
**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS OF
PROBE METALS INC.
FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2016
(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 September 30, 2016	As at December 31, 2015
ASSETS		
Current assets		
Cash and cash equivalents	\$ 31,056,618	\$ 18,291,230
Trade accounts receivable and other receivables (note 4)	1,382,175	58,759
Marketable securities (note 5)	956,776	-
Prepaid expenses	57,191	8,300
Total current assets	33,452,760	18,358,289
Non-current assets		
Property and equipment (note 6)	443,869	122,663
Total assets	\$ 33,896,629	\$ 18,480,952
LIABILITIES AND EQUITY		
Current liabilities		
Amounts payable and other liabilities (notes 7 and 15)	\$ 1,666,220	\$ 372,026
Flow-through share liability (note 8)	401,166	-
Total liabilities	2,067,386	372,026
Equity		
Share capital (note 9)	63,723,317	19,646,406
Warrants (note 10)	5,132,000	-
Contributed surplus	3,262,288	583,348
Accumulated deficit	(40,288,362)	(2,120,828)
Total equity	31,829,243	18,108,926
Total liabilities and equity	\$ 33,896,629	\$ 18,480,952

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

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

Probe Metals Inc.

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

	Three months ended September 30,		Nine months ended September 30,	Period from January 16, 2015 to September 30,
	2016	2015	2016	2015
Operating expenses				
Exploration and evaluation expenditures (Schedule and note 13)	\$ 2,002,184	\$ 95,692	\$ 35,502,246	\$ 140,864
General and administrative expenses (note 14)	2,145,233	427,991	3,267,534	1,144,016
Operating loss before interest income, (loss) gain on marketable securities, premium on flow-through shares and property option revenue	(4,147,417)	(523,683)	(38,769,780)	(1,284,880)
Interest income	34,632	43,612	105,449	87,939
(Loss) gain on marketable securities (note 5)	(35,060)	-	61,007	-
Premium on flow-through shares (note 8)	65,635	-	65,635	-
Property option revenue (note 13(v)(7))	368,859	-	368,859	-
Loss before income taxes	(3,713,351)	(480,071)	(38,168,830)	(1,196,941)
Income tax recovery	-	-	1,296	-
Loss and comprehensive loss for the period	\$ (3,713,351)	\$ (480,071)	\$(38,167,534)	\$ (1,196,941)
Basic and diluted loss per share (note 12)	\$ (0.05)	\$ (0.01)	\$ (0.63)	\$ (0.04)
Weighted average number of common shares outstanding - basic and diluted	78,262,063	34,914,205	60,704,451	27,033,031

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)

	Nine months ended September 30, 2016	Period from January 16, 2015 to September 30, 2015
Operating activities:		
Net loss for the period	\$(38,167,534)	\$ (1,196,941)
Adjustments for:		
Share-based payments (note 11(ii)(iii)(iv))	1,554,217	431,609
Depreciation	11,472	75
Consideration for acquisition of Adventure (note 3)	32,601,900	-
Shares issued for mineral properties (note 13(iii)(iv)(v)(1))	931,500	-
Shares received for mineral properties (note 13(v)(7))	(375,000)	-
Gain on marketable securities (note 5)	(61,007)	-
Premium on flow-through share (note 8)	(65,635)	-
Changes in non-cash working capital items:		
Trade accounts receivable and other receivables	(804,038)	(19,633)
Prepaid expenses	(2,509)	(8,084)
Amounts payable and other liabilities	1,017,338	89,879
Net cash used in operating activities	(3,359,296)	(703,095)
Investing activities:		
Purchase of property and equipment	(332,678)	(122,775)
Proceeds from sale of marketable securities	32,016	-
Net cash used in investing activities	(300,662)	(122,775)
Financing activities:		
Cash acquired from completion of Arrangement	-	19,000,000
Cash acquired from completion of Transaction (note 3)	507,363	-
Transaction costs (note 3)	(740,045)	-
Proceeds from private placements (note 9(b)(ii)(iii))	17,549,799	-
Share issue costs	(1,029,441)	-
Exercise of warrants	-	196,686
Exercise of stock options	137,670	502,023
Net cash provided by financing activities	16,425,346	19,698,709
Net change in cash and cash equivalents	12,765,388	18,872,839
Cash and cash equivalents, beginning of period	18,291,230	-
Cash and cash equivalents, end of period	\$ 31,056,618	\$ 18,872,839

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
Share issued on incorporation, January 16, 2015	\$ 1	\$ -	\$ -	\$ -	\$ 1
Shares issued pursuant to completion of Arrangement (note 9(b)(i))	17,689,000	-	-	-	17,689,000
Warrants issued pursuant to completion of Arrangement (note 10(i))	-	258,000	-	-	258,000
Stock options issued pursuant to completion of Arrangement (note 11(i))	-	-	1,053,000	-	1,053,000
Share cancelled	(1)	-	-	-	(1)
Exercise of warrants	454,686	(258,000)	-	-	196,686
Exercise of stock options	1,502,720	-	(1,000,697)	-	502,023
Share-based payments (note 11(ii))	-	-	431,609	-	431,609
Loss and comprehensive loss	-	-	-	(1,196,941)	(1,196,941)
Balance, September 30, 2015	\$ 19,646,406	\$ -	\$ 483,912	\$ (1,196,941)	\$ 18,933,377
Balance, December 31, 2015	\$ 19,646,406	\$ -	\$ 583,348	\$ (2,120,828)	\$ 18,108,926
Shares issued pursuant to completion of the Transaction (note 3)	31,269,907	-	-	-	31,269,907
Warrants issued pursuant to completion of the Transaction (note 3)	-	534,000	-	-	534,000
Stock options issued pursuant to completion of the Transaction (note 3)	-	-	1,407,000	-	1,407,000
Private placements (note 9(b)(ii)(iii))	17,549,799	-	-	-	17,549,799
Warrants	(4,598,000)	4,598,000	-	-	-
Shares issue costs	(1,029,441)	-	-	-	(1,029,441)
Flow-through share premium (note 8)	(466,801)	-	-	-	(466,801)
Exercise of stock options	419,947	-	(282,277)	-	137,670
Shares issued for mineral properties (note 13(iii)(iv)(v)(1))	931,500	-	-	-	931,500
Share-based payments (note 11(ii)(iii)(iv))	-	-	1,554,217	-	1,554,217
Loss and comprehensive loss	-	-	-	(38,167,534)	(38,167,534)
Balance, September 30, 2016	\$ 63,723,317	\$ 5,132,000	\$ 3,262,288	\$ (40,288,362)	\$ 31,829,243

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

September 30, 2016

(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 ("Probe") 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.

On March 13, 2015, Goldcorp and Probe completed the Arrangement. Pursuant to the Arrangement, Goldcorp acquired all of the issued and outstanding common shares of Probe not already held, directly or indirectly, by Goldcorp and Probe became a wholly-owned subsidiary of Goldcorp. Pursuant to the Arrangement, Probe shareholders received for each Probe common share: 0.1755 common shares in Goldcorp and \$0.001 in cash, and 0.3333 common shares in the Company. Pursuant to the Arrangement, Probe option holders received for each Probe option: 0.1755 options in Goldcorp, and 0.3333 options in the Company. Pursuant to the Arrangement, Probe warrant holders received for each Probe warrant: 0.1755 warrants in Goldcorp, and 0.3333 warrants in the Company. Pursuant to the Arrangement, Probe transferred to the Company a 100% interest in Probe's Black Creek Property, located in the James Bay Lowlands area of north-western Ontario, 100% interest in Probe's Tamarack-McFauld's Lake Property, located in the James Bay Lowlands area of northern Ontario, 100% interest in Probe's Victory Property, located in the James Bay Lowlands area of northern Ontario, \$15 million in cash, a contingent \$4 million receivable related to the previous sale of the Goldex mine and trade payables incurred in the normal course of operations of the Company. After completion of the Arrangement, Probe's existing shareholders owned 100% of the Company shares outstanding, proportionate to their ownership of Probe's common shares at the time the Arrangement was completed.

On March 13, 2015, the financial year of the Company was changed from April 30 to December 31.

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 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 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 Dubuissou 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.

On July 27, 2016 the Company sold its Vezza North, Vezza Extension and Bachelor Extension properties, which were formerly part of the Casa-Cameron Project, to GFK Resources Inc. ("GFK") (note 13(v)(7)).

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2016

(Expressed in Canadian Dollars)

(Unaudited)

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 November 18, 2016, 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 financial statements as at and for the period from January 16, 2015 to December 31, 2015, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2016 could result in restatement of these unaudited condensed interim consolidated financial statements.

Change in Accounting Policy

Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss when the financial asset is held for trading or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if: (i) it has been acquired principally for the purpose of selling in the near future; or (ii) it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking.

Financial assets classified as fair value through profit or loss are stated at fair value with any gain or loss recognized in the unaudited condensed interim consolidated statement of loss and comprehensive loss.

Property and equipment

Detail	Percentage	Method
Site building	10%	Declining balance

Flow-through shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a premium on flow-through shares for the amount of tax reduction renounced to the shareholders.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resources property exploration expenditures. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2016

(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.

3. Acquisition of Adventure

The Transaction was recorded for accounting purposes as an asset acquisition. 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	740,045
Total	\$ 33,950,952

Net Assets Acquired (Fair Value)

Cash and cash equivalents	\$ 507,363
Trade accounts receivable and other receivables	519,378
Marketable securities	552,785
Prepaid expenses	46,382
Mining properties (note 13(v))	32,601,900
Amounts payable and other liabilities	(276,856)
Total net assets	\$ 33,950,952

(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.

Probe Metals Inc.**Notes to Condensed Interim Consolidated Financial Statements****September 30, 2016****(Expressed in Canadian Dollars)****(Unaudited)**

4. Trade Accounts Receivable and Other Receivables

	As at September 30, 2016	As at December 31, 2015
Sales tax receivable - (Canada)	\$ 346,315	\$ 47,111
Accounts receivable	797,297	-
Accrued interest receivable	11,025	11,648
Mining tax receivable	74,869	-
Tax credit related to resources receivable	152,669	-
	\$ 1,382,175	\$ 58,759

5. Marketable Securities

September 30, 2016	Number of Shares	Cost	Unrealized Income/(Loss)	Fair Market Value
Agnico	5,000	\$ 324,850	\$ 29,800	\$ 354,650
GFK	5,000,000	555,000	45,000	600,000
RT Minerals Corp. ("RTM")	21,250	4,676	(2,550)	2,126
		\$ 884,526	\$ 72,250	\$ 956,776

Marketable securities were acquired pursuant to the Transaction (note 3) and as consideration for the sale of mineral properties (note 13(v)(7)).

During the three and nine months ended September 30, 2016, the Company sold 786,500 shares of a public company for gross proceeds of \$32,016 and recorded realized loss on marketable securities of \$11,243 in the unaudited condensed interim consolidated statements of loss and comprehensive loss.

During the three and nine months ended September 30, 2016, the Company recorded an unrealized (loss) gain on marketable securities of \$(23,817) and \$72,250, respectively in the unaudited condensed interim consolidated statements of loss and comprehensive loss.

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2016

(Expressed in Canadian Dollars)

(Unaudited)

6. Property and Equipment

Cost	Artwork	Computer equipment	Field equipment	Site building	Total
Balance, December 31, 2015	\$ 121,776	\$ 999	\$ -	\$ -	\$ 122,775
Additions	-	4,434	40,657	287,587	332,678
Balance, September 30, 2016	\$ 121,776	\$ 5,433	\$ 40,657	\$ 287,587	\$ 455,453

Accumulated depreciation	Artwork	Computer equipment	Field equipment	Site building	Total
Balance, December 31, 2015	\$ -	\$ 112	\$ -	\$ -	\$ 112
Depreciation during the period	-	481	3,801	7,190	11,472
Balance, September 30, 2016	\$ -	\$ 593	\$ 3,801	\$ 7,190	\$ 11,584

Carrying value	Artwork	Computer equipment	Field equipment	Site building	Total
Balance, December 31, 2015	\$ 121,776	\$ 887	\$ -	\$ -	\$ 122,663
Balance, September 30, 2016	\$ 121,776	\$ 4,840	\$ 36,856	\$ 280,397	\$ 443,869

7. Amounts Payable and Other Liabilities

	As at September 30, 2016	As at December 31, 2015
Amounts payables	\$ 1,485,439	\$ 74,051
Accrued liabilities	180,781	297,975
	\$ 1,666,220	\$ 372,026

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, 2015	\$ -
Liability incurred on flow-through shares issued	466,801
Settlement of flow-through share liability on incurring expenditures	(65,635)
Balance, September 30, 2016	\$ 401,166

The flow-through common shares issued in the brokered private placement completed on August 17, 2016 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 \$466,801.

The flow-through premium is derecognized through income as the eligible expenditures are incurred. For the period ended September 30, 2016, the Company satisfied \$65,635 of the commitment by incurring eligible expenditures of approximately \$808,000 and as a result the flow-through premium has been reduced to \$401,166.

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2016

(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 September 30, 2016 the issued share capital amounted to \$63,723,317. Changes in issued share capital are as follows:

	Number of common shares	Amount
Share issued on incorporation, January 16, 2015	1	\$ 1
Shares issued pursuant to completion of Arrangement (i)	31,368,363	17,689,000
Share cancelled	(1)	(1)
Exercise of warrants	936,508	454,686
Exercise of stock options	2,609,334	1,502,720
Balance, September 30, 2015	34,914,205	\$ 19,646,406
<hr/>		
Balance, December 31, 2015	34,914,205	\$ 19,646,406
Shares issued pursuant to completion of the Transaction (note 3)	31,585,765	31,269,907
Private placements (ii)(iii)	17,600,000	17,549,799
Warrants (iii)	-	(4,598,000)
Flow-through share premium (note 8)	-	(466,801)
Share issue costs	-	(1,029,441)
Shares issued for mineral properties (note 13(iii)(iv)(v)(1))	900,000	931,500
Exercise of stock options	337,856	419,947
Balance, September 30, 2016	85,337,826	\$ 63,723,317

(i) On March 13, 2015, pursuant to the Arrangement, the Company's shareholders received 31,368,363 common shares of the Company. Refer to note 1.

(ii) 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. The common shares pursuant to the Offering are subject to a statutory four month and one day hold period.

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2016

(Expressed in Canadian Dollars)

(Unaudited)

9. Share Capital (continued)

b) Common shares issued (continued)

(iii) On August 17, 2016, Probe Metals completed a brokered private placement of 13,200,000 units of the Company for aggregate gross proceeds of \$14,645,799 (the "Financing"), which included the exercise, in full, of the agents' option to purchase additional units. The Financing consisted of the sale of 3,829,069 flow-through units of the Company (the "FT Units") at an average price of \$1.50 per FT Unit and 9,370,931 non-FT Units (the "HD Units" and together with the FT Units, the "Units") at a price of \$0.95 per HD Unit. Each Unit consisted of one common share in the capital stock of the Company and one-half (½) of one common share purchase warrant ("Warrant"). Each whole Warrant will entitle the holder thereof to purchase one additional common share of the Company at a price of \$1.75 per share for a period of 18 months from the closing date of the Financing. The securities comprising the FT Units are "flow-through shares" as defined in subsection 66(15) of the Income Tax Act (Canada).

The fair value of the 6,600,000 Warrants was calculated to be \$4,598,000 using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 130.28%; risk-free interest rate of 0.56% and an expected average life of 18 months.

As part of the Financing, Goldcorp purchased 1,315,800 HD Units and now owns 11,893,646 common shares and 657,900 Warrants of Probe Metals, which represents 13.9% of Probe Metals's issued and outstanding common shares on a non-diluted basis. In addition, certain directors and officers of Probe Metals purchased an aggregate of 772,480 HD Units pursuant to the Financing, being: Jamie Sokalsky - 250,000 Units, Basil Haymann - 250,000 Units, Gord McCreary - 100,000 Units, David Palmer - 67,480 Units, Marco Gagnon - 45,000 Units, Yves Dessureault - 30,000 Units and Patrick Langlois - 30,000 Units. A cash commission equal to 6% of the gross proceeds of Units placed by the agents pursuant to the Financing was paid to the agents.

Pursuant to the Financing, officers and directors of Probe Metals entered lock-up agreements pursuant to which they agreed they would not directly or indirectly, offer, sell, contract to sell, lend, swap, or enter into any other agreement to transfer any shares of Probe Metals or any securities convertible or exchangeable to acquire common shares of Probe Metals, commencing on the closing date and ending 120 days following the closing date, without the approval of the lead agent.

The securities issued pursuant to the Financing are subject to a statutory four month and one day hold period.

10. Warrants

	Number of warrants	Grant date fair value
Warrants issued pursuant to completion of Arrangement (i)	936,508	\$ 258,000
Exercise of warrants	(936,508)	(258,000)
Balance, September 30, 2015	-	\$ -
Balance, December 31, 2015	-	\$ -
Warrants issued pursuant to completion of the Transaction (note 3)	799,532	534,000
Issued (note 9(b)(iii))	6,600,000	4,598,000
Balance, September 30, 2016	7,399,532	\$ 5,132,000

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2016

(Expressed in Canadian Dollars)

(Unaudited)

10. Warrants (continued)

(i) On March 13, 2015, pursuant to the Arrangement, the Company's warrant holders received 936,508 warrants of the Company. The fair value of these warrants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of \$0.425; exercise price of \$0.21; expected dividend yield of 0%; risk-free interest rate of 0.54%; volatility of 273% and an expected life of 0.21 years. The fair value assigned to these warrants was \$258,000.

The following table reflects the warrants issued and outstanding as of September 30, 2016:

Expiry date	Exercise price (\$)	Warrants outstanding	Valuation (\$)
February 17, 2018	1.75	6,600,000	4,598,000
May 4, 2017	1.15	117,000	52,000
November 23, 2017	0.51	682,532	482,000
		7,399,532	5,132,000

11. Stock Options

	Number of stock options	Weighted average exercise price
Stock options issued pursuant to completion of Arrangement (i)	2,745,712	\$ 0.19
Exercise of stock options	(2,609,334)	0.19
Stock options granted (ii)	2,400,000	0.36
Balance, September 30, 2015	2,536,378	\$ 0.35
Balance, December 31, 2015	2,536,378	\$ 0.35
Stock options issued pursuant to completion of the Transaction (note 3)	1,519,050	0.56
Stock options granted (iii)(iv)	3,080,000	1.51
Exercise of stock options	(337,856)	0.41
Balance, September 30, 2016	6,797,572	\$ 0.92

(i) On March 13, 2015, pursuant to the Arrangement, the Company's stockholders received 2,745,712 stock options of the Company. 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 \$0.425; exercise price of \$0.04 to \$0.28; expected dividend yield of 0%; risk-free interest rate of 0.54% to 0.68%; volatility of 156% to 286% and an expected life of 0.8 to 4.77 years. The fair value assigned to these options was \$1,053,000.

(ii) On April 27, 2015, 2,400,000 stock options were granted to employees, consultants, officers and directors of the Company at an exercise price of \$0.36 per share, expiring April 27, 2020. Vesting of the stock options is as follows: one-third immediately, one-third after one year and one-third after two 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 \$0.42; expected dividend yield of 0%; risk-free interest rate of 0.87%; volatility of 159% and an expected life of 5 years. The fair value assigned to these options was \$789,000. For three and nine months ended September 30, 2016, the impact on the unaudited condensed interim consolidated statement of loss and comprehensive loss was \$33,145 and \$183,019, respectively (three months ended September 30, 2015 and period from January 16, 2015 to September 30, 2015 - \$99,436 and \$431,609, respectively).

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2016

(Expressed in Canadian Dollars)

(Unaudited)

11. Stock Options (continued)

(iii) On September 1, 2016, 2,980,000 stock options were granted to employees, consultants, officers and directors of the Company at an exercise price of \$1.50 per share, expiring September 1, 2021. Vesting of the stock options is as follows: one-third immediately, one-third after one year and one-third after two 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 \$1.40; expected dividend yield of 0%; risk-free interest rate of 0.64%; volatility of 130% and an expected life of 5 years. The fair value assigned to these options was \$3,553,000. For three and nine months ended September 30, 2016, the impact on the unaudited condensed interim consolidated statement of loss and comprehensive loss was \$1,325,480 (three months ended September 30, 2015 and period from January 16, 2015 to September 30, 2015 - \$nil).

(iv) On September 9, 2016, 100,000 stock options were granted to consultants of the Company at an exercise price of \$1.76 per share, expiring September 9, 2021. Refer to note 13(iv). Vesting of the stock options is as follows: one-fourth on the TSXV approval of the Memorandum of Understanding ("MOU"), one-fourth after six months, twelve months and eighteen months of the anniversary of the MOU. 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 \$1.90; expected dividend yield of 0%; risk-free interest rate of 0.71%; volatility of 130% and an expected life of 5 years. The fair value assigned to these options was \$164,000. For three and nine months ended September 30, 2016, the impact on the unaudited condensed interim consolidated statement of loss and comprehensive loss was \$45,718 (three months ended September 30, 2015 and period from January 16, 2015 to September 30, 2015 - \$nil).

The following table reflects the actual stock options issued and outstanding as of September 30, 2016:

Expiry date	Exercise price (\$)	Options outstanding	Weighted average remaining contractual life (years)	Options exercisable	Valuation (\$)
October 31, 2016	0.24	33,330	0.08	33,330	12,000
December 5, 2017	0.19	8,333	1.18	8,333	3,381
May 31, 2018	0.15	8,749	1.67	8,749	3,473
May 16, 2019	0.26	19,999	2.62	19,999	7,920
December 18, 2019	0.28	17,777	3.22	17,777	7,021
April 27, 2020	0.36	2,383,334	3.58	1,583,334	783,521
December 8, 2020	1.36	175,500	4.19	175,500	141,000
September 1, 2021	1.50	2,980,000	4.92	993,333	3,553,000
September 9, 2021	1.76	100,000	4.95	25,000	164,000
February 26, 2023	0.75	282,750	6.41	282,750	255,727
February 14, 2024	0.49	319,800	7.38	319,800	300,948
March 19, 2025	0.26	468,000	8.47	468,000	451,034
		6,797,572	4.81	3,935,905	5,683,025

12. Net Loss Per Share

The calculation of basic and diluted loss per share for the three and nine months ended September 30, 2016 was based on the loss attributable to common shareholders of \$3,713,351 and \$38,167,534, respectively (three months ended September 30, 2015 and period from January 16, 2015 to September 30, 2015 - \$480,071 and \$1,196,941, respectively) and the weighted average number of common shares outstanding of 78,262,063 and 60,704,451, respectively (three months ended September 30, 2015 and period from January 16, 2015 to September 30, 2015 - 34,914,205 and 27,033,031, 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

September 30, 2016

(Expressed in Canadian Dollars)

(Unaudited)

13. Exploration and Evaluation Expenditures

	Three months ended September 30,		Nine months ended September 30,		Period from January 16, 2015 to September 30, 2015	
	2016	2015	2016	2015		
Transaction properties (note 3)						
Val-d'Or East Project (v)	\$ 1,532,912	\$ -	\$ 23,664,361	\$ -	\$ -	\$ -
Detour Project (v)	11,590	-	8,826,413	-	-	-
Casa-Cameron Project (v)	53,557	-	578,742	-	-	-
Granada Extension Project (v)	4,634	-	950,896	-	-	-
Option and/or JV properties (v)	208	-	42,556	-	-	-
	\$ 1,602,901	\$ -	\$ 34,062,968	\$ -	\$ -	\$ -
Arrangement properties (note 1)						
Black Creek Property	\$ 581	\$ 20,656	\$ 3,227	\$ -	\$ 20,656	\$ -
Victory Property	-	-	-	-	7,801	-
	\$ 581	\$ 20,656	\$ 3,227	\$ -	\$ 28,457	\$ -
Acquired properties						
West Porcupine Property (i)(ii)(iii)(iv)	\$ 383,438	\$ -	\$ 1,383,608	\$ -	\$ -	\$ -
Other						
Project Generation	\$ 15,264	\$ 75,036	\$ 52,443	\$ -	\$ 112,407	\$ -
Exploration and evaluation expenditures	\$ 2,002,184	\$ 95,692	\$ 35,502,246	\$ -	\$ 140,864	\$ -

(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 14 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 (the "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

September 30, 2016

(Expressed in Canadian Dollars)

(Unaudited)

13. Exploration and Evaluation Expenditures (continued)

(iv) On September 26, 2016, the Company announced that it entered into a MOU with Mattagami and Flying Post First Nations in relation to the Company's West Porcupine Project near Foleyet, Ontario. Under the terms of the MOU, the Company issued 50,000 common shares valued at \$85,500 and 50,000 options to each of the two First Nations communities.

(v) 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	\$ 22,220,811
Detour Project	8,851,693
Casa-Cameron Project	535,944
Granada Extension Project	950,896
Option and/or JV properties	42,556
Total	\$ 32,601,900

Details regarding each is project is outlined below:

1) Val-d'Or East / Beaufor North, Val-d'Or East / Beaufor West, Val-d'Or East / Lapaska and Dubuisson:

On February 26, 2007, Adventure signed an agreement with Q.E.X. Resources Inc. whereby Adventure acquired a 100% interest in four properties: Beaufor West, Beaufor North, Lapaska and Dubuisson, situated in the north-western part of Qu  bec, in exchange for the issuance of 1,824,455 common shares, valued at \$182,456. Beaufor North is not subject to any royalty NSR. Beaufor West is subject to a 1.5% NSR, shared equally between Albert Audet and Geotest Corporation Ltd., and affecting also all claims acquired through staking within two miles of the property. Lapaska is subject to a 5% NSR on one claim payable to Bernard Charlebois. Dubuisson is subject to a royalty of \$25 per ounce on the first 30,000 ounces of gold extracted from the property and thereafter subject to a 2% NSR royalty, of which half (1%) may be purchased by paying \$500,000 within two (2) years after commercial production, with a right of first refusal of ninety (90) days on the second half.

On July 1, 2010, Adventure entered into an option agreement with Agnico, whereby Agnico acquired a 51% interest in the Dubuisson property by making a cash payment of \$100,000 and issuing 15,000 shares of Agnico to Adventure, valued at \$872,550. Also, under the terms of the agreement, Agnico acquired an additional 2.711% interest in the Dubuisson property by spending \$774,600 in exploration work on or before July 1, 2015.

In December 2010, Adventure entered into an option agreement with Mazorro Resources Inc. ("Mazorro"), whereby Mazorro acquired an exclusive option to earn up to 70% in 26 claims covering an area of approximately 344 hectares of Adventure's Lapaska Gold property in Val-d'Or East area, by spending \$7.7M in exploration expenditures, issuing 3,000,000 shares of Mazorro, paying \$250,000 in cash and paying \$2,000,000 (in cash and shares) over the next 6 years. Adventure has to be the operator until Mazorro earns a 70% interest.

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2016

(Expressed in Canadian Dollars)

(Unaudited)

13. Exploration and Evaluation Expenditures (continued)

(v) (continued)

1) Val-d'Or East / Beaufor North, Val-d'Or East / Beaufor West, Val-d'Or East / Lapaska and Dubuisson (continued):

Under the terms of the option agreement, in order to acquire an initial 50% undivided interest in the property (the "First Option"), Mazorro was required to provide total cash payments of \$250,000, a total of 3,000,000 common shares and had committed to incur exploration expenses of \$1,700,000 over a period of three years from the completion of the option agreement. Consideration payable is summarized as follows:

	Cash payments	Shares	Exploration expenses
On April 18, 2011	\$ 25,000 ⁽¹⁾	1,000,000 ⁽²⁾	\$ -
On or before December 31, 2011	25,000 ⁽¹⁾	500,000 ⁽³⁾	500,000 ⁽⁵⁾
On or before December 31, 2012	50,000 ⁽¹⁾	500,000 ⁽⁴⁾	500,000 ⁽⁵⁾
On or before December 31, 2013	150,000 ⁽⁶⁾	1,000,000 ⁽⁶⁾	700,000 ⁽⁶⁾
	\$ 250,000	3,000,000	\$ 1,700,000

(1) This cash payment was made on the date noted in the agreement.

(2) These common shares were issued on April 18, 2011 at a price of \$0.25 per share.

(3) These common shares were issued on December 16, 2011 at a price of \$0.11 per share.

(4) These common shares were issued on December 11, 2012 at a price of \$0.03 per share.

(5) These exploration expenses were incurred on or before the date noted in the agreement.

(6) On March 26, 2014, Adventure terminated the Option Agreement and cancelled Mazorro's option to acquire an interest in the Lapaska property.

On February 24, 2014, Adventure sent a notice of default to Mazorro regarding the Lapaska property option agreement dated January 31, 2011 (the "Agreement"). According to the Agreement, Mazorro had to pay \$150,000 in cash and issue 1,000,000 Mazorro treasury shares to Adventure by no later than December 31, 2013. Furthermore, Mazorro had the obligation to complete \$1,700,000 worth of work exploration expenditures on the Lapaska property by no later than December 31, 2013. As at February 24, 2014, none of the above obligations had been fulfilled. A final notice was sent pursuant to the Agreement in which Mazorro had thirty (30) days to cure the defaults. On March 26, 2014, since Mazorro had not responded to the notice or fulfilled its obligations, Adventure terminated the Agreement and cancelled Mazorro's option to acquire an interest in the Lapaska property.

On July 21, 2016, the Company announced that it completed the agreement with Vaaldiam Mining Inc. ("Vaaldiam"), wholly owned subsidiary of Orion Resources Partners LP, to buy back a 20% proceeds of production royalty (the "Royalty") covering certain mineral claims at the Company's Val d'Or East Project and the current mineral resources contained within the project's boundaries. Under the terms of the agreement, Probe Metals issued 500,000 common shares valued at \$545,000 in consideration for the Royalty. The common shares have a hold period of four months and one day from closing. The transaction has received all necessary approvals, including the approval of the TSXV.

On September 14, 2016, the Company announced that it acquired from Richmond Mines Inc. ("Richmont") a 100% interest in six mining claims contiguous to the Company's Val d'Or East Project, Quebec. The claims are located immediately west of the Company's New Beliveau deposit. In consideration of the six claims, the Company transferred four isolated mining claims, comprising its Beaufor West property, to Richmont. The claims are located wholly within Richmont's Beaufor Project and were considered non-core to the Val-d'Or East project. In accordance with the Company's accounting policy to expense exploration and evaluation expenditures the transaction was determined to have a value of \$nil.

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2016

(Expressed in Canadian Dollars)

(Unaudited)

13. Exploration and Evaluation Expenditures (continued)

(v) (continued)

2) Val-d'Or East / Pascalis-Colombière:

On March 17, 2008, Adventure signed an agreement with IAMGOLD Quebec Management Inc. ("IAMGOLD") to acquire a 100% interest in Pascalis-Colombière gold property located northeast of Val-d'Or, Québec in exchange for the issuance of 250,000 common shares. The shares were issued on March 17, 2008 at a price of \$0.25 per share. The property is subject to a 2% NSR of which half (1%) may be purchased at any time by Adventure for \$1 million. The property is also subject to a 1% gross sale royalty on five mining claims and a 20% net proceeds of production royalty on 28 other mining claims, payable to Alain Garneau and Vaaldiam Mining Inc. (formerly Tiomin Resources Inc.), respectively.

On September 11, 2012, Adventure acquired a 100% interest in 43 claims located in the Pascalis-Colombière property from a subsidiary of Blue Note Mining Inc. by paying \$75,000 and issuing 500,000 shares over a period of 6 months, and granting a 2% NSR royalty on the claims. Adventure shall have the right to purchase 1% of the NSR at any time by paying \$1,000,000. In February 2013, Adventure acquired 100% interest in the property by fulfilling its obligations.

On October 3, 2012, Adventure acquired a 100% interest in 8 additional claims from two independent prospectors by issuing 18,000 shares at a price of \$0.34 per share and granting a 2% NSR royalty on the claims. Adventure shall have the right to purchase 1% of the NSR at any time by paying \$1,000,000.

3) Val-d'Or East / Senore:

On July 8, 2008 and amended on June 30, 2011, Adventure entered into an option agreement with Peter Bambic (the "Optionor") in order to acquire a 100% interest in the Senore property, located 22 kilometers northeast of Val-d'Or, Québec by paying \$200,000, issuing 1,000,000 common shares and incurring \$400,000 in exploration expenses over a period of three years.

In January 2012, Adventure acquired 100% interest in the property by fulfilling its obligations.

The Optionor retains a 3% NSR on two mining claims and 2% NSR on the balance of the property. Adventure has the right to buy back at any time 50% of the NSR for, \$2,000,000 and \$1,000,000, respectively.

4) Timmins West / Meunier-144:

On July 8, 2008, and as amended on June 1, 2009, and May 5, 2010, Adventure entered into an option agreement with a group of prospectors (the "Optionors") in order to acquire a 100% interest in the Meunier 144 gold property located 19 kilometers west of Timmins, Ontario, by paying \$125,000, issuing 1,000,000 common shares and 200,000 warrants and incurring \$1,650,000 in exploration expenses. In August 2011, Adventure acquired 100% interest in the property by fulfilling its obligations.

The property is also subject to a 2.5% NSR of which a 1% NSR may be purchased at any time by Adventure for \$2,000,000. Also, under the terms of the agreement, Adventure is subject to a payment of \$2,000,000 in the case where a pre-feasibility study conducted on the property could indicate the potential for commercial production of at least 1 million ounces of gold.

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2016

(Expressed in Canadian Dollars)

(Unaudited)

13. Exploration and Evaluation Expenditures (continued)

(v) (continued)

4) Timmins West / Meunier-144 (continued):

On May 5, 2010, Adventure entered into an option agreement with RTM and Lake Shore Gold Corp. ("LSG") whereby RTM can acquire up to 50% of Adventure's right, title and interest in the Meunier 144 property. RTM can earn an initial 25% interest in the property by making a cash payment of \$300,000, issuing 2,500,000 shares of RTM to Adventure and incurring exploration costs of \$1,500,000. On June 30, 2011, RTM acquired 25% interest in the property by fulfilling its obligations.

As consideration for the firm RTM commitments, Adventure issued 500,000 compensation warrants to RTM, each warrant entitling RTM to purchase one common share of Adventure at a price of \$0.20 until May 27, 2011. As consideration for the approval of the option agreement with RTM as well as amendments to the initial option agreement, 200,000 of the 2,500,000 shares of RTM were transferred to the Optionors, on October 28, 2010.

On April 5, 2012, RTM earned an additional 25% interest in the property by issuing to Adventure an additional 250,000 shares of RTM and by incurring an additional \$1,500,000 in exploration costs.

As part of the agreement, following the exercise of the second option by RTM and for a period of up to 10 years (until May 5, 2020), LSG may acquire from Adventure and RTM a 10% interest in the property by carrying out a Preliminary Resource Assessment on any NI 43-101 resources identified by RTM or Adventure on the property and by reimbursing RTM and/or Adventure for any costs associated with the initial NI 43-101 report.

5) Val-d'Or East / Others:

Val-d'Or East / Others consist of the following mining claims located in the Abitibi region that Adventure acquired by staking and map-designation in 2008, 2010, 2011 and 2015: Megiscane-Tavernier.

6) Detour Quebec:

Detour Quebec consists of the following mining claims located in the Abitibi region that Adventure acquired by property option agreement and by staking and map-designation in 2008, 2009, 2010, 2011, 2012, 2013, 2014 and 2015: Casgrain, Casgrain Extension, Fenelon, Gaudet, Manthet, Martigny, Massicotte and Sicotte.

On February 22, 2012, Adventure acquired a 100% interest in 45 claims located in the Massicotte property from Globex Mining Enterprises Inc. ("Globex") by paying \$25,000 and granting a 2.5% Gross Metal Royalty ("GMR") on the claims. Adventure shall have the right to purchase 1.5% of the GMR at any time by paying \$1,500,000. In addition, Adventure agreed to transfer 100% of its right on the Realore property (11 claims) located 50 kilometres east of Val-d'Or. Adventure will retain 2% GMR on the Realore claims and Globex shall have the right to purchase 1.0% of the GMR at any time by paying \$500,000. In addition, Adventure acquired a 100% interest in 21 additional claims located in the Massicotte property from independent prospectors by paying \$4,500.

On April 18, 2012 and amended on July 14, 2014, Adventure entered into an option agreement with a group of prospectors (the "Prospectors") in order to acquire a 100% interest in 353 claims which 72 claims located in the Casgrain property, 262 claims located in Gaudet property and 19 claims located in the Martigny property by paying \$157,000 and by issuing 700,000 common shares and 300,000 warrants over a period of two years. The 353 claims are subject to a 1.5% NSR shared equally between two prospectors. Adventure shall have the right to purchase a 1% of the NSR at any time by paying a total of \$1,000,000 to two Prospectors.

Probe Metals Inc.**Notes to Condensed Interim Consolidated Financial Statements****September 30, 2016****(Expressed in Canadian Dollars)****(Unaudited)**

13. Exploration and Evaluation Expenditures (continued)

(v) (continued)

6) Detour Quebec (continued):

In July 2014, Adventure acquired 100% interest in the property by fulfilling its obligations as per the following timelines:

	Cash payments	Shares	Warrants
On signing of the agreement	\$ 75,000 ⁽¹⁾	300,000 ⁽²⁾	300,000 ⁽³⁾
On or before April 18, 2013	25,000 ⁽¹⁾	200,000 ⁽⁴⁾	-
On or before October 18, 2013	28,500 ⁽¹⁾	200,000 ⁽⁵⁾	-
On or before April 18, 2014	28,500 ⁽¹⁾	-	-
	\$ 157,000	700,000	300,000

⁽¹⁾ This cash payment was made on the dates noted in the agreement.

⁽²⁾ These common shares were issued on May 4, 2012 at a price of \$0.33 per share.

⁽³⁾ These warrants were issued on May 4, 2012, each warrant entitling the holder to purchase one common share of Adventure at a price of \$0.45 for a period of 5 years.

⁽⁴⁾ These common shares were issued on April 15, 2013 at a price of \$0.185 per share.

⁽⁵⁾ 114,000 common shares were issued on October 28, 2013 at a price of \$0.115 per share. The remaining 86,000 common shares were issued on July 29, 2014 at a price of \$0.195 per share.

On October 6, 2015, Adventure entered into an option agreement with SOQUEM, whereby SOQUEM can acquire a 50% interest in its central and western Detour Quebec gold properties, currently wholly-owned by Adventure, by making exploration work of \$4,000,000 over a period of four years, which \$1,000,000 of exploration work must be incurred during the first year. The properties under option by SOQUEM total 531 claims covering an area of 286 square kilometres. Adventure will be the operator during the option period and will receive an operator's fee up to 10% of exploration expenditures funded by SOQUEM. A joint venture will be created once the option has been exercised.

To earn its 50% interest, SOQUEM must incurred exploration expenses in the following timelines:

	Exploration expenses
On or before October 6, 2016	\$ 1,000,000
On or before October 6, 2017	1,000,000
On or before October 6, 2018	1,000,000
On or before October 6, 2019	1,000,000
	\$ 4,000,000

7) Casa Cameron:

On August 12, 2009, Adventure acquired from five independent prospectors (the "Vendors"), a 100% interest in the Bruneau Gold Property, located 45 kilometers southeast of Matagami, Québec, in consideration for a cash payment of \$2,000 and the issuance of 100,000 common shares and 100,000 warrants at an exercise price of \$0.25 until August 12, 2012. An area of interest in this property is subject to a 2% NSR in favour of the Vendors, of which 1% can be bought back by Adventure at any time by paying the Vendors \$500,000.

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2016

(Expressed in Canadian Dollars)

(Unaudited)

13. Exploration and Evaluation Expenditures (continued)

(v) (continued)

7) Casa Cameron (continued):

On April 27, 2012, Adventure acquired a 100% interest in 41 claims located in the Florence property from Ressources Cartier Inc. by paying \$3,500 and granting a royalty of 1.0% NSR on the claims. Adventure shall have the right to purchase the 1.0% NSR at any time by paying \$250,000.

Other Casa Cameron properties consist of the following mining claims that Adventure acquired by staking and map-designation in 2008, 2009, 2010, 2011, 2012, 2013, 2014 and 2015, located in the north-western part of Québec, in the Abitibi region: Bachelor, Bell-Vezza, Casagotic, Cere, Florence, KLM, Vezza Extension and Vezza North.

In February 2011, Adventure entered into an option agreement with Société d'exploration minière Vior Inc. ("Vior"), whereby Vior acquired an exclusive option of 100% interest of Bourniol property in 12 claims located in the district of Abitibi, by paying \$7,500 in cash payment and a 2% NSR. Vior retains the right, at any time to purchase 1 of the 2 percentage points of the royalty by paying Adventure the sum of \$1,000,000.

On December 12, 2013 and amended on April 28, 2015, Adventure has entered into an option agreement (the "Agreement") with GFK, a Nova Scotia-based mining exploration company listed on the TSXV under the trading symbol "GFK". Under the terms of the Agreement, GFK has acquired an exclusive option to earn between 51% ("First Option") and 100% ("Second Option") interest in 446 claims covering an area of 22,189 hectares or 222 km² known as Adventure's Casa Cameron properties for exploration expenditures, common shares and payments totalling up to \$12,500,000. Adventure will act as operator for the First Option and will receive an operator's fee equal to 10% of exploration expenditures funded by GFK.

To earn its 51% interest as per the First Option, GFK must make cash payments, issue common shares and incurred exploration expenses in the following timelines:

	Cash payments	Shares	Exploration expenses
On December 12, 2013	\$ 250,000 ⁽¹⁾	2,000,000 ⁽²⁾	\$ -
On April 28, 2015	50,000 ⁽³⁾	-	-
On or before February 28, 2017	-	-	2,000,000
On or before April 29, 2017 ⁽⁴⁾	1,200,000	-	-
On or before February 29, 2020	-	-	3,000,000
	\$ 1,500,000	2,000,000	\$ 5,000,000

(1) This cash payment was received on the date noted in the agreement.

(2) These common shares were issued on February 4, 2014 at a price of \$0.25 per share.

(3) This cash payment was received on May 6, 2015.

(4) \$1,200,000 in cash or, at the election of GFK, in common shares of GFK at a price per share equal the greater of the volume weighted average closing price of the common shares of GFK calculated over a period of thirty (30) days before the date a payment is to be made ("VWAP") or the last closing price of the common shares of GFK on the TSXV before the date of the news release announcing the issuance such common shares less the applicable discount as permitted by the policies of the TSXV, subject to a minimum cash payment to Adventure of \$200,000.

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2016

(Expressed in Canadian Dollars)

(Unaudited)

13. Exploration and Evaluation Expenditures (continued)

(v) (continued)

7) Casa Cameron (continued):

To earn an additional 49% interest as per the Second Option, GFK must make cash payments and/or issue common shares in the following timeline:

	Cash payments
On the delivering date (on or before April 29, 2020) of the Second Option notice to Adventure	\$ 5,500,000 ⁽¹⁾
	\$ 5,500,000

⁽¹⁾ \$5,500,000 in cash or, at the election of GFK, in common shares of GFK at a price per share equal the greater of (i) the VWAP or (ii) the last closing price of the common shares of GFK on the TSXV before the date of the news release announcing the issuance such common shares less the applicable discount as permitted by the policies of the TSXV, subject to a minimum cash payment to Adventure of \$500,000. GFK will grant to Adventure a production royalty on the properties and, as the case may be, any additional properties, equal to 2% NSR, provided that half of the production royalty (1% NSR) can be bought back at any time by GFK, at its sole discretion, for an amount of \$1,000,000.

On July 27, 2016, the Company announced that it completed the agreement to sell three blocks of mining claims forming part of the Casa Cameron Property, being the Vezza Extension Property, the Vezza North Property and the Bachelor Extension Property (each a "Property" and together, the "Properties") to GFK.

Pursuant to the agreement, in consideration for the Properties, GFK issued to Probe Metals 3,000,000 common shares ("GFK Shares") valued at \$375,000. The common shares are subject to a hold period of four months from closing. Upon closing, GFK granted to Probe Metals a 2% NSR over the Properties, of which 1% can be purchased by GFK, at any time, for \$1,000,000. Additionally, Probe Metals and GFK terminated the option agreement dated December 11, 2013, pursuant to which GFK had the right to earn a 100% interest in the Casa-Cameron Project. In consideration for termination of the option agreement, GFK paid Probe Metals an amount of \$275,000 (\$175,000 in July 2016 and \$100,000 in November 2016) to keep the mining claims in the Casa-Cameron Project in good standing for 2016 and 2017.

Following the transaction, Probe Metals owns an aggregate of 5,000,000 GFK Shares, representing 12.3% of the outstanding GFK Shares. Prior to the above-described transaction, Probe Metals owned 2,000,000 GFK Shares, representing 5.3% of the outstanding GFK Shares. Probe Metals acquired the GFK Shares pursuant to the transaction for investment purposes.

The transaction has received all necessary approvals, including the approval of the TSXV.

8) Granada Extension:

On September 21, 2010 and amended on October 8, 2010, Adventure signed an option agreement with two individuals (the "Individuals") in order to acquire a 100% interest in three of the eleven claims acquired by Adventure. The Granada Extension property covering approximately 200 hectares, is located along the Cadillac Larder Lake Gold Break, in the Rouyn-Noranda mining camp, Québec.

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2016

(Expressed in Canadian Dollars)

(Unaudited)

13. Exploration and Evaluation Expenditures (continued)

(v) (continued)

8) Granada Extension (continued):

In August 2014, Adventure acquired 100% interest in the property by fulfilling its obligations as per the following timelines:

	Cash payments	Shares	Warrants
On October 5, 2010	\$ 10,000 ⁽¹⁾	-	-
On October 27, 2010	-	150,000 ⁽²⁾	150,000 ⁽³⁾
On or before August 31, 2011	10,000 ⁽¹⁾	-	-
On or before August 31, 2012	10,000 ⁽¹⁾	-	-
On or before August 31, 2013	10,000 ⁽¹⁾	-	-
On or before August 31, 2014	10,000 ⁽¹⁾	-	-
	\$ 50,000	150,000	150,000

⁽¹⁾ These cash payments were made on the dates noted in the agreement.

⁽²⁾ These common shares were issued on October 27, 2010 at a price of \$0.23 per share.

⁽³⁾ These warrants were issued on October 27, 2010, each warrant entitling the holder to purchase one common share of Adventure at a price of \$0.25 for a period of 5 years.

The Individuals retains a 1.5% NSR on three mining claims. Adventure has the right to buy back at any time a 0.5% of the NSR for \$500,000.

14. General and Administrative Expenses

	Three months ended		Nine months ended	Period from
	September 30,		September 30,	January 16,
	2016	2015	2016	2015 to
				September 30,
				2015
Share-based payments (notes 11(ii)(iii)(iv) and 15)	\$ 1,404,343	\$ 99,436	\$ 1,554,217	\$ 431,609
Salaries and benefits (note 15)	254,834	159,733	733,266	363,277
Professional fees (note 15)	216,490	21,509	374,443	57,855
Travel and promotion costs	92,306	71,291	202,272	110,132
Administrative costs	99,819	20,977	162,799	54,604
Occupancy costs	34,354	30,909	99,880	61,834
Director fees (note 15)	22,639	22,791	67,639	49,047
Shareholder information	15,027	1,307	61,546	15,583
Depreciation	5,421	38	11,472	75
	\$ 2,145,233	\$ 427,991	\$ 3,267,534	\$ 1,144,016

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2016

(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 September 30,		Nine months ended September 30,		Period from January 16, 2015 to September 30, 2015
		2016	2015	2016		
Peterson McVicar LLP ("Peterson")	(i)	\$ 112,239	\$ 2,756	\$ 260,028	\$	4,206
Marrelli Support Services Inc. ("Marrelli Support")	(ii)	\$ 12,000	\$ 10,795	\$ 33,430	\$	22,916
DSA Corporate Services Inc. ("DSA")	(ii)	\$ 5,470	\$ 3,196	\$ 19,550	\$	7,910

(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 September 30, 2016, Peterson was owed \$67,418 (December 31, 2015 - \$2,556) and this amount was included in amounts payable and other liabilities.

(ii) During the three and nine months ended September 30, 2016, the Company paid professional fees of \$12,000 and \$33,430, respectively (three months ended September 30, 2015 and period from January 16, 2015 to September 30, 2015 - \$10,795 and \$22,916, 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 September 30, 2016, Marrelli Support was owed \$2,260 (December 31, 2015 - \$8,260) and this amount was included in amounts payable and other liabilities.

During the three and nine months ended September 30, 2016, the Company paid professional fees of \$5,470 and \$19,550, respectively (three months ended September 30, 2015 and period from January 16, 2015 to September 30, 2015 - \$3,196 and \$7,910, 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 September 30, 2016, DSA was owed \$1,641 (December 31, 2015 - \$1,140) and this amount was included in amounts payable and other liabilities.

(iii) On March 13, 2015, pursuant to the Arrangement, the Company's related parties received 1,724,834 stock options of the Company with a fair value of \$665,122.

(iv) 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.

(v) Refer to note 9(b)(iii).

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

September 30, 2016

(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 September 30,		Nine months ended September 30,		Period from January 16, 2015 to September 30, 2015	
	2016	2015	2016	2015	2016	2015
Salaries and benefits	\$ 239,286	\$ 172,500	\$ 636,786	\$ 373,750	\$ 373,750	\$ 373,750
Share-based payments	\$ 1,121,159	\$ 94,257	\$ 1,263,227	\$ 409,129	\$ 409,129	\$ 409,129

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 September 30, 2016, officers and directors were owed \$52,975 (December 31, 2015 - \$269,332) and this amount was included in amounts payable and other liabilities.

16. Commitments

(i) As of September 30, 2016, the Company is committed, under the terms of a rental agreement for office premises to future rental payments aggregating \$161,292. 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 September 30, 2016, the Company is committed to incurring approximately \$4.9 million in Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) by December 31, 2016, 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 Events

(i) On October 25, 2016, 33,330 stock options with an exercise price of \$0.24 and expiry date of October 31, 2016 were exercised for cash proceeds of \$7,999.

(ii) On October 27, 2016, 87,750 stock options with an exercise price of \$0.26 and expiry date of March 19, 2025 were exercised for cash proceeds of \$22,815.

(iii) On November 8, 2016, the Company received \$100,000 from GFK as final payment for the sale of the Properties according to the agreement (note 13(v)(7)).

Probe Metals Inc.

Schedule of Exploration and Evaluation Expenditures

September 30, 2016

(Expressed in Canadian Dollars)

(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	Period from January 16, 2015 to September 30,
	2016	2015	2016	2015
Transaction properties (note 3)				
Val-d'Or East Project				
Transaction costs (note 13(v))	\$ 108,287	\$ -	\$ 22,220,811	\$ -
Drilling	265,024	-	265,583	-
Environment	1,907	-	1,907	-
Geology	13,869	-	38,751	-
Geophysics	546,116	-	546,116	-
General field expenses	49,648	-	49,870	-
Option payment and staking claims	548,061	-	548,061	-
Tax credit related to resources	-	-	(6,738)	-
	\$ 1,532,912	\$ -	\$ 23,664,361	\$ -
Detour Project				
Transaction costs (note 13(v))	\$ 43,137	\$ -	\$ 8,851,693	\$ -
Drilling	-	-	946	-
Geology	-	-	8,657	-
General field expenses	-	-	146	-
Option payment and staking claims	2,459	-	2,459	-
Tax credit related to resources	-	-	(2,729)	-
Operator of exploration project	(34,006)	-	(34,759)	-
	\$ 11,590	\$ -	\$ 8,826,413	\$ -
Casa-Cameron Project				
Transaction costs (note 13(v))	\$ 2,612	\$ -	\$ 535,944	\$ -
Geology	1,047	-	1,047	-
Geophysics	7,330	-	(5,177)	-
Licences and permits	-	-	1,193	-
Option payment and staking claims	42,568	-	42,568	-
Tax credit related to resources	-	-	3,167	-
	\$ 53,557	\$ -	\$ 578,742	\$ -
Granada Extension Project				
Transaction costs (note 13(v))	\$ 4,634	\$ -	\$ 950,896	\$ -
Option and/or JV properties				
Transaction costs (note 13(v))	\$ 208	\$ -	\$ 42,556	\$ -

Probe Metals Inc.**Schedule of Exploration and Evaluation Expenditures (continued)****September 30, 2016****(Expressed in Canadian Dollars)****(Unaudited)**

	Three months ended September 30,		Nine months ended September 30,		Period from January 16, 2015 to September 30,	
	2016	2015	2016	2015	2015	2015
Arrangement properties (note 1)						
Black Creek Property						
Geochemical	\$ 581	\$ -	\$ 581	\$ -	\$ -	\$ -
Other	-	1,825	754	-	-	1,825
Supplies	-	18,831	1,892	-	-	18,831
	\$ 581	\$ 20,656	\$ 3,227	\$ -	\$ -	\$ 20,656
Victory Property						
Assessment work payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,801
Acquired properties						
West Porcupine Property						
Field costs	\$ 8,834	\$ -	\$ 13,953	\$ -	\$ -	\$ -
Geochemical fees	164,378	-	267,862	-	-	-
Geological fees	105,419	-	214,822	-	-	-
Geophysical fees	10,739	-	31,839	-	-	-
Option payment and staking claims	85,500	-	846,564	-	-	-
Other	3,570	-	3,570	-	-	-
Social and community	4,998	-	4,998	-	-	-
	\$ 383,438	\$ -	\$ 1,383,608	\$ -	\$ -	\$ -
Other						
Project Generation						
Consulting	\$ 2,309	\$ 8,987	\$ 14,909	\$ -	\$ 24,954	\$ -
Legal fees	-	-	2,361	-	-	-
Other	583	-	583	-	-	4,150
Supplies	-	-	-	-	-	14,727
Travel, accommodation	12,372	66,049	34,590	-	-	68,576
	\$ 15,264	\$ 75,036	\$ 52,443	\$ -	\$ -	\$ 112,407
Exploration and evaluation expenditures	\$ 2,002,184	\$ 95,692	\$ 35,502,246	\$ -	\$ -	\$ 140,864