
**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS OF PROBE METALS INC.
FOR THE THREE AND SIX MONTHS ENDED
JUNE 30, 2017
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of Probe Metals Inc. (the "Company") have been prepared by, and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Probe Metals Inc.

Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at June 30, 2017	As at December 31, 2016
ASSETS		
Current assets		
Cash	\$ 31,751,509	\$ 26,408,679
Trade accounts receivable and other receivables (note 4)	1,002,458	578,303
Marketable securities (note 5)	4,393,637	3,208,651
Prepaid expenses	69,797	86,320
Total current assets	37,217,401	30,281,953
Non-current assets		
Property and equipment (note 6)	916,161	485,650
Total assets	\$ 38,133,562	\$ 30,767,603
LIABILITIES AND EQUITY		
Current liabilities		
Amounts payable and other liabilities (notes 7 and 15)	\$ 1,324,491	\$ 919,776
Flow-through share liability (note 8)	3,752,181	-
Total liabilities	5,076,672	919,776
Equity		
Share capital (note 9)	74,048,524	64,842,934
Warrants (note 10)	4,827,513	5,063,146
Contributed surplus (note 11)	4,010,845	3,667,307
Accumulated deficit	(49,829,992)	(43,725,560)
Total equity	33,056,890	29,847,827
Total liabilities and equity	\$ 38,133,562	\$ 30,767,603

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Nature of operations (note 1)
Commitments (note 16)
Subsequent event (note 18)

Probe Metals Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Operating expenses				
Exploration and evaluation expenditures (note 13)	\$ 3,262,498	\$ 33,250,206	\$ 6,319,771	\$ 33,500,062
General and administrative expenses (note 14)	918,797	531,632	2,092,177	1,122,301
Operating loss before interest income, (loss) gain on marketable securities and premium on flow- through shares	(4,181,295)	(33,781,838)	(8,411,948)	(34,622,363)
Interest income	73,013	34,601	131,511	70,817
(Loss) gain on marketable securities (note 5)	(63,132)	96,067	1,184,986	96,067
Premium on flow-through shares (note 8)	896,443	-	896,443	-
Loss before income taxes	(3,274,971)	(33,651,170)	(6,199,008)	(34,455,479)
Income tax recovery	-	1,296	-	1,296
Loss and comprehensive loss for the period	\$ (3,274,971)	\$(33,649,874)	\$ (6,199,008)	\$(34,454,183)
Basic and diluted loss per share (note 12)	\$ (0.04)	\$ (0.78)	\$ (0.06)	\$ (0.88)
Weighted average number of common shares outstanding - basic and diluted	93,358,539	43,029,944	95,827,864	38,949,900

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Probe Metals Inc.

Condensed Interim Consolidated Statements of Cash Flows (Expressed in Canadian Dollars) (Unaudited)

	Six months ended June 30,	
	2017	2016
Operating activities:		
Net loss for the period	\$ (6,199,008)	\$(34,454,183)
Adjustments for:		
Share-based payments (note 11)	948,503	149,874
Depreciation (note 6)	36,355	6,051
Accrued interest receivable	22,993	-
Consideration for acquisition of Adventure (note 3)	-	32,443,022
Shares issued for mineral properties (note 13(iii))	-	301,000
Gain on marketable securities (note 5)	(1,184,986)	(96,067)
Premium on flow-through share (note 8)	(896,443)	-
Changes in non-cash working capital items:		
Trade accounts receivable and other receivables	(447,148)	(104,619)
Prepaid expenses	16,523	(21,726)
Amounts payable and other liabilities	404,715	(92,182)
Net cash used in operating activities	(7,298,496)	(1,868,830)
Investing activities:		
Purchase of property and equipment (note 6)	(466,866)	(332,678)
Net cash used in investing activities	(466,866)	(332,678)
Financing activities:		
Cash acquired from completion of Transaction (note 3)	-	507,363
Transaction costs (note 3)	-	(581,167)
Proceeds from private placements (note 9(b)(i)(ii))	13,458,374	2,904,000
Share issue costs	(959,262)	(18,063)
Exercise of warrants	268,415	-
Exercise of stock options	340,665	26,604
Net cash provided by financing activities	13,108,192	2,838,737
Net change in cash	5,342,830	637,229
Cash, beginning of period	26,408,679	18,291,230
Cash, end of period	\$ 31,751,509	\$ 18,928,459

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Probe Metals Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Expressed in Canadian Dollars) (Unaudited)

Equity attributable to shareholders

	Share capital	Warrants	Contributed surplus	Accumulated deficit	Total
Balance, December 31, 2015	\$ 19,646,406	\$ -	\$ 583,348	\$ (2,120,828)	\$ 18,108,926
Shares issued pursuant to completion of Transaction (note 3)	31,269,907	-	-	-	31,269,907
Warrants issued pursuant to completion of Transaction (note 3)	-	534,000	-	-	534,000
Stock options issued pursuant to completion of Transaction (note 3)	-	-	1,407,000	-	1,407,000
Private placement (note 9(b)(i))	2,904,000	-	-	-	2,904,000
Share issue costs	(18,063)	-	-	-	(18,063)
Exercise of stock options	94,928	-	(68,324)	-	26,604
Shares issued for mineral properties (note 13(iii))	301,000	-	-	-	301,000
Share-based payments (note 11)	-	-	149,874	-	149,874
Loss and comprehensive loss	-	-	-	(34,454,183)	(34,454,183)
Balance, June 30, 2016	\$ 54,198,178	\$ 534,000	\$ 2,071,898	\$ (36,575,011)	\$ 20,229,065
Balance, December 31, 2016	\$ 64,842,934	\$ 5,063,146	\$ 3,667,307	\$ (43,725,560)	\$ 29,847,827
Private placement (note 9(b)(ii))	13,458,374	-	-	-	13,458,374
Shares issue costs	(959,262)	-	-	-	(959,262)
Flow-through share premium (note 8)	(4,648,624)	-	-	-	(4,648,624)
Exercise of warrants	504,048	(235,633)	-	-	268,415
Exercise of stock options	851,054	-	(510,389)	-	340,665
Stock options expired	-	-	(94,576)	94,576	-
Share-based payments (note 11)	-	-	948,503	-	948,503
Loss and comprehensive loss	-	-	-	(6,199,008)	(6,199,008)
Balance, June 30, 2017	\$ 74,048,524	\$ 4,827,513	\$ 4,010,845	\$ (49,829,992)	\$ 33,056,890

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

1. Nature of Operations

Probe Metals Inc. (the "Company" or "Probe Metals") was incorporated pursuant to the *Business Corporations Act* (Ontario) under the name "2450260 Ontario Inc." on January 16, 2015. Articles of amendment were subsequently filed on February 3, 2015 to change the name of the Company to "Probe Metals Inc.". The Company's head office is located at 56 Temperance Street, Suite 1000, Toronto, Ontario, Canada, M5H 3V5. The Company's common shares started trading on the TSX Venture Exchange ("TSXV") on March 17, 2015 under the trading ticker symbol "PRB". The Company, a Canadian precious metal exploration company, was formed following the acquisition of Probe Mines Limited by Goldcorp Inc. ("Goldcorp") pursuant to the arrangement announced on January 19, 2015 (the "Arrangement"). With a strong treasury, the Company is focused on executing a business model namely the acquisition and growth of quality projects through effective exploration and development.

The financial year end of the Company is December 31st.

On June 10, 2016, Probe Metals completed the plan of arrangement with Adventure Gold Inc. ("Adventure") pursuant to which Probe Metals acquired all of the outstanding shares of Adventure (the "Transaction"). Adventure became a private company following the transaction.

Pursuant to the Transaction, Adventure became a wholly-owned subsidiary of Probe Metals. Probe Metals acquired each outstanding common share of Adventure for 0.39 Probe Metals common share and issued an aggregate of 31,585,765 common shares to the former shareholders of Adventure. Pursuant to the completion of the Transaction, Adventure option holders received for each Adventure option: 0.39 options in Probe Metals. Pursuant to the completion of the Transaction, Adventure warrant holders received for each Adventure warrant: 0.39 warrants in Probe Metals. Pursuant to the completion of the Transaction, the Company acquired an additional portfolio of projects in Quebec and Ontario. The acquired portfolio consisted of fifteen (15) properties, the Pascalis, Senore, Beaufor North, Lapaska, Bonnefond North and Megiscane-Tavenir properties, collectively forming the Val-d'Or East Project, Detour East and North properties, forming part of the Detour Project, the Casagasic, KLM, Bell-Vezza, Sinclair-Bruneau, Florence and Céré-113 properties, comprising the Casa-Cameron Project and the Granada Extension Project, and three (3) Option and/or Joint Venture ("JV") properties, the Meunier-144 JV (50/50 JV with Tahoe Resources), the Dubuisson JV with Agnico Eagle Mines Limited ("Agnico") (46.5% Probe Metals/53.5% Agnico) and the Detour Quebec Option with SOQUEM Inc. ("SOQUEM") (SOQUEM earning 50% interest).

Effective July 21, 2016, Probe Metals completed an internal reorganization with its wholly-owned subsidiary, Adventure, pursuant to which Probe Metals amalgamated with Adventure under the *Business Corporations Act* (Ontario) to continue as Probe Metals Inc. The internal reorganization did not affect the existing common shares of Probe Metals held by shareholders.

2. Significant Accounting Policies

Statement of Compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations issued by the IFRS Interpretations Committee. These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of August 25, 2017, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended December 31, 2016. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2017 could result in restatement of these unaudited condensed interim consolidated financial statements.

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

2. Significant Accounting Policies (Continued)

Recent Accounting Pronouncement

IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in July 2014 and will replace IAS 39 - Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 will be effective for annual periods beginning on or after January 1, 2018. The Company is in the process of assessing the impact of this pronouncement.

IFRS 16 - Leases (“IFRS 16”) was issued on January 13, 2016 to require lessees to recognize assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS 17 - Leases. The IASB issued its standard as part of a joint project with the Financial Accounting Standards Board (“FASB”). The FASB has not yet issued its new standard, but it is also expected to require lessees to recognize most leases on their statement of financial position. The new standard will be effective for annual periods beginning on or after January 1, 2019. Early application is permitted, provided the new revenue standard, IFRS 15 - Revenue from Contracts with Customers, has been applied, or is applied at the same date as IFRS 16. The Company is in the process of assessing the impact of this pronouncement.

3. Acquisition of Adventure

In accordance with IFRS 3 - Business Combinations, the Transaction does not meet the definition of a business combination as Adventure has not yet commenced principal operations and is in the exploration stage. Consequently, the transaction has been recorded as an acquisition of an asset. Probe Metals acquired each outstanding Adventure common shares in exchange for 0.39 of a Probe Metals share. The Board of Directors of each company has unanimously approved the Transaction.

As a result of the Transaction at the closing, Probe Metals issued 31,585,765 common shares valued at \$0.99 per share, as consideration of \$31,269,907. Consideration for the Transaction also included the fair value of Adventure's replacement warrants and stock options of \$534,000 and \$1,407,000 respectively, based on the Black-Scholes option pricing model.

Purchase Price Consideration

31,585,765 common shares of Probe Metals ⁽¹⁾	\$ 31,269,907
799,532 warrants of Probe Metals ⁽²⁾	534,000
1,519,050 stock options of Probe Metals ⁽³⁾	1,407,000
Transaction related costs	581,167
Total	\$ 33,792,074

Net Assets Acquired (Fair Value)

Cash	\$ 507,363
Trade accounts receivable and other receivables	519,378
Marketable securities	552,785
Prepaid expenses	46,382
Mining properties	32,443,022
Amounts payable and other liabilities	(276,856)
Total net assets	\$ 33,792,074

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

3. Acquisition of Adventure (Continued)

(1) For the purpose of determining the fair value of the purchase price consideration, the 31,585,765 common shares of Probe Metals were valued at \$0.99.

(2) The fair value of Probe Metals warrants was estimated using the using the Black-Scholes option pricing model with the following assumptions: share price of \$0.99; exercise price of \$0.51 to \$1.15; expected dividend yield of 0%; risk-free interest rate of 0.50%; volatility of 135% to 137% and an expected life of 0.90 to 1.45 years.

(3) The fair value of Probe Metals stock options was estimated using the using the Black-Scholes option pricing model with the following assumptions: share price of \$0.99; exercise price of \$0.26 to \$1.36; expected dividend yield of 0%; risk-free interest rate of 0.56% to 0.87%; volatility of 125% to 131% and an expected life of 4.5 to 8.78 years.

4. Trade Accounts Receivable and Other Receivables

	As at June 30, 2017	As at December 31, 2016
Sales tax receivable - (Canada)	\$ 832,728	\$ 388,378
Accounts receivable	10,318	34,936
Accrued interest receivable	22,993	18,570
Mining tax receivable	74,869	74,869
Tax credit related to resources receivable	61,550	61,550
	\$ 1,002,458	\$ 578,303

5. Marketable Securities

June 30, 2017	Number of shares	Cost	Unrealized (loss)/income	Fair market value
Agnico	5,000	\$ 324,850	\$ (32,700)	\$ 292,150
GFK Resources Inc. ("GFK")	5,000,000	555,000	20,000	575,000
QMX Gold Corporation ("QMX")	15,000,000	1,500,000	2,025,000	3,525,000
RT Minerals Corp. ("RTM")	21,250	4,676	(3,189)	1,487
		\$ 2,384,526	\$ 2,009,111	\$ 4,393,637

December 31, 2016	Number of shares	Cost	Unrealized (loss)/income	Fair market value
Agnico	5,000	\$ 324,850	\$ (42,900)	\$ 281,950
GFK	5,000,000	555,000	(105,000)	450,000
QMX	15,000,000	1,500,000	975,000	2,475,000
RTM	21,250	4,676	(2,975)	1,701
		\$ 2,384,526	\$ 824,125	\$ 3,208,651

During the three and six months ended June 30, 2017, the Company recorded an unrealized (loss) gain on marketable securities of \$(63,132) and \$1,184,986, respectively (three and six months ended June 30, 2016 - \$96,067) in the unaudited condensed interim consolidated statements of loss and comprehensive loss.

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

6. Property and Equipment

Cost	Artwork	Computer equipment	Field equipment	Site building	Building	Total
Balance, December 31, 2016	\$ 121,776	\$ 23,345	\$ 72,044	\$ 287,587	\$ -	\$ 504,752
Additions	-	15,775	94,697	15,183	341,211	466,866
Balance, June 30, 2017	\$ 121,776	\$ 39,120	\$ 166,741	\$ 302,770	\$ 341,211	\$ 971,618

Accumulated depreciation	Artwork	Computer equipment	Field equipment	Site building	Building	Total
Balance, December 31, 2016	\$ -	\$ 1,816	\$ 6,502	\$ 10,784	\$ -	\$ 19,102
Depreciation during the period	-	4,066	13,819	14,205	4,265	36,355
Balance, June 30, 2017	\$ -	\$ 5,882	\$ 20,321	\$ 24,989	\$ 4,265	\$ 55,457

Carrying value	Artwork	Computer equipment	Field equipment	Site building	Building	Total
Balance, December 31, 2016	\$ 121,776	\$ 21,529	\$ 65,542	\$ 276,803	\$ -	\$ 485,650
Balance, June 30, 2017	\$ 121,776	\$ 33,238	\$ 146,420	\$ 277,781	\$ 336,946	\$ 916,161

7. Amounts Payable and Other Liabilities

	As at June 30, 2017	As at December 31, 2016
Amounts payables	\$ 1,273,278	\$ 233,797
Accrued liabilities	51,213	685,979
	\$ 1,324,491	\$ 919,776

8. Flow-Through Share Liability

Other liability includes the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability of the flow-through shares issuance:

Balance, December 31, 2016	\$ -
Liability incurred on flow-through shares issued (i)	4,648,624
Settlement of flow-through share liability on incurring expenditures (i)	(896,443)
Balance, June 30, 2017	\$ 3,752,181

(i) The Flow-Through Common Shares (defined below) issued in the brokered private placement completed on February 28, 2017 were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be \$4,648,624.

The flow-through premium is derecognized through income as the eligible expenditures are incurred. For the three and six months ended June 30, 2017, the Company satisfied \$896,443 of the commitment by incurring eligible expenditures of approximately \$2,600,000 and as a result the flow-through premium has been reduced to \$3,752,181.

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

9. Share Capital

a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

As at June 30, 2017 the issued share capital amounted to \$74,048,524. Changes in issued share capital are as follows:

	Number of common shares	Amount
Balance, December 31, 2015	34,914,205	\$ 19,646,406
Shares issued pursuant to completion of Transaction (note 3)	31,585,765	31,269,907
Private placement (i)	4,400,000	2,904,000
Share issue costs	-	(18,063)
Shares issued for mineral properties (note 13(iii))	350,000	301,000
Exercise of stock options	91,830	94,928
Balance, June 30, 2016	71,341,800	\$ 54,198,178
Balance, December 31, 2016	85,856,406	\$ 64,842,934
Private placement (ii)	6,725,000	13,458,374
Flow-through share premium (note 8)	-	(4,648,624)
Share issue costs	-	(959,262)
Exercise of warrants	377,032	504,048
Exercise of stock options	555,750	851,054
Balance, June 30, 2017	93,514,188	\$ 74,048,524

(i) On June 10, 2016, the Company completed a private placement financing (the "Offering") which raised gross proceeds of \$2,904,000. The Offering consisted of the sale of 4,400,000 common shares at a price of \$0.66 per common share. Goldcorp purchased all 4,400,000 common shares. The Company also granted Goldcorp the right to maintain its pro rata ownership percentage during future financings and the right to participate in any future equity financings to the extent required to allow Goldcorp to increase its equity ownership interest in the Company to a maximum of 19.9% of the issued and outstanding common shares. Such right shall extinguish if Goldcorp ceases to beneficially own at least 7.5% of the issued and outstanding common shares of Probe Metals.

(ii) On February 28, 2017, the Company completed a bought deal private placement of flow-through shares (the "FT Offering") of 886,151 Ontario flow-through common shares of the Company (the "Ontario FT Shares") at a price of \$1.68 per Ontario FT Share and 5,838,849 Quebec flow-through common shares of the Company (the "Quebec FT Shares") at a price of \$2.05 per Quebec FT Share for aggregate gross proceeds of \$13,458,374, collectively the flow-through common shares (the "Flow-Through Common Shares").

The FT Offering was completed through a syndicate of underwriters led by Cormark Securities Inc., and included Macquarie Capital Markets Canada Ltd. and Industrial Alliance Securities (collectively, the "Underwriters"). In consideration for their services, the underwriters received a cash commission equal to 6 per cent of the gross proceeds of the FT Offering.

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

9. Share Capital (Continued)

b) Common shares issued (continued)

(ii) (continued) The Company also announced that Goldcorp exercised its participation right to maintain its pro-rata interest in the Company. In connection with the FT Offering, Goldcorp purchased 975,000 common shares from subscribers to the FT Offering.

The proceeds from the Offering will be used to fund "Canadian exploration expenses" (within the meaning of the Tax Act) related to the Company's projects in Ontario and Québec, will qualify for inclusion in both the exploration base relating to certain Québec exploration expenses and the exploration base relating to certain Québec surface mining exploration expenses, as such terms are defined in the Taxation Act (Québec), and will be used for general working capital purposes. Refer to note 16(ii).

10. Warrants

	Number of warrants	Grant date fair value
Balance, December 31, 2015	-	\$ -
Issued (note 3)	799,532	534,000
Balance, June 30, 2016	799,532	\$ 534,000
Balance, December 31, 2016	7,302,031	\$ 5,063,146
Exercised	(377,032)	(235,633)
Balance, June 30, 2017	6,924,999	\$ 4,827,513

The following table reflects the warrants issued and outstanding as of June 30, 2017:

Expiry date	Exercise price (\$)	Warrants outstanding	Valuation (\$)
November 23, 2017	0.51	324,999	229,513
February 17, 2018	1.75	6,600,000	4,598,000
		6,924,999	4,827,513

11. Stock Options

	Number of stock options	Weighted average exercise price
Balance, December 31, 2015	2,536,378	\$ 0.38
Stock options granted (note 3)	1,519,050	0.25
Exercise of stock options	(91,830)	0.29
Balance, June 30, 2016	3,963,598	\$ 0.43
Balance, December 31, 2016	6,676,492	\$ 0.93
Stock options granted (i)	100,000	1.36
Exercise of stock options	(555,750)	0.61
Stock options expired	(168,250)	0.71
Balance, June 30, 2017	6,052,492	\$ 0.95

Probe Metals Inc.

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June 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

11. Stock Options (Continued)

(i) On June 15, 2017, 100,000 stock options were granted to a consultant of the Company at an exercise price of \$1.36 per share, expiring June 15, 2022. Vesting of the stock options is as follows: one-fourth after six months and 25% each year thereafter. The fair value of these options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of \$1.36; expected dividend yield of 0%; risk-free interest rate of 1.14%; volatility of 122% and an expected life of 5 years. The fair value assigned to these options was \$113,210. For the three and six months ended June 30, 2017, the impact on the unaudited condensed interim consolidated statement of loss and comprehensive loss was \$4,452 (three and six months ended June 30, 2016 - \$nil).

The portion of the estimated fair value of options granted in the prior year and vested during the three and six months ended June 30, 2017, amounted to \$419,980 and \$944,051, respectively (three and six months ended June 30, 2016 - \$51,519 and \$149,874, respectively).

The following table reflects the actual stock options issued and outstanding as of June 30, 2017:

Expiry date	Exercise price (\$)	Options outstanding	Weighted average remaining contractual life (years)	Options exercisable	Valuation (\$)
December 5, 2017	0.19	8,333	0.43	8,333	3,381
May 31, 2018	0.15	8,749	0.92	8,749	3,473
May 16, 2019	0.26	19,999	1.88	19,999	7,920
December 18, 2019	0.28	17,777	2.47	17,777	7,021
April 27, 2020	0.36	2,383,334	2.83	2,383,334	783,521
December 8, 2020	1.36	29,250	3.44	29,250	23,500
September 1, 2021	1.50	2,880,000	4.18	960,000	3,433,772
September 9, 2021	1.76	100,000	4.20	50,000	164,000
June 15, 2022	1.36	100,000	4.96	-	113,210
February 26, 2023	0.75	117,000	5.66	117,000	105,818
February 14, 2024	0.49	193,050	6.63	193,050	181,670
March 19, 2025	0.26	195,000	7.72	195,000	187,931
		6,052,492	3.85	3,982,492	5,015,217

12. Net Loss Per Share

The calculation of basic and diluted loss per share for the three and six months ended June 30, 2017 was based on the loss attributable to common shareholders of \$3,274,971 and \$6,199,008, respectively (three and six months ended June 30, 2016 - \$33,649,874 and \$34,454,183, respectively) and the weighted average number of common shares outstanding of 93,358,539 and 95,827,864, respectively (three and six months ended June 30, 2016 - 43,029,944 and 38,949,900, respectively). Diluted loss per share did not include the effect of stock options and warrants as they are anti-dilutive.

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

13. Exploration and Evaluation Expenditures

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Transaction properties (note 3)				
Val-d'Or East Project (iv)(v)	\$ 2,368,856	\$22,131,449	\$ 4,535,853	\$22,131,449
Detour Project (iv)	11,687	8,814,823	176,758	8,814,823
Casa-Cameron Project (iv)	39,625	525,185	391,601	525,185
Granada Extension Project (iv)	-	946,262	-	946,262
Option and/or JV properties (iv)	-	42,348	-	42,348
	\$ 2,420,168	\$32,460,067	\$ 5,104,212	\$32,460,067
Arrangement properties (note 1)				
Black Creek Property	\$ 754	\$ 1,469	\$ 1,567	\$ 2,646
Tamarack-McFauld's Lake Property	-	-	163	-
	\$ 754	\$ 1,469	\$ 1,730	\$ 2,646
Acquired properties				
West Porcupine Property (i)(ii)(iii)	\$ 735,423	\$ 774,876	\$ 1,047,509	\$ 1,000,170
Nova Scotia Property	63,966	-	63,966	-
	\$ 799,389	\$ 774,876	\$ 1,111,475	\$ 1,000,170
Other				
Project Generation	\$ 42,187	\$ 13,794	\$ 102,354	\$ 37,179
Exploration and evaluation expenditures	\$ 3,262,498	\$33,250,206	\$ 6,319,771	\$33,500,062

(i) On February 25, 2016, the Company announced that it had acquired 100% of the West Porcupine Property held by White Metal Resources Corp. ("White Metal"). The West Porcupine Property represents a land package of approximately 30 square kilometres and is located between Goldcorp's Borden Gold project and the town of Timmins, Ontario.

Under the terms of the agreement, White Metal received a cash payment of \$120,000 in exchange for 100% ownership of the West Porcupine Property. White Metal will maintain a 1% net smelter return royalty ("NSR") over the West Porcupine Property, which can be purchased by the Company, at any time, for \$1 million.

(ii) On February 29, 2016, the Company announced that it had acquired a 100% undivided interest in the Ross Property comprising 15 mining claims. The 17 square kilometre property represents the northern extension to the newly acquired West Porcupine Property.

Under the term of the agreement, the vendors received a cash payment of \$60,000 in exchange for 100% ownership of the property. The vendors will maintain a 2% NSR, which can be purchased by the Company, at any time, for \$3 million.

(iii) On May 13, 2016, Probe Metals announced that the Company has completed the acquisition of the Ivanhoe property in Ontario, Canada. Under the terms of the agreement, Probe Metals made an aggregate payment of \$234,000 and issued 350,000 common shares valued at \$301,000 of Probe Metals in consideration for 100% interest in the property and option interest. The property represents a land package of approximately 130 square kilometres and is located proximal to, and along the same geological trend as, the Company's West Porcupine Property.

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

13. Exploration and Evaluation Expenditures (Continued)

(iv) On June 10, 2016, the Company completed the Transaction with Adventure. Pursuant to the completion of the Transaction, the Company acquired an additional portfolio of projects in Quebec and Ontario. The acquired portfolio consisted of fifteen (15) properties, the Pascalis, Senore, Beaufor West, Beaufor North, Lapaska and Megiscane-Tavenir properties, collectively forming the Val-d'Or East Project, Detour East and North properties, forming part of the Detour Project, the Casagasic, KLM, Bell-Vezza, Sinclair-Bruneau, Florence and C  r  -113 properties, comprising the Casa-Cameron Project and the Granada Extension Project, and three (3) Option and/or JV properties, the Meunier-144 JV (50/50 JV with Tahoe Resources), the Dubuisson JV with Agnico (46.5% Probe Metals/53.5% Agnico) and the Detour Quebec Option with SOQUEM (SOQUEM earning 50% interest).

The purchase price allocation of the property portfolio is as follows:

Property Portfolio Acquired (Fair Value)	(note 3)
Val-d'Or East Project	\$ 22,112,524
Detour Project	8,808,556
Casa-Cameron Project	533,332
Granada Extension Project	946,262
Option and/or JV properties	42,348
Total	\$ 32,443,022

(v) On January 17, 2017, the Company announced that it entered into a binding option agreement with Richmond Mines Inc., whereby Probe Metals may earn a 60% interest in the Monique Property, located 25 km east-southeast of Val-d'Or, Quebec. The Monique Property is comprised of 22 mining claims and will be part of the Company's Val-d'Or East Project.

The Company also announced that it has acquired a 100% undivided interest in the Boudrias Property comprising 12 mining claims staked by Mr. Dean Boudrias, a Val-d'Or prospector. The Boudrias Property represents the northern extension of the Monique Property and the eastern extension of the Bonnefond North Property, recently acquire from QMX.

14. General and Administrative Expenses

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Share-based payments (notes 11 and 15)	\$ 424,432	\$ 51,519	\$ 948,503	\$ 149,874
Salaries and benefits (note 15)	171,227	263,145	459,584	478,432
Travel and promotion costs	102,954	50,948	190,037	109,966
Professional fees (note 15)	43,250	35,548	111,008	157,953
Administrative costs	57,366	39,025	97,742	62,980
Shareholder information	21,335	30,950	92,633	46,519
Director fees (note 15)	44,933	22,500	90,112	45,000
Occupancy costs	31,252	32,763	66,203	65,526
Depreciation	22,048	5,234	36,355	6,051
	\$ 918,797	\$ 531,632	\$ 2,092,177	\$ 1,122,301

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

15. Related Party Balances and Transactions

Related parties include the Board of Directors and management, close family and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The below noted transactions are approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

(a) The Company entered into the following transactions with related parties:

	Notes	Three months ended June 30,		Six months ended June 30,	
		2017	2016	2017	2016
Peterson McVicar LLP ("Peterson")	(i)	\$ 4,512	\$ 87,467	\$ 119,567	\$ 147,789
Marrelli Support Services Inc. ("Marrelli Support")	(ii)	\$ 13,740	\$ 10,680	\$ 33,540	\$ 21,430
DSA Corporate Services Inc. ("DSA")	(ii)	\$ 4,422	\$ 10,745	\$ 8,124	\$ 14,080

(i) Dennis H. Peterson, a director of the Company, controls Peterson which provided legal services to the Company. The amounts charged by Peterson are based on what Peterson usually charges its clients. The Company expects to continue to use Peterson for an indefinite period. As at June 30, 2017, Peterson was owed \$8,785 (December 31, 2016 - \$17,581) and this amount was included in amounts payable and other liabilities.

(ii) During the three and six months ended June 30, 2017, the Company paid professional fees of \$13,740 and \$33,540, respectively (three and six months ended June 30, 2016 - \$10,680 and \$21,430, respectively) to Marrelli Support, an organization of which Carmelo Marrelli is president. Mr. Marrelli is the Chief Financial Officer of the Company. These services were incurred in the normal course of operations for general accounting and financial reporting matters. Marrelli Support also provides bookkeeping services to the Company. As at June 30, 2017, Marrelli Support was owed \$3,390 (December 31, 2016 - \$10,260) and this amount was included in amounts payable and other liabilities.

During the three and six months ended June 30, 2017, the Company paid professional fees of \$4,422 and \$8,124, respectively (three and six months ended June 30, 2016 - \$10,745 and \$14,080, respectively) to DSA, an organization of which Mr. Marrelli controls. Mr. Marrelli is also the corporate secretary and sole director of DSA. These services were incurred in the normal course of operations for corporate secretarial matters. All services were made on terms equivalent to those that prevail with arm's length transactions. As at June 30, 2017, DSA was owed \$1,510 (December 31, 2016 - \$2,104) and this amount was included in amounts payable and other liabilities.

(iii) On June 10, 2016, pursuant to the Transaction, the Company's related parties received 341,250 stock options of the Company with a fair value of \$148,688.

The above noted transactions are in the normal course of business and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

15. Related Party Balances and Transactions (Continued)

(b) Remuneration of directors and key management personnel, other than consulting fees, of the Company was as follows:

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Salaries and benefits	\$ 296,250	\$ 198,750	\$ 592,500	\$ 397,500
Share-based payments	\$ 83,192	\$ 48,836	\$ 474,063	\$ 142,068

The directors do not have employment or service contracts with the Company. Directors are entitled to director fees and stock options for their services. As at June 30, 2017, officers and directors were owed \$86,775 (December 31, 2016 - \$470,456) and this amount was included in amounts payable and other liabilities.

16. Commitments

(i) As of June 30, 2017, the Company is committed, under the terms of a rental agreement for office premises to future rental payments aggregating \$103,227. The current rental agreement expires on October 31, 2018.

(ii) Pursuant to the terms of flow-through share agreement, the Company is in the process of complying with its flow-through contractual obligations to subscribers with respect to the Income Tax Act (Canada) requirements for flow-through shares. As of June 30, 2017, the Company is committed to incurring approximately \$10.9 million in Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) by December 31, 2018, arising from the flow-through offerings.

17. Segmented Information

The Company's operations comprise a single reporting operating segment engaged in mineral exploration in Canada. As the operations comprise a single reporting segment, amounts disclosed in the unaudited condensed interim consolidated financial statements also represent segment amounts. In order to determine reportable operating segments, the chief operating decision maker reviews various factors including geographical location, quantitative thresholds and managerial structure.

18. Subsequent Event

On July 26, 2017, the Company announced that it completed the purchase of the Aurbel East Property from QMX for an aggregate cash payment of \$1,000,000. The property is situated immediately adjacent to the Company's Val d'Or East Project.

Probe Metals Inc.

Schedule of Exploration and Evaluation Expenditures

June 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Transaction properties (note 3)				
Val-d'Or East Project				
Transaction costs (note 13(iv))	\$ -	\$22,112,524	\$ -	\$22,112,524
Advanced exploration	77,044	-	98,399	-
Drilling	1,815,693	559	2,883,851	559
Environment	19,185	-	19,185	-
General field expenses	132,143	222	228,265	222
Geochemical	1,167	-	1,167	-
Geology	31,194	24,882	99,622	24,882
Geophysics	263,111	-	1,148,790	-
Option payment and staking claims	25,250	-	33,322	-
Research and development	-	-	16,000	-
Social and community	4,069	-	7,252	-
Tax credit related to resources	-	(6,738)	-	(6,738)
	\$ 2,368,856	\$22,131,449	\$ 4,535,853	\$22,131,449
Detour Project				
Transaction costs (note 13(iv))	\$ -	\$ 8,808,556	\$ -	\$ 8,808,556
Drilling	-	946	503	946
General field expenses	3,138	146	6,107	146
Geology	343	8,657	859	8,657
Geophysics	10,911	-	186,895	-
Option payment and staking claims	(1,576)	-	(1,576)	-
Tax credit related to resources	-	(2,729)	-	(2,729)
Operator of exploration project	(1,129)	(753)	(16,030)	(753)
	\$ 11,687	\$ 8,814,823	\$ 176,758	\$ 8,814,823
Casa-Cameron Project				
Transaction costs (note 13(iv))	\$ -	\$ 533,332	\$ -	\$ 533,332
General field expenses	375	-	2,468	-
Geology	6,295	-	13,645	-
Geophysics	30,512	(12,507)	363,462	(12,507)
Licences and permits	-	1,193	-	1,193
Option payment and staking claims	2,443	-	8,026	-
Research and development	-	-	4,000	-
Tax credit related to resources	-	3,167	-	3,167
	\$ 39,625	\$ 525,185	\$ 391,601	\$ 525,185
Granada Extension Project				
Transaction costs (note 13(iv))	\$ -	\$ 946,262	\$ -	\$ 946,262
Option and/or JV properties				
Transaction costs (note 13(iv))	\$ -	\$ 42,348	\$ -	\$ 42,348

Probe Metals Inc.

Schedule of Exploration and Evaluation Expenditures (Continued)

June 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Arrangement properties (note 1)				
Black Creek Property				
General field expenses	\$ -	\$ 1,643	\$ -	\$ 1,892
Geochemical	-	-	813	-
Other	754	(174)	754	754
	\$ 754	\$ 1,469	\$ 1,567	\$ 2,646
Tamarack-McFauld's Lake Property				
Geology	\$ -	\$ -	\$ 163	\$ -
Acquired properties				
West Porcupine Property				
Drilling	\$ 335,437	\$ -	\$ 337,400	\$ -
General field expenses	14,302	3,139	22,351	5,119
Geochemical	-	95,234	-	103,484
Geology	32,189	109,403	63,240	109,403
Geophysics	327,155	12,100	592,943	21,100
Option payment and staking claims	5,896	555,000	5,896	761,064
Social and community	20,444	-	25,679	-
	\$ 735,423	\$ 774,876	\$ 1,047,509	\$ 1,000,170
Nova Scotia Property				
General field expenses	\$ 59,366	\$ -	\$ 59,366	\$ -
Geology	1,300	-	1,300	-
Option payment and staking claims	3,300	-	3,300	-
	\$ 63,966	\$ -	\$ 63,966	\$ -
Other				
Project Generation				
Consulting	\$ 650	\$ 2,100	\$ 1,300	\$ 12,600
Legal fees	-	-	326	2,361
Other	30,895	-	50,503	-
Travel, accommodation	10,642	11,694	50,225	22,218
	\$ 42,187	\$ 13,794	\$ 102,354	\$ 37,179
Exploration and evaluation expenditures	\$ 3,262,498	\$ 33,250,206	\$ 6,319,771	\$ 33,500,062