

**PROBE RESOURCES LTD.**

INTERIM FINANCIAL STATEMENTS

February 28, 2007

(Unaudited)

**PROBE RESOURCES LTD.**  
**INTERIM BALANCE SHEET**  
As at February 28, 2007

	<u>Feb 28,</u> <u>2007</u>	<u>Aug 31,</u> <u>2006</u>
<b><u>ASSETS</u></b>		
Current		
Cash and cash equivalents	\$ 121,439	\$ 173,018
Accounts receivable	3,637	5,682
Investments – note 3	<u>34,403</u>	<u>101,680</u>
	159,479	280,380
Capital assets	592	592
Resource properties	<u>1</u>	<u>1</u>
	<u>\$ 160,072</u>	<u>\$ 280,973</u>

**LIABILITIES**

Current		
Accounts payable	<u>\$ 24,830</u>	<u>\$ 37,289</u>

**SHAREHOLDERS' EQUITY**

Share capital	2,033,092	2,033,092
Deficit	<u>( 1,897,850)</u>	<u>(1,789,408)</u>
	<u>135,242</u>	<u>243,684</u>
	<u>\$ 160,072</u>	<u>\$ 280,973</u>

PREPARED BY MANAGEMENT  
(Unaudited)

**PROBE RESOURCES LTD.**  
**INTERIM STATEMENT OF LOSS AND DEFICIT**  
for the six months ended February 28, 2007

	3 months ended <u>Feb 28, 2007</u>	3 months ended <u>Feb 28, 2006</u>	6 months ended <u>Feb 28, 2007</u>	6 months ended <u>Feb 28, 2006</u>
Audit and accounting	\$ 5,113	\$ 4,100	\$ 6,113	\$ 5,100
Bank charges	168	185	266	262
Directors' fees – note 6	1,125	3,375	2,250	4,500
Filing fees	954	850	954	850
Furniture rental – note 6	3,267	2,970	6,534	5,760
Administration fees – note 6	9,075	8,250	18,150	16,000
Office – note 6	8,319	7,653	15,990	14,097
Parking	395	375	790	375
Regulatory compliance – note 6	9,000	-	18,000	-
Rent – note 6	6,534	5,940	13,068	11,520
Staff benefits	339	591	1,273	1,023
Telephone – note 6	3,619	3,333	7,173	6,672
Transfer agent fees	710	600	1,453	1,878
Travel and promotion	<u>1,320</u>	<u>558</u>	<u>2,495</u>	<u>1,676</u>
Loss for the period before other item	49,938	38,780	94,509	69,713
Other:				
Loss on investments	16,673	-	16,673	-
Interest income	<u>( 1,528)</u>	<u>( 5,510)</u>	<u>( 2,740)</u>	<u>( 12,609)</u>
Net loss for the period	65,083	33,270	108,442	57,104
Deficit, beginning of the period	<u>1,832,767</u>	<u>1,506,677</u>	<u>1,789,408</u>	<u>1,482,843</u>
Deficit, end of the period	<u>\$ 1,897,850</u>	<u>\$ 1,539,947</u>	<u>\$ 1,897,850</u>	<u>\$ 1,539,947</u>
Loss per share	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.01</u>	<u>\$ 0.00</u>

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(Unaudited)

**PROBE RESOURCES LTD.**  
**INTERIM STATEMENT OF CASH FLOWS**  
for the six months ended February 28, 2007

	3 months ended <u>Feb 28, 2007</u>	3 months ended <u>Feb 28, 2006</u>	6 months ended <u>Feb 28, 2007</u>	6 months ended <u>Feb 28, 2006</u>
Operating activities				
Net loss for the period	\$( 65,083)	\$( 33,270)	\$( 108,442)	\$( 57,104)
Changes in non-cash working capital items related to operations:				
Accounts receivable	( 676)	77	2,045	( 1,921)
Accounts payable	<u>( 160)</u>	<u>( 3,449)</u>	<u>( 12,459)</u>	<u>1,925</u>
	<u>( 65,919)</u>	<u>( 36,642)</u>	<u>( 118,856)</u>	<u>( 57,100)</u>
Investing activities				
Decrease/(increase) in investments	<u>67,277</u>	<u>( 203,359)</u>	<u>67,277</u>	<u>( 203,359)</u>
Financing activities				
Loan receivable	<u>-</u>	<u>200,219</u>	<u>-</u>	<u>195,226</u>
Increase/(decrease) in cash during the period	1,358	( 39,782)	( 51,579)	( 65,233)
Cash, beginning of the period	<u>120,081</u>	<u>248,441</u>	<u>173,018</u>	<u>273,892</u>
Cash, end of the period	<u>\$ 121,439</u>	<u>\$ 208,659</u>	<u>\$ 121,439</u>	<u>\$ 208,659</u>

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(Unaudited)

**PROBE RESOURCES LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the six months ended February 28, 2007

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 \$134,649 as at February 28, 2007 and has accumulated losses of \$1,897,850 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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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Note 3 Investments

Investments consist of 898 common shares of Rose Marie Resources Ltd. and 7,428 common shares of Sherritt International Corporation. As of February 28, 2007 the quoted market values for these marketable securities were \$143 and \$110,380 respectively.

Note 4 Resource Property

<u>Larry Claim Group</u>	<u>2007</u>
Balance, September 1, 2005	\$ 84,952
Consulting fees	7,500
Mineral tax credit	<u>          -</u>
	92,452
Less: amount written off	<u>( 92,451)</u>
 Balance, August 31, 2006 & February 28, 2007	 <u>\$          1</u>

The Company has a 100% undivided interest in the Larry Claim Group comprised of 24 claims located in the Greenwood Mining District, Province of British Columbia. Management does not intend to carry out additional work on this property and accordingly during the year ended August 31, 2006 wrote the carrying value down to a nominal value of \$1.

Note 5 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, 2007	 <u>13,409,101</u>	 <u>2,033,092</u>

iii) Escrow Shares:

At February 28, 2007, 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, 2007

Note 6 Related Party Transactions

- a) During the period ended February 28, 2007, the Company incurred the following fees and expenses charged by directors and private companies controlled by a common director of the Company:

	<u>2007</u>	<u>2006</u>
Directors' fees accrued	\$ 2,250	\$ 4,500
Furniture and equipment rental	6,534	5,760
Administration fees	18,150	16,000
Office	14,520	12,800
Rent	13,068	11,520
Telephone	7,038	6,208
Regulatory compliance services	<u>18,000</u>	<u>-</u>
	<u>\$ 79,560</u>	<u>\$ 56,788</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, 2007, account payable includes \$3,062 (2006: \$1,192) due to directors and private companies controlled by a common director of the Company.