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Probe reports Ontario Gold Assays as high as 10.9 g/t over 6.6m

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Probe Mines Limited TSXV:PRB announced drill results from its Borden Lake gold project near Chapleau, Ontario. Assays include

1 g/t gold over 4 metres

2.3 g/t over 17.7 metres (including 9.2 g/t over 3.7 metres)

0.6 g/t over 100.5 metres (including 1.2 g/t over 17.5 metres)

10.9 g/t over 6.6 metres (including 57 g/t over 1 metre)

0.6 g/t over 93.9 metres

0.8 g/t over 129.9 metres (including 1.8 g/t over 38.3 metres)

0.6 g/t over 113 metres

0.6 g/t over 130 metres.

A drill has been mobilized to test geophysical anomalies identified north of the Borden Lake gold zone by induced-polarization survey. The 100-line-kilometre survey is expected to be completed over the next two weeks. Drilling is expected to start this week.

President David Palmer tells ResourceClips.com, "Borden Lake is a relatively new project for us. It was a grassroots gold project that we picked up basically last year. It has great infrastructure, so it was a very easy project to go in and test. The first results we got back were phenomenal. It was top to bottom gold in that first phase drilling. Within nine months of making that discovery we took it to a resource estimate of 4 million ounces, and we're still in what we call the Phase 2 drilling. The beauty of Borden Lake is that nobody's been there before. It's a brand new gold discovery. It's not part of the Abitibi. So what we have is a kind of a blank canvas, so the upside potential is really good. We've got about 17 kilometres of the belt; the first exploration and discovery on it.

There's no reason why Probe couldn't go into a production scenario on Borden---David Palmer

"These results were maybe a little unexpected. Because we are the first to be drilling here, we're on a bit of steep learning curve. So we don't know what to expect. Borden Lake is in that low-grade bulk tonnage model, so to be seeing some of these higher-grade zones is really nice. All we know right now is that it's big and consistent. Getting these high-grade zones raises expectations, and hopefully we'll get more.

"I think we're up to Hole 115, and it's still open in all directions," Palmer continues. "Our goal now is to drill to an updated resource estimate and hopefully go into a preliminary economic assessment on it. I'm hoping that very early in 2012 we'll be at a stage where we'll be coming out with the scoping study on Borden. But it's all dependent on drilling. The next two milestones are metallurgy, which I hope to have in October, and follow-up with the economic studies which hopefully will be done---it might be a little ambitious---but I'm thinking January 2012."

As to production, Palmer says, "There's always two ways to go: somebody else is going to want it for their production, or we can elevate Probe to the next level and become a

producer ourselves. At this stage it's hard to say. It'll be dependent on results and the market reaction to them. But there's no reason why Probe couldn't go into a production scenario on Borden.

"The infrastructure is very good. This is the easiest project I've ever had in terms of access. It's 12 kilometres from Chapleau, which has well-developed infrastructure. It had three large mills running at one time, so it does have an industrial side to it. We're a 10-minute drive from rail, and it's one kilometre off the 101 Highway, which runs between Timmins and Chapleau. So, in terms of infrastructure, there's very little that needs to be done with Borden Lake, which hopefully will show itself in the economic assessment."

Regarding progress on Probe's other properties, Palmer says, "Our next biggest project in terms of value would be our Black Creek project. Black Creek is a discovery we made in 2009, and it now has a measured and indicated resource of about 10 million tonnes of high-grade chromite. It's very strategic because it sits in between two chromite deposits in the Ring of Fire, Black Thor and Big Daddy. It's a very nice deposit---most of it is a single, high-grade massive lens of chromite. It comes straight to surface, so it's probably open-pittable, and because of the high-grade it could be direct-shipping lump ore, which makes it very attractive in terms requiring less infrastructure on site.

"We could continue drilling it to depth, but I think at this point we're waiting to see what happens in terms of infrastructure in the Ring of Fire. A major hurdle to the Ring of Fire is the lack of infrastructure. So what we'd like to do is see how the other companies are doing and progressing in terms of infrastructure up there.

"But we're a small company, so our resources are all focused on Borden Lake right now. Borden Lake has done phenomenally well. It's still early stage and we've got a lot left to do on it. But after less than a year after discovery to be at the stage where we have a 4-million-ounce resource, open in all directions, I think it's really promising. We've probably only scratched the surface of the potential on Borden Lake.

"I would say we're definitely undervalued in the market right now. There's probably a bit of a disconnect because we have disparate commodities. You never see chromite-gold companies, and I think what happens is people haven't connected all the assets in the story. In terms of our market value now---it's almost like you're getting Borden Lake for free, given the values of the chromite, and that we've also got a net-smelter royalty on a part of Agnico-Eagle Mines Ltd TSX:AEM's Goldex Mine. So we've got these three very valuable assets, and I don't know if the market values them all together---they seem to be looking at the individual assets when they think of Probe.

"We're definitely getting the story out there a lot more now," Palmer concludes, "so hopefully we get traction on that, and people start to realize how undervalued we really are."

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