

**Jasper Mining Corporation**  
(an exploration stage corporation)

**Financial Statements**

**For the three months ended March 31, 2015 and 2014**

**(unaudited – prepared by Management)**

**Notice of No Auditor Review of  
Interim Financial Statements**

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In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Corporation discloses that its auditors have not reviewed these unaudited interim financial statements as at and for the three months ended March 31, 2015 and 2014.

**Jasper Mining Corporation**  
**(an exploration stage corporation)**  
Interim Statements of Financial Position  
(unaudited)

	March 31 2015	December 31, 2014
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 26,444	\$ 36,737
Other receivables	209	11,144
	<u>26,653</u>	<u>47,881</u>
<b>Non-current assets</b>		
Mineral property security deposits	50,069	50,004
Property and equipment (Note 4)	133,914	134,360
Exploration and evaluation assets (Note 5)	188,094	187,087
	<u>372,077</u>	<u>371,451</u>
<b>Total assets</b>	<b>\$ 398,730</b>	<b>\$ 419,332</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities</b>		
Trade and other payables (Note 6)	\$ 318,283	\$ 313,890
Due to related parties (Note 12)	44,281	44,281
	<u>362,564</u>	<u>358,171</u>
<b>Shareholders' equity</b>		
Share capital (Note 7)	9,470,760	9,470,760
Warrants (Note 8)	30,976	30,976
Contributed surplus	7,133,408	7,133,408
Deficit	(16,598,978)	(16,573,983)
	<u>36,166</u>	<u>61,161</u>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 398,730</b>	<b>\$ 419,332</b>

Going concern (Note 1)

Commitment (Note 14)

# Jasper Mining Corporation

## (an exploration stage corporation)

Interim Statements of Loss and Comprehensive Loss  
(unaudited)

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	For the three months ended March 31			
	2015		2014	
Expenses				
General and administrative (Note 12)	\$	24,614	\$	28,986
Depreciation (Note 4)		446		2,353
		25,060		31,339
Finance income		65		77
Finance expense		–		(464)
Net finance income (expense) (Note 11)		65		(387)
Net loss and comprehensive loss for the period	\$	(24,995)	\$	(31,726)
Net loss per share				
Basic and diluted (Note 10)	\$	–	\$	–

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# Jasper Mining Corporation

## (an exploration stage corporation)

Interim Statements of Changes in Equity  
(unaudited)

	Number of shares	Share Capital	Warrants	Contributed Surplus	Deficit	Total Shareholders' Equity
December 31, 2014	10,587,976	\$9,470,760	\$30,976	\$7,133,408	\$(16,573,983)	\$61,161
Net loss for the period	–	–	–	–	(24,995)	(24,995)
March 31, 2015	10,587,976	\$9,470,760	\$30,976	\$7,133,408	\$(16,598,978)	\$36,166

  

	Number of shares	Share Capital	Warrants	Contributed Surplus	Deficit	Total Shareholders' Equity
December 31, 2013	10,587,976	\$9,431,898	\$28,054	\$7,098,482	\$(16,415,466)	\$142,968
Share-based compensation	–	–	–	7,933	–	7,933
Net loss for the period	–	–	–	–	(31,726)	(31,726)
March 31, 2014	10,587,976	\$9,431,898	\$28,054	\$7,106,415	\$(16,447,192)	\$119,175

# Jasper Mining Corporation

## (an exploration stage corporation)

### Interim Statements of Cash Flows

(unaudited)

	For the three months ended March 31			
	2015		2014	
Cash flows used in operating activities				
Net loss for the period	\$	(24,995)	\$	(31,726)
Add back (deduct) non-cash items:				
Depreciation		446		2,353
Share-based compensation (Note 9)		–		7,933
Change in non-cash working capital (Note 13)		5,459		14,154
		(19,090)		(7,286)
Cash flows from financing activities				
Repayments on loan		–		(2,382)
		–		(2,382)
Cash flows from investing activities				
Mineral property security deposits		(65)		276
Exploration and evaluation expenditures		(1,008)		–
Insurance settlement on vehicle		9,870		–
Change in non-cash working capital (Note 13)		–		(1,690)
		8,797		(1,414)
Change in cash		(10,293)		(11,082)
Cash, beginning of period		36,737		14,299
Cash, end of period	\$	26,444	\$	3,217
Cash interest paid	\$	–	\$	2,306
Shares issued to settle debt	\$	–	\$	6,884

# Jasper Mining Corporation

## (an exploration stage corporation)

Notes to the Interim Financial Statements

For the three months ended March 31, 2015 and 2014

(unaudited)

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### 1. REPORTING ENTITY AND GOING CONCERN:

Jasper Mining Corporation (the "Corporation") is incorporated under the laws of the Province of Alberta and is listed on the TSX Venture Exchange. The Corporation is engaged in the business of mineral exploration in Canada. The Corporation's registered office is located at 501, 888 – 4<sup>th</sup> Avenue SW, Calgary, Alberta, T2P 0V2.

To date, the Corporation has not yet determined whether its mineral claims are economically recoverable nor has it found defined reserves and it is considered to be in the exploration stage. The Corporation believes that it has established and retains satisfactory title to all of its claims.

Effective July 16, 2014, Jasper effected an 8 to 1 consolidation of its equity instruments (Note 13).

These unaudited financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis, which contemplates the realization of assets and the discharging of liabilities and commitments in the normal course of operations. The ability of the Corporation to continue to operate as a going concern is largely dependent on its ability in the near term to access sufficient new capital to satisfy its current obligations and fund future exploration and development activities. Management plans to meet its capital requirements from available funds, equity financings, sale or farm-out of assets, and cash to be provided from the exercise of options in the future. Management's assessment of the Corporation is based on its current cash flow forecast and financial model. There are material uncertainties that may cast significant doubt as to whether the Corporation is a going concern because of the following factors:

- a) As at March 31, 2015, the Corporation has a working capital deficiency of \$335,911 and no sources of revenue from its resource assets;
- b) There are significant future capital expenditures required to further explore and develop the Corporation's resource assets; and
- c) The current equity market environment may hamper the Corporation's ability to raise funds for its exploration programs.

Management's plans for addressing the above factors are as follows:

- a) The Corporation will continue to seek appropriate financing initiatives that benefit the Corporation and its shareholders.
- b) The Corporation will continue to review opportunities to enter into joint venture or farm-out arrangements or the potential sale of existing resource interests.
- c) The Corporation is looking to acquire some producing oil and gas properties.

These financial statements do not give effect to adjustments that would be necessary to the carrying values and classifications of assets and liabilities should the Corporation be unable to continue as a going concern and these adjustments could be material.

# Jasper Mining Corporation

## (an exploration stage corporation)

Notes to the Interim Financial Statements

For the three months ended March 31, 2015 and 2014

(unaudited)

### 2. BASIS OF PREPARATION:

These unaudited interim financial statements have been prepared by management in accordance with IAS 34 Interim Financial Reporting from International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. These unaudited interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited financial statements for Jasper Mining Corporation for the year ended December 31, 2014.

These financial statements were authorized for issue by the Board of Directors on May 28<sup>th</sup>, 2015.

Depreciation are presented on a separate line by their nature, while general and administrative expenses are presented on a functional basis. Significant expenses such as salaries, wages and fees and share-based compensation are presented by their nature in the notes to the financial statements.

These unaudited interim financial statements have been presented in Canadian dollars.

### 3. SIGNIFICANT ACCOUNTING POLICIES:

These unaudited interim financial statements have been prepared following the same accounting policies as described in note 3 of the audited financial statements for the year ended December 31, 2014.

### 4. PROPERTY AND EQUIPMENT:

<b>Cost</b>		<b>Land</b>		<b>Equipment</b>		<b>Total</b>
As at December 31, 2014 and March 31, 2015	\$	123,387	\$	40,205	\$	163,592
<b>Accumulated depreciation</b>						
As at December 31, 2014	\$	–	\$	29,232	\$	29,232
Depreciation		–		446		446
As at March 31, 2015	\$	–	\$	29,678	\$	29,678
<b>Net book value</b>						
As at December 31, 2014	\$	123,387	\$	10,973	\$	134,360
As at March 31, 2015	\$	123,387	\$	10,527	\$	133,914

# Jasper Mining Corporation

## (an exploration stage corporation)

Notes to the Interim Financial Statements  
For the three months ended March 31, 2015 and 2014  
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### 5. EXPLORATION AND EVALUATION ASSETS:

Cost	Isintok	McFarlane	Other	Total
As at December 31, 2014	\$ 3,654,811	\$ 3,096,395	\$ 957,370	\$ 7,708,576
Acquisition expenditures			1,007	1,007
As at March 31, 2015	3,654,811	3,096,395	958,377	7,709,583

#### Accumulated impairment

As at December 31, 2014 and March 31, 2015	3,540,944	3,044,695	935,850	\$ 7,521,489
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#### Carrying value

As at December 31, 2014

Acquisition	\$ 113,867	\$ 51,700	\$ 21,520	\$ 187,087
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As at March 31, 2015

Acquisition	\$ 113,867	\$ 51,700	\$ 22,527	\$ 188,094
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### 6. TRADE AND OTHER PAYABLES:

	March 31, 2015	December 31, 2014
Trade payables	\$ 176,317	\$ 170,624
Accruals	24,700	26,000
Flow-through share interest	117,266	117,266
	\$ 318,283	\$ 313,890

### 7. SHARE CAPITAL:

#### ISSUED:

Common Shares	Number of Shares	Amount
Balance – January 1, 2014	74,303,753	\$ 9,431,898
Consolidation of common shares	(65,015,777)	–
Unit private placement	1,300,000	43,017
Share issue costs	–	(4,155)
Balance – March 31, 2015 and December 31, 2014	10,587,976	\$ 9,470,760

# Jasper Mining Corporation

## (an exploration stage corporation)

Notes to the Interim Financial Statements  
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### 8. WARRANTS:

	Number of warrants		Value
Balance – January 1, 2014	739,286	\$	28,054
Expired	(156,250)		(19,061)
Consolidation of common shares	(537,500)		–
Issued	650,000		21,983
Balance – March 31, 2015 and December 31, 2014	695,536	\$	30,976

Summary information with respect to warrants outstanding at March 31, 2015 is provided below:

Exercise price \$	Number outstanding and exercisable	Weighted average contractual life remaining (years)	Weighted average exercise price \$
0.96	45,536	0.4	0.06
0.10	650,000	1.6	0.09
	695,536	1.52	0.16

### 9. SHARE-BASED PAYMENTS:

The following is a continuity of stock options for which shares have been reserved:

	Number of options		Weighted- average exercise price
Balance – January 1, 2014	4,600,000	\$	0.16
Consolidation of shares	(4,025,000)		–
Expired	(46,250)		(1.27)
Balance – March 31, 2015 and December 31, 2014	528,750	\$	1.32

# Jasper Mining Corporation

## (an exploration stage corporation)

Notes to the Interim Financial Statements  
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### 9. SHARE-BASED PAYMENTS: (CONTINUED)

Summary information with respect to options outstanding at March 31, 2015 is provided below:

Exercise price \$	Number outstanding	Weighted average contractual life remaining (years)	Weighted average exercise price \$	Number Exercisable
2.16	141,250	1.1	0.58	141,250
1.20	212,500	0.4	0.48	212,500
0.80	175,000	3.3	0.26	175,000
	528,750	1.5	1.32	528,750

During the three months ended March 31, 2015, the Corporation's share-based compensation expense was \$nil (2014 – \$7,933), of which all was recognized in general and administrative expenses in the statements of loss and comprehensive loss.

### 10. PER SHARE AMOUNTS:

Basic net loss per share is calculated as follows:

	Three months ended March 31	
	2015	2014
Net loss for the period	\$ (24,995)	\$ (31,726)
Weighted average number of shares:		
Issued common shares at beginning of period	10,587,976	9,287,969
Basic weighted average shares	10,587,976	9,287,969
Net loss per share – basic and diluted:	\$ (0.00)	\$ (0.00)

The effect of stock options and warrants is anti-dilutive in loss periods.

### 11. FINANCE INCOME AND EXPENSE:

	Three months ended March 31	
	2015	2014
Finance income:		
Interest on cash held in bank accounts	\$ 65	\$ 77
Finance expense:		
Interest on long term debt	–	(464)
Net finance income (expense)	\$ 65	\$ (387)

# Jasper Mining Corporation

## (an exploration stage corporation)

Notes to the Interim Financial Statements  
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### 12. RELATED PARTY TRANSACTIONS:

Except as disclosed elsewhere in these financial statements, the Corporation had the following related party transactions in the normal course of operations and measured at the exchange amount:

- a) Amounts due from/to related parties consist of amounts due from shareholders, officers and directors of the Corporation and companies controlled or significantly influenced by shareholders and officers of the Corporation. The amounts are non-interest bearing, unsecured and have no fixed terms of repayment.
- b) During the three months ended March 31, 2015, \$5,250 (March 31, 2014 - \$5,250) was charged for rent by a company owned by the President of the Corporation. Included in trade and other payables at March 31, 2015 is \$43,288 (December 31, 2014 - \$49,393) due to this company.
- c) During the three months ended March 31, 2015, a \$nil advance (December 31, 2014 - \$20,000) was provided by the President of the Corporation. At March 31, 2015, there is \$21,279 (December 31, 2014 - \$21,279) in accounts payable for advances from the President of the Corporation.
- d) During the three months ended March 31, 2015, \$5,250 (March 31, 2014 - \$5,250) was charged by a company owned by the President of the Corporation for administrative services. Included in trade and other payables at March 31, 2015 is \$43,288 (December 31, 2014 - \$37,775) due to this company.

### 13. CHANGE IN NON-CASH WORKING CAPITAL:

	Three months ended March 31			
	2015		2014	
Trade and other receivables	\$	1,066	\$	(507)
Trade and other payables		4,393		12,971
	\$	5,459	\$	12,464

The change in non-cash working capital has been allocated to the following activities:

	2015		2014	
Operating	\$	5,459	\$	14,154
Investing		–		(1,690)
	\$	5,459	\$	12,464

# **Jasper Mining Corporation**

## **(an exploration stage corporation)**

Notes to the Interim Financial Statements

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(unaudited)

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### **14. COMMITMENTS:**

Except as disclosed elsewhere in these financial statements, the Corporation had a rental commitment as at March 31, 2015 of \$21,000 per year on office premises which expires on May 31, 2016.

### **15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT:**

The Corporation's financial instruments include cash, other receivables, due to related parties, investment, mineral property security deposits, and trade and other payables. The carrying values of these financial instruments approximate their fair values due to their relatively short periods to maturity. The Corporation has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments. The Corporation has policies and processes for measuring and managing these risks. Further quantitative disclosures are included throughout these financial statements.

#### **a) Credit risk**

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Corporation's policy is to ensure that its investments are liquid.

The Corporation's other receivables relates primarily to Goods and Services Tax input tax credits. Accordingly, the Corporation views credit risk on accounts receivable as minimal and has subsequently collected the outstanding amount.

#### **b) Liquidity risk**

Liquidity risk is the risk that the Corporation will incur difficulties meeting its financial obligations as they are due. The Corporation's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Corporation's reputation.

The Corporation prepares annual expenditure budgets, which are regularly monitored and updated as considered necessary. To facilitate its expenditure program, the Corporation raises funds through private equity placements. The Corporation's liquidity position has weakened since the beginning of the year due to the cost of ongoing exploration and corporate activities exceeding funds raised during the period. Current market conditions resulting from the global credit crisis have created unfavourable terms for equity financings required for many junior mineral exploration companies, including the Corporation. As a result, the Corporation is currently evaluating alternatives to raise additional capital to improve liquidity.

As at March 31, 2015, the Corporation's financial liabilities were comprised of trade and other payables and due to related parties which have a maturity of less than one year.

# Jasper Mining Corporation

## (an exploration stage corporation)

Notes to the Interim Financial Statements

For the three months ended March 31, 2015 and 2014

(unaudited)

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### 15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT: (CONTINUED)

#### c) Market risk

Market risk consists of currency risk, commodity price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

##### i) Currency risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. Although the Corporation is considered to be in the exploration stage and has not yet developed commercial mineral interests, the underlying market prices in Canada for minerals are impacted by changes in the exchange rate between the Canadian and United States dollar. As all of the Corporation's transactions are denominated in Canadian dollars, the Corporation is not exposed to foreign currency exchange risk at this time.

##### ii) Commodity price risk

Commodity price risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollar, as outlined above. As the Corporation has not yet developed commercial mineral interests, it is not exposed to commodity price risk at this time.

##### iii) Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Corporation is exposed to interest rate risk primarily through its variable interest rate on its cash and mineral property security term deposits. For the three months ended March 31, 2015 and 2014, if interest rates had been 1% higher with all other variables held constant, loss for the periods would have been insignificant.

The Corporation did not have any interest rate contracts outstanding at March 31, 2015 or December 31, 2014.

### 16. CAPITAL MANAGEMENT:

The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue the development of its mineral properties. Therefore, the Corporation monitors the level of risk incurred in its mineral property expenditures relative to its capital structure.

The Corporation considers its capital structure to include its working capital deficit of \$335,911 (December 31, 2014 – deficit of \$310,920) and shareholders' equity of \$36,166 (December 31, 2014 – \$61,161). The Corporation monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets.

To maintain or adjust the capital structure, the Corporation may issue new equity if available on favourable terms, option its mineral properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of mineral properties.

# **Jasper Mining Corporation**

## **(an exploration stage corporation)**

Notes to the Interim Financial Statements

For the three months ended March 31, 2015 and 2014

(unaudited)

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### **16. CAPITAL MANAGEMENT: (CONTINUED)**

The Corporation's investment policy is to hold cash in interest bearing bank accounts and highly liquid short-term interest bearing investments with maturities of one year or less which can be liquidated at any time without penalties.

The Corporation is not subject to externally imposed capital requirements. There has been no change in the Corporation's approach to capital management during the three months ended March 31, 2015. The Corporation has not paid or declared any dividends since the date of incorporation, nor are any contemplated in the foreseeable future.