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

NOTICE TO READER

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

Probe Metals Inc.

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

| | As at September 30, 2017 | As at December 31, 2016 |
|--|--------------------------------|-------------------------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$ 26,729,094 | \$ 26,408,679 |
| Trade accounts receivable and other receivables (note 4) | 1,004,685 | 578,303 |
| Marketable securities (note 5) | 5,133,125 | 3,208,651 |
| Prepaid expenses | 120,768 | 86,320 |
| Total current assets | 32,987,672 | 30,281,953 |
| Non-current assets | | |
| Property and equipment (note 6) | 908,760 | 485,650 |
| Total assets | \$ 33,896,432 | \$ 30,767,603 |
| LIABILITIES AND EQUITY | | |
| Current liabilities | | |
| Amounts payable and other liabilities (notes 7 and 15) | \$ 1,132,260 | \$ 919,776 |
| Flow-through share liability (note 8) | 2,614,817 | - |
| Total liabilities | 3,747,077 | 919,776 |
| Equity | | |
| Share capital (note 9) | 74,059,086 | 64,842,934 |
| Warrants (note 10) | 4,827,513 | 5,063,146 |
| Contributed surplus (note 11) | 4,375,402 | 3,667,307 |
| Accumulated deficit | (53,112,646) | (43,725,560) |
| Total equity | 30,149,355 | 29,847,827 |
| Total liabilities and equity | \$ 33,896,432 | \$ 30,767,603 |

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

Nature of operations (note 1)
Commitments (note 16)
Subsequent 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, | |
|---|-------------------------------------|-----------------------|------------------------------------|-----------------------|
| | 2017 | 2016 | 2017 | 2016 |
| Operating expenses | | | | |
| Exploration and evaluation expenditures (note 13) | \$ 4,440,703 | \$ 2,002,184 | \$ 10,760,474 | \$ 35,502,246 |
| General and administrative expenses (note 14) | 803,810 | 2,145,233 | 2,895,987 | 3,267,534 |
| Operating loss before interest income, gain (loss) on marketable securities, premium on flow- through shares and property option revenue | (5,244,513) | (4,147,417) | (13,656,461) | (38,769,780) |
| Interest income | 79,644 | 34,632 | 211,155 | 105,449 |
| Gain (loss) on marketable securities (note 5) | 739,488 | (35,060) | 1,924,474 | 61,007 |
| Premium on flow-through shares (note 8) | 1,137,364 | 65,635 | 2,033,807 | 65,635 |
| Property option revenue (note 13(v)(2)) | - | 368,859 | - | 368,859 |
| Loss before income taxes | (3,288,017) | (3,713,351) | (9,487,025) | (38,168,830) |
| Income tax recovery | - | - | - | 1,296 |
| Loss and comprehensive loss for the period | \$ (3,288,017) | \$ (3,713,351) | \$ (9,487,025) | \$(38,167,534) |
| Basic and diluted loss per share (note 12) | \$ (0.04) | \$ (0.05) | \$ (0.10) | \$ (0.63) |
| Weighted average number of common shares outstanding - basic and diluted | 93,519,658 | 78,262,063 | 91,741,137 | 60,704,451 |

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, | |
|---|------------------------------------|----------------------|
| | 2017 | 2016 |
| Operating activities: | | |
| Net loss for the period | \$ (9,487,025) | \$(38,167,534) |
| Adjustments for: | | |
| Share-based payments (note 11) | 1,324,018 | 1,554,217 |
| Depreciation (note 6) | 58,973 | 11,472 |
| Accrued interest receivable | 26,324 | - |
| 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)(2)) | - | (375,000) |
| Gain on marketable securities (note 5) | (1,924,474) | (61,007) |
| Premium on flow-through share (note 8) | (2,033,807) | (65,635) |
| Changes in non-cash working capital items: | | |
| Trade accounts receivable and other receivables | (452,706) | (804,038) |
| Prepaid expenses | (34,448) | (2,509) |
| Amounts payable and other liabilities | 212,484 | 1,017,338 |
| Net cash used in operating activities | (12,310,661) | (3,359,296) |
| Investing activities: | | |
| Purchase of property and equipment (note 6) | (482,083) | (332,678) |
| Proceeds from sale of marketable securities | - | 32,016 |
| Net cash used in investing activities | (482,083) | (300,662) |
| Financing activities: | | |
| Cash acquired from completion of Transaction (note 3) | - | 507,363 |
| Transaction costs (note 3) | - | (740,045) |
| Proceeds from private placements (note 9(b)(i)(ii)(iii)) | 13,458,374 | 17,549,799 |
| Share issue costs | (959,262) | (1,029,441) |
| Exercise of warrants | 268,415 | - |
| Exercise of stock options | 345,632 | 137,670 |
| Net cash provided by financing activities | 13,113,159 | 16,425,346 |
| Net change in cash | 320,415 | 12,765,388 |
| Cash, beginning of period | 26,408,679 | 18,291,230 |
| Cash, end of period | \$ 26,729,094 | \$ 31,056,618 |

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

Probe Metals Inc.

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

Equity attributable to shareholders

| | Share capital | Warrants | Contributed surplus | Accumulated deficit | Total |
|---|----------------------|---------------------|---------------------|------------------------|----------------------|
| Balance, December 31, 2015 | \$ 19,646,406 | \$ - | \$ 583,348 | \$ (2,120,828) | \$ 18,108,926 |
| Shares issued pursuant to completion of Transaction (note 3) | 31,269,907 | - | - | - | 31,269,907 |
| Warrants issued pursuant to completion of Transaction (note 3) | - | 534,000 | - | - | 534,000 |
| Stock options issued pursuant to completion of Transaction (note 3) | - | - | 1,407,000 | - | 1,407,000 |
| Private placements (note 9(b)(i)(ii)) | 17,549,799 | - | - | - | 17,549,799 |
| Warrants (note 9(b)(ii)) | (4,598,000) | 4,598,000 | - | - | - |
| Share issue costs | (1,029,441) | - | - | - | (1,029,441) |
| Flow-through share premium (note 8(ii)) | (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) | - | - | 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 |
| Balance, December 31, 2016 | \$ 64,842,934 | \$ 5,063,146 | \$ 3,667,307 | \$ (43,725,560) | \$ 29,847,827 |
| Private placement (note 9(b)(iii)) | 13,458,374 | - | - | - | 13,458,374 |
| Shares issue costs | (959,262) | - | - | - | (959,262) |
| Flow-through share premium (note 8(i)) | (4,648,624) | - | - | - | (4,648,624) |
| Exercise of warrants | 504,048 | (235,633) | - | - | 268,415 |
| Exercise of stock options | 861,616 | - | (515,984) | - | 345,632 |
| Stock options expired | - | - | (99,939) | 99,939 | - |
| Share-based payments (note 11) | - | - | 1,324,018 | - | 1,324,018 |
| Loss and comprehensive loss | - | - | - | (9,487,025) | (9,487,025) |
| Balance, September 30, 2017 | \$ 74,059,086 | \$ 4,827,513 | \$ 4,375,402 | \$ (53,112,646) | \$ 30,149,355 |

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, 2017

(Expressed in Canadian Dollars)

(Unaudited)

1. Nature of Operations

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

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

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

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

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

2. Significant Accounting Policies

Statement of Compliance

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

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of November 27, 2017, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended December 31, 2016. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2017 could result in restatement of these unaudited condensed interim consolidated financial statements.

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

2. Significant Accounting Policies (Continued)

Recent Accounting Pronouncement

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

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

3. Acquisition of Adventure

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

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

Purchase Price Consideration

| | |
|---|----------------------|
| 31,585,765 common shares of Probe Metals ⁽¹⁾ | \$ 31,269,907 |
| 799,532 warrants of Probe Metals ⁽²⁾ | 534,000 |
| 1,519,050 stock options of Probe Metals ⁽³⁾ | 1,407,000 |
| Transaction related costs | 740,045 |
| Total | \$ 33,950,952 |

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 | 32,601,900 |
| Amounts payable and other liabilities | (276,856) |
| Total net assets | \$ 33,950,952 |

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

3. Acquisition of Adventure (Continued)

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

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

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

4. Trade Accounts Receivable and Other Receivables

| | As at September 30, 2017 | As at December 31, 2016 |
|--|--------------------------------|-------------------------------|
| Sales tax receivable - (Canada) | \$ 841,942 | \$ 388,378 |
| Accounts receivable | - | 34,936 |
| Accrued interest receivable | 26,324 | 18,570 |
| Mining tax receivable | 74,869 | 74,869 |
| Tax credit related to resources receivable | 61,550 | 61,550 |
| | \$ 1,004,685 | \$ 578,303 |

5. Marketable Securities

| September 30, 2017 | Number of shares | Cost | Unrealized (loss)/income | Fair market value |
|------------------------------|---------------------|---------------------|-----------------------------|----------------------|
| Agnico | 5,000 | \$ 324,850 | \$ (43,000) | \$ 281,850 |
| GFK Resources Inc. ("GFK") | 5,000,000 | 555,000 | (55,000) | 500,000 |
| QMX Gold Corporation ("QMX") | 15,000,000 | 1,500,000 | 2,850,000 | 4,350,000 |
| RT Minerals Corp. ("RTM") | 21,250 | 4,676 | (3,401) | 1,275 |
| | | \$ 2,384,526 | \$ 2,748,599 | \$ 5,133,125 |

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

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

5. Marketable Securities (Continued)

During the three and nine months ended September 30, 2017, the Company sold nil shares (three and nine months ended September 30, 2016 - 786,500 shares) of a public company for gross proceeds of \$nil (three and nine months ended September 30, 2016 - \$32,016) and recorded realized loss on marketable securities of \$nil (three and nine months ended September 30, 2016 - \$11,243) in the unaudited condensed interim consolidated statements of loss and comprehensive loss.

During the three and nine months ended September 30, 2017, the Company recorded an unrealized gain (loss) on marketable securities of \$739,488 and \$1,924,474, respectively (three and nine months ended September 30, 2016 - \$(23,817) and \$72,250, respectively) in the unaudited condensed interim consolidated statements of loss and comprehensive loss.

6. Property and Equipment

| Cost | Artwork | Computer equipment | Field equipment | Site building | Building | Total |
|------------------------------------|----------------|---------------------------|------------------------|----------------------|-----------------|--------------|
| Balance, December 31, 2016 | \$ 121,776 | \$ 23,345 | \$ 72,044 | \$ 287,587 | \$ - | \$ 504,752 |
| Additions | - | 28,261 | 97,428 | 15,183 | 341,211 | 482,083 |
| Balance, September 30, 2017 | \$ 121,776 | \$ 51,606 | \$ 169,472 | \$ 302,770 | \$ 341,211 | \$ 986,835 |

| Accumulated depreciation | Artwork | Computer equipment | Field equipment | Site building | Building | Total |
|------------------------------------|----------------|---------------------------|------------------------|----------------------|-----------------|--------------|
| Balance, December 31, 2016 | \$ - | \$ 1,816 | \$ 6,502 | \$ 10,784 | \$ - | \$ 19,102 |
| Depreciation during the period | - | 6,740 | 22,389 | 21,314 | 8,530 | 58,973 |
| Balance, September 30, 2017 | \$ - | \$ 8,556 | \$ 28,891 | \$ 32,098 | \$ 8,530 | \$ 78,075 |

| Carrying value | Artwork | Computer equipment | Field equipment | Site building | Building | Total |
|------------------------------------|----------------|---------------------------|------------------------|----------------------|-----------------|--------------|
| Balance, December 31, 2016 | \$ 121,776 | \$ 21,529 | \$ 65,542 | \$ 276,803 | \$ - | \$ 485,650 |
| Balance, September 30, 2017 | \$ 121,776 | \$ 43,050 | \$ 140,581 | \$ 270,672 | \$ 332,681 | \$ 908,760 |

7. Amounts Payable and Other Liabilities

| | As at September 30, 2017 | As at December 31, 2016 |
|-----------------------------|---|--|
| Amounts payables | \$ 1,004,576 | \$ 233,797 |
| Accrued liabilities | 51,968 | 685,979 |
| Advance payment from SOQUEM | 75,716 | - |
| | \$ 1,132,260 | \$ 919,776 |

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

8. Flow-Through Share Liability

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

| | |
|--|---------------------|
| Balance, December 31, 2016 | \$ - |
| Liability incurred on flow-through shares issued (i) | 4,648,624 |
| Settlement of flow-through share liability on incurring expenditures (i) | (2,033,807) |
| Balance, September 30, 2017 | \$ 2,614,817 |

(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 nine months ended September 30, 2017, the Company satisfied \$2,033,807 of the commitment by incurring eligible expenditures of approximately \$5,900,000 and as a result the flow-through premium has been reduced to \$2,614,817.

(ii) 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.

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, 2017 the issued share capital amounted to \$74,059,086. Changes in issued share capital are as follows:

| | Number of common shares | Amount |
|---|--|----------------------|
| Balance, December 31, 2015 | 34,914,205 | \$ 19,646,406 |
| Shares issued pursuant to completion of Transaction (note 3) | 31,585,765 | 31,269,907 |
| Private placements (i)(ii) | 17,600,000 | 17,549,799 |
| Warrants (ii) | - | (4,598,000) |
| Flow-through share premium (note 8(ii)) | - | (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 |

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

9. Share Capital (Continued)

b) Common shares issued (continued)

| | Number of common shares | Amount |
|--|-------------------------------|----------------------|
| Balance, December 31, 2016 | 85,856,406 | \$ 64,842,934 |
| Private placement (iii) | 6,725,000 | 13,458,374 |
| Flow-through share premium (note 8(i)) | - | (4,648,624) |
| Share issue costs | - | (959,262) |
| Exercise of warrants | 377,032 | 504,048 |
| Exercise of stock options | 571,306 | 861,616 |
| Balance, September 30, 2017 | 93,529,744 | \$ 74,059,086 |

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

(ii) On 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.

Probe Metals Inc.

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(Expressed in Canadian Dollars)

(Unaudited)

9. Share Capital (Continued)

b) Common shares issued (continued)

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

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

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

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

10. Warrants

| | Number of warrants | Grant date fair value |
|--|--------------------|-----------------------|
| Balance, December 31, 2015 | - | \$ - |
| Warrants issued pursuant to completion of the Transaction (note 3) | 799,532 | 534,000 |
| Issued (note 9(b)(ii)) | 6,600,000 | 4,598,000 |
| Balance, September 30, 2016 | 7,399,532 | \$ 5,132,000 |
| Balance, December 31, 2016 | 7,302,031 | \$ 5,063,146 |
| Exercised | (377,032) | (235,633) |
| Balance, September 30, 2017 | 6,924,999 | \$ 4,827,513 |

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

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

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars)

(Unaudited)

11. Stock Options

| | Number of stock options | Weighted average exercise price |
|---|----------------------------|--|
| Balance, December 31, 2015 | 2,536,378 | \$ 0.38 |
| Stock options issued pursuant to completion of the Transaction (note 3) | 1,519,050 | 0.56 |
| Stock options granted (i)(ii) | 3,080,000 | 1.51 |
| Exercise of stock options | (337,856) | 0.41 |
| Balance, September 30, 2016 | 6,797,572 | \$ 0.92 |
| Balance, December 31, 2016 | 6,676,492 | \$ 0.93 |
| Stock options granted (iii)(iv) | 175,000 | 1.35 |
| Exercise of stock options | (571,306) | 0.60 |
| Stock options expired | (193,250) | 0.65 |
| Balance, September 30, 2017 | 6,086,936 | \$ 0.96 |

(i) 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 the three and nine months ended September 30, 2017, the impact on the unaudited condensed interim consolidated statement of loss and comprehensive loss was \$321,938 and \$1,153,562, respectively (three and nine months ended September 30, 2016 - \$1,325,480).

(ii) On September 9, 2016, 100,000 stock options were granted to First Nations 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 the three and nine months ended September 30, 2017, the impact on the unaudited condensed interim consolidated statement of loss and comprehensive loss was \$14,859 and \$85,494, respectively (three and nine months ended September 30, 2016 - \$45,718).

(iii) On June 15, 2017, 100,000 stock options were granted to a consultant of the Company at an exercise price of \$1.36 per share, expiring June 15, 2022. Vesting of the stock options is as follows: one-fourth after six months and 25% each year thereafter. The fair value of these options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of \$1.36; expected dividend yield of 0%; risk-free interest rate of 1.14%; volatility of 122% and an expected life of 5 years. The fair value assigned to these options was \$113,210. For the three and nine months ended September 30, 2017, the impact on the unaudited condensed interim consolidated statement of loss and comprehensive loss was \$27,307 and \$31,759, respectively (three and nine months ended September 30, 2016 - \$nil).

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars)

(Unaudited)

11. Stock Options (Continued)

(iv) On July 10, 2017, 75,000 stock options were granted to a consultant of the Company at an exercise price of \$1.33 per share, expiring July 10, 2022. Vesting of the stock options is as follows: one-third after one year, one-third after two years and one third after three years. The fair value of these options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of \$1.33; expected dividend yield of 0%; risk-free interest rate of 1.47%; volatility of 122% and an expected life of 5 years. The fair value assigned to these options was \$83,115. For the three and nine months ended September 30, 2017, the impact on the unaudited condensed interim consolidated statement of loss and comprehensive loss was \$11,411 (three and nine months ended September 30, 2016 - \$nil).

The portion of the estimated fair value of options granted in the prior year and vested during the three and nine months ended September 30, 2017, amounted to \$nil and \$41,792, respectively (three and nine months ended September 30, 2016 - \$33,145 and \$183,019, respectively).

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

| Expiry date | Exercise price (\$) | Options outstanding | Weighted average remaining contractual life (years) | Options exercisable | Valuation (\$) |
|-------------------|---------------------|---------------------|---|---------------------|------------------|
| December 5, 2017 | 0.19 | 8,333 | 0.18 | 8,333 | 3,381 |
| May 31, 2018 | 0.15 | 8,749 | 0.67 | 8,749 | 3,473 |
| May 16, 2019 | 0.26 | 17,221 | 1.62 | 17,221 | 6,820 |
| December 18, 2019 | 0.28 | 13,333 | 2.22 | 13,333 | 5,266 |
| April 27, 2020 | 0.36 | 2,375,000 | 2.58 | 2,375,000 | 780,781 |
| December 8, 2020 | 1.36 | 29,250 | 3.19 | 29,250 | 23,500 |
| September 1, 2021 | 1.50 | 2,855,000 | 3.92 | 1,903,333 | 3,403,965 |
| September 9, 2021 | 1.76 | 100,000 | 3.95 | 75,000 | 164,000 |
| June 15, 2022 | 1.36 | 100,000 | 4.71 | - | 113,210 |
| July 10, 2022 | 1.33 | 75,000 | 4.78 | - | 83,115 |
| February 26, 2023 | 0.75 | 117,000 | 5.41 | 117,000 | 105,818 |
| February 14, 2024 | 0.49 | 193,050 | 6.38 | 193,050 | 181,670 |
| March 19, 2025 | 0.26 | 195,000 | 7.47 | 195,000 | 187,931 |
| | | 6,086,936 | 3.62 | 4,935,269 | 5,062,930 |

12. Net Loss Per Share

The calculation of basic and diluted loss per share for the three and nine months ended September 30, 2017 was based on the loss attributable to common shareholders of \$3,288,017 and \$9,487,025, respectively (three and nine months ended September 30, 2016 - \$3,713,351 and \$38,167,534, respectively) and the weighted average number of common shares outstanding of 93,519,658 and 91,741,137, respectively (three and nine months ended September 30, 2016 - 78,262,063 and 60,704,451, 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, 2017

(Expressed in Canadian Dollars)

(Unaudited)

13. Exploration and Evaluation Expenditures

| | Three months ended September 30, 2017 | | Nine months ended September 30, 2016 | |
|--|---|---------------------|--|---------------------|
| Transaction properties (note 3) | | | | |
| Val-d'Or East Project (v)(vi)(vii) | \$ 3,876,765 | \$ 1,532,912 | \$ 8,412,618 | \$23,664,361 |
| Detour Project (v)(viii) | 95,443 | 11,590 | 272,201 | 8,826,413 |
| Casa-Cameron Project (v) | 36,130 | 53,557 | 427,731 | 578,742 |
| Granada Extension Project (v) | - | 4,634 | - | 950,896 |
| Option and/or JV properties (v) | - | 208 | - | 42,556 |
| | \$ 4,008,338 | \$ 1,602,901 | \$ 9,112,550 | \$34,062,968 |
| Arrangement properties (note 1) | | | | |
| Black Creek Property | \$ - | \$ 581 | \$ 1,567 | \$ 3,227 |
| Tamarack-McFauld's Lake Property | 155,887 | - | 156,050 | - |
| | \$ 155,887 | \$ 581 | \$ 157,617 | \$ 3,227 |
| Acquired properties | | | | |
| West Porcupine Property (i)(ii)(iii)(iv) | \$ 130,990 | \$ 383,438 | \$ 1,178,499 | \$ 1,383,608 |
| Millen Mountain Property | 145,485 | - | 209,451 | - |
| | \$ 276,475 | \$ 383,438 | \$ 1,387,950 | \$ 1,383,608 |
| Other | | | | |
| Project Generation | \$ 3 | \$ 15,264 | \$ 102,357 | \$ 52,443 |
| Exploration and evaluation expenditures | \$ 4,440,703 | \$ 2,002,184 | \$10,760,474 | \$35,502,246 |

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

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

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

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

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

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

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(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 (see note 11(ii)).

(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 (1) | \$ 22,220,811 |
| Detour Project | 8,851,693 |
| Casa-Cameron Project (2) | 535,944 |
| Granada Extension Project | 950,896 |
| Option and/or JV properties | 42,556 |
| Total | \$ 32,601,900 |

(1) On July 21, 2016, the Company announced that it completed the agreement with Vaaldiam Mining Inc., 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.

(2) Pursuant to an options agreement with GFK, GFK issued to Probe Metals 3,000,000 common shares ("GFK Shares") valued at \$375,000. 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.

(vi) 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.

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

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13. Exploration and Evaluation Expenditures (Continued)

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

(viii) On September 25, 2017, the Company announced that it entered into a 75-25 joint venture agreement with SOQUEM on its Detour Project. Under the terms of the agreement, Probe Metals will own 75% interest and SOQUEM 25%. Probe Metals will remain the operator and each party will be responsible for funding its proportionate share of expenditures on the Project.

14. General and Administrative Expenses

| | Three months ended September 30, | | Nine months ended September 30, | |
|--|-------------------------------------|--------------|------------------------------------|--------------|
| | 2017 | 2016 | 2017 | 2016 |
| Share-based payments (notes 11 and 15) | \$ 375,515 | \$ 1,404,343 | \$ 1,324,018 | \$ 1,554,217 |
| Salaries and benefits (note 15) | 129,728 | 254,834 | 589,312 | 733,266 |
| Travel and promotion costs | 89,375 | 92,306 | 279,412 | 202,272 |
| Professional fees (note 15) | 62,594 | 216,490 | 173,602 | 374,443 |
| Administrative costs | 38,208 | 99,819 | 135,950 | 162,799 |
| Director fees (note 15) | 45,276 | 22,639 | 135,388 | 67,639 |
| Shareholder information | 10,873 | 15,027 | 103,506 | 61,546 |
| Occupancy costs | 29,623 | 34,354 | 95,826 | 99,880 |
| Depreciation | 22,618 | 5,421 | 58,973 | 11,472 |
| | \$ 803,810 | \$ 2,145,233 | \$ 2,895,987 | \$ 3,267,534 |

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, | |
|---|-------|-------------------------------------|------------|------------------------------------|------------|
| | | 2017 | 2016 | 2017 | 2016 |
| Peterson McVicar LLP ("Peterson") | (i) | \$ 22,409 | \$ 112,239 | \$ 141,976 | \$ 260,028 |
| Marrelli Support Services Inc. ("Marrelli Support") | (ii) | \$ 13,500 | \$ 12,000 | \$ 47,040 | \$ 33,430 |
| DSA Corporate Services Inc. ("DSA") | (ii) | \$ 4,008 | \$ 5,470 | \$ 12,132 | \$ 19,550 |

(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, 2017, Peterson was owed \$9,924 (December 31, 2016 - \$17,581) and this amount was included in amounts payable and other liabilities.

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars)

(Unaudited)

15. Related Party Balances and Transactions (Continued)

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

(ii) During the three and nine months ended September 30, 2017, the Company paid professional fees of \$13,500 and \$47,040, respectively (three and nine months ended September 30, 2016 - \$12,000 and \$33,430, respectively) to Marrelli Support, an organization of which Carmelo Marrelli is president. Mr. Marrelli is the Chief Financial Officer of the Company. These services were incurred in the normal course of operations for general accounting and financial reporting matters. Marrelli Support also provides bookkeeping services to the Company. As at September 30, 2017, Marrelli Support was owed \$3,390 (December 31, 2016 - \$10,260) and this amount was included in amounts payable and other liabilities.

During the three and nine months ended September 30, 2017, the Company paid professional fees of \$4,008 and \$12,132, respectively (three and nine months ended September 30, 2016 - \$5,470 and \$19,550, 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, 2017, DSA was owed \$3,075 (December 31, 2016 - \$2,104) and this amount was included in amounts payable and other liabilities.

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

(iv) Refer to note 9(b)(ii).

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 September 30, 2017 | | September 30, 2016 | |
|-----------------------|---|--------------|-----------------------|--------------|
| Salaries and benefits | \$ 296,250 | \$ 239,286 | \$ 888,750 | \$ 636,786 |
| Share-based payments | \$ 290,776 | \$ 1,121,159 | \$ 1,054,658 | \$ 1,263,227 |

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, 2017, officers and directors were owed \$74,936 (December 31, 2016 - \$470,456) and this amount was included in amounts payable and other liabilities.

16. Commitments

(i) As of September 30, 2017, the Company is committed, under the terms of a rental agreement for office premises to future rental payments aggregating \$83,872. 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, 2017, the Company is committed to incurring approximately \$7.6 million in Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) by December 31, 2018, arising from the flow-through offerings.

Probe Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars)

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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 2, 2017, the Company purchased 1,714,285 common shares of Monarques Gold Corporation ("Monarques") for \$600,000.

(ii) On October 19, 2017, the Company announced the acquisition of the 100% interest in the Courvan Property from Monarques in exchange for an aggregate cash payment of \$400,000. Courvan Property is comprised of 30 mining claims and two mining concessions totalling approximately 11 square kilometres and hosts the past-producing Bussiere Gold Mine.

(iii) On November 2, 2017, 324,999 warrants with an exercise price of \$0.51 were exercised for gross proceeds of \$165,749.

Probe Metals Inc.

Schedule of Exploration and Evaluation Expenditures

September 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

| | Three months ended September 30, | | Nine months ended September 30, | |
|--|-------------------------------------|---------------------|------------------------------------|----------------------|
| | 2017 | 2016 | 2017 | 2016 |
| Transaction properties (note 3) | | | | |
| Val-d'Or East Project | | | | |
| Transaction costs (note 13(v)(vi)) | \$ - | \$ 108,287 | \$ - | \$ 22,220,811 |
| Advanced exploration | 178,036 | - | 276,435 | - |
| Drilling | 2,127,264 | 265,024 | 5,011,115 | 265,583 |
| Environment | 12,660 | 1,907 | 31,845 | 1,907 |
| General field expenses | 142,874 | 49,648 | 371,139 | 49,870 |
| Geochemical | 35,083 | - | 36,250 | - |
| Geology | 115,804 | 13,869 | 215,426 | 38,751 |
| Geophysics | 224,629 | 546,116 | 1,373,419 | 546,116 |
| Metallurgical testwork | 33,153 | - | 33,153 | - |
| Option payment and staking claims (note 13(vi)(vii)) | 1,005,337 | 548,061 | 1,038,659 | 548,061 |
| Research and development | - | - | 16,000 | - |
| Social and community | 1,925 | - | 9,177 | - |
| Tax credit related to resources | - | - | - | (6,738) |
| | \$ 3,876,765 | \$ 1,532,912 | \$ 8,412,618 | \$ 23,664,361 |
| Detour Project | | | | |
| Transaction costs (note 13(v)) | \$ - | \$ 43,137 | \$ - | \$ 8,851,693 |
| Drilling | 2,700 | - | 3,203 | 946 |
| General field expenses | - | - | 6,107 | 146 |
| Geology | 5,588 | - | 6,447 | 8,657 |
| Geophysics | 78,956 | - | 265,851 | - |
| Option payment and staking claims | 8,323 | 2,459 | 6,747 | 2,459 |
| Tax credit related to resources | - | - | - | (2,729) |
| Operator of exploration project (note 13(viii)) | (124) | (34,006) | (16,154) | (34,759) |
| | \$ 95,443 | \$ 11,590 | \$ 272,201 | \$ 8,826,413 |
| Casa-Cameron Project | | | | |
| Transaction costs (note 13(v)) | \$ - | \$ 2,612 | \$ - | \$ 535,944 |
| General field expenses | 1,220 | - | 3,688 | - |
| Geochemical | 4,092 | - | 4,092 | - |
| Geology | 23,520 | 1,047 | 37,165 | 1,047 |
| Geophysics | 5,870 | 7,330 | 369,332 | (5,177) |
| Licences and permits | - | - | - | 1,193 |
| Option payment and staking claims | 1,428 | 42,568 | 9,454 | 42,568 |
| Research and development | - | - | 4,000 | - |
| Tax credit related to resources | - | - | - | 3,167 |
| | \$ 36,130 | \$ 53,557 | \$ 427,731 | \$ 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, 2017

(Expressed in Canadian Dollars)

(Unaudited)

| | Three months ended September 30, | | Nine months ended September 30, | |
|--|-------------------------------------|---------------------|------------------------------------|----------------------|
| | 2017 | 2016 | 2017 | 2016 |
| Arrangement properties (note 1) | | | | |
| Black Creek Property | | | | |
| General field expenses | \$ - | \$ - | \$ - | \$ 1,892 |
| Geochemical | - | 581 | 813 | 581 |
| Other | - | - | 754 | 754 |
| | \$ - | \$ 581 | \$ 1,567 | \$ 3,227 |
| Tamarack-McFauld's Lake Property | | | | |
| Geology | \$ - | \$ - | \$ 163 | \$ - |
| Geophysics | 155,887 | - | 155,887 | - |
| | \$ 155,887 | \$ - | \$ 156,050 | \$ - |
| Acquired properties | | | | |
| West Porcupine Property | | | | |
| Drilling | \$ 58,810 | \$ - | \$ 396,210 | \$ - |
| General field expenses | 12,219 | 8,834 | 34,570 | 13,953 |
| Geochemical | - | 164,378 | - | 267,862 |
| Geology | 34,829 | 105,419 | 98,069 | 214,822 |
| Geophysics | 22,547 | 10,739 | 615,490 | 31,839 |
| Option payment and staking claims (note 13(i)(ii)(iii)(iv)) | 2,585 | 85,500 | 8,481 | 846,564 |
| Other | - | 3,570 | - | 3,570 |
| Social and community | - | 4,998 | 25,679 | 4,998 |
| | \$ 130,990 | \$ 383,438 | \$ 1,178,499 | \$ 1,383,608 |
| Millen Mountain Property | | | | |
| General field expenses | \$ 82,321 | \$ - | \$ 141,687 | \$ - |
| Geology | 1,300 | - | 2,600 | - |
| Geophysics | 46,425 | - | 46,425 | - |
| Option payment and staking claims | 15,439 | - | 18,739 | - |
| | \$ 145,485 | \$ - | \$ 209,451 | \$ - |
| Other | | | | |
| Project Generation | | | | |
| Consulting | \$ - | \$ 2,309 | \$ 1,300 | \$ 14,909 |
| Legal fees | - | - | 326 | 2,361 |
| Other | 3 | 583 | 50,506 | 583 |
| Travel, accommodation | - | 12,372 | 50,225 | 34,590 |
| | \$ 3 | \$ 15,264 | \$ 102,357 | \$ 52,443 |
| Exploration and evaluation expenditures | \$ 4,440,703 | \$ 2,002,184 | \$ 10,760,474 | \$ 35,502,246 |