
PROBE MINES LIMITED
(A Development Stage Enterprise)

Unaudited Interim Financial Statements
Three and Nine Months Ended January 31, 2010
(Expressed in Canadian Dollars)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements of Probe Mines Limited (A development stage enterprise as defined by the Canadian Institute of Chartered Accountants Accounting Guideline 11) were prepared by management in accordance with Canadian generally accepted accounting principles. The most significant of these accounting principles have been set out in the April 30, 2009 audited financial statements. Only changes in accounting policies have been disclosed in these unaudited interim financial statements. Management acknowledges responsibility for the preparation and presentation of the unaudited interim financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management has established processes which are in place to provide it sufficient knowledge to support management representations that it has 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 flows of the Company, as of the date of and for the periods presented by the unaudited interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

PROBE MINES LIMITED
(A Development Stage Enterprise)
INTERIM BALANCE SHEETS
(Unaudited - Expressed in Canadian Dollars)

	January 31, 2010	April 30, 2009
Assets		
Current assets		
Cash	\$ 239,441	\$ 466,251
Short-term investments	3,090,653	3,842,187
Due from joint venture partner	244,206	-
Sundry receivables and prepaid expenses (Note 9)	24,120	23,013
	3,598,420	4,331,451
Equipment (Note 5)	2,744	3,540
Long-term investments (Note 6)	185,463	12,000
Interest in mineral properties and deferred exploration expenditures (Note 7)	4,854,984	4,451,270
	\$ 8,641,611	\$ 8,798,261
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 9)	\$ 30,470	\$ 43,800
	753,947	747,500
Future income tax liability	784,417	791,300
	784,417	791,300
Shareholders' Equity		
Capital stock (Note 8(b))	8,622,808	8,611,208
Share purchase warrants (Note 8(d))	407,050	1,226,169
Broker compensation warrants (Note 8(e))	80,862	188,262
Contributed surplus	3,672,808	2,742,866
Deficit	(4,940,409)	(4,737,604)
Accumulated other comprehensive income (loss)	14,075	(23,940)
	7,857,194	8,006,961
	\$ 8,641,611	\$ 8,798,261

Nature and continuance of operations - (Note 1)
Subsequent events - (Note 10)

See accompanying notes to unaudited interim financial statements

PROBE MINES LIMITED
(A Development Stage Enterprise)
INTERIM STATEMENTS OF OPERATIONS
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended January 31, 2010	Three Months Ended January 31, 2009	Nine Months Ended January 31, 2010	Nine Months Ended January 31, 2009	Cumulative Since Inception
Operating Expenses					
Stock-based compensation	\$ -	\$ 26,135	\$ 7,523	\$ 315,126	\$ 1,411,774
Professional fees	27,002	30,595	76,537	106,354	569,744
Shareholder information	7,635	8,416	33,869	59,352	356,951
Transfer agent and filing fees	3,931	3,004	33,536	30,873	247,319
Office and general	4,055	9,751	35,649	28,419	171,883
Occupancy costs	4,284	4,213	12,852	12,049	113,369
Consulting fees	7,500	3,750	18,750	11,250	98,270
Advertising	6,625	980	23,712	2,342	56,168
Travel and promotion	2,015	205	8,427	850	25,664
Amortization	266	226	797	678	6,733
	63,313	87,275	251,652	567,293	3,057,875
Loss before the undernoted items					
	(63,313)	(87,275)	(251,652)	(567,293)	(3,057,875)
Joint venture management fee	22,201	-	39,325	-	39,325
Foreign exchange gain	-	-	-	36,836	36,836
Interest income	10,074	3,379	9,522	72,851	148,083
Gain on sale of long-term investments	-	-	-	-	17,150
Write down of interest in mineral properties and deferred exploration expenditures	-	-	-	-	(1,447,071)
Loss before income taxes	(31,038)	(83,896)	(202,805)	(457,606)	(4,263,552)
Future income tax recovery	-	-	-	-	1,217,660
Net loss	\$ (31,038)	\$ (83,896)	\$ (202,805)	\$ (457,606)	\$ (3,045,892)
Net loss per share					
- basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)	
Weighted average number of shares					
	33,529,075	33,516,472	33,520,673	33,516,472	

See accompanying notes to unaudited interim financial statements

PROBE MINES LIMITED

(A Development Stage Enterprise)

INTERIM STATEMENTS OF COMPREHENSIVE LOSS

(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended January 31, 2010	Three Months Ended January 31, 2009	Nine Months Ended January 31, 2010	Nine Months Ended January 31, 2009	Cumulative Since Inception
Net loss	\$ (31,038)	\$ (83,896)	\$ (202,805)	\$ (457,606)	\$ (3,045,892)
Other comprehensive income (loss)					
Unrealized income (loss) on available-for-sale securities (a)	(7,728)	46,170	38,015	(47,442)	(28,177)
Reclassification of loss on available-for-sale securities (b)	-	-	-	-	30,780
Total comprehensive loss	\$ (38,766)	\$ (37,726)	\$ (164,790)	\$ (505,048)	\$ (3,043,289)
(a) net of taxes of:	\$ 1,310	\$ (7,830)	\$ (6,447)	\$ 6,310	\$ 10,228
(b) net of taxes of:	\$ -	\$ -	\$ -	\$ -	\$ (5,220)

See accompanying notes to unaudited interim financial statements

PROBE MINES LIMITED
(A Development Stage Enterprise)
INTERIM STATEMENTS OF DEFICIT
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended January 31, 2010	Three Months Ended January 31, 2009	Nine Months Ended January 31, 2010	Nine Months Ended January 31, 2009	Cumulative Since Inception
Net loss	\$ (31,038)	\$ (83,896)	\$ (202,805)	\$ (457,606)	\$ (3,045,892)
Deficit, beginning of period	(4,909,371)	(4,645,019)	(4,737,604)	(4,271,309)	(1,894,517)
Deficit, end of period	\$ (4,940,409)	\$ (4,728,915)	\$ (4,940,409)	\$ (4,728,915)	\$ (4,940,409)

See accompanying notes to unaudited interim financial statements

PROBE MINES LIMITED
(A Development Stage Enterprise)
INTERIM STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited - Expressed in Canadian Dollars)

	Capital Stock	Share Purchase Warrants	Broker Compensation Warrants	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance, April 30, 2003	\$ 1,344,725	\$ 11,987	\$ -	\$ 598,108	\$ (1,894,517)	\$ -	\$ 60,303
Net loss for the year	-	-	-	-	(247,439)	-	(247,439)
Shares issued for interest in mineral properties	97,100	-	-	-	-	-	97,100
Shares issued for services	11,500	-	-	-	-	-	11,500
Shares issued pursuant to private placements	1,120,000	-	-	-	-	-	1,120,000
Share issue costs	(144,771)	-	53,500	-	-	-	(91,271)
Exercise of warrants	131,854	(11,987)	-	-	-	-	119,867
Stock-based compensation	-	-	-	92,400	-	-	92,400
Balance, April 30, 2004	2,560,408	-	53,500	690,508	(2,141,956)	-	1,162,460
Net loss for the year	-	-	-	-	(201,174)	-	(201,174)
Shares issued pursuant to private placements	120,000	-	-	-	-	-	120,000
Warrants issued	(40,185)	40,185	-	-	-	-	-
Share issue costs	(17,232)	-	5,232	-	-	-	(12,000)
Renunciation of flow-through expenditures	(259,360)	-	-	-	-	-	(259,360)
Exercise of options	77,015	-	-	(32,015)	-	-	45,000
Stock-based compensation	-	-	-	214,265	-	-	214,265
Balance, April 30, 2005	\$ 2,440,646	\$ 40,185	\$ 58,732	\$ 872,758	\$ (2,343,130)	\$ -	\$ 1,069,191

See accompanying notes to unaudited interim financial statements

PROBE MINES LIMITED

(A Development Stage Enterprise)

INTERIM STATEMENTS OF SHAREHOLDERS' EQUITY (Continued)

(Unaudited - Expressed in Canadian Dollars)

	Capital Stock	Share Purchase Warrants	Broker Compensation Warrants	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance, April 30, 2005	\$ 2,440,646	\$ 40,185	\$ 58,732	\$ 872,758	\$ (2,343,130)	\$ -	\$ 1,069,191
Net loss for the year	-	-	-	-	(307,812)	-	(307,812)
Shares issued pursuant to private placements	3,380,000	-	-	-	-	-	3,380,000
Warrants issued	(1,136,642)	1,136,642	-	-	-	-	-
Shares issued for interest in mineral properties	303,000	-	-	-	-	-	303,000
Share issue costs	(185,884)	-	26,021	-	-	-	(159,863)
Renunciation of flow-through expenditures	(660,700)	-	-	-	-	-	(660,700)
Exercise of warrants	268,279	(43,698)	-	-	-	-	224,581
Expiry of warrants	-	-	(53,500)	53,500	-	-	-
Exercise of options	65,000	-	-	(25,000)	-	-	40,000
Stock-based compensation	-	-	-	182,780	-	-	182,780
Balance, April 30, 2006	4,473,699	1,133,129	31,253	1,084,038	(2,650,942)	-	4,071,177
Net loss for the year	-	-	-	-	(1,353,775)	-	(1,353,775)
Shares issued pursuant to private placements	200,000	-	-	-	-	-	200,000
Shares issued for interest in mineral properties	18,000	-	-	-	-	-	18,000
Renunciation of flow-through expenditures	(465,900)	-	-	-	-	-	(465,900)
Expiry of warrants	-	(265,263)	(13,242)	278,505	-	-	-
Stock-based compensation	-	-	-	309,486	-	-	309,486
Balance, April 30, 2007	\$ 4,225,799	\$ 867,866	\$ 18,011	\$ 1,672,029	\$ (4,004,717)	\$ -	\$ 2,778,988

See accompanying notes to unaudited interim financial statements

PROBE MINES LIMITED

(A Development Stage Enterprise)

INTERIM STATEMENTS OF SHAREHOLDERS' EQUITY (Continued)

(Unaudited - Expressed in Canadian Dollars)

	Capital Stock	Share Purchase Warrants	Broker Compensation Warrants	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance, April 30, 2007	\$ 4,225,799	\$ 867,866	\$ 18,011	\$ 1,672,029	\$ (4,004,717)	\$ -	\$ 2,778,988
Net loss for the year	-	-	-	-	(266,592)	-	(266,592)
Shares issued pursuant to private placements	5,500,250	-	-	-	-	-	5,500,250
Shares issued for services	79,000	-	-	-	-	-	79,000
Warrants issued	(1,226,169)	1,226,169	-	-	-	-	-
Share issue costs	(592,307)	-	188,262	-	-	-	(404,045)
Expiry of warrants	-	(867,866)	(18,011)	885,877	-	-	-
Exercise of options	1,204,635	-	-	(427,760)	-	-	776,875
Stock-based compensation	-	-	-	282,356	-	-	282,356
Transition adjustment, net of taxes	-	-	-	-	-	11,472	11,472
Unrealized loss on available-for-sale securities, net of taxes	-	-	-	-	-	(20,460)	(20,460)
Balance, April 30, 2008	9,191,208	1,226,169	188,262	2,412,502	(4,271,309)	(8,988)	8,737,844
Net loss for the year	-	-	-	-	(466,295)	-	(466,295)
Stock-based compensation	-	-	-	330,364	-	-	330,364
Renunciation of flow-through expenditures	(580,000)	-	-	-	-	-	(580,000)
Unrealized loss on available-for-sale securities, net of taxes	-	-	-	-	-	(45,732)	(45,732)
Reclassification of loss on available-for-sale securities, net of taxes	-	-	-	-	-	30,780	30,780
Balance, April 30, 2009	8,611,208	1,226,169	188,262	2,742,866	(4,737,604)	(23,940)	8,006,961
Net loss for the period	-	-	-	-	(202,805)	-	(202,805)
Exercise of options	11,600	-	-	(4,100)	-	-	7,500
Expiry of warrants	-	(819,119)	(107,400)	926,519	-	-	-
Stock-based compensation	-	-	-	7,523	-	-	7,523
Unrealized income on available-for-sale securities, net of taxes	-	-	-	-	-	38,015	38,015
Balance, January 31, 2010	\$ 8,622,808	\$ 407,050	\$ 80,862	\$ 3,672,808	\$ (4,940,409)	\$ 14,075	\$ 7,857,194

See accompanying notes to unaudited interim financial statements

PROBE MINES LIMITED
(A Development Stage Enterprise)
INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended January 31, 2010	Three Months Ended January 31, 2009	Nine Months Ended January 31, 2010	Nine Months Ended January 31, 2009	Cumulative Since Inception
Cash (used in) provided by:					
Operating Activities					
Net loss	\$ (31,038)	\$ (83,896)	\$ (202,805)	\$ (457,606)	\$ (3,045,892)
Items not affecting cash:					
Future income tax recovery	-	-	-	-	(1,217,660)
Amortization	266	226	797	678	6,733
Stock-based compensation	-	26,135	7,523	315,126	1,411,774
Gain on sale of long-term investments	-	-	-	-	(17,150)
Write down of interest in mineral properties and deferred exploration expenditures	-	-	-	-	1,447,071
Net change in non-cash working capital:					
Due from joint venture partner	(48,001)	-	(244,206)	-	(244,206)
Sundry receivables and prepaid expenses	39,248	27,179	(1,107)	60,063	25,251
Exploration advance	-	-	-	-	(44,292)
Accounts payable and accrued liabilities	(347,181)	(25,402)	(13,330)	(251,783)	41,317
	(386,706)	(55,758)	(453,128)	(333,522)	(1,637,054)
Financing Activities					
Exercise of options proceeds	7,500	-	7,500	-	854,375
Exercise of warrants proceeds	-	-	-	-	344,448
Private placement proceeds	-	-	-	-	10,010,250
Subscriptions receivable	-	-	-	-	310,000
Share issue costs	-	-	-	-	(588,180)
	\$ 7,500	\$ -	\$ 7,500	\$ -	\$ 10,930,893

See accompanying notes to unaudited interim financial statements

PROBE MINES LIMITED
(A Development Stage Enterprise)
INTERIM STATEMENTS OF CASH FLOWS (Continued)
(Expressed in Canadian Dollars)

	Three Months Ended January 31, 2010	Three Months Ended January 31, 2009	Nine Months Ended January 31, 2010	Nine Months Ended January 31, 2009	Cumulative Since Inception
Investing Activities					
Purchase of equipment	\$ -	\$ -	\$ -	\$ (2,860)	\$ (9,475)
Net sale and purchase of short-term investments	(12,151)	1,325,350	751,534	4,447,970	(3,090,653)
Proceeds on sale of long-term investments	-	-	-	-	170,648
Interest in mineral properties and deferred exploration expenditures	(36,470)	36,392	(532,716)	(951,743)	(6,171,816)
	(48,621)	1,361,742	218,818	3,493,367	(9,101,296)
Net increase in cash	(427,827)	1,305,984	(226,810)	3,159,845	192,543
Cash, beginning of period	667,268	2,940,534	466,251	1,086,673	46,898
Cash, end of period	\$ 239,441	\$ 4,246,518	\$ 239,441	\$ 4,246,518	\$ 239,441
Supplemental cash information					
Shares received as payment for mineral properties	\$ -	\$ -	\$ 129,000	\$ 51,000	\$ 276,500
Shares and warrants issued as shares issue costs	\$ -	\$ -	\$ -	\$ -	\$ 79,000
Common shares issued for mineral properties	\$ -	\$ -	\$ -	\$ -	\$ 18,000

See accompanying notes to unaudited interim financial statements

PROBE MINES LIMITED

(A Development Stage Enterprise)

INTERIM STATEMENT OF INTEREST IN MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

(Unaudited - Expressed in Canadian Dollars)

At January 31, 2010

	Cumulative Since Inception	Tamarack Property	Bristol Township	Victory Property	McFaulds West Project	Noront Joint Venture	Total
Property Acquisition Costs							
Balance, April 30, 2009	\$ -	\$ 24,658	\$ (68,279)	\$ 36,849	\$ 5,830	\$ -	\$ (942)
Option payments	103,976	-	(129,000)	-	-	-	(129,000)
Staking claims	116,557	-	-	-	-	-	-
Written off	(350,475)	-	-	-	-	-	-
Balance, January 31, 2010	\$ (129,942)	\$ 24,658	\$ (197,279)	\$ 36,849	\$ 5,830	\$ -	\$ (129,942)
Deferred Exploration Expenditures							
Balance, April 30, 2009	\$ -	\$ 1,352,956	\$ 269,519	\$ 2,059,092	\$ -	\$ 770,644	\$ 4,452,211
Geophysical	1,169,429	3,500	-	-	-	1,200	4,700
Assays, analysis	75,507	-	-	130	-	32,088	32,218
Geological	246,359	-	-	-	-	-	-
Geochemical	67,668	-	-	-	-	-	-
Drilling	3,368,909	-	-	2,550	-	325,466	328,016
Line cutting	31,023	-	-	-	-	-	-
Reports	37,470	-	-	-	-	-	-
Stock-based compensation	7,400	-	-	-	-	-	-
Transportation	645,275	-	-	4,498	-	49,937	54,435
Travel	48,375	-	-	2,383	-	3,969	6,352
Consulting	395,445	2,500	-	40,145	-	47,727	90,372
Other	83,847	-	-	1,944	1,130	13,547	16,621
Advance	6,000	-	-	-	-	-	-
Recovery of costs	(101,186)	-	-	-	-	-	-
Written off	(1,096,596)	-	-	-	-	-	-
Balance, January 31, 2010	\$ 4,984,925	\$ 1,358,956	\$ 269,519	\$ 2,110,742	\$ 1,130	\$ 1,244,578	\$ 4,984,925
Total, active properties	\$ 4,854,983	\$ 1,383,614	\$ 72,240	\$ 2,147,591	\$ 6,960	\$ 1,244,578	\$ 4,854,983
Inactive properties	1						1
Total, January 31, 2010	\$ 4,854,984						\$ 4,854,984

See accompanying notes to unaudited interim financial statements

PROBE MINES LIMITED

(A Development Stage Enterprise)
NOTES TO INTERIM FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED JANUARY 31, 2010
(Unaudited - Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

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

These unaudited interim 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 interim financial statements do not include the adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The unaudited interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") for interim financial information. Accordingly, they do not include all of the information and notes to the financial statements required by Canadian GAAP for annual financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the three and nine months ended January 31, 2010 may not necessarily be indicative of the results that may be expected for the year ending April 30, 2010.

The balance sheet at April 30, 2009 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by Canadian GAAP for annual financial statements. The unaudited interim financial statements have been prepared by management in accordance with the accounting policies described in the Company's annual audited financial statements for the year ended April 30, 2009, except as noted below. For further information, refer to the audited financial statements and notes thereto for the year ended April 30, 2009.

Goodwill and Intangible Assets

Effective May 1, 2009, the Company adopted CICA Section 3064 "Goodwill and Intangible Assets", which replaced CICA Handbook sections 3062, "Goodwill and Other Intangible Assets" and 3450, "Research and Development Costs", as well as EIC-27, "Revenues and Expenditures During the Preoperating Period", and part of Accounting Guideline 11, "Enterprises in the development stage". Under previous Canadian standards, a greater number of items were recognized as assets than are recognized under International Financial Reporting Standards ("IFRS"). The provisions relating to the definition and initial recognition of intangible assets reduce the differences with IFRS in the accounting for intangible assets. The objectives of CICA 3064 are: 1) to reinforce the principle-based approach to the recognition of assets; 2) to establish the criteria for asset recognition and; 3) to clarify the application of the concept of matching revenues and expenses such that the current practice of recognizing asset items that do not meet the

PROBE MINES LIMITED

(A Development Stage Enterprise)
NOTES TO INTERIM FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED JANUARY 31, 2010
(Unaudited - Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES (Continued)

Goodwill and Intangible Assets (Continued)

recognition criteria is eliminated. The new standard also provides guidance for the recognition of internally developed intangible assets (including research and development activities), ensuring consistent treatment of all intangible assets. The portions in the new standard relating to goodwill remain unchanged. The adoption of this standard had no impact on the Company's presentation of its financial position or results of operations as at January 31, 2010.

Recent Accounting Pronouncements

IFRS

In January 2006, the CICA's Accounting Standards Board ("AcSB") formally adopted the strategy of replacing Canadian GAAP with IFRS for Canadian enterprises with public accountability. On February 13, 2008 the AcSB confirmed that the use of IFRS will be required in 2011 for publicly accountable profit-oriented enterprises. For these entities, IFRS will be required for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company will be required to have prepared, in time for its first quarter of fiscal 2012 filing, comparative financial statements in accordance with IFRS for the three months ended July 31, 2010. While the Company has begun assessing the impact of the adoption of IFRS on its financial statements, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

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.

Sections 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.

PROBE MINES LIMITED

(A Development Stage Enterprise)
NOTES TO INTERIM FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED JANUARY 31, 2010
(Unaudited - Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (Continued)

Financial Instruments

During 2009, CICA Handbook Section 3862, Financial Instruments - Disclosures ("Section 3862") was amended to require disclosure about the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and;
- Level 3 - Inputs that are not based on observable market data.

This amended standard applies to annual financial statements with fiscal years ending after September 30, 2009. The Company will include these disclosures in its annual financial statements for the year ending April 30, 2010.

3. 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 is made up of capital stock, share purchase warrants, broker compensation warrants, contributed surplus, deficit and accumulated other comprehensive income (loss) which at January 31, 2010, totaled \$7,857,194 (April 30, 2009 - \$8,006,961).

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) attempting to maintain 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.

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3. CAPITAL MANAGEMENT (Continued)

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 January 31, 2010.

4. 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.

Risk management is carried out by the Company's management team 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 short-term investments. The Company has cash and short-term investments of \$3,330,094 (April 30, 2009 - \$4,308,438) to settle current liabilities of \$30,470 (April 30, 2009 - \$43,800). Interest-bearing instruments included in 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 \$185,000.

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.

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4. FINANCIAL INSTRUMENTS (Continued)

(b) (continued) Interest rate risk is the impact 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 short-term investments being invested in interest-bearing instruments. Short-term investments include guaranteed investment certificates at call, which have variable interest rates. Sensitivity to a plus or minus 1% change in interest rates would affect net loss by approximately \$23,000.

(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 short-term investments, sundry receivables and due from joint venture partner. The Company has no significant concentration of credit risk arising from operations. 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 goods and services tax due from the Federal Government of Canada and a receivable from a related party (Note 9). Due from joint venture partner consists of a receivable from Noront Resources Ltd. ("Noront") for its share of exploration costs for the Noront Joint Venture. Management believes that the credit risk concentration with respect to sundry receivables and due from joint venture partner is minimal. Sundry receivables and due from joint venture partner are in good standing as of January 31, 2010.

(d) Fair value

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

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

5. EQUIPMENT

	<u>January 31, 2010</u>		
	Cost	Accumulated Amortization	Net
Computer equipment	\$ 9,475	\$ 6,731	\$ 2,744

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5. EQUIPMENT (Continued)

	April 30, 2009		
	Cost	Accumulated Amortization	Net
Computer equipment	\$ 9,475	\$ 5,935	\$ 3,540

6. LONG-TERM INVESTMENTS

January 31, 2010	Cost	Cumulative Other Comprehensive Income Adjustment	Fair Value ⁽³⁾
Mantis Mineral Corp. ⁽¹⁾	\$ 40,000	\$ (27,000)	\$ 13,000
West Timmins Mining Inc. ⁽²⁾	129,000	43,463	172,463
	\$ 169,000	\$ 16,463	\$ 185,463

April 30, 2009	Cost	Cumulative Other Comprehensive Loss Adjustment	Fair Value ⁽⁵⁾
Mantis Mineral Corp. ⁽⁴⁾	\$ 40,000	\$ (28,000)	\$ 12,000

⁽¹⁾ The Company owns 200,000 common shares of Mantis Mineral Corp.;

⁽²⁾ The Company owns 54,750 common shares of Lake Shore Gold Corp.;

⁽³⁾ Fair value was determined by using the bid price of the securities as at January 31, 2010;

⁽⁴⁾ The Company owned 200,000 common shares of Mantis Mineral Corp.; and

⁽⁵⁾ Fair value was determined by using the bid price of the security as at April 30, 2009.

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7. INTEREST IN MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

For a description of the mineral properties owned by the Company, refer to Note 7 of the audited financial statements as at April 30, 2009.

On a quarterly basis, management of the Company review exploration costs to ensure deferred expenditures include only costs and projects that are eligible for capitalization. Specific changes to mineral properties and deferred exploration expenditures that occurred from May 1, 2009 to January 31, 2010 are as follows:

(a) On May 19, 2009, a Joint Venture agreement was signed between the Company and Noront, comprising 87 claim units located in the "Ring of Fire" area of McFaulds Lake, northern Ontario. The Joint Venture does not include claims belonging to the Company's Tamarack or Victory properties, and excludes staked claims immediately north of the discovery area. The terms of the agreement will see the immediate formation of a 50-50 Joint Venture between Probe and Noront, under which Probe will act as operator for the first two years, and alternate operatorship every two years thereafter, as long as equal ownership is maintained. If one company acquires more than 50% of the joint venture, full operatorship will be transferred to the larger property interest. A technical committee will be formed comprising members from both companies to approve exploration programs.

(b) In accordance with the amended joint-venture agreement regarding Probe's 100% owned Bristol Township Project with West Timmins Mining Inc. ("West Timmins"), Probe received 75,000 West Timmins common shares valued at \$129,000. In November 2009, Lake Shore Gold Corp. ("Lake Shore") acquired all the outstanding common shares of West Timmins and Probe's 75,000 West Timmins common shares were exchanged for 54,750 Lake Shore common shares.

(c) During the first quarter of fiscal 2010, Mantis Mineral Corp. terminated its interest in the Tamarack Project.

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8. CAPITAL STOCK

(a) Authorized

Unlimited common shares

(b) Issued

33,566,472 common shares

	Number of shares		Amount
Balance, April 30, 2009	33,516,472	\$	8,611,208
Exercise of stock options	50,000		7,500
Black-Scholes valuation - stock options	-		4,100
Balance, January 31, 2010	33,566,472	\$	8,622,808

(c) Stock Options

A summary of changes in stock options is as follows:

	Number of options		Weighted Average Exercise Price
Balance, April 30, 2009	2,912,500	\$	0.41
Exercised	(50,000)		0.15
Expired	(300,000)		0.40
Balance, January 31, 2010	2,562,500	\$	0.42

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8. CAPITAL STOCK (Continued)

(c) Stock Options (Continued)

As of January 31, 2010, the following stock options were outstanding:

Expiry Date	Exercise Price (\$)	Options Outstanding	Remaining Contractual Life (Yrs)	Options Exercisable	Remaining Contractual Life (Yrs)	Black-Scholes Valuation (\$)
September 19, 2010	0.45	500,000	0.63	500,000	0.63	126,925
January 23, 2011	0.75	287,500	0.98	287,500	0.98	163,769
November 28, 2011	0.20	200,000	1.83	200,000	1.83	27,800
November 15, 2012	0.74	200,000	2.79	200,000	2.79	117,605
December 3, 2012	0.74	200,000	2.84	200,000	2.84	82,200
December 14, 2012	0.74	75,000	2.87	75,000	2.87	37,650
January 28, 2013	0.61	150,000	2.99	150,000	2.99	78,900
October 16, 2013	0.15	950,000	3.71	950,000	3.71	77,900
		2,562,500	2.45	2,562,500	2.45	712,749

(d) Share Purchase Warrants

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

	Number of Warrants	Weighted Average Exercise Price
Balance, April 30, 2009	3,666,833	\$ 1.18
Expired	(2,333,500)	1.00
Balance, January 31, 2010	1,333,333	\$ 1.50

As at January 31, 2010, the following warrants were outstanding:

Expiry Date	Exercise Price (\$)	Warrants Outstanding	Black-Scholes Valuation
February 7, 2010	1.50	1,333,333	\$ 407,050

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8. CAPITAL STOCK (Continued)

(e) Broker Compensation Warrants

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

	Number of Compensation Warrants	Weighted Average Exercise Price
Balance, April 30, 2009	463,333	\$ 0.69
Expired	(200,000)	0.69
Balance, January 31, 2010	263,333	\$ 0.75

As at January 31, 2010, the following warrants were outstanding:

Expiry Date	Exercise Price (\$)	Warrants Outstanding	Black-Scholes Valuation
February 7, 2010	0.75	52,667	\$ 15,800
February 7, 2010	0.75	210,666	65,062
		263,333	\$ 80,862

9. RELATED PARTY TRANSACTIONS

During the three and nine months ended January 31, 2010, the Company paid consulting fees of \$37,500 and \$112,500, respectively (three and nine months ended January 31, 2009 - \$37,500 and \$112,500, respectively), of which \$30,000 and \$93,750, respectively (three and nine months ended January 31, 2009 - \$33,750 and \$101,250, respectively) is included in interest in mineral properties and deferred exploration expenditures and \$7,500 and \$18,750, respectively (three and nine months ended January 31, 2009 - \$3,750 and \$11,250, respectively) is included in consulting fees, to a company controlled by a director. The Company was also charged legal fees of \$nil and \$3,825, respectively (three and nine months ended January 31, 2009 - \$nil and \$6,699, respectively) by a professional corporation controlled by a director of the Company. As at January 31, 2010, the Company accrued in sundry receivables \$4,346 (April 30, 2009 - \$4,346) for expenses paid on behalf of Canstar Resources Inc. ("Canstar"). Canstar and Probe have two directors in common. This balance bears no interest and is due on demand.

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9. RELATED PARTY TRANSACTIONS (Continued)

For the three and nine months ended January 31, 2010, the Company paid \$4,500 and \$13,500, respectively (three and nine months ended January 31, 2009 - \$4,500 and \$13,500, respectively) to Marrelli CFO Outsource Syndicate Inc. ("Marrelli") for the services of Carmelo Marrelli to act as Chief Financial Officer of the Company. Carmelo Marrelli beneficially owns Marrelli. The Chief Financial Officer is also the president of a firm providing accounting services to Probe. During the three and nine months ended January 31, 2010, the Company expensed \$9,315 and \$20,929, respectively (three and nine months ended January 31, 2009 - \$10,546 and \$28,702, respectively) for services rendered by this firm. In addition, as at January 31, 2010, this firm was owed \$1,923 (April 30, 2009 - \$8,936) and this amount was included in accounts payable and accrued liabilities.

For the three and nine months ended January 31, 2010, director fees of \$4,000 and \$12,000, respectively (three and nine months ended January 31, 2009 - \$4,000 and \$12,000, respectively) were paid.

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.

10. SUBSEQUENT EVENTS

(a) On February 2, 2010, the Company closed a private placement financing for gross proceeds of \$250,000 consisting of the sale of 500,000 units sold at \$0.50 per unit. Each unit consists of one common share and one common share purchase warrant. Each whole common share purchase warrant entitles the holder to acquire one common share for \$0.75 for a period of two years after closing. All securities will be subject to a hold period of four months.

(b) On February 7, 2010, 1,333,333 warrants with an exercise price of \$1.50 and 263,333 broker compensation warrants with an exercise price of \$0.75 expired unexercised.