

PROBE RESOURCES LTD.

INTERIM FINANCIAL STATEMENTS

February 28, 2006

(Unaudited)

PROBE RESOURCES LTD.
INTERIM BALANCE SHEET
As at February 28, 2006

	<u>Feb 28,</u> <u>2006</u>	<u>Aug 31,</u> <u>2005</u>
<u>ASSETS</u>		
Current		
Cash and cash equivalents	\$ 208,659	\$ 273,892
Accounts receivable	4,401	2,480
Investments	<u>203,359</u>	<u>-</u>
	416,419	276,372
Loans receivable	4,480	199,706
Deposits and prepaid	4,803	4,803
Capital assets	846	846
Resource properties	<u>84,952</u>	<u>84,952</u>
	<u>\$ 511,500</u>	<u>\$ 566,679</u>

LIABILITIES

Current		
Accounts payable	<u>\$ 18,355</u>	<u>\$ 16,430</u>

SHAREHOLDERS' EQUITY

Share capital	2,033,092	2,033,092
Deficit	<u>(1,539,947)</u>	<u>(1,482,843)</u>
	<u>493,145</u>	<u>550,249</u>
	<u>\$ 511,500</u>	<u>\$ 566,679</u>

PREPARED BY MANAGEMENT
(Unaudited)

PROBE RESOURCES LTD.
INTERIM STATEMENT OF LOSS AND DEFICIT
for the six months ended February 28, 2006

	3 months ended <u>Feb 28, 2006</u>	3 months ended <u>Feb 28, 2005</u>	6 months ended <u>Feb 28, 2006</u>	6 months ended <u>Feb 28, 2005</u>
Expenses				
Administrative				
Audit and accounting	\$ 4,100	\$ 1,000	\$ 5,100	\$ 2,000
Bank charges	185	163	262	280
Directors' fees – note 5	3,375	3,375	4,500	4,500
Filing fees	850	933	850	933
Furniture rental – note 5	2,970	2,700	5,760	5,400
Administration fees – note 5	8,250	7,500	16,000	15,000
Office – note 5	7,653	7,003	14,097	13,153
Parking	375	374	375	1,180
Rent – note 5	5,940	5,400	11,520	10,800
Staff benefits	591	2,000	1,023	2,401
Telephone – note 5	3,333	3,077	6,672	5,987
Transfer agent fees	600	501	1,878	1,367
Travel and promotion	<u>558</u>	<u>1,512</u>	<u>1,676</u>	<u>2,284</u>
Loss for the period before other item	38,780	35,538	69,713	65,285
Other:				
Foreign exchange loss	-	4,531	-	10,726
Interest income	<u>(5,510)</u>	<u>(8,085)</u>	<u>(12,609)</u>	<u>(13,639)</u>
Net loss for the period	33,270	31,984	57,104	62,372
Deficit, beginning of the period	<u>1,506,677</u>	<u>1,405,808</u>	<u>1,482,843</u>	<u>1,375,420</u>
Deficit, end of the period	<u>\$ 1,539,947</u>	<u>\$ 1,437,792</u>	<u>\$ 1,539,947</u>	<u>\$ 1,437,792</u>
Loss per share	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

PREPARED BY MANAGEMENT
(Unaudited)

PROBE RESOURCES LTD.
INTERIM STATEMENT OF CASH FLOWS
for the six months ended February 28, 2006

	3 months ended <u>Feb 28, 2006</u>	3 months ended <u>Feb 28, 2005</u>	6 months ended <u>Feb 28, 2006</u>	6 months ended <u>Feb 28, 2005</u>
Operating activities				
Net loss for the period	\$(33,270)	\$(31,984)	\$(57,104)	\$(62,372)
Changes in non-cash working capital items related to operations:				
Accounts receivable	77	(27)	(1,921)	488
Deposit and prepaid	-	-	-	4,868
Accounts payable	(3,449)	2,348	1,925	4,659
Increase in investments	<u>(203,359)</u>	<u>-</u>	<u>(203,359)</u>	<u>-</u>
	<u>(240,001)</u>	<u>(29,663)</u>	<u>(260,459)</u>	<u>(52,357)</u>
Investing activities				
Deferred exploration expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,490</u>
Financing activities				
Loan receivable	<u>200,219</u>	<u>(4,636)</u>	<u>195,226</u>	<u>(9,159)</u>
Decrease in cash during the period	(39,782)	(34,299)	(65,233)	(50,026)
Cash, beginning of the period	<u>248,441</u>	<u>360,458</u>	<u>273,892</u>	<u>376,185</u>
Cash, end of the period	<u>\$ 208,659</u>	<u>\$ 326,159</u>	<u>\$ 208,659</u>	<u>\$ 326,159</u>

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(Unaudited)

PROBE RESOURCES LTD.
NOTES TO THE FINANCIAL STATEMENTS
for the six months ended February 28, 2006

Note 1 Nature and Continuance of Operations

The company is in the development stage and is publicly traded on the TSX Venture Exchange. The company is in the process of exploring and evaluating its mineral property and has not yet determined whether this property contains ore reserves that are economically recoverable. The recoverability of amounts shown for the resource properties and related deferred exploration costs is dependent upon the discovery of economically recoverable reserves, confirmation of the company's interest in the underlying mineral claims, the ability of the company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

These financial statements have been prepared on a going concern basis. The company has a working capital of \$398,064 as at February 28, 2006 and has accumulated losses of \$1,539,947 since inception. Its ability to continue as a going concern is dependent upon the ability of the company to generate profitable operations in the future and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due.

The company was incorporated under the Company Act of British Columbia.

Note 2 Significant Accounting Policies

The financial statements of the company have been prepared in accordance with generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgment. Actual results could differ from these estimates.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Resource Properties and Deferred Exploration Costs

The acquisition of resource properties are recorded at cost. Exploration and development costs relating to these properties are deferred until the properties are brought into production, at which time the costs are amortized on the unit of production basis, or until the properties are abandoned or sold, at which time the costs are written off. Resource properties are abandoned when the claims are no longer in good standing or the agreements covering the claims are in default, and in either case management has determined that abandonment is appropriate.

PROBE RESOURCES LTD.
NOTES TO THE FINANCIAL STATEMENTS
for the six months ended February 28, 2006

Note 3 Resource Property

<u>Larry Claim Group, Greenwood Mining Division</u>	<u>2006</u>
Acquisitions costs - cash	\$ 10,000
- shares	<u>6,000</u>
	<u>16,000</u>
Deferred exploration costs	
Consulting	79,242
Miscellaneous	1,200
Less: Mineral tax credit	<u>(11,490)</u>
	<u>\$ 84,952</u>

By an agreement dated July 30, 1997, and amended September 25, 1997, the company was granted the option to earn a 100% undivided interest in the Larry Claim Group comprised of 24 claims located in the Greenwood Mining District, Province of British Columbia. In consideration of the option, the company agreed to pay \$10,000 (paid) and issue 50,000 common shares of the company (issued). The agreement is subject to a 2.5% royalty on net profits. The company has the option to acquire the net profits royalty for additional consideration of \$100,000.

50,000 common shares were issued at a deemed price of \$0.12 to complete the acquisition of the Larry Claim Group. The deemed price is based on the trading value of the Company's share at the time of the transaction.

Note 4 Share Capital

i) Authorized:

20,000,000 common share without par value

ii) Issued:

	<u>#</u>	<u>\$</u>
Balance, August 31, 2001	10,409,101	1,733,092
Issued for cash:		
- exercise of warrants – at \$0.10	<u>3,000,000</u>	<u>300,000</u>
Balance, August 31, 2002 and February 28, 2006	<u>13,409,101</u>	<u>2,033,092</u>

iii) Escrow Shares:

At February 28, 2006, 601,125 common shares are held in escrow by the company's transfer agent. The release of these shares is subject to regulatory approval.

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NOTES TO THE FINANCIAL STATEMENTS
for the six months ended February 28, 2006

Note 5 Related Party Transactions

- a) During the period ended February 28, 2006, the Company incurred the following fees and expenses charged by directors and private companies controlled by a common director of the Company:

	<u>2006</u>	<u>2005</u>
Directors' fees	\$ 4,500	\$ 4,500
Furniture and equipment rental	5,760	5,400
Administration fees	16,000	15,000
Office	12,800	12,000
Rent	11,520	10,800
Telephone	<u>6,208</u>	<u>5,820</u>
	<u>\$ 56,788</u>	<u>\$ 53,520</u>

These charges were measured by the exchange amount which is the amount agreed upon by the transacting parties and are on terms and conditions similar to non-related entities.

At February 28, 2006, account payable includes \$1,192 (2005: \$2,660) due to directors and private companies controlled by a common director of the Company.

- b) As at February 28, 2006, \$4,480 (2005: \$190,083) of advances receivable are due from a public company with common directors. The advances are unsecured, bear interest at 10% per annum compounded quarterly and have no specific terms for repayment. During the quarter ended February 28, 2006, the Company was issued 4,067,186 shares to settle outstanding debt of \$203,359 at a deemed price of \$0.05 per share.