
**CONDENSED INTERIM FINANCIAL STATEMENTS OF
PROBE METALS INC.
FOR THE THREE AND SIX MONTHS ENDED
JUNE 30, 2018
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

NOTICE TO READER

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

Probe Metals Inc.**Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)**

	As at June 30, 2018	As at December 31, 2017
ASSETS		
Current assets		
Cash	\$ 36,533,893	\$ 21,523,127
Trade accounts receivable and other receivables (note 3)	923,797	1,464,471
Marketable securities (note 4)	4,256,931	8,425,597
Prepaid expenses	126,147	76,016
Total current assets	41,840,768	31,489,211
Non-current assets		
Property and equipment (note 5)	654,763	922,271
Total assets	\$ 42,495,531	\$ 32,411,482
LIABILITIES AND EQUITY		
Current liabilities		
Amounts payable and other liabilities (notes 6 and 15)	\$ 1,429,970	\$ 1,129,366
Flow-through share liability (note 7)	4,759,808	1,787,679
Total liabilities	6,189,778	2,917,045
Equity		
Share capital (note 8)	90,536,619	74,495,252
Warrants (note 9)	2,486,141	4,598,000
Contributed surplus (notes 10 and 11)	5,449,538	4,477,902
Accumulated deficit	(62,166,545)	(54,076,717)
Total equity	36,305,753	29,494,437
Total liabilities and equity	\$ 42,495,531	\$ 32,411,482

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

Nature of operations (note 1)
Commitments (note 16)

Probe Metals Inc.**Condensed Interim Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****(Unaudited)**

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Operating expenses				
Exploration and evaluation expenditures (note 13)	\$ 3,620,993	\$ 3,262,498	\$ 7,830,822	\$ 6,319,771
General and administrative expenses (note 14)	1,421,125	918,797	2,291,336	2,092,177
Operating loss before interest and other income, (loss) gain on marketable securities, premium on flow-through shares and gain on sale of property and equipment	(5,042,118)	(4,181,295)	(10,122,158)	(8,411,948)
Interest and other income	79,371	73,013	178,084	131,511
(Loss) gain on marketable securities (note 4)	(1,514,103)	(63,132)	(4,468,666)	1,184,986
Premium on flow-through shares (note 7)	256,030	896,443	1,682,806	896,443
Gain on sale of property and equipment (note 5)	-	-	42,106	-
Loss and comprehensive loss for the period	\$ (6,220,820)	\$ (3,274,971)	\$(12,687,828)	\$ (6,199,008)
Basic and diluted loss per share (note 12)	\$ (0.06)	\$ (0.04)	\$ (0.13)	\$ (0.06)
Weighted average number of common shares outstanding - basic and diluted	95,938,709	93,358,539	94,419,347	95,827,864

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

Probe Metals Inc.

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

	Six months ended June 30,	
	2018	2017
Operating activities:		
Net loss for the period	\$(12,687,828)	\$ (6,199,008)
Adjustments for:		
Share-based payments (notes 10 and 11)	976,649	948,503
Depreciation (note 5)	63,679	36,355
Accrued interest receivable	25,330	22,993
Gain on sale of property and equipment (note 5)	(42,106)	-
Loss (gain) on marketable securities (note 4)	4,468,666	(1,184,986)
Premium on flow-through share (note 7)	(1,682,806)	(896,443)
Changes in non-cash working capital items:		
Trade accounts receivable and other receivables	515,344	(447,148)
Prepaid expenses	(50,131)	16,523
Amounts payable and other liabilities	300,604	404,715
Net cash used in operating activities	(8,112,599)	(7,298,496)
Investing activities:		
Purchase of property and equipment (note 5)	(39,065)	(466,866)
Proceeds from sale of property and equipment (note 5)	285,000	-
Purchase of marketable securities	(300,000)	-
Net cash used in investing activities	(54,065)	(466,866)
Financing activities:		
Proceeds from private placements (note 8(b)(i)(ii))	24,691,201	13,458,374
Share issue costs	(1,516,094)	(959,262)
Exercise of warrants	-	268,415
Exercise of stock options	2,323	340,665
Net cash provided by financing activities	23,177,430	13,108,192
Net change in cash	15,010,766	5,342,830
Cash, beginning of period	21,523,127	26,408,679
Cash, end of period	\$ 36,533,893	\$ 31,751,509

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

Probe Metals Inc.

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

Equity attributable to shareholders

	Share capital	Warrants	Contributed surplus	Accumulated deficit	Total
Balance, December 31, 2016	\$ 64,842,934	\$ 5,063,146	\$ 3,667,307	\$(43,725,560)	\$ 29,847,827
Private placement (note 8(b)(i))	13,458,374	-	-	-	13,458,374
Share issue costs	(959,262)	-	-	-	(959,262)
Flow-through share premium (note 7(i))	(4,648,624)	-	-	-	(4,648,624)
Exercise of warrants	504,048	(235,633)	-	-	268,415
Exercise of stock options	851,054	-	(510,389)	-	340,665
Stock options expired	-	-	(94,576)	94,576	-
Share-based payments (note 10)	-	-	948,503	-	948,503
Loss and comprehensive loss	-	-	-	(6,199,008)	(6,199,008)
Balance, June 30, 2017	\$ 74,048,524	\$ 4,827,513	\$ 4,010,845	\$(49,829,992)	\$ 33,056,890
Balance, December 31, 2017	\$ 74,495,252	\$ 4,598,000	\$ 4,477,902	\$(54,076,717)	\$ 29,494,437
Private placement (note 8(b)(ii))	24,691,201	-	-	-	24,691,201
Warrants (note 8(b)(ii))	(2,486,141)	2,486,141	-	-	-
Shares issue costs	(1,516,094)	-	-	-	(1,516,094)
Flow-through share premium (note 7(ii))	(4,654,935)	-	-	-	(4,654,935)
Exercise of stock options	7,336	-	(5,013)	-	2,323
Warrants expired	-	(4,598,000)	-	4,598,000	-
Share-based payments (notes 10 and 11)	-	-	976,649	-	976,649
Loss and comprehensive loss	-	-	-	(12,687,828)	(12,687,828)
Balance, June 30, 2018	\$ 90,536,619	\$ 2,486,141	\$ 5,449,538	\$(62,166,545)	\$ 36,305,753

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

Probe Metals Inc.

Notes to Condensed Interim Financial Statements

June 30, 2018

(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. 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, Bonfond 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 25% 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 ("IFRIC"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim financial statements are based on IFRSs issued and outstanding as of August 28, 2018, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended December 31, 2017, except as note below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2018 could result in restatement of these unaudited condensed interim financial statements.

Probe Metals Inc.

Notes to Condensed Interim Financial Statements

June 30, 2018

(Expressed in Canadian Dollars)

(Unaudited)

2. Significant Accounting Policies (Continued)

New Accounting Standard Adopted

On July 24, 2014, the IASB issued the completed IFRS 9 - Financial Instruments ("IFRS 9") to come into effect on January 1, 2018 with early adoption permitted.

IFRS 9 includes finalized guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 largely retains the existing requirements in IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"), for the classification and measurement of financial liabilities.

The Company adopted IFRS 9 in its financial statements on January 1, 2018. Due to the nature of its financial instruments, the adoption of IFRS 9 had no impact on the opening accumulated deficit balance on January 1, 2018. The impact on the classification and measurement of its financial instruments is set out below.

All financial assets not classified at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognized at fair value on the statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the statement of loss and comprehensive loss for the period. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

The following table summarizes the classification and measurement changes under IFRS 9 for each financial instrument:

Classification	IAS 39	IFRS 9
Cash	Loans and receivables (amortized cost)	Amortized cost
Trade accounts receivable and other receivables	Loans and receivables (amortized cost)	Amortized cost
Marketable securities	FVTPL	FVTPL
Amounts payable and other liabilities	Other financial liabilities	Amortized cost

The original carrying value of the Company's financial instruments under IAS 39 has not changed under IFRS 9.

Probe Metals Inc.

Notes to Condensed Interim Financial Statements

June 30, 2018

(Expressed in Canadian Dollars)

(Unaudited)

2. Significant Accounting Policies (Continued)

New Accounting Standards Not Yet Effective

On June 7, 2017, the IASB issued IFRIC - 23 Uncertainty Over Income Tax Treatments ("IFRIC 23"). IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. IFRIC 23 is applicable for annual periods beginning on or after January 1, 2019. Earlier application is permitted. The Company intends to adopt IFRIC 23 in its financial statements for the annual period beginning on January 1, 2019. The Company does not expect IFRIC 23 to have a material impact on the financial statements.

On January 13, 2016, the IASB issued IFRS 16 - Leases ("IFRS 16"). The new standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 will replace IAS 17 - Leases ("IAS 17"). This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. IFRS 16 substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided. The Company intends to adopt IFRS 16 in its financial statements for the period beginning on January 1, 2019. The Company is evaluating the impact of adoption and expects to report more detailed information in its financial statements as the effective date approaches.

3. Trade Accounts Receivable and Other Receivables

	As at June 30, 2018	As at December 31, 2017
Sales tax receivable - (Canada)	\$ 823,598	\$ 1,002,746
Accrued interest receivable	25,330	25,306
Mining tax receivable	74,869	74,869
Subscription receivable	-	300,000
Tax credit related to resources receivable	-	61,550
	\$ 923,797	\$ 1,464,471

4. Marketable Securities

June 30, 2018	Number of shares	Cost	Unrealized (loss)/income	Fair market value
Agnico	5,000	\$ 324,850	\$ (23,500)	\$ 301,350
GFG Resources Inc. ("GFG")	7,077,883	3,538,942	(1,981,808)	1,557,134
Monarques Gold Corporation ("Monarques")	1,714,285	600,000	(128,572)	471,428
Opus One Resources Inc. (formerly GFK Resources Inc.) ("Opus")	5,000,000	555,000	(355,000)	200,000
QMX Gold Corporation ("QMX")	15,000,000	1,500,000	225,000	1,725,000
RT Minerals Corp. ("RTM")	21,250	4,676	(2,657)	2,019
		\$ 6,523,468	\$ (2,266,537)	\$ 4,256,931

Probe Metals Inc.

Notes to Condensed Interim Financial Statements

June 30, 2018

(Expressed in Canadian Dollars)

(Unaudited)

4. Marketable Securities (Continued)

December 31, 2017	Number of shares	Cost	Unrealized (loss)/income	Fair market value
Agnico	5,000	\$ 324,850	\$ (34,750)	\$ 290,100
GFG	6,477,883	3,238,942	64,778	3,303,720
Monarques	1,714,285	600,000	(94,286)	505,714
Opus	5,000,000	555,000	(130,000)	425,000
QMX	15,000,000	1,500,000	2,400,000	3,900,000
RTM	21,250	4,676	(3,613)	1,063
		\$ 6,223,468	\$ 2,202,129	\$ 8,425,597

During the three and six months ended June 30, 2018, the Company recorded an unrealized loss on marketable securities of \$1,514,103 and \$4,468,666, respectively (three and six months ended June 30, 2017 - unrealized (loss) gain of \$(63,132) and \$1,184,986) in the unaudited condensed interim statements of loss and comprehensive loss.

5. Property and Equipment

Cost	Artwork	Computer equipment	Field equipment	Site building	Building	Total
Balance, December 31, 2017	\$ 121,776	\$ 55,030	\$ 203,586	\$ 302,770	\$ 341,211	\$ 1,024,373
Additions	-	5,418	33,647	-	-	39,065
Dispositions	-	-	-	(287,587)	-	(287,587)
Balance, June 30, 2018	\$ 121,776	\$ 60,448	\$ 237,233	\$ 15,183	\$ 341,211	\$ 775,851

Accumulated depreciation	Artwork	Computer equipment	Field equipment	Site building	Building	Total
Balance, December 31, 2017	\$ -	\$ 11,360	\$ 38,740	\$ 39,207	\$ 12,795	\$ 102,102
Depreciation during the period	-	6,956	27,125	13,178	16,420	63,679
Disposition during the period	-	-	-	(44,693)	-	(44,693)
Balance, June 30, 2018	\$ -	\$ 18,316	\$ 65,865	\$ 7,692	\$ 29,215	\$ 121,088

Carrying value	Artwork	Computer equipment	Field equipment	Site building	Building	Total
Balance, December 31, 2017	\$ 121,776	\$ 43,670	\$ 164,846	\$ 263,563	\$ 328,416	\$ 922,271
Balance, June 30, 2018	\$ 121,776	\$ 42,132	\$ 171,368	\$ 7,491	\$ 311,996	\$ 654,763

During the six months ended June 30, 2018, the Company sold site building for cash proceeds of \$285,000 which resulted in a gain on sale of property and equipment of \$42,106.

Probe Metals Inc.**Notes to Condensed Interim Financial Statements**

June 30, 2018

(Expressed in Canadian Dollars)

(Unaudited)

6. Amounts Payable and Other Liabilities

	As at June 30, 2018	As at December 31, 2017
Amounts payables	\$ 1,293,346	\$ 567,209
Accrued liabilities	94,700	527,650
Advance payment from SOQUEM	41,924	34,507
	\$ 1,429,970	\$ 1,129,366

7. 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, 2017	\$ 1,787,679
Liability incurred on flow-through shares issued (ii)	4,654,935
Settlement of flow-through share liability on incurring expenditures (i)(ii)	(1,682,806)
Balance, June 30, 2018	\$ 4,759,808

(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 six months ended June 30, 2018, the Company satisfied \$1,498,720 of the commitment by incurring eligible expenditures of approximately \$4,300,000 and as a result the flow-through premium has been reduced to \$288,959.

(ii) The flow-through common shares issued in the brokered private placement completed on June 19, 2018 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 \$4,654,935.

The flow-through premium is derecognized through income as the eligible expenditures are incurred. For the six months ended June 30, 2018, the Company satisfied \$200,000 of the commitment by incurring eligible expenditures of approximately \$600,000 and as a result the flow-through premium has been reduced to \$4,470,849.

Probe Metals Inc.

Notes to Condensed Interim Financial Statements

June 30, 2018

(Expressed in Canadian Dollars)

(Unaudited)

8. Share Capital

a) Authorized share capital

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

b) Common shares issued

As at June 30, 2018 the issued share capital amounted to \$90,536,619. Changes in issued share capital are as follows:

	Number of common shares	Amount
Balance, December 31, 2016	85,856,406	\$ 64,842,934
Private placements (i)	6,725,000	13,458,374
Flow-through share premium (note 7(i))	-	(4,648,624)
Share issue costs	-	(959,262)
Exercise of warrants	377,032	504,048
Exercise of stock options	555,750	851,054
Balance, June 30, 2017	93,514,188	\$ 74,048,524
Balance, December 31, 2017	93,914,742	\$ 74,495,252
Private placement (ii)	16,657,566	24,691,201
Warrants (ii)	-	(2,486,141)
Flow-through share premium (note 7(ii))	-	(4,654,935)
Share issue costs	-	(1,516,094)
Exercise of stock options	12,637	7,336
Balance, June 30, 2018	110,584,945	\$ 90,536,619

(i) 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 FT 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 Financial Statements

June 30, 2018

(Expressed in Canadian Dollars)

(Unaudited)

8. Share Capital (Continued)

b) Common shares issued (continued)

(ii) On June 19, 2018, the Company completed a private placement financing of 7,380,000 flow-through units of the Company ("FT Units") at a price of \$1.90 per FT Unit for gross flow-through proceeds of \$14,022,000 and 8,377,566 non flow-through units of the Company ("Hard Units") at a price of \$1.15 per Hard Unit for gross non flow-through proceeds of \$9,634,201 (together, the "Underwritten Offering"). The Company has also completed a concurrent non-brokered placement of 900,000 Hard Units for gross proceeds of \$1,035,000 (the "Non-Brokered Placement"). The aggregate proceeds from the Underwritten Offering and the Non-Brokered Placement (collectively, the "Offering") total \$24,691,201 for the sale of a total of 16,657,566 FT Units and Hard Units.

Each FT Unit or Hard Unit consists of one common share of the Company and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each Warrant will entitle the holder to acquire one common share of the Company for 2 years from the closing of the Offering (the "Closing") at a price of \$1.45.

The fair value of the 8,328,783 warrants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of \$1.15; expected dividend yield of 0%; risk-free interest rate of 2.02%; volatility of 59% and an expected life of 2 years. The fair value assigned to these options was \$2,486,141.

The Company also announced that Goldcorp exercised its participation right to maintain its prorata interest in the Company. In connection with the Offering, Goldcorp purchased 2,280,000 common shares and 1,140,000 Warrants from subscribers to the Offering.

In addition, the following transactions occurred with related parties:

- David Palmer, Chief Executive Officer and director of the Company, subscribed for 40,000 Hard Units;
- Marco Gagnon, Executive Vice President of the Company, subscribed for 20,000 FT Units; and
- Patrick Langlois, Vice President - Corporate Development, subscribed for 10,000 Hard Units.

The gross proceeds from the Offering will be used to fund exploration on Probe's projects in Québec and for working capital purposes.

The offering was completed through a syndicate of underwriters led by Sprott Capital Partners, and included Canaccord Genuity Corp., Cormark Securities Inc., Macquarie Capital Markets Canada Ltd., BMO Nesbitt Burns Inc., CIBC Capital Markets, Industrial Alliance Securities Inc., and Mackie Research Capital Corp. In consideration for their services, the underwriters received a cash commission equal to approximately 6 per cent of the gross proceeds of the Offering.

The securities issued pursuant to the Offering have a hold period of four months and one day from June 19, 2018.

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 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 Financial Statements

June 30, 2018

(Expressed in Canadian Dollars)

(Unaudited)

9. Warrants

	Number of warrants	Grant date fair value
Balance, December 31, 2016	7,302,031	\$ 5,063,146
Exercised	(377,032)	(235,633)
Balance, June 30, 2017	6,924,999	\$ 4,827,513
Balance, December 31, 2017	6,600,000	\$ 4,598,000
Issued (note 8(b)(ii))	8,328,783	2,486,141
Expired	(6,600,000)	(4,598,000)
Balance, June 30, 2018	8,328,783	\$ 2,486,141

The following table reflects the warrants issued and outstanding as of June 30, 2018:

Expiry date	Exercise price (\$)	Warrants outstanding	Valuation (\$)
June 19, 2020	1.45	8,328,783	2,486,141

10. Stock Options

	Number of stock options	Weighted average exercise price
Balance, December 31, 2016	6,676,492	\$ 0.93
Stock options granted (i)	100,000	1.36
Exercise of stock options	(555,750)	0.61
Stock options expired	(168,250)	0.71
Balance, June 30, 2017	6,052,492	\$ 0.95
Balance, December 31, 2017	5,966,937	\$ 0.96
Stock options granted (ii)	2,910,000	1.22
Exercise of stock options	(12,637)	0.18
Balance, June 30, 2018	8,864,300	\$ 1.05

(i) On June 15, 2017, 100,000 stock options were granted to a consultant of the Company at an exercise price of \$1.36 per share, expiring June 15, 2022. Vesting of the stock options is as follows: one-fourth after six months and 25% each year thereafter. The fair value of these options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of \$1.36; expected dividend yield of 0%; risk-free interest rate of 1.14%; volatility of 122% and an expected life of 5 years. The fair value assigned to these options was \$113,210. For the three and six months ended June 30, 2018, the impact on the unaudited condensed interim statement of loss and comprehensive loss was \$11,773 and \$24,567, respectively (three and six months ended June 30, 2017 - \$4,452).

Probe Metals Inc.

Notes to Condensed Interim Financial Statements

June 30, 2018

(Expressed in Canadian Dollars)

(Unaudited)

10. Stock Options (Continued)

(ii) On June 22, 2018, 2,910,000 stock options were granted to officer, directors and consultants of the Company at an exercise price of \$1.22 per share, expiring June 22, 2023. Vesting of the stock options is as follows: one-third on day of grant, 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 \$1.21; expected dividend yield of 0%; risk-free interest rate of 1.98%; volatility of 61% and an expected life of 5 years. The fair value assigned to these options was \$1,852,797. For the three and six months ended June 30, 2018, the impact on the unaudited condensed interim statement of loss and comprehensive loss was \$637,904.

(iii) The portion of the estimated fair value of options granted in the prior years and vested during the three months ended June 30, 2018, amounted to \$151,134 and \$305,844, respectively (three and six months ended June 30, 2017 - \$419,980 and \$944,051, respectively).

The following table reflects the actual stock options issued and outstanding as of June 30, 2018:

Expiry date	Exercise price (\$)	Options outstanding	Weighted average remaining contractual life (years)	Options exercisable	Valuation (\$)
April 27, 2020	0.36	2,350,000	1.83	2,350,000	772,563
December 8, 2020	1.36	29,250	2.44	29,250	23,500
September 1, 2021	1.50	2,795,000	3.18	1,863,333	3,332,428
September 9, 2021	1.76	100,000	3.20	100,000	164,000
June 15, 2022	1.36	100,000	3.96	50,000	113,210
July 10, 2022	1.33	75,000	4.03	-	83,115
February 26, 2023	0.75	117,000	4.66	117,000	105,818
June 22, 2023	1.22	2,910,000	4.98	970,000	1,852,797
February 14, 2024	0.49	193,050	5.63	193,050	181,670
March 19, 2025	0.26	195,000	6.72	195,000	187,931
		8,864,300	3.58	5,867,633	6,817,032

11. Restricted Share Unit ("RSU") Plan

During the six months ended June 30, 2018, the Company adopted a RSU Plan. The RSU plan provides for a fixed maximum limit of 7,000,000 RSUs.

The grant date fair value of the RSU equals the fair market value of the corresponding shares at the grant date. The fair value of these equity-settled awards is recognized as compensation expense with a corresponding increase in equity. The total amount expensed is recognized over the vesting period, which is the period over which all the specified vesting conditions should be satisfied.

During the six month ended June 30, 2018, the Company granted 935,000 RSUs to officers, directors and key employees under its RSU plan. The RSUs will vest in full three years from the date of grant. Compensation for the three and six months ended June 30, 2018 was \$8,334 and was recorded as share-based payments in the unaudited condensed interim statement of loss and comprehensive loss.

As at June 30, 2018, there were 935,000 RSUs outstanding (December 31, 2017 - nil). The weighted average fair value of the RSUs granted during the six months ended June 30, 2018 was \$1.22 per common share.

Probe Metals Inc.

Notes to Condensed Interim Financial Statements

June 30, 2018

(Expressed in Canadian Dollars)

(Unaudited)

12. Net Loss Per Share

The calculation of basic and diluted loss per share for the three and six months ended June 30, 2018 was based on the loss attributable to common shareholders of \$6,220,820 and \$12,687,828, respectively (three and six months ended June 30, 2017 - \$3,274,971 and \$6,199,008, respectively) and the weighted average number of common shares outstanding of 95,938,709 and 94,419,347, respectively (three and six months ended June 30, 2017 - 93,358,539 and 95,827,864, respectively). 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 June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Transaction properties				
Val-d'Or East Project (i)	\$ 3,304,491	\$ 2,368,856	\$ 6,371,186	\$ 4,535,853
Detour Project	254,917	11,687	1,313,201	176,758
Casa-Cameron Project	4,025	39,625	12,621	391,601
	\$ 3,563,433	\$ 2,420,168	\$ 7,697,008	\$ 5,104,212
Arrangement properties				
Black Creek Property	\$ 2,041	\$ 754	\$ 2,470	\$ 1,567
Tamarack-McFauld's Lake Property	663	-	15,633	163
	\$ 2,704	\$ 754	\$ 18,103	\$ 1,730
Acquired properties				
West Porcupine Property	\$ 24,636	\$ 735,423	\$ 42,534	\$ 1,047,509
Millen Mountain Property	24,014	63,966	57,929	63,966
	\$ 48,650	\$ 799,389	\$ 100,463	\$ 1,111,475
Other				
Project Generation	\$ 6,206	\$ 42,187	\$ 15,248	\$ 102,354
Exploration and evaluation expenditures	\$ 3,620,993	\$ 3,262,498	\$ 7,830,822	\$ 6,319,771

(i) On January 16, 2017, the Company 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 Financial Statements

June 30, 2018

(Expressed in Canadian Dollars)

(Unaudited)

14. General and Administrative Expenses

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Share-based payments (notes 10, 11 and 15)	\$ 809,145	\$ 424,432	\$ 976,649	\$ 948,503
Salaries and benefits (note 15)	207,288	171,227	507,023	459,584
Travel and promotion costs	91,929	102,954	187,462	190,037
Professional fees (note 15)	72,028	43,250	185,048	111,008
Shareholder information	59,975	21,335	118,868	92,633
Director fees (note 15)	59,000	44,933	104,000	90,112
Administrative costs	50,923	57,366	78,530	97,742
Occupancy costs	38,934	31,252	70,077	66,203
Depreciation	31,903	22,048	63,679	36,355
	\$ 1,421,125	\$ 918,797	\$ 2,291,336	\$ 2,092,177

15. Related Party Balances and Transactions

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

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

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

	Notes	Three months ended June 30,		Six months ended June 30,	
		2018	2017	2018	2017
Peterson McVicar LLP ("Peterson")	(i)	\$ 61,932	\$ 4,512	\$ 68,948	\$ 119,567
Marrelli Support Services Inc. ("Marrelli Support")	(ii)	\$ 13,820	\$ 13,740	\$ 40,320	\$ 33,540
DSA Corporate Services Inc. ("DSA")	(ii)	\$ 5,247	\$ 4,422	\$ 9,713	\$ 8,124

(i) Dennis H. Peterson, a director of the Company, controls Peterson which provided legal services to the Company. The amounts charged by Peterson are based on what Peterson usually charges its clients. The Company expects to continue to use Peterson for an indefinite period. As at June 30, 2018, Peterson was owed \$75,481 (December 31, 2017 - \$24,001) and this amount was included in amounts payable and other liabilities.

(ii) During the three and six months ended June 30, 2018, the Company paid professional fees of \$13,820 and \$40,320, respectively (three and six months ended June 30, 2017 - \$13,740 and \$33,540, respectively) to Marrelli Support, an organization of which Carmelo Marrelli is president. Mr. Marrelli is the Chief Financial Officer of the Company. These services were incurred in the normal course of operations for general accounting and financial reporting matters. Marrelli Support also provides bookkeeping services to the Company. As at June 30, 2018, Marrelli Support was owed \$3,390 (December 31, 2017 - \$11,888) and this amount was included in amounts payable and other liabilities.

Probe Metals Inc.

Notes to Condensed Interim Financial Statements

June 30, 2018

(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) (continued) During the three and six months ended June 30, 2018, the Company paid professional fees of \$5,247 and \$9,713, respectively (three and six months ended June 30, 2017 - \$4,422 and \$8,124, respectively) to DSA, an organization of which Mr. Marrelli controls. Mr. Marrelli is also the corporate secretary and sole director of DSA. These services were incurred in the normal course of operations for corporate secretarial matters. All services were made on terms equivalent to those that prevail with arm's length transactions. As at June 30, 2018, DSA was owed \$2,341 (December 31, 2017 - \$1,469) and this amount was included in amounts payable and other liabilities.

(iii) Refer to note 8(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 June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Salaries and benefits	\$ 324,500	\$ 296,250	\$ 652,542	\$ 592,500
Share-based payments	\$ 710,493	\$ 83,192	\$ 830,540	\$ 474,063

The directors do not have employment or service contracts with the Company. Directors are entitled to director fees and stock options for their services. As at June 30, 2018, officers and directors were owed \$46,426 (December 31, 2017 - \$482,772) and this amount was included in amounts payable and other liabilities.

16. Commitments

(i) As of June 30, 2018, the Company is committed, under the terms of a rental agreement for office premises to future rental payments aggregating \$438,187. The current rental agreement expires on October 31, 2023.

(ii) Pursuant to the terms of flow-through share agreement, the Company is in the process of complying with its flow-through contractual obligations to subscribers with respect to the Income Tax Act (Canada) requirements for flow-through shares. As of June 30, 2018, the Company is committed to incurring approximately \$0.8 million in Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) by December 31, 2018 and \$13.5 million by December 31, 2019, arising from the flow-through offerings.

17. Segmented Information

The Company's operations comprise a single reporting operating segment engaged in mineral exploration in Canada. As the operations comprise a single reporting segment, amounts disclosed in the unaudited condensed interim 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.

Probe Metals Inc.

Schedule of Exploration and Evaluation Expenditures

June 30, 2018

(Expressed in Canadian Dollars)

(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Transaction properties				
Val-d'Or East Project				
Advanced exploration	\$ 60,904	\$ 77,044	\$ 157,122	\$ 98,399
Drilling	2,244,715	1,815,693	4,459,208	2,883,851
Environment	2,245	19,185	2,245	19,185
General field expenses	109,145	132,143	251,527	228,265
Geochemical	97,872	1,167	132,566	1,167
Geology	172,521	31,194	215,708	99,622
Geophysics	531,478	263,111	1,040,119	1,148,790
Metallurgical testwork	64,134	-	66,700	-
Option payment and staking claims (note 13(i))	18,715	25,250	43,229	33,322
Research and development	-	-	-	16,000
Social and community	2,762	4,069	2,762	7,252
	\$ 3,304,491	\$ 2,368,856	\$ 6,371,186	\$ 4,535,853
Detour Project				
Drilling	\$ 236,428	\$ -	\$ 1,098,225	\$ 503
General field expenses	805	3,138	7,742	6,107
Geology	3,088	343	4,063	859
Geophysics	18,819	10,911	218,221	186,895
Option payment and staking claims	584	(1,576)	8,796	(1,576)
Operator of exploration project	(4,807)	(1,129)	(23,846)	(16,030)
	\$ 254,917	\$ 11,687	\$ 1,313,201	\$ 176,758
Casa-Cameron Project				
General field expenses	\$ 858	\$ 375	\$ 858	\$ 2,468
Geology	1,525	6,295	3,269	13,645
Geophysics	-	30,512	375	363,462
Option payment and staking claims	1,642	2,443	8,119	8,026
Research and development	-	-	-	4,000
	\$ 4,025	\$ 39,625	\$ 12,621	\$ 391,601
Arrangement properties				
Black Creek Property				
Geochemical	\$ -	\$ -	\$ -	\$ 813
Geology	1,287	-	1,716	-
Other	754	754	754	754
	\$ 2,041	\$ 754	\$ 2,470	\$ 1,567
Tamarack-McFauld's Lake Property				
Geology	\$ 663	\$ -	\$ 884	\$ 163
Geophysics	-	-	14,749	-
	\$ 663	\$ -	\$ 15,633	\$ 163

Probe Metals Inc.

Schedule of Exploration and Evaluation Expenditures (Continued)

June 30, 2018

(Expressed in Canadian Dollars)

(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Acquired properties				
West Porcupine Property				
Drilling	\$ -	\$ 335,437	\$ -	\$ 337,400
General field expenses	383	14,302	7,449	22,351
Geochemical	-	-	478	-
Geology	720	32,189	2,020	63,240
Geophysics	-	327,155	9,054	592,943
Option payment and staking claims	-	5,896	-	5,896
Social and community	23,533	20,444	23,533	25,679
	\$ 24,636	\$ 735,423	\$ 42,534	\$ 1,047,509
Millen Mountain Property				
Drilling	\$ 469	\$ -	\$ 469	\$ -
General field expenses	23,139	59,366	54,037	59,366
Geology	406	1,300	3,331	1,300
Option payment and staking claims	-	3,300	92	3,300
	\$ 24,014	\$ 63,966	\$ 57,929	\$ 63,966
Other				
Project Generation				
Consulting	\$ 3,900	\$ 650	\$ 10,725	\$ 1,300
Legal fees	-	-	-	326
Other	456	30,895	456	50,503
Travel, accommodation	1,850	10,642	4,067	50,225
	\$ 6,206	\$ 42,187	\$ 15,248	\$ 102,354
Exploration and evaluation expenditures	\$ 3,620,993	\$ 3,262,498	\$ 7,830,822	\$ 6,319,771