
**CONDENSED INTERIM FINANCIAL STATEMENTS OF
PROBE METALS INC.
FOR THE THREE AND SIX MONTHS ENDED
JUNE 30, 2022
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

NOTICE TO READER

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

Probe Metals Inc.

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

	As at June 30, 2022	As at December 31, 2021
ASSETS		
Current assets		
Cash	\$ 41,042,965	\$ 28,866,655
Trade accounts receivable and other receivables (note 3)	2,052,192	840,786
Marketable securities (note 4)	2,771,858	3,846,656
Prepaid expenses	98,716	66,481
Total current assets	45,965,731	33,620,578
Non-current assets		
Reclamation bonds (note 5)	413,050	413,050
Property and equipment (note 6)	499,042	529,491
Rights-of-use assets (note 7)	260,573	313,016
Total non-current assets	1,172,665	1,255,557
Total assets	\$ 47,138,396	\$ 34,876,135
LIABILITIES AND EQUITY		
Current liabilities		
Amounts payable and other liabilities (notes 8 and 18)	\$ 2,184,590	\$ 1,299,189
Current portion of lease liability (note 9)	144,358	121,040
RSU liability (note 14)	836,175	568,649
Flow-through share liability (note 10)	1,350,453	-
Total current liabilities	4,515,576	1,988,878
Non-current liabilities		
Lease liability (note 9)	197,115	276,058
Restoration liabilities (note 5)	1,644,205	1,630,651
Total non-current liabilities	1,841,320	1,906,709
Total liabilities	6,356,896	3,895,587
Equity		
Share capital (note 11)	145,730,342	122,578,430
Warrants (note 12)	4,816,528	1,074,738
Contributed surplus (notes 13 and 14)	8,019,660	6,942,813
Accumulated deficit	(117,785,030)	(99,615,433)
Total equity	40,781,500	30,980,548
Total liabilities and equity	\$ 47,138,396	\$ 34,876,135

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

Nature of operations (note 1)
Commitments (note 19)

Probe Metals Inc.

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

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Operating expenses				
Exploration and evaluation expenditures (note 16)	\$ 8,521,540	\$ 2,266,595	\$ 16,060,890	\$ 5,031,269
General and administrative expenses (note 17)	756,589	1,285,678	2,729,503	2,506,267
Operating loss before interest and other income, accretion expense, premium on flow-through shares, realized gain on sale of marketable securities, and unrealized loss on marketable securities	(9,278,129)	(3,552,273)	(18,790,393)	(7,537,536)
Interest and other income	131,344	41,054	186,246	86,503
Accretion expense (notes 5 and 9)	(32,054)	(29,404)	(66,189)	(59,932)
Premium on flow-through shares (note 10)	1,037,281	897,256	1,271,998	2,021,528
Realized gain on sale of marketable securities (note 4)	-	2,889,551	-	2,871,131
Unrealized loss on marketable securities (note 4)	(1,899,860)	(3,235,007)	(1,074,798)	(1,653,332)
Loss before income taxes	(10,041,418)	(2,988,823)	(18,473,136)	(4,271,638)
Income tax recovery	303,539	-	303,539	-
Loss and comprehensive loss for the period	\$ (9,737,879)	\$ (2,988,823)	\$(18,169,597)	\$ (4,271,638)
Basic and diluted loss per share (note 15)	\$ (0.07)	\$ (0.02)	\$ (0.13)	\$ (0.03)
Weighted average number of common shares outstanding - basic and diluted	146,761,196	130,249,728	143,503,483	130,234,977

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

Probe Metals Inc.

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

	Six months ended June 30,	
	2022	2021
Operating activities:		
Net loss for the period	\$ (18,169,597)	\$ (4,271,638)
Adjustments for:		
Share-based payments (notes 13 and 14)	1,454,824	1,349,915
Depreciation (notes 6 and 7)	92,528	79,130
Accrued interest receivable	52,637	12,920
Realized gain on sale of marketable securities (note 4)	-	(2,871,131)
Unrealized loss on marketable securities (note 4)	1,074,798	1,653,332
Premium on flow-through share (note 10)	(1,271,998)	(2,021,528)
Accretion expense (notes 5 and 9)	66,189	59,932
Restoration fees	-	98,244
RSUs reclassified to liability (note 14)	-	(873,705)
Changes in non-cash working capital items:		
Trade accounts receivable and other receivables	(1,264,043)	201,559
Prepaid expenses	(32,235)	(3,080)
Amounts payable and other liabilities	885,401	470,597
Net cash used in operating activities	(17,111,496)	(6,115,453)
Investing activities:		
Purchase of marketable securities	-	(3,264,551)
Proceeds from sale of marketable securities	-	4,415,530
Purchase of property and equipment (note 6)	(9,636)	(3,779)
Net cash (used in) provided by investing activities	(9,636)	1,147,200
Financing activities:		
Proceeds from private placements (note 11(b)(i)(ii))	31,270,000	-
Share issue costs	(2,008,748)	-
Exercise of warrants	8,450	3,900
Exercise of stock options	136,000	-
Lease payments (note 9)	(108,260)	(80,930)
Net cash provided by (used in) financing activities	29,297,442	(77,030)
Net change in cash	12,176,310	(5,045,283)
Cash, beginning of period	28,866,655	30,739,058
Cash, end of period	\$ 41,042,965	\$ 25,693,775

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

Probe Metals Inc.

Condensed Interim 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, 2020	\$106,772,946	\$ 2,281,758	\$ 9,222,400	\$ (86,819,268)	\$ 31,457,836
RSUs vested (note 14)	378,810	-	(378,810)	-	-
RSUs reclassified to liability (note 14)	-	-	(873,705)	-	(873,705)
Exercise of warrants	4,568	(668)	-	-	3,900
Share-based payments (notes 13 and 14)	-	-	1,349,915	-	1,349,915
Loss and comprehensive loss	-	-	-	(4,271,638)	(4,271,638)
Balance, June 30, 2021	\$107,156,324	\$ 2,281,090	\$ 9,319,800	\$ (91,090,906)	\$ 27,666,308
Balance, December 31, 2021	\$122,578,430	\$ 1,074,738	\$ 6,942,813	\$ (99,615,433)	\$ 30,980,548
Private placements (note 11(b)(i)(ii))	31,270,000	-	-	-	31,270,000
Warrants (note 11(b)(i)(ii))	(3,741,790)	3,741,790	-	-	-
Shares issue costs	(2,008,748)	-	-	-	(2,008,748)
Flow-through share premium (note 10(i))	(2,622,451)	-	-	-	(2,622,451)
Exercise of warrants	8,450	-	-	-	8,450
Exercise of stock options	246,451	-	(110,451)	-	136,000
Share-based payments (notes 13 and 14)	-	-	1,187,298	-	1,187,298
Loss and comprehensive loss	-	-	-	(18,169,597)	(18,169,597)
Balance, June 30, 2022	\$145,730,342	\$ 4,816,528	\$ 8,019,660	\$ (117,785,030)	\$ 40,781,500

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

Probe Metals Inc.

Notes to Condensed Interim Financial Statements

June 30, 2022

(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. pursuant to the arrangement announced on January 19, 2015.

Probe Metals is a leading Canadian gold exploration company focused on the acquisition, exploration and development of highly prospective gold properties. The Company is committed to discovering and developing high-quality gold projects, including its key asset the multimillion-ounce Val-d'Or East Gold Project, Québec. The Company is well-funded and controls a strategic land package of approximately 1,500-square-kilometres of exploration ground within some of the most prolific gold belts in Québec.

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

The Company continues to actively monitor the impact of the COVID-19 pandemic, including the impact on economic activity and financial reporting. During the six months ended June 30, 2022, the Company has taken a number of measures to safeguard the health of its employees and their local communities while continuing to operate safely and responsibly. To date, our operations have remained stable as the pandemic continues to progress and evolve but it is difficult to predict the full extent and duration of resulting operational and economic impacts for the Company, which are expected to impact a number of reporting periods. This uncertainty impacts judgements made by the Company, including those relating to determining the recoverable values of the Company's non-current assets.

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 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 financial statements are based on IFRSs issued and outstanding as of August 16, 2022, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2021. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2022 could result in restatement of these unaudited condensed interim financial statements.

Probe Metals Inc.

Notes to Condensed Interim Financial Statements

June 30, 2022

(Expressed in Canadian Dollars)

(Unaudited)

3. Trade Accounts Receivable and Other Receivables

	As at June 30, 2022	As at December 31, 2021
Sales tax receivable - (Canada)	\$ 1,946,270	\$ 782,107
Accrued interest receivable	52,637	14,428
Receivable from Midland Exploration Inc.	52,828	44,251
Other	457	-
	\$ 2,052,192	\$ 840,786

4. Marketable Securities

June 30, 2022	Number of shares	Cost	Unrealized loss	Fair market value
Eldorado Gold Corp. ("Eldorado")	228,450	\$ 3,264,551	\$ (1,391,261)	\$ 1,873,290
GFG Resources Inc. ("GFG")	7,077,883	3,538,942	(2,760,374)	778,568
Opus One Resources Inc. ("Opus")	4,000,000	444,000	(324,000)	120,000
		\$ 7,247,493	\$ (4,475,635)	\$ 2,771,858

December 31, 2021	Number of shares	Cost	Unrealized loss	Fair market value
Eldorado	228,450	\$ 3,264,551	\$ (573,410)	\$ 2,691,141
GFG	7,077,883	3,538,942	(2,583,427)	955,515
Opus	4,000,000	444,000	(244,000)	200,000
		\$ 7,247,493	\$ (3,400,837)	\$ 3,846,656

During the three and six months ended June 30, 2022, the Company recorded an unrealized loss on marketable securities of \$1,899,860 and \$1,074,798, respectively (three and six months ended June 30, 2021 - unrealized loss of \$3,235,007 and \$1,653,332, respectively) in the unaudited condensed interim statements of loss and comprehensive loss and recorded realized gain on marketable securities of \$nil (three and six months ended June 30, 2021 - realized gain of \$2,889,551 and \$2,871,131, respectively).

Probe Metals Inc.

Notes to Condensed Interim Financial Statements

June 30, 2022

(Expressed in Canadian Dollars)

(Unaudited)

5. Reclamation Bonds and Restoration Liabilities

Reclamation Bonds

	As at June 30, 2022	As at December 31, 2021
Insurance bond - Monique Property	\$ 402,757	\$ 402,757
Insurance bond - Pascalis Property	10,293	10,293
Total reclamation bonds	\$ 413,050	\$ 413,050

Restoration Liabilities

	June 30, 2022	December 31, 2021
Val d'Or East Project (Monique Property) restoration liabilities		
Balance, beginning of period	\$ 1,620,358	\$ 878,946
Additions during the period	-	98,246
Accretion	13,554	643,166
Balance, end of period	\$ 1,633,912	\$ 1,620,358
Val d'Or East Project (Pascalis Property) restoration liabilities		
Balance, beginning and end of period	\$ 10,293	\$ 10,293
Total restoration liabilities	\$ 1,644,205	\$ 1,630,651

6. Property and Equipment

Cost	Artwork	Computer equipment	Field equipment	Site building	Building	Total
Balance, December 31, 2021	\$ 121,776	\$ 92,261	\$ 396,635	\$ 15,833	\$ 341,211	\$ 967,716
Additions	-	7,447	2,189	-	-	9,636
Balance, June 30, 2022	\$ 121,776	\$ 99,708	\$ 398,824	\$ 15,833	\$ 341,211	\$ 977,352

Accumulated depreciation	Artwork	Computer equipment	Field equipment	Site building	Building	Total
Balance, December 31, 2021	\$ -	\$ 59,466	\$ 237,194	\$ 15,833	\$ 125,732	\$ 438,225
Depreciation during the period	-	5,230	24,081	-	10,774	40,085
Balance, June 30, 2022	\$ -	\$ 64,696	\$ 261,275	\$ 15,833	\$ 136,506	\$ 478,310

Carrying value	Artwork	Computer equipment	Field equipment	Site building	Building	Total
Balance, December 31, 2021	\$ 121,776	\$ 32,795	\$ 159,441	\$ -	\$ 215,479	\$ 529,491
Balance, June 30, 2022	\$ 121,776	\$ 35,012	\$ 137,549	\$ -	\$ 204,705	\$ 499,042

Probe Metals Inc.

Notes to Condensed Interim Financial Statements

June 30, 2022

(Expressed in Canadian Dollars)

(Unaudited)

7. Rights-of-use Assets

	Building
Balance, December 31, 2021	\$ 313,016
Depreciation	(52,443)
Balance, June 30, 2022	\$ 260,573

8. Amounts Payable and Other Liabilities

	As at June 30, 2022	As at December 31, 2021
Amounts payables	\$ 1,653,450	\$ 318,062
Accrued liabilities	531,140	981,127
	\$ 2,184,590	\$ 1,299,189

9. Lease Liabilities

	Building
Balance, December 31, 2021	\$ 397,098
Accretion expense	52,635
Lease payments	(108,260)
Balance, June 30, 2022	\$ 341,473

Lease maturity	Under 1 year	Between 1 - 2 years	Between 3 - 5 years	Over 5 years	Total
Building	\$ 144,358	\$ 85,611	\$ 111,504	\$ -	\$ 341,473

10. Flow-Through Share Liability

The following is a continuity schedule of the liability of the flow-through shares issuance:

Balance, December 31, 2021	\$ -
Liability incurred on flow-through shares issued (i)	2,622,451
Settlement of flow-through share liability on incurring expenditures (i)	(1,271,998)
Balance, June 30, 2022	\$ 1,350,453

(i) The flow-through common shares issued in the brokered private placement completed on March 8, 2022 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 \$2,622,451.

The flow-through premium is derecognized through income as the eligible expenditures are incurred. For six months ended June 30, 2022, the Company satisfied \$1,271,998 of the commitment by incurring eligible expenditures of approximately \$10,074,000 and as a result the flow-through premium has been reduced to \$1,350,453.

Probe Metals Inc.

Notes to Condensed Interim Financial Statements

June 30, 2022

(Expressed in Canadian Dollars)

(Unaudited)

11. 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, 2022 the issued share capital amounted to \$145,730,342. Changes in issued share capital are as follows:

	Number of common shares	Amount
Balance, December 31, 2020	130,220,387	\$106,772,946
Exercise of warrants	3,000	4,568
RSUs vested (note 14)	310,500	378,810
Balance, June 30, 2021	130,533,887	\$107,156,324
Balance, December 31, 2021	138,606,181	\$122,578,430
Private placements (i)(ii)	12,699,999	31,270,000
Warrants (i)(ii)	-	(3,741,790)
Flow-through share premium (note 10(i))	-	(2,622,451)
Share issue costs	-	(2,008,748)
Exercise of warrants	6,500	8,450
Exercise of stock options	100,000	246,451
Balance, June 30, 2022	151,412,680	\$145,730,342

(i) On March 8, 2022, the Company completed a bought deal private placement consisting of 6,700,000 flow-through units of the Company at a price of \$3.10 per flow-through unit for aggregate gross proceeds of \$20,770,000. Each flow-through unit consists of one flow-through common share of the Company and one-half of one common share purchase warrant. Each whole warrant will entitle the holder to acquire one common share of the Company for 2 years from the closing of the offering at a price of \$2.40.

The fair value of the 3,350,000 warrants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of \$2.31; expected dividend yield of 0%; risk-free interest rate of 1.46%; volatility of 64% and an expected life of 2 years. The fair value assigned to these warrants was \$2,670,549.

The offering was completed through a syndicate of underwriters led by Canaccord Genuity Corp., and including Sprott Private Partners, CIBC Capital Markets, BMO Capital Markets, iA Private Wealth, Research Capital Corporation and Laurentian Bank Securities (collectively, the "Underwriters"). In consideration for their services, the Underwriters received a cash commission equal to 6% of the gross proceeds of the offering. All securities issued and issuable pursuant to the offering are subject to a hold period of four months and one day from closing.

Probe Metals Inc.

Notes to Condensed Interim Financial Statements

June 30, 2022

(Expressed in Canadian Dollars)

(Unaudited)

11. Share Capital (Continued)

b) Common shares issued (continued)

(ii) On June 9, 2022, the Company completed a non-brokered private placement consisting of 5,999,999 units of the Company at a price of \$1.75 per flow-through unit for aggregate gross proceeds of \$10,500,000. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant will entitle the holder to acquire one common share of the Company for 2 years from the closing of the offering at a price of \$2.40.

The fair value of the 3,000,000 warrants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of \$1.75; expected dividend yield of 0%; risk-free interest rate of 3.07%; volatility of 52% and an expected life of 2 years. The fair value assigned to these warrants was \$1,071,241.

The offering included the participation of the government of Québec, through Investissement Québec via Fonds Capital Ressources Naturelles et Énergie, Caisse de dépôt et placement du Québec, SIDEX, Fonds de solidarité FTQ, Fonds régionaux de solidarité FTQ, the Société de développement de la Baie-James and Desjardins Capital. All securities issued and issuable pursuant to the offering are subject to a hold period of four months and one day from closing.

12. Warrants

	Number of warrants	Grant date fair value
Balance, December 31, 2020	7,617,500	\$ 2,281,758
Exercised	(3,000)	(668)
Balance, June 30, 2021	7,614,500	\$ 2,281,090
Balance, December 31, 2021	2,206,500	\$ 1,074,738
Issued (note 11(b)(i)(ii))	6,350,000	3,741,790
Exercised	(6,500)	-
Balance, June 30, 2022	8,550,000	\$ 4,816,528

The following table reflects the warrants issued and outstanding as of June 30, 2022:

Expiry date	Exercise price (\$)	Warrants outstanding	Valuation (\$)
November 25, 2022	2.10	2,200,000	1,074,738
March 8, 2024	2.40	3,350,000	2,670,549
June 9, 2024	2.40	3,000,000	1,071,241
	2.28	8,550,000	4,816,528

Probe Metals Inc.

Notes to Condensed Interim Financial Statements

June 30, 2022

(Expressed in Canadian Dollars)

(Unaudited)

13. Stock Options

	Number of stock options	Weighted average exercise price
Balance, December 31, 2020	9,216,800	\$ 1.26
Stock options granted (i)(ii)	1,675,000	1.46
Balance, June 30, 2021	10,891,800	\$ 1.29
Balance, December 31, 2021	8,146,800	\$ 1.22
Stock options granted (iii)(iv)	1,650,000	1.88
Exercise of stock options	(100,000)	1.36
Balance, June 30, 2022	9,696,800	\$ 1.33

(i) On February 24, 2021, 1,475,000 stock options were granted to officers, directors, key employees and consultants at the exercise price of \$1.42, expiring February 24, 2026. Vesting of the stock options is as follows: one-third after one year, one-third after two years and one-third after three years. 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 \$1.38; expected dividend yield of 0%; risk-free interest rate of 0.73%; volatility of 64% and an expected life of 5 years. The fair value assigned to these options was \$1,075,874.

(ii) On June 7, 2021, 200,000 stock options were granted to a director at the exercise price of \$1.72, expiring June 7, 2026. Vesting of the stock options is as follows: one-third after one year, one-third after two years and one-third after three years. 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 \$1.72; expected dividend yield of 0%; risk-free interest rate of 0.88%; volatility of 63% and an expected life of 5 years. The fair value assigned to these options was \$181,861.

(iii) On March 22, 2022, 1,575,000 stock options were granted to officers, directors, key employees and consultants at the exercise price of \$1.87, expiring March 22, 2027. Vesting of the stock options is as follows: one-third after one year, one-third after two years and one-third after three years. 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 \$1.87; expected dividend yield of 0%; risk-free interest rate of 2.11%; volatility of 58% and an expected life of 5 years. The fair value assigned to these options was \$1,495,833.

(iv) On May 2, 2022, 75,000 stock options were granted to a key employee at the exercise price of \$2.05, expiring May 2, 2027. Vesting of the stock options is as follows: one-third after one year, one-third after two years and one-third after three years. 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 \$2.05; expected dividend yield of 0%; risk-free interest rate of 2.81%; volatility of 58% and an expected life of 5 years. The fair value assigned to these options was \$79,703.

(v) The total share-based compensation for options granted in current and prior years and vested during the three and six months ended June 30, 2022, amounted to \$356,307 and \$600,755, respectively (three and six months ended June 30, 2021 - \$441,142 and \$751,371, respectively).

Probe Metals Inc.

Notes to Condensed Interim Financial Statements

June 30, 2022

(Expressed in Canadian Dollars)

(Unaudited)

13. Stock Options (Continued)

The following table reflects the actual stock options issued and outstanding as of June 30, 2022:

Expiry date	Exercise price (\$)	Options outstanding	Weighted average remaining contractual life (years)	Options exercisable
February 26, 2023	0.75	97,500	0.66	97,500
June 22, 2023	1.22	2,910,000	0.98	2,910,000
February 14, 2024	0.49	173,550	1.63	173,550
February 20, 2025	1.17	2,950,000	2.65	2,950,000
March 19, 2025	0.26	165,750	2.72	165,750
February 24, 2026	1.42	1,475,000	3.66	491,667
June 7, 2026	1.72	200,000	3.94	66,667
September 14, 2026	1.96	75,000	4.21	-
March 22, 2027	1.87	1,575,000	4.73	-
May 2, 2027	2.05	75,000	4.84	-
		9,696,800	2.66	6,855,134

14. Restricted Stock Unit ("RSU") Plan

During the year ended December 31, 2018, the Company adopted a RSU plan. The RSU plan provides for a fixed maximum limit of 7,000,000 RSUs.

During the three and six months ended June 30, 2022, the Company granted 75,000 and 957,000 RSUs, respectively (three and six months ended June 30, 2021 - 30,000 and 950,000, respectively) to officers, directors and key employees of the Company under the terms of the Company RSU Plan. The RSUs will vest one-third one year from the day of grant, one-third after two years and one-third after three years.

During the three and six months ended June 30, 2022, nil RSUs vested and \$nil was reclassified to share capital.

During the six months June 30, 2021, 860,000 RSUs vested. 310,500 of these RSUs converted to common shares with a value of \$378,810, 364,500 RSUs were settled in cash for withholding taxes with a value of \$579,555 and 185,000 RSUs settled in cash with a value of \$294,150.

Compensation for the three and six months ended June 30, 2022 related to the vesting of RSUs was \$637,691 and \$854,069, respectively (three and six months ended June 30, 2021 - \$396,988 and \$598,544, respectively) and was recorded as share-based payments in the statement of loss and comprehensive loss.

	RSUs outstanding
Balance, December 31, 2020	2,005,000
Granted	950,000
Vested	(860,000)
Balance, June 30, 2021	2,095,000
Balance, December 31, 2021	2,145,000
Granted	957,000
Balance, June 30, 2022	3,102,000

Probe Metals Inc.

Notes to Condensed Interim Financial Statements

June 30, 2022

(Expressed in Canadian Dollars)

(Unaudited)

15. Net Loss Per Share

The calculation of basic and diluted loss per share for the three and six months ended June 30, 2022 was based on the loss attributable to common shareholders of \$9,737,879 and \$18,169,597, respectively (three and six months ended June 30, 2021 - \$2,988,823 and \$4,271,638, respectively) and the weighted average number of common shares outstanding of 146,761,196 and 143,503,483, respectively (three and six months ended June 30, 2021 - 130,249,728 and 130,234,977, respectively). Diluted loss per share did not include the effect of stock options, warrants and RSUs as they are anti-dilutive.

16. Exploration and Evaluation Expenditures

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Val-d'Or East Project	\$ 7,168,152	\$ 1,758,784	\$ 13,769,487	\$ 4,220,021
Detour Project	1,047,934	447,940	1,697,676	741,410
Casa-Cameron Project	306,274	56,286	588,902	65,897
Black Creek Property	1,016	1,207	4,583	1,382
Tamarack-McFauld's Lake Property	(2,403)	-	(692)	-
Victory Property	567	453	934	634
Project Generation	-	1,925	-	1,925
Exploration and evaluation expenditures	\$ 8,521,540	\$ 2,266,595	\$ 16,060,890	\$ 5,031,269

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Advanced exploration	\$ 30,833	\$ 82,665	\$ 56,164	\$ 235,664
Drilling	7,684,404	1,356,047	13,878,192	3,081,025
Environment	114,021	501	175,280	25,453
General field expenses	4,004	6,366	9,209	18,388
Geochemical	16,844	260,170	252,968	457,183
Geology	111,055	147,622	248,188	406,008
Geophysics	277,659	334,952	1,013,259	598,869
Metallurgical testwork	18,667	24,721	37,319	87,468
Option payment and staking claims	43,505	46,036	64,571	58,200
Preliminary economic assessment	176,276	122,875	235,794	210,931
Restoration fees	-	-	-	98,244
Social and community	90,616	315	142,100	315
Operator of exploration project	(46,344)	(115,675)	(52,154)	(246,479)
	\$ 8,521,540	\$ 2,266,595	\$ 16,060,890	\$ 5,031,269

Probe Metals Inc.

Notes to Condensed Interim Financial Statements

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(Expressed in Canadian Dollars)

(Unaudited)

17. General and Administrative Expenses

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Share-based payments (notes 13, 14 and 18)	\$ 128,647	\$ 795,482	\$ 1,454,824	\$ 1,349,915
Salaries and benefits (note 18)	180,154	221,798	464,760	561,784
Director fees (note 18)	140,398	78,475	231,648	157,500
Professional fees (note 18)	64,524	40,635	141,678	89,428
Travel and promotion costs	107,263	27,227	138,493	65,853
Shareholder information	33,557	33,588	125,130	113,592
Depreciation (notes 6 and 7)	46,388	39,636	92,528	79,130
Administrative costs	55,658	41,909	80,442	77,369
Occupancy costs	-	6,928	-	11,696
	\$ 756,589	\$ 1,285,678	\$ 2,729,503	\$ 2,506,267

18. 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,	
		2022	2021	2022	2021
Peterson McVicar LLP ("Peterson")	(i)	\$ 48,793	\$ 6,942	\$ 123,312	\$ 13,717
Marrelli Support Services Inc. ("Marrelli Support")	(ii)	\$ -	\$ 14,027	\$ 28,805	\$ 41,144
DSA Corporate Services Inc. ("DSA Corp")	(ii)	\$ -	\$ 3,421	\$ 3,000	\$ 6,421
DSA Filing Services Limited ("DSA Filing")	(ii)	\$ -	\$ 2,418	\$ 2,615	\$ 4,443

(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, 2022, Peterson was owed \$44,087 (December 31, 2021 - \$1,020) and this amount was included in amounts payable and other liabilities.

(ii) During the three and six months ended June 30, 2022, the Company paid professional fees of \$nil and \$28,805, respectively (three and six months ended June 30, 2021 - \$14,027 and \$41,144, respectively) to Marrelli Support, an organization of which Carmelo Marrelli is Managing Director. Mr. Marrelli is the former Chief Financial Officer of the Company. Patrick Langlois replaced Carmelo Marrelli as Chief Financial Officer of the Company on March 23, 2022. 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, 2022, Marrelli Support was owed \$nil (December 31, 2021 - \$11,390) and this amount was included in amounts payable and other liabilities.

Probe Metals Inc.

Notes to Condensed Interim Financial Statements

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(Unaudited)

18. Related Party Balances and Transactions (Continued)

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

(ii) (continued) During the three and six months ended June 30, 2022, the Company paid professional fees of \$nil and \$3,000, respectively (three and six months ended June 30, 2021 - \$3,421 and \$6,421, respectively) to DSA Corp, an organization of which Mr. Marrelli controls. Mr. Marrelli is also the corporate secretary and sole director of DSA Corp. 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, 2022, DSA Corp was owed \$nil (December 31, 2021 - \$1,130) and this amount was included in amounts payable and other liabilities.

During the three and six months ended June 30, 2022, the Company paid professional fees of \$nil and \$2,615, respectively (three and six months ended June 30, 2021 - \$2,418 and \$4,443, respectively) to DSA Filing, an organization of which Mr. Marrelli controls. Mr. Marrelli is also the corporate secretary and sole director of DSA Filing. 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, 2022, DSA Filing was owed \$nil (December 31, 2021 - \$202) and this amount was included in amounts payable and other liabilities.

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.

(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,	
	2022	2021	2022	2021
Salaries and benefits ⁽ⁱ⁾⁽ⁱⁱ⁾	\$ 505,250	\$ 368,000	\$ 884,000	\$ 732,500
Share-based payments	\$ 64,337	\$ 406,681	\$ 900,324	\$ 836,374

(i) For the three and six months ended June 30, 2022, \$337,500 and \$584,000, respectively of these costs (three and six months ended June 30, 2021 - \$234,000 and \$465,628, respectively) are included in general and administrative expenses and \$167,750 and \$300,000, respectively (three and six months ended June 30, 2021 - \$134,000 and \$264,500, respectively) are included in exploration and evaluation expenditures.

(ii) The directors do not have employment or service contracts with the Company. Directors are entitled to director fees, stock options and RSUs for their services. As at June 30, 2022, officers and directors were owed \$14,193 (December 31, 2021 - \$809,709) and this amount was included in amounts payable and other liabilities.

19. Commitments

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, 2022, the Company is committed to incurring approximately \$10.7 million in Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) by December 31, 2023 arising from the flow-through offerings.

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(Unaudited)

20. 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 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.