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**CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS OF PROBE METALS INC.  
FOR THE THREE MONTHS ENDED MARCH 31, 2017  
(EXPRESSED IN CANADIAN DOLLARS)  
(UNAUDITED)**

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**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 March 31, 2017	As at December 31, 2016
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 35,812,031	\$ 26,408,679
Trade accounts receivable and other receivables (note 4)	706,129	578,303
Marketable securities (note 5)	4,456,769	3,208,651
Prepaid expenses	65,919	86,320
<b>Total current assets</b>	<b>41,040,848</b>	<b>30,281,953</b>
<b>Non-current assets</b>		
Property and equipment (note 6)	503,462	485,650
<b>Total assets</b>	<b>\$ 41,544,310</b>	<b>\$ 30,767,603</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Amounts payable and other liabilities (notes 7 and 15)	\$ 1,289,173	\$ 919,776
Flow-through share liability (note 8)	4,648,624	-
<b>Total liabilities</b>	<b>5,937,797</b>	<b>919,776</b>
<b>Equity</b>		
Share capital (note 9)	73,483,078	64,842,934
Warrants (note 10)	4,857,153	5,063,146
Contributed surplus (note 11)	3,915,879	3,667,307
Accumulated deficit	(46,649,597)	(43,725,560)
<b>Total equity</b>	<b>35,606,513</b>	<b>29,847,827</b>
<b>Total liabilities and equity</b>	<b>\$ 41,544,310</b>	<b>\$ 30,767,603</b>

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)

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**Probe Metals Inc.**

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

**Three months ended**  
**March 31,**  
**2017                      2016**

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**Operating expenses**

Exploration and evaluation expenditures (note 13)	<b>\$ 3,057,273</b>	\$ 249,856
General and administrative expenses (note 14)	<b>1,173,380</b>	590,669
<b>Operating loss before interest income and gain on marketable securities</b>	<b>(4,230,653)</b>	(840,525)
Interest income	<b>58,498</b>	36,216
Gain on marketable securities (note 5)	<b>1,248,118</b>	-
<b>Loss and comprehensive loss for the period</b>	<b>\$ (2,924,037)</b>	\$ (804,309)
<b>Basic and diluted loss per share (note 12)</b>	<b>\$ (0.03)</b>	\$ (0.02)
<b>Weighted average number of common shares outstanding - basic and diluted</b>	<b>88,325,731</b>	34,914,205

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**Probe Metals Inc.****Condensed Interim Consolidated Statements of Cash Flows**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

Three months ended  
March 31,  
2017                      2016

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**Operating activities:**

Net loss for the period	\$ (2,924,037)	\$ (804,309)
Adjustments for:		
Share-based payments (note 11)	524,071	98,355
Depreciation (note 6)	14,307	817
Accrued interest receivable	24,819	-
Gain on marketable securities (note 5)	(1,248,118)	-
Changes in non-cash working capital items:		
Trade accounts receivable and other receivables	(152,645)	(29,207)
Prepaid expenses	20,401	4,459
Amounts payable and other liabilities	369,397	(245,927)
<b>Net cash used in operating activities</b>	<b>(3,371,805)</b>	<b>(975,812)</b>

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**Investing activities:**

Purchase of property and equipment	(32,119)	(20,023)
<b>Net cash used in investing activities</b>	<b>(32,119)</b>	<b>(20,023)</b>

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**Financing activities:**

Proceeds from private placements (note 9(b)(i))	13,458,374	-
Share issue costs	(974,762)	-
Exercise of warrants	191,454	-
Exercise of stock options	132,210	-
<b>Net cash provided by financing activities</b>	<b>12,807,276</b>	<b>-</b>

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<b>Net change in cash</b>	<b>9,403,352</b>	<b>(995,835)</b>
<b>Cash, beginning of period</b>	<b>26,408,679</b>	<b>18,291,230</b>
<b>Cash, end of period</b>	<b>\$ 35,812,031</b>	<b>\$ 17,295,395</b>

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**Probe Metals Inc.****Condensed Interim Consolidated Statements of Changes in Shareholders' Equity****(Expressed in Canadian Dollars)****(Unaudited)**

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**Equity attributable to shareholders**

	<b>Share capital</b>	<b>Warrants</b>	<b>Contributed surplus</b>	<b>Accumulated deficit</b>	<b>Total</b>
<b>Balance, December 31, 2015</b>	<b>\$ 19,646,406</b>	<b>\$ -</b>	<b>\$ 583,348</b>	<b>\$ (2,120,828)</b>	<b>\$ 18,108,926</b>
Share-based payments (note 11)	-	-	98,355	-	98,355
Loss and comprehensive loss	-	-	-	(804,309)	(804,309)
<b>Balance, March 31, 2016</b>	<b>\$ 19,646,406</b>	<b>\$ -</b>	<b>\$ 681,703</b>	<b>\$ (2,925,137)</b>	<b>\$ 17,402,972</b>
<b>Balance, December 31, 2016</b>	<b>\$ 64,842,934</b>	<b>\$ 5,063,146</b>	<b>\$ 3,667,307</b>	<b>\$ (43,725,560)</b>	<b>\$ 29,847,827</b>
Private placements (note 9(b)(i))	13,458,374	-	-	-	13,458,374
Shares issue costs	(974,762)	-	-	-	(974,762)
Flow-through share premium (note 8)	(4,648,624)	-	-	-	(4,648,624)
Exercise of warrants	397,447	(205,993)	-	-	191,454
Exercise of stock options	407,709	-	(275,499)	-	132,210
Share-based payments (note 11)	-	-	524,071	-	524,071
Loss and comprehensive loss	-	-	-	(2,924,037)	(2,924,037)
<b>Balance, March 31, 2017</b>	<b>\$ 73,483,078</b>	<b>\$ 4,857,153</b>	<b>\$ 3,915,879</b>	<b>\$ (46,649,597)</b>	<b>\$ 35,606,513</b>

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

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# Probe Metals Inc.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars)

(Unaudited)

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### 1. Nature of Operations

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

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

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

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

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

### 2. Significant Accounting Policies

#### Statement of Compliance

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

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of May 26, 2017, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended December 31, 2016. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2017 could result in restatement of these unaudited condensed interim consolidated financial statements.

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# Probe Metals Inc.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars)

(Unaudited)

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### 2. Significant Accounting Policies (Continued)

#### Recent Accounting Pronouncement

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

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

### 3. Acquisition of Adventure

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

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

#### **Purchase Price Consideration**

31,585,765 common shares of Probe Metals <sup>(1)</sup>	\$ 31,269,907
783,151 warrants of Probe Metals <sup>(2)</sup>	534,000
1,519,050 stock options of Probe Metals <sup>(3)</sup>	1,407,000
Transaction related costs	1,065,414
<b>Total</b>	<b>\$ 34,276,321</b>

#### **Net Assets Acquired (Fair Value)**

Cash	\$ 507,363
Trade accounts receivable and other receivables	519,378
Marketable securities	552,785
Prepaid expenses	46,382
Mining properties	32,927,269
Amounts payable and other liabilities	(276,856)
<b>Total net assets</b>	<b>\$ 34,276,321</b>

## Probe Metals Inc.

### Notes to Condensed Interim Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars)

(Unaudited)

#### 3. Acquisition of Adventure (Continued)

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

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

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

#### 4. Trade Accounts Receivable and Other Receivables

	As at March 31, 2017	As at December 31, 2016
Sales tax receivable - (Canada)	\$ 518,619	\$ 388,378
Accounts receivable	26,272	34,936
Accrued interest receivable	24,819	18,570
Mining tax receivable	74,869	74,869
Tax credit related to resources receivable	61,550	61,550
	<b>\$ 706,129</b>	<b>\$ 578,303</b>

#### 5. Marketable Securities

March 31, 2017	Number of shares	Cost	Unrealized (loss)/income	Fair market value
Agnico	5,000	\$ 324,850	\$ (45,100)	\$ 279,750
GFK Resources Inc. ("GFK")	5,000,000	555,000	(55,000)	500,000
QMX Gold Corporation ("QMX")	15,000,000	1,500,000	2,175,000	3,675,000
RT Minerals Corp. ("RTM")	21,250	4,676	(2,657)	2,019
		<b>\$ 2,384,526</b>	<b>\$ 2,072,243</b>	<b>\$ 4,456,769</b>

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

During the three months ended March 31, 2017, the Company recorded an unrealized gain on marketable securities of \$1,248,118 (three months ended March 31, 2016 - \$nil) in the unaudited condensed interim consolidated statements of loss and comprehensive loss.



## Probe Metals Inc.

### Notes to Condensed Interim Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars)

(Unaudited)

#### 6. Property and Equipment

Cost	Artwork	Computer equipment	Field equipment	Site building	Total
Balance, December 31, 2016	\$ 121,776	\$ 23,345	\$ 72,044	\$ 287,587	\$ 504,752
Additions	-	6,540	11,650	13,929	32,119
<b>Balance, March 31, 2017</b>	<b>\$ 121,776</b>	<b>\$ 29,885</b>	<b>\$ 83,694</b>	<b>\$ 301,516</b>	<b>\$ 536,871</b>

Accumulated depreciation	Artwork	Computer equipment	Field equipment	Site building	Total
Balance, December 31, 2016	\$ -	\$ 1,816	\$ 6,502	\$ 10,784	\$ 19,102
Depreciation during the period	-	1,860	5,353	7,094	14,307
<b>Balance, March 31, 2017</b>	<b>\$ -</b>	<b>\$ 3,676</b>	<b>\$ 11,855</b>	<b>\$ 17,878</b>	<b>\$ 33,409</b>

Carrying value	Artwork	Computer equipment	Field equipment	Site building	Total
Balance, December 31, 2016	\$ 121,776	\$ 21,529	\$ 65,542	\$ 276,803	\$ 485,650
<b>Balance, March 31, 2017</b>	<b>\$ 121,776</b>	<b>\$ 26,209</b>	<b>\$ 71,839</b>	<b>\$ 283,638</b>	<b>\$ 503,462</b>

#### 7. Amounts Payable and Other Liabilities

	As at March 31, 2017	As at December 31, 2016
Amounts payables	\$ 805,088	\$ 233,797
Accrued liabilities	484,085	685,979
	<b>\$ 1,289,173</b>	<b>\$ 919,776</b>

#### 8. Flow-Through Share Liability

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

Balance, December 31, 2016	\$ -
Liability incurred on flow-through shares issued (i)	4,648,624
<b>Balance, March 31, 2017</b>	<b>\$ 4,648,624</b>

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

The flow-through premium is derecognized through income as the eligible expenditures are incurred. For the three months ended March 31, 2017, the Company did not incur eligible expenditures.

## Probe Metals Inc.

### Notes to Condensed Interim Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars)

(Unaudited)

#### 9. Share Capital

a) Authorized share capital

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

b) Common shares issued

As at March 31, 2017 the issued share capital amounted to \$73,483,078. Changes in issued share capital are as follows:

	Number of common shares	Amount
<b>Balance, December 31, 2015 and March 31, 2016</b>	<b>34,914,205</b>	<b>\$ 19,646,406</b>
<b>Balance, December 31, 2016</b>	<b>85,856,406</b>	<b>\$ 64,842,934</b>
Private placement (i)	6,725,000	13,458,374
Flow-through share premium (note 8)	-	(4,648,624)
Share issue costs	-	(974,762)
Exercise of warrants	310,342	397,447
Exercise of stock options	292,500	407,709
<b>Balance, March 31, 2017</b>	<b>93,184,248</b>	<b>\$ 73,483,078</b>

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

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

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

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

## Probe Metals Inc.

### Notes to Condensed Interim Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars)

(Unaudited)

#### 10. Warrants

	Number of warrants	Grant date fair value
<b>Balance, December 31, 2015 and March 31, 2016</b>	-	\$ -
<b>Balance, December 31, 2016</b>	<b>7,302,031</b>	<b>\$ 5,063,146</b>
Exercised	(310,342)	(205,993)
<b>Balance, March 31, 2017</b>	<b>6,991,689</b>	<b>\$ 4,857,153</b>

The following table reflects the warrants issued and outstanding as of March 31, 2017:

Expiry date	Exercise price (\$)	Warrants outstanding	Valuation (\$)
May 4, 2017	1.15	66,690	29,640
November 23, 2017	0.51	324,999	229,513
February 17, 2018	1.75	6,600,000	4,598,000
		<b>6,991,689</b>	<b>4,857,153</b>

#### 11. Stock Options

	Number of stock options	Weighted average exercise price
<b>Balance, December 31, 2015 and March 31, 2016</b>	<b>2,536,378</b>	<b>\$ 0.35</b>
<b>Balance, December 31, 2016</b>	<b>6,676,492</b>	<b>\$ 0.93</b>
Exercise of stock options	(292,500)	0.45
<b>Balance, March 31, 2017</b>	<b>6,383,992</b>	<b>\$ 0.95</b>

The portion of the estimated fair value of options granted in the prior year and vested during the three months ended March 31, 2017, amounted to \$524,071 (three months ended March 31, 2016 - \$98,355).

# Probe Metals Inc.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars)

(Unaudited)

### 11. Stock Options (Continued)

The following table reflects the actual stock options issued and outstanding as of March 31, 2017:

Expiry date	Exercise price (\$)	Options outstanding	Weighted average remaining contractual life (years)	Options exercisable	Valuation (\$)
December 5, 2017	0.19	8,333	0.68	8,333	3,381
May 31, 2018	0.15	8,749	1.17	8,749	3,473
May 16, 2019	0.26	19,999	2.13	19,999	7,920
December 18, 2019	0.28	17,777	2.72	17,777	7,021
April 27, 2020	0.36	2,383,334	3.08	1,583,334	783,521
December 8, 2020	1.36	175,500	3.69	175,500	141,000
September 1, 2021	1.50	2,980,000	4.42	1,986,667	3,553,000
September 9, 2021	1.76	100,000	4.45	50,000	164,000
February 26, 2023	0.75	204,750	5.91	204,750	185,182
February 14, 2024	0.49	241,800	6.88	241,800	227,546
March 19, 2025	0.26	243,750	7.97	243,750	234,914
		<b>6,383,992</b>	<b>4.16</b>	<b>4,540,659</b>	<b>5,310,958</b>

### 12. Net Loss Per Share

The calculation of basic and diluted loss per share for the three months ended March 31, 2017 was based on the loss attributable to common shareholders of \$2,924,037 (three months ended March 31, 2016 - \$804,309) and the weighted average number of common shares outstanding of 88,325,731 (three months ended March 31, 2016 - 34,914,205). Diluted loss per share did not include the effect of stock options and warrants as they are anti-dilutive.

### 13. Exploration and Evaluation Expenditures

	Three months ended March 31,	
	2017	2016
<b>Transaction properties</b> (note 3)		
Val-d'Or East Project (iii)	\$ 2,166,997	\$ -
Detour Project	165,071	-
Casa-Cameron Project	351,976	-
	<b>\$ 2,684,044</b>	<b>\$ -</b>
<b>Arrangement properties</b> (note 1)		
Black Creek Property	\$ 813	\$ 1,177
Tamarack-McFauld's Lake Property	163	-
	<b>\$ 976</b>	<b>\$ 1,177</b>
<b>Acquired properties</b>		
West Porcupine Property (i)(ii)	\$ 312,086	\$ 225,294
<b>Other</b>		
Project Generation	\$ 60,167	\$ 23,385
<b>Exploration and evaluation expenditures</b>	<b>\$ 3,057,273</b>	<b>\$ 249,856</b>

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## Probe Metals Inc.

### Notes to Condensed Interim Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars)

(Unaudited)

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#### 13. Exploration and Evaluation Expenditures (Continued)

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

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

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

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

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

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

#### 14. General and Administrative Expenses

	Three months ended	
	March 31,	
	2017	2016
Share-based payments (notes 11 and 15)	\$ 524,071	\$ 98,355
Salaries and benefits (note 15)	288,357	215,287
Travel and promotion costs	87,083	59,018
Shareholder information	71,298	15,569
Professional fees (note 15)	67,758	122,405
Director fees (note 15)	45,179	22,500
Administrative costs	40,376	23,955
Occupancy costs	34,951	32,763
Depreciation	14,307	817
	<b>\$ 1,173,380</b>	<b>\$ 590,669</b>

## Probe Metals Inc.

### Notes to Condensed Interim Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars)

(Unaudited)

#### 15. Related Party Balances and Transactions

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

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

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

	Notes	Three months ended March 31,	
		2017	2016
Peterson McVicar LLP ("Peterson")	(i)	\$ 115,055	\$ 60,322
Marrelli Support Services Inc. ("Marrelli Support")	(ii)	\$ 19,800	\$ 10,750
DSA Corporate Services Inc. ("DSA")	(ii)	\$ 3,702	\$ 3,335

(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 March 31, 2017, Peterson was owed \$9,775 (December 31, 2016 - \$17,581) and this amount was included in amounts payable and other liabilities.

(ii) During the three months ended March 31, 2017, the Company paid professional fees of \$19,800 (three months ended March 31, 2016 - \$10,750) 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 March 31, 2017, Marrelli Support was owed \$13,085 (December 31, 2016 - \$10,260) and this amount was included in amounts payable and other liabilities.

During the three months ended March 31, 2017, the Company paid professional fees of \$3,702 (three months ended March 31, 2016 - \$3,335) 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 March 31, 2017, DSA was owed \$1,469 (December 31, 2016 - \$2,104) 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 March 31,	
	2017	2016
Salaries and benefits	\$ 296,250	\$ 198,750
Share-based payments	\$ 390,871	\$ 93,232

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 March 31, 2017, officers and directors were owed \$92,383 (December 31, 2016 - \$470,456) and this amount was included in amounts payable and other liabilities.

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## **Probe Metals Inc.**

### **Notes to Condensed Interim Consolidated Financial Statements**

**March 31, 2017**

**(Expressed in Canadian Dollars)**

**(Unaudited)**

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#### **16. Commitments**

(i) As of March 31, 2017, the Company is committed, under the terms of a rental agreement for office premises to future rental payments aggregating \$122,582. 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 March 31, 2017, the Company is committed to incurring approximately \$14.1 million in Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)), arising from the flow-through offerings. \$0.6 million must be spent by December 31, 2017 and \$13.5 million must be spent by December 31, 2018.

#### **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 April 13, 2017, 39,000 stock options with an exercise price of \$0.75 and expiry date of February 26, 2023 were exercised for cash proceeds of \$29,250.

(ii) On April 20, 2017, 9,750 stock options with an exercise price of \$0.75 and expiry date of February 26, 2023 were exercised for cash proceeds of \$7,313.

(iii) On April 26, 2017, 29,250 stock options with an exercise price of \$0.26 and expiry date of March 19, 2025 were exercised for cash proceeds of \$7,605.

(iv) On May 3, 2017, 66,690 warrants with an exercise price of \$1.154 and expiry date of May 4, 2017 were exercised for cash proceeds of \$76,960.

(v) On May 19, 2017, 9,750 stock options with an exercise price of \$1.36 and expiry date of December 8, 2020 were exercised for cash proceeds of \$13,260.

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**Probe Metals Inc.****Schedule of Exploration and Evaluation Expenditures****March 31, 2017****(Expressed in Canadian Dollars)****(Unaudited)**

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Three months ended  
March 31,  
2017                      2016

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**Transaction properties** (note 3)**Val-d'Or East Project**

Drilling	\$ 1,068,158	\$ -
Social and community	3,183	-
General field expenses	96,122	-
Geology	68,428	-
Geophysics	885,679	-
Option payment and staking claims	8,072	-
Research and development	16,000	-
Advanced exploration	21,355	-
	<b>\$ 2,166,997</b>	<b>\$ -</b>

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**Detour Project**

Drilling	\$ 503	\$ -
General field expenses	2,969	-
Geology	516	-
Geophysics	175,984	-
Operator of exploration project	(14,901)	-
	<b>\$ 165,071</b>	<b>\$ -</b>

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**Casa-Cameron Project**

General field expenses	\$ 2,093	\$ -
Geology	7,350	-
Geophysics	332,950	-
Option payment and staking claims	5,583	-
Research and development	4,000	-
	<b>\$ 351,976</b>	<b>\$ -</b>

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**Arrangement properties** (note 1)**Black Creek Property**

General field expenses	\$ -	\$ 249
Geochemical	813	-
Other	-	928
	<b>\$ 813</b>	<b>\$ 1,177</b>

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**Tamarack-McFauld's Lake Property**

Geology	\$ 163	\$ -
	<b>\$ 163</b>	<b>\$ -</b>

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**Probe Metals Inc.****Schedule of Exploration and Evaluation Expenditures (Continued)****March 31, 2017****(Expressed in Canadian Dollars)****(Unaudited)**

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Three months ended  
March 31,  
2017                      2016

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**Acquired properties****West Porcupine Property**

Consulting	\$ -	\$ 8,250
Drilling	1,963	-
General field expenses	8,049	1,980
Geology	31,051	-
Geophysics	265,788	9,000
Option payment and staking claims	-	206,064
Social and community	5,235	-
	<b>\$ 312,086</b>	<b>\$ 225,294</b>

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**Other****Project Generation**

Consulting	\$ 650	\$ 10,500
Legal fees	326	2,361
Other	19,608	-
Travel, accommodation	39,583	10,524
	<b>\$ 60,167</b>	<b>\$ 23,385</b>
<b>Exploration and evaluation expenditures</b>	<b>\$ 3,057,273</b>	<b>\$ 249,856</b>

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