	-	-	<b>11,987</b>
Subscriptions receivable	-	-	-	-	<b>310,000</b>
Share issue costs	-	-	-	-	<b>(263,134)</b>
	-	-	-	1,748,495	<b>4,872,921</b>
<b>Investing</b>					
Purchase of equipment	-	-	-	-	<b>(6,291)</b>
Interest in mineral properties and deferred exploration expenditures	(244,162)	(795,973)	(327,423)	(975,324)	<b>(3,883,303)</b>
	<b>(244,162)</b>	<b>(795,973)</b>	<b>(327,423)</b>	<b>(975,324)</b>	<b>(3,889,594)</b>
<b>Net change in cash</b>	<b>(253,037)</b>	<b>(610,795)</b>	<b>(396,805)</b>	<b>717,392</b>	<b>420,789</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>678,955</b>	<b>1,383,128</b>	<b>822,723</b>	<b>54,941</b>	<b>5,129</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 425,918</b>	<b>\$ 772,333</b>	<b>\$ 425,918</b>	<b>\$ 772,333</b>	<b>\$ 425,918</b>

See accompanying notes to unaudited financial statements

# PROBE MINES LIMITED

(A Development Stage Enterprise)

## STATEMENTS OF INTEREST IN MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

(Unaudited)

At October 31, 2006

	Tamarack- McFauld's Lake Property	Bristol Township	Victory Property	Double Eagle Property	Fancamp Property	Freewest Joint Venture	Greenlaw Property	Norway Lake Property	Total
<b>Property Acquisition Costs</b>									
Balance, August 1, 2006	\$ 64,658	\$ 37,721	\$ 36,849	\$ 168,000	\$ 83,000	\$ 52,000	\$ 17,000	\$ 17,500	\$ 476,728
Option payments	-	-	-	-	-	-	-	1,375	1,375
Balance, October 31, 2006	64,658	37,721	36,849	168,000	83,000	52,000	17,000	18,875	478,103
<b>Deferred Exploration Expenditures</b>									
Balance, August 1, 2006	1,366,376	269,519	1,247,209	430,399	37,831	103,199	35,379	4,479	3,494,391
Geophysical	-	-	-	-	-	-	1,750	-	1,750
Assays, analysis	-	-	-	-	-	-	-	12,142	12,142
Geological	-	-	-	-	-	-	9,375	12,800	22,175
Drilling	-	-	-	4,115	-	-	83,101	116,440	203,656
Travel	-	-	-	-	-	-	-	923	923
Consulting	-	-	-	-	-	-	-	3,060	3,060
Other	(2,719)	-	-	-	-	-	1,800	-	(919)
Balance, October 31, 2006	1,363,657	269,519	1,247,209	434,514	37,831	103,199	131,405	149,844	3,737,178
Total, Active properties	\$ 1,428,315	\$ 307,240	\$ 1,284,058	\$ 602,514	\$ 120,831	\$ 155,199	\$ 148,405	\$ 168,719	\$ 4,215,281
Inactive properties									1
Total, October 31, 2006									\$ 4,215,282

See accompanying notes to unaudited financial statements

# PROBE MINES LIMITED

(A Development Stage Enterprise)

## STATEMENTS OF INTEREST IN MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (CONTINUED)

(Unaudited)

At October 31, 2006

	Cumulative Since Inception	Tamarack- McFauld's Lake Property	Bristol Township	Victory Property	Double Eagle Property	Fancamp Property	Freewest Joint Venture	Greenlaw Property	Norway Lake Property	Total
<b>Property Acquisition Costs</b>										
Balance, April 30, 2006	\$ -	\$ 64,658	\$ 37,721	\$ 36,849	\$ 168,000	\$ 83,000	\$ 52,000	\$ -	\$ -	\$ 442,228
Option payments	380,476	-	-	-	-	-	-	17,000	18,875	35,875
Staking claims	107,127	-	-	-	-	-	-	-	-	-
Written off	(9,500)	-	-	-	-	-	-	-	-	-
Balance, October 31, 2006	478,103	64,658	37,721	36,849	168,000	83,000	52,000	17,000	18,875	478,103
<b>Deferred Exploration Expenditures</b>										
Balance, April 30, 2006	-	1,350,723	269,519	1,247,209	419,149	37,831	103,199	-	-	3,427,630
Geophysical	774,103	-	-	-	-	-	-	35,000	-	35,000
Assays, analysis	31,552	3,848	-	-	-	-	-	-	12,142	15,990
Geological	110,509	11,250	-	-	11,250	-	-	9,375	13,125	45,000
Geochemical	29,823	-	-	-	-	-	-	-	-	-
Drilling	2,327,101	555	-	-	4,115	-	-	83,101	116,440	204,211
Line cutting	31,023	-	-	-	-	-	-	-	-	-
Reports	37,470	-	-	-	-	-	-	-	-	-
Stock-based compensation	7,400	-	-	-	-	-	-	-	-	-
Transportation	225,680	-	-	-	-	-	-	-	-	-
Travel	18,277	-	-	-	-	-	-	-	923	923
Consulting	132,426	-	-	-	-	-	-	2,129	7,214	9,343
Other	46,336	(2,719)	-	-	-	-	-	1,800	-	(919)
Advance	6,000	-	-	-	-	-	-	-	-	-
Written off	(40,522)	-	-	-	-	-	-	-	-	-
Balance, October 31, 2006	3,737,178	1,363,657	269,519	1,247,209	434,514	37,831	103,199	131,405	149,844	3,737,178
Total, Active properties	\$ 4,215,281	\$ 1,428,315	\$ 307,240	\$ 1,284,058	\$ 602,514	\$ 120,831	\$ 155,199	\$ 148,405	\$ 168,719	\$ 4,215,281
Inactive properties	1									1
Total, October 31, 2006	\$ 4,215,282									\$ 4,215,282

See accompanying notes to unaudited financial statements

# PROBE MINES LIMITED

(A Development Stage Enterprise)

## NOTES TO FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED OCTOBER 31, 2006

(Unaudited)

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### 1. NATURE OF OPERATIONS AND GOING CONCERN

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 the resource properties and the 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. SIGNIFICANT ACCOUNTING POLICIES

These 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 unaudited financial statements required by Canadian Generally Accepted Accounting Principles for annual financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and six months ended October 31, 2006 may not necessarily be indicative of the results that may be expected for the year ending April 30, 2007.

The balance sheet at April 30, 2006 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 complete financial statements. The interim unaudited financial statements have been prepared by management in accordance with the accounting policies described in the Company's annual financial statements for the year ended April 30, 2006. For further information, refer to the audited financial statements and notes thereto for the year ended April 30, 2006.

### 3. NEW ACCOUNTING PRONOUNCEMENTS

In January 2005, the Canadian Institute of Chartered Accountants issued four new accounting standards: Handbook Section 1530, Comprehensive Income, Handbook Section 3251, Equity, Handbook Section 3855, Financial Instruments - Recognition and Measurement, and Handbook Section 3865, Hedges. These standards are effective for interim and annual financial statements for the Company's fiscal years beginning May 1, 2007.

# PROBE MINES LIMITED

(A Development Stage Enterprise)

## NOTES TO FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED OCTOBER 31, 2006

(Unaudited)

### 4. EQUIPMENT

	Cost	Accumulated Amortization	October 31, 2006 Net	April 30, 2006 Net
Computer equipment	\$ 6,291	\$ 4,064	\$ 2,227	\$ 2,620

### 5. INTEREST IN MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

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.

For a description of the mineral properties owned by the Company, refer to Note 4 of the audited financial statements as at April 30, 2006. Specific changes to interest in mineral properties and deferred exploration expenditures that occurred from April 30, 2006 to October 31, 2006 are as follows:

(a) On June 19, 2006, the Company reached an agreement to option the Greenlaw property in Greenlaw Township near Chapleau, Ontario. The Company has the right to earn a 100% interest in the property by making cash payments totaling \$35,000 (\$7,500 paid) and issuing 200,000 shares (50,000 issued and valued at \$9,500) over the three-year term of the agreement. The vendors maintain a 3% Net Smelter Royalty (NSR) interest on metals and a 2% gross overriding royalty (GORR) on diamonds and gemstones, while the Company retains an option to buy back 1.5% of the NSR for \$1,000,000 and 1% of the GORR for \$1,000,000.

(b) On June 26, 2006, the Company reached an agreement to option the Lumby Lake property in the Norway Lake area near Atikokan, Ontario. The Company has the right to earn a 100% interest in the property by making cash payments totaling \$39,000 (\$9,000 paid) and issuing 200,000 shares (50,000 issued and valued at \$8,500) over the three-year term of the agreement. The vendor maintains a 3% NSR interest on metals, while the Company retains an option to buy back 2% of the NSR for \$2,000,000 in 1% increments.

On August 2, 2006, the Company reached an agreement to option eight additional claims in the Norway Lake Area near Atikokan, Ontario. The Company has the right to earn a 100% interest in the property, over a three-year period, by making a cash payment of \$1,000 (paid) and issuing 10,000 shares (5,000 issued) to the optionor. The optionor will maintain a 1% NSR interest on metals, which is subject to a 1% buyback right by Probe for \$250,000. The 5,000 shares of Probe were issued by a director of the Company to the optionor (share value assigned - \$375). The Company subsequently paid the director \$375 as a reimbursement for the shares issued.

(c) On October 10, 2006, the Company entered into a binding letter of intent with Avenue Financial ("Avenue") 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 Avenue shares over a 3-year term on closing for the Tamarack Project, subject to regulatory approval, and b) the completion of a \$500,000 work program over three years, of which \$100,000 is required for the initial year.

# PROBE MINES LIMITED

(A Development Stage Enterprise)

## NOTES TO FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED OCTOBER 31, 2006

(Unaudited)

### 6. CAPITAL STOCK

#### (a) Authorized

Unlimited common shares

#### (b) Issued

22,914,973 common shares

Transactions during the periods are as follows:

	Number of shares	Amount
Balance, April 30, 2003	10,178,556	\$ 1,344,725
Common shares issued for interest in mineral properties	200,000	97,100
Common shares issued for services	25,000	11,500
Common shares issued pursuant to private placements	3,428,571	1,120,000
Exercise of warrants	1,198,667	131,854
Share issue costs	-	(144,771)
<b>Balance, April 30, 2004</b>	<b>15,030,794</b>	<b>2,560,408</b>
Exercise of options	321,430	77,015
Common shares issued pursuant to private placement	269,696	120,000
Warrants issued	-	(40,185)
Renunciation of flow-through expenditures	-	(259,360)
Share issue costs	-	(17,232)
<b>Balance, April 30, 2005</b>	<b>15,621,920</b>	<b>2,440,646</b>
Common shares issued pursuant to private placement	62,500	25,000
Common shares issued pursuant to private placement	3,715,277	1,655,000
Common shares issued pursuant to private placement	444,444	200,000
Warrant issue - Black-Scholes valuation	-	(872,163)
Cost of issue - compensation warrants (Black-Scholes valuation)	-	(19,409)
Renunciation of flow-through expenditures	-	(660,700)
Common shares issued pursuant to private placement	2,050,000	1,500,000
Warrant issue - Black-Scholes valuation	-	(264,479)
Cost of issue - compensation warrants (Black-Scholes valuation)	-	(6,612)
Exercise of stock options	100,000	40,000
Black-Scholes valuation - stock options	-	25,000
Exercise of warrants	320,832	224,581
Black-Scholes valuation - warrants	-	43,698
Shares issued for property	100,000	83,000
Shares issued for property	300,000	168,000
Shares issued for property	100,000	52,000
Cost of issues - cash	-	(159,863)
<b>Balance, April 30, 2006</b>	<b>22,814,973</b>	<b>4,473,699</b>
Shares issued for properties (Note 5(a)(b))	100,000	18,000
<b>Balance, October 31, 2006</b>	<b>22,914,973</b>	<b>\$ 4,491,699</b>

# PROBE MINES LIMITED

(A Development Stage Enterprise)

## NOTES TO FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED OCTOBER 31, 2006

(Unaudited)

### 6. CAPITAL STOCK (Continued)

#### (c) Stock Options

A summary of changes in stock options is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, April 30, 2006 and October 31, 2006	3,250,000	\$ 0.37

(i) On September 19, 2005, the Company granted 1,000,000 options to directors of the Company to acquire 1,000,000 shares of the Company at a price of \$0.45 per share. The fair value of these options at the date of grant was estimated using the Black-Scholes pricing model based on the following assumptions: dividend yield of 0%; risk-free interest rate of 3.5%; expected life of five years; and volatility of 82%. The fair value assigned to these options was \$219,427, of which \$48,619 (fiscal 2006 - \$100,996) was expensed to the statement of operations and deficit with a corresponding amount allocated to contributed surplus. The remaining portion of \$69,812 will be expensed in the statement of operations as services are rendered by the directors.

(ii) On January 23, 2006, the Company granted 650,000 options to directors of the Company to acquire 650,000 shares of the Company at a price of \$0.75 per share. The fair value of these options at the date of grant was estimated using the Black-Scholes pricing model based on the following assumptions: dividend yield of 0%; risk-free interest rate of 3.9%; expected life of five years; and volatility of 74%. The fair value assigned to these options was \$313,027, of which \$96,374 (fiscal 2006 - \$63,034) was expensed to the statement of operations and deficit with a corresponding amount allocated to contributed surplus. The remaining portion of \$153,619 will be expensed in the statement of operations as services are rendered by the directors.

Total stock-based compensation for the period amounted to \$144,993 (October 31, 2005 - \$52,945).

As at October 31, 2006, 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	149,615
January 23, 2011	0.75	650,000	159,408
		3,250,000	\$ 570,023

# PROBE MINES LIMITED

(A Development Stage Enterprise)

## NOTES TO FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED OCTOBER 31, 2006

(Unaudited)

### 6. CAPITAL STOCK (Continued)

#### (d) Share Purchase Warrants

	Number of Warrants	Weighted Average Exercise Price
Balance, April 30, 2006	6,171,085	\$0.92
Expired	(1,000,000)	(1.25)
Balance, October 31, 2006	5,171,085	\$1.10

As at October 31, 2006, the following warrants were outstanding:

Expiry Date	Exercise Price (\$)	Warrants Outstanding	Black-Scholes Valuation
March 31, 2007	1.00	11,364	\$ 784
May 26, 2007	1.00	3,493,055	728,918
May 26, 2007	1.00	222,222	46,315
July 25, 2007	1.00	444,444	92,633
March 31, 2007	1.50	1,000,000	149,436
		5,171,085	\$ 1,018,086

#### (e) Broker Compensation Warrants

	Number of Compensation Warrants	Weighted Average Exercise Price
Balance, April 30, 2006	149,886	\$0.76
Expired	(25,000)	(1.25)
Balance, October 31, 2006	124,886	\$0.66

As at October 31, 2006, the following broker compensation warrants were outstanding:

Expiry Date	Exercise Price (\$)	Compensation Warrants Outstanding	Black-Scholes Valuation
March 31, 2007	0.45	33,220	\$ 6,630
May 26, 2007	0.45	22,222	6,004
July 25, 2007	0.45	44,444	12,007
March 31, 2007	1.50	25,000	3,736
		124,886	\$ 28,377

# PROBE MINES LIMITED

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## NOTES TO FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED OCTOBER 31, 2006

(Unaudited)

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### 6. CAPITAL STOCK (Continued)

#### (f) Contributed Surplus

A summary of contributed surplus is as follows:

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Balance, April 30, 2006	\$ 1,084,038
Directors' stock-based compensation	144,993
Expired warrants	117,919

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Balance, October 31, 2006	\$ 1,346,950
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### 7. LOSS PER SHARE

Basic loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated in a similar manner, except that the weighted average number of common shares outstanding is increased to include potentially issuable common shares from the assumed exercise of stock options and warrants, if dilutive. The number of additional shares included in the calculation is based on the treasury stock method for stock options and warrants. The effect of potential issuances of shares under stock options and warrants would be anti-dilutive, and accordingly basic and diluted loss per share are the same.

### 8. RELATED PARTY TRANSACTIONS

During the period, the Company paid consulting fees of \$45,000 (2005 - \$35,000) and reimbursed a director and a company controlled by the director for out of pocket expenses that occurred on behalf of the Company. The Company also incurred legal fees of \$13,993 (2005 - \$50,600) to a corporation controlled by another 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 exceed the arm's length equivalent value for these services.

### 9. SUBSEQUENT EVENTS

As of November 30, 2006, the Company announced that it retained an investor relations consultant for an initial period of twelve months ending October 31, 2007. The arrangement may be terminated by either party with 30 days advance written notice after six months. The investor relations consultant will be paid an annual compensation of \$44,000, paid on a monthly basis, and will be reimbursed for authorized expenses. The investor relations consultant will also be granted incentive stock options to purchase 200,000 shares at an exercise price of \$0.20 per share, expiring on November 28, 2011. The options will vest in stages over a 12-month period, with no more than one-quarter of the options vesting in any three-month period.

On December 21, 2006, Probe completed a non-brokered private placement financing of \$200,000 comprising the sale of 1,000,000 common shares at \$0.20 per share. All securities issued in conjunction with the offering will be subject to a hold period, which expires on April 22, 2007. No fees or commissions were paid in conjunction with the financing.