

NOTICE TO SHAREHOLDERS FOR THE NINE MONTHS ENDED JANUARY 31, 2005

PROBE MINES LIMITED

Responsibility for Financial Statements

The accompanying 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, 2004 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 financial statements have been fairly presented.

Auditors' involvement

The auditors of Probe Mines Limited have not performed a review of the unaudited financial statements for the three and nine months ended January 31, 2005 and January 31, 2004.

Probe Mines Limited

Balance Sheets (Prepared by Management)

	January 31, 2005 (Unaudited)	April 30, 2004 (Audited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 128,394	\$ 646,698
Subscriptions receivable	-	310,000
Sundry receivable and prepaids	60,425	26,372
	188,819	983,070
Equipment	4,144	5,347
Interest in mineral properties and deferred exploration expenditures (Note 2)	892,260	298,648
	\$ 1,085,223	\$ 1,287,065

Liabilities and Shareholders' Equity

Current Liabilities:		
Accounts payable and accrued liabilities	\$ 17,593	\$ 124,605
Shareholders' equity:		
Share capital (Note 3)	2,583,423	2,560,408
Broker compensation warrants (Note 7)	53,500	53,500
Contributed surplus	890,508	690,508
Deficit	(2,459,801)	(2,141,956)
	1,067,630	1,162,460
	\$ 1,085,223	\$ 1,287,065

APPROVED ON BEHALF OF THE BOARD:

Sgd. "Harry J. Hodge" _____, Director

Sgd. "Dennis H. Peterson" _____, Director

Probe Mines Limited

Statements of Operations and Deficit

(Prepared by Management - Unaudited)

	For the Three Months Ended January 31,		For the Nine Months Ended January 31,	
	2005	2004	2005	2004
Expenses				
Investor relations and shareholder information	\$ 36,051	\$ 1,662	\$ 67,372	\$ 3,581
Professional and consulting fees	-	24,550	11,409	27,550
Transfer agent and filing fees	7,736	10,266	18,230	19,659
Occupancy costs	3,450	-	11,025	-
Office and general	1,130	1,413	2,910	1,572
Stock option compensation (Note 3 and Note 4)	206,011	85,000	208,015	85,000
Amortization	401	-	1,203	-
	254,779	122,891	320,164	137,362
Net loss before undernoted	(254,779)	(122,891)	(320,164)	(137,362)
Interest income	415	-	2,319	434
Write-down of interest in mineral properties and deferred exploration expenditures	-	-	-	(50,022)
Net loss for the period	(254,364)	(122,891)	(317,845)	(186,950)
DEFICIT, beginning of period	(2,205,437)	(1,958,576)	(2,141,956)	(1,894,517)
DEFICIT, end of period	\$ (2,459,801)	\$ (2,081,467)	\$ (2,459,801)	\$ (2,081,467)
Basic and diluted loss per share (Note 6)	\$ 0.02	\$ 0.01	\$ 0.02	\$ 0.02
Weighted average number of shares	15,041,509	12,477,005	15,041,509	10,944,706

Probe Mines Limited

Statements of Cash Flows (Prepared by Management - Unaudited)

	For the Three Months Ended January 31,		For the Nine Months Ended January 31,	
	2005	2004	2005	2004
Cash provided by (used in):				
Operating activities:				
Net loss for the period	\$ (254,364)	\$ (122,891)	\$ (317,845)	\$ (186,950)
Items not involving cash:				
Amortization	401	-	1,203	-
Stock option compensation (Note 3 and Note 4)	206,011	85,000	208,015	85,000
Write-down of interest in mineral properties and deferred exploration expenditures	-	-	-	50,022
Changes in non-cash working capital	495	(30,452)	183,935	(27,235)
	(47,457)	(68,343)	75,308	(79,163)
Financing activities:				
Issuance of common shares for cash	-	120,000	-	120,000
Exercise of share purchase warrants	-	114,867	-	114,867
	-	234,867	-	234,867
Investing activities:				
Additions to interest in mineral properties and deferred exploration	(248,759)	(66,964)	(593,612)	(99,068)
Change in cash and cash equivalents	(296,216)	99,560	(518,304)	56,636
Cash and cash equivalents, beginning of period	424,610	3,974	646,698	46,898
Cash and cash equivalents, end of period	\$ 128,394	\$ 103,534	\$ 128,394	\$ 103,534

Probe Mines Limited

Notes to Financial Statements

(Prepared by Management - Unaudited)

Nine Months Ended January 31, 2005

1. ACCOUNTING POLICIES

Probe Mines Ltd. (the "Company"), which is in the development stage, is in the process of exploring its Canadian resource properties for mineral resources and has not determined whether the properties contain economically recoverable reserves. 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.

The unaudited financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and notes to the financial statements required by Canadian generally accepted accounting principles for annual financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and nine month periods ended January 31, 2005 may not be necessarily indicative of the results that may be expected for the year ending April 30, 2005.

The balance sheet at April 30, 2004 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 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, 2004. For further information, refer to the financial statements and notes thereto included in the Company's annual financial statements for the year ended April 30, 2004.

2. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

As of January 31, 2005, accumulated costs with respect to the Company's interest in mineral properties owned, leased or under option, consisted of the following:

	Opening Balance April 30, 2004	Additions (Reductions) (**)	Ending Balance January 31, 2005
Dubuisson Township (*)	\$ 1	\$ -	\$ 1
McFauld's Lake Property (*)	180,727	364,687	545,414
Bristol Township (*)	117,920	228,925	346,845
	<u>\$ 298,648</u>	<u>\$ 593,612</u>	<u>\$ 892,260</u>

(*) The descriptions of these properties can be found in the April 30, 2004 audited financial statements.

(**) Refer to Supplement I of the January 31, 2005 unaudited financial statements for a breakdown of material costs to comply with Form 51-102F1.

Probe Mines Limited

Notes to Financial Statements

(Prepared by Management - Unaudited)

Nine Months Ended January 31, 2005

3. CAPITAL STOCK

(a) Authorized
Unlimited common shares

(b) Issued

	<u>Shares</u>	<u>Amount</u>
Balance, April 30, 2004 (audited)	15,030,794	\$ 2,560,408
Exercise of stock options - settlement of debt (****)	21,430	15,000
Black-Scholes valuation on exercise of stock options	-	8,015
Balance, January 31, 2005 (unaudited) (***)	<u>15,052,224</u>	<u>\$ 2,583,423</u>

(***) Refer to Supplement II of the January 31, 2005 unaudited financial statements for disclosure of information relating to the outstanding securities of the Company as at March 4, 2005 to comply with Form 51-102F1.

(****) The Company terminated its contract with Ensign Corporate Communications ("Ensign") for investor relations and corporate communications services. According to the terms of the contract, Ensign was issued and subsequently exercised an option to purchase 21,430 shares at \$0.70. The fair value of the 21,430 shares was estimated to be \$8,015 using the Black-Scholes pricing model based on the following assumptions: dividend yield of 0%; risk-free interest rate of 3%; expected life of two years; and volatility of 100%.

4. Stock options

The following table reflects the continuity of stock options for the nine months ended January 31, 2005:

	NUMBER OF STOCK OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE \$
Balance, April 30, 2004 (audited)	1,120,000	0.11
Cancelled	(20,000)	0.75
Granted (****) and (*****)	921,430	0.41
Exercised	(21,430)	0.70
Balance, January 31, 2005 (unaudited)	2,000,000	0.24

Probe Mines Limited

Notes to Financial Statements

(Prepared by Management - Unaudited)

Nine Months Ended January 31, 2005

4. Stock options (Continued)

The following table reflects the actual stock options outstanding as of January 31, 2005:

Expiry Date	Exercise Price (\$)	Options Outstanding	Black-Scholes Valuation (\$)
November 7, 2008	0.10	1,100,000	85,000
(*****) January 5, 2010	0.40	900,000	200,000
		2,000,000	285,000

(*****) Options in respect of an aggregate of 800,000 common shares exercisable at \$0.40 per share for a five year term were granted on January 5, 2005 to directors.

The Company has retained the services of AGORA Investor Relations Corp. ("AGORA") to provide investor relations, communications and marketing services.

Pursuant to an agreement with AGORA, AGORA will provide investor relations and corporate communications services for an initial period of 3 months expiring on March 31, 2005, with a right to renew for a further nine months thereafter. AGORA will be paid a monthly fee of \$2,000 and will be entitled to receive an option on up to a maximum of 100,000 shares. The options vest as to 25% every three months are exercisable at a price of \$0.40 per share for a period equal to the lesser of 30 days after termination and five years.

The fair value of the 900,000 shares was estimated using the Black-Scholes pricing model based on the following assumptions: dividend yield of 0%; risk-free interest rate of 4%; expected life of five years; and volatility of 72%. As of January 31, 2005, \$200,000 was expensed in the statement of operations and deficit for the 800,000 stock options issued to directors. The fair value of the 100,000 options issued to AGORA will be expensed in the statement of operations and deficit as these options vest.

The total stock option compensation for the nine months ended January 31, 2005 was \$208,015.

5. Income Tax

The estimated taxable income for the period is \$nil. Based upon the level of historical taxable income, it cannot be reasonably estimated at this time, if it is more likely than not that the Company will realize the benefits from future income taxes or the amounts owing from future income tax liabilities. Consequently, the future recovery or loss arising from differences in tax values and accounting values has been reduced by an equivalent estimated temporary difference valuation allowance. The estimated temporary difference valuation allowance will be adjusted in the period that it is determined that it is more likely than not that some or all of the future tax assets or liabilities will be realized.

6. Basic and diluted loss per share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. Diluted loss per share, which reflects the maximum possible dilution from the potential exercise of outstanding stock options and warrants, is the same as basic loss per share for the period ended. The conversion of stock options and warrants to calculate diluted loss per share was not done, because the conversion was anti-dilutive.

Probe Mines Limited

Notes to Financial Statements

(Prepared by Management - Unaudited)

Nine Months Ended January 31, 2005

7. Warrants

As at January 31, 2005, the Company had the following broker compensation warrants and warrants outstanding:

BLACK-SCHOLES VALUATION (\$)	NUMBER OF BROKER COMPENSATION WARRANTS AND WARRANTS	EXERCISE PRICE (\$)	EXPIRY DATE
\$ 53,500	142,857	0.70	April 26, 2006
-	714,286	1.00	April 26, 2006
\$ 53,500	857,143		

Probe Mines Limited

Supplement I to the Financial Statements

(Prepared by Management - Unaudited)

Nine Months Ended January 31, 2005

MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES BREAKDOWN

Dubuisson Township

	For the Three Months Ended January 31,		For the Nine Months Ended January 31,	
	2005	2004	2005	2004
Activity during the period	\$ -	\$ -	\$ -	\$ -

McFauld's Lake Property

	For the Three Months Ended January 31,		For the Nine Months Ended January 31,	
	2005	2004	2005	2004
Activity during the period				
Transportation	\$ 6,071	\$ -	\$ 175,105	\$ -
Consulting	8,750	-	64,566	-
Drilling	74,766	-	93,968	-
Geological	1,200	-	5,200	-
Geophysical	25,457	-	25,457	-
Travel	-	-	391	-
	\$ 116,244	\$ -	\$ 364,687	\$ -

Bristol Township

	For the Three Months Ended January 31,		For the Nine Months Ended January 31,	
	2005	2004	2005	2004
Activity during the period				
Drilling	\$ 105,401	\$ -	\$ 175,111	\$ -
Consulting	8,750	-	26,250	-
Assays	7,565	-	14,492	-
Geological	1,892	-	3,092	-
Travel	8,907	-	9,980	-
	\$ 132,515	\$ -	\$ 228,925	\$ -
Total activity during the period	\$ 248,759	\$ -	\$ 593,612	\$ -

Probe Mines Limited

Supplement II to the Financial Statements

(Prepared by Management - Unaudited)

Nine Months Ended January 31, 2005

OUTSTANDING SECURITIES AS OF MARCH 5, 2005

(a) As of March 5, 2005, there were 15,052,224 common shares outstanding.

(b) Stock options

The following table reflects the actual stock options outstanding as of March 5, 2005:

Expiry Date	Exercise Price (\$)	Options Outstanding
November 7, 2008	0.10	1,100,000
January 5, 2010	0.40	900,000
		2,000,000

(c) Warrants

As at March 5, 2005, the Company had the following broker compensation warrants and warrants outstanding:

NUMBER OF BROKER COMPENSATION WARRANTS AND WARRANTS	EXERCISE PRICE (\$)	EXPIRY DATE
142,857	0.70	April 26, 2006
714,286	1.00	April 26, 2006
857,143		
