

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

**Interim Financial Statements**

**For the three and six months ended June 30, 2014 and 2013**

**(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 and six months ended June 30, 2014 and 2013.

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

	June 30, 2014	December 31, 2013
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 11,629	\$ 14,299
Other receivables	1,973	481
	13,602	14,780
<b>Non-current assets</b>		
Mineral property security deposits	52,754	56,342
Investment	100	100
Property and equipment (Note 4)	155,611	160,317
Exploration and evaluation assets (Note 5)	205,716	300,909
	414,181	517,668
<b>Total assets</b>	<b>\$ 427,783</b>	<b>\$ 532,448</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities</b>		
Trade and other payables (Note 6)	\$ 277,488	\$ 320,910
Due to related parties (Note 13)	39,471	37,859
Current portion of long term debt (Note 7)	12,150	12,150
	329,109	370,919
Long term debt (Note 7)	12,581	18,561
	341,690	389,480
<b>Shareholders' equity</b>		
Share capital (Note 8)	9,431,898	9,431,898
Warrants (Note 9)	19,538	28,054
Contributed surplus	7,122,863	7,098,482
Deficit	(16,488,206)	(16,415,466)
	86,093	142,968
<b>Total liabilities and shareholders' equity</b>	<b>\$ 427,783</b>	<b>\$ 532,448</b>

Going concern (Note 1)  
Commitments (Note 15)  
Subsequent events (Note 18)

# Jasper Mining Corporation

## (an exploration stage corporation)

Interim Statements of Loss and Comprehensive Loss  
(unaudited)

	Three months ended June 30		Six months ended June 30	
	2014	2013	2014	2013
Expenses				
General and administrative	\$ 38,373	\$ 23,800	\$ 67,359	\$ 47,463
Depreciation (Note 4)	2,353	3,184	4,706	6,368
	(40,726)	(26,984)	(72,065)	(53,831)
Finance income	129	105	206	211
Finance expense	417	404	881	1,047
Net finance expense (Note 12)	(288)	(299)	(675)	(836)
Loss before taxes and other	(41,014)	(27,283)	(72,740)	(54,667)
Gain on transfer of assets to settle accounts payable	–	–	–	10,548
Loss before taxes	(41,014)	(27,283)	(72,740)	(44,119)
Deferred income tax reduction	–	2,634	–	5,489
Net loss and comprehensive loss for the period	\$ (41,014)	\$ (24,649)	\$ (72,740)	\$ (38,630)
Net loss per share				
Basic and diluted (Note 11)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

# Jasper Mining Corporation

## (an exploration stage corporation)

### Interim Statements of Changes in Equity

(unaudited)

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	Number of shares	Share Capital	Warrants	Contributed Surplus	Deficit	Total Shareholders' Equity
December 31, 2013	74,303,753	\$9,431,898	\$28,054	\$7,098,482	\$(16,415,466)	\$142,968
Expiration of warrants	–	–	(8,516)	8,516	–	–
Share-based compensation	–	–	–	15,865	–	15,865
Net loss for the period	–	–	–	–	(72,740)	(72,740)
June 30, 2014	74,303,753	\$9,431,898	\$19,538	\$7,122,863	\$(16,488,206)	\$86,093

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	Number of shares	Share Capital	Warrants	Contributed Surplus	Deficit	Total Shareholders' Equity
January 1, 2013	73,437,499	\$9,384,887	\$342,454	\$6,727,493	\$(16,326,874)	\$127,960
Expiration of warrants	–	–	(323,393)	323,393	–	–
Net loss for the period	–	–	–	–	(38,630)	(38,630)
June 30, 2013	73,437,499	\$9,384,887	\$19,061	\$7,050,886	\$(16,365,504)	\$89,330

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# Jasper Mining Corporation

## (an exploration stage corporation)

### Interim Statements of Cash Flows

(unaudited)

	Three months ended June 30		Six months ended June 30	
	2014	2013	2014	2013
Cash flows used in operating activities				
Net loss for the period	\$ (41,014)	\$ (24,649)	\$ (72,740)	\$ (38,630)
Add back (deduct) non-cash items:				
Depreciation	2,353	3,184	4,706	6,368
Share-based compensation (Note 10)	7,932	–	15,865	–
Non cash gain on settlement of debt	–	–	–	4,263
Deferred income tax reduction	–	(2,634)	–	(5,489)
Change in non-cash working capital (Note 14)	(57,379)	24,350	(43,225)	41,549
	(88,108)	251	(95,394)	8,061
Cash flows from financing activities				
Repayments on loan	(1,986)	(1,883)	(4,368)	(4,671)
	(1,986)	(1,883)	(4,368)	(4,671)
Cash flows from investing activities				
Mineral property security deposits	3,313	618	3,589	1,234
Exploration and evaluation expenditures	(4,807)	(4,808)	(4,807)	(10,020)
Exploration and evaluation disposition	100,000	–	100,000	–
Other capital additions	–	–	–	(1,271)
Change in non-cash working capital (Note 14)	–	–	(1,690)	(24,810)
	98,506	(4,190)	97,092	(34,867)
Change in cash	8,412	(5,822)	(2,670)	(31,477)
Cash, beginning of period	3,217	8,326	14,299	33,981
Cash, end of period	\$ 11,629	\$ 2,504	\$ 11,629	\$ 2,504
Cash interest paid	\$ 404	\$ 770	\$ 1,047	\$ 1,581

# Jasper Mining Corporation

## (an exploration stage corporation)

Notes to the Interim Financial Statements

For the three and six months ended June 30, 2014 and 2013

(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.

These unaudited interim 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 June 30, 2014, the Corporation has a working capital deficiency of \$315,507 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; and
- b) During the quarter ending June 30, 2014, the Corporation sold the Irony property for cash proceeds of \$100,000, see (note 5).
- c) The Corporation will continue to review opportunities to enter into joint venture or farm-out arrangements or the potential sale of existing resource interests.

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 and six months ended June 30, 2014 and 2013

(unaudited)

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### 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, 2013.

These financial statements were authorized for issue by the Board of Directors on August 27th, 2014.

Depreciation is presented on a separate line by its 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, 2013. In addition, the following new policies have been adopted effective January 1, 2014:

IAS 32 *Financial Instruments: Presentation* was amended in May 2012 for offsetting financial assets and financial liabilities to provide additional guidance to consider when determining if the arrangement meets the criteria for legally enforceable right of offset and intent to settle net. These amendments were effective for annual periods beginning on or after January 1, 2014. Earlier application is permitted when applied with corresponding amendment to disclosure requirements in IFRS 7. The amendments to IFRS 7 include disclosure requirements on the right of offset of financial instruments or those that are subject to master netting agreements.

IAS 36 *Impairment of Assets* was amended in May 2013 to provide more guidance on the requirement to disclose the recoverable amount of impaired assets where the measurement of recoverable amount is based on fair value less costs to sell which would include disclosure on the discount rate when a present value technique is used. The amendments were effective for annual periods beginning on or after January 1, 2014.

IFRIC 21 *Levies* was released in May 2013 to provide guidance on the accounting for levies. IFRIC 21 indicates that entities are required to recognize a liability for a levy when the activity that triggers the payment of the levy, as defined by the legislation, occurs. The liability would be recognized progressively if the obligating event occurs over a period of time once the minimum threshold to trigger the level is reached. This guidance is effective for annual periods beginning on or after January 1, 2014. Early adoption is permitted.

There has been no impact on the financial statements as a result of the adoption of these standards.



# Jasper Mining Corporation

## (an exploration stage corporation)

Notes to the Interim Financial Statements

For the three and six months ended June 30, 2014 and 2013

(unaudited)

### 4. PROPERTY AND EQUIPMENT:

	Land	Equipment	Total
<b>Cost</b>			
As at January 1, 2013	\$ 123,387	\$ 137,464	\$ 260,851
Expenditures		1,271	1,271
Dispositions	–	(42,610)	(42,610)
As at December 31, 2013 and June 30, 2014	\$ 123,387	\$ 96,125	\$ 219,512
<b>Accumulated depreciation</b>			
As at January 1, 2013	\$ –	\$ 84,808	\$ 84,808
Disposition	–	(38,349)	(38,349)
Depreciation	–	12,736	12,736
As at December 31, 2013	\$ –	\$ 59,195	\$ 59,195
Depreciation	–	4,706	4,706
As at June 30, 2014	\$ –	\$ 63,901	\$ 63,901
<b>Net book value</b>			
As at December 31, 2013	\$ 123,387	\$ 36,930	\$ 160,317
As at June 30, 2014	\$ 123,387	\$ 32,224	\$ 155,611

# Jasper Mining Corporation

## (an exploration stage corporation)

Notes to the Interim Financial Statements

For the three and six months ended June 30, 2014 and 2013

(unaudited)

### 5. EXPLORATION AND EVALUATION ASSETS:

<b>Cost</b>	<b>Isintok</b>	<b>McFarlane</b>	<b>Other</b>	<b>Total</b>
As at January 1, 2013	\$ 3,654,811	\$ 3,096,395	\$ 1,022,682	\$ 7,773,888
Acquisition expenditures	–	–	26,580	26,580
As at December 31, 2013	\$ 3,654,811	\$ 3,096,395	\$ 1,049,262	\$ 7,800,468
Disposition	–	–	(100,000)	(100,000)
Acquisition expenditures	–	–	4,807	4,807
As at June 30, 2014	3,654,811	3,096,395	954,069	7,705,275
<b>Accumulated impairment</b>				
As at January 1, 2013	\$ 3,540,944	\$ 3,044,695	\$ 1,008,708	\$ 7,594,347
Acquisition impairment	–	–	5,212	5,212
Reversal exploration impairment	–	–	(100,000)	(100,000)
As at December 31, 2013 and June 30, 2014	\$ 3,540,944	\$ 3,044,695	\$ 913,920	\$ 7,499,559
<b>Carrying value</b>				
As at December 31, 2013				
Acquisition	\$ 113,867	\$ 51,700	\$ 35,342	\$ 200,909
Exploration	–	–	100,000	100,000
	\$ 113,867	\$ 51,700	\$ 135,342	\$ 300,909
As at June 30, 2014				
Acquisition	\$ 113,867	\$ 51,700	\$ 40,149	\$ 205,716
Exploration	–	–	–	–
	\$ 113,867	\$ 51,700	\$ 40,149	\$ 205,716

During the quarter ended June 30, 2014, the Corporation sold the Irony claims to a third party for cash consideration of \$100,000. The costs for Irony were written off in prior periods; therefore, the carrying value was nil. This sale determined the recoverable amount to be \$100,000 resulting in the reversal of impairment of \$100,000 in the year ended December 31, 2013.

# Jasper Mining Corporation

## (an exploration stage corporation)

Notes to the Interim Financial Statements

For the three and six months ended June 30, 2014 and 2013

(unaudited)

### 6. TRADE AND OTHER PAYABLES:

	June 30, 2014	December 31, 2013
Trade payables	\$ 152,971	\$ 172,228
Accruals	12,835	37,000
Flow-through share interest	111,682	111,682
	<b>\$ 277,488</b>	<b>\$ 320,910</b>

### 7. LONG TERM DEBT:

In May 2011, the Corporation obtained vehicle purchase financing in the amount of \$58,814 with an implicit interest rate of 6.24% per annum having blended payments of \$1,144 each month from June 2011 to May 2016 and secured by the vehicle with a net book value of \$23,635. As at June 30, 2014, the balance of the loan outstanding was \$24,731 which represents \$12,150 due within the next year and \$12,581 due for the remainder of the lease.

### 8. SHARE CAPITAL:

#### ISSUED:

Common Shares	Number of Shares	Amount
Balance – January 1, 2013	73,437,499	\$ 9,384,887
Unit private placement	728,572	42,007
Debt conversion	137,682	6,884
Share issue costs	–	(1,880)
Balance – June 30, 2014 and December 31, 2013	74,303,753	\$ 9,431,898

### 9. WARRANTS:

	Number of warrants	Value
Balance – January 1, 2013	2,552,654	\$ 342,454
Issued	364,286	8,993
Expired	(2,177,654)	(323,393)
Balance – December 31, 2013	739,286	\$ 28,054
Expired	(125,000)	(8,516)
Balance – June 30, 2014	614,286	\$ 19,538

# Jasper Mining Corporation

## (an exploration stage corporation)

Notes to the Interim Financial Statements

For the three and six months ended June 30, 2014 and 2013

(unaudited)

### 9. WARRANTS (CONTINUED):

Summary information with respect to warrants outstanding at June 30, 2014 is provided below:

Exercise price \$	Number outstanding and exercisable	Weighted average contractual life remaining (years)	Weighted average exercise price \$
0.12	364,286	1.10	0.12
0.20	250,000	0.30	0.20
	614,286	0.77	0.16

### 10. 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, 2013	4,575,000	\$ 0.30
Issued	1,500,000	0.10
Expired	(1,475,000)	0.30
Balance – June 30, 2014 and December 31, 2013	4,600,000	\$ 0.16

Summary information with respect to options outstanding at June 30, 2014 is provided below:

Exercise price \$	Number outstanding	Weighted average contractual life remaining (years)	Weighted average exercise price \$	Number exercisable
0.10	1,500,000	4.0	0.10	750,000
0.15	1,900,000	1.0	0.15	1,900,000
0.27	1,200,000	1.7	0.27	1,200,000
	4,600,000	2.16	0.16	3,850,000

During the three and six months ended June 30, 2014 the Corporation's share-based compensation expense was \$7,933 and \$15,865 (2013 – \$nil and \$nil), of which all was recognized in general and administrative expenses in the statement of loss and comprehensive loss.

# Jasper Mining Corporation

## (an exploration stage corporation)

Notes to the Interim Financial Statements

For the three and six months ended June 30, 2014 and 2013

(unaudited)

### 11. PER SHARE AMOUNTS:

Basic net loss per share is calculated as follows:

	Three months ended June 30		Six months ended June 30	
	2014	2013	2014	2013
Net loss for the period	\$ (41,014)	\$ (24,649)	\$ (72,740)	\$ (38,630)
Weighted average number of shares				
Issued common shares at beginning of period	74,303,753	73,437,499	74,303,753	73,437,499
Shares issued		–		–
Basic weighted average shares	74,303,753	73,437,499	74,303,753	73,437,499
Net loss per share – basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

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

### 12. FINANCE INCOME AND EXPENSE:

	Three months ended June 30		Six months ended June 30	
	2014	2013	2014	2013
Finance income:				
Interest on cash held in bank accounts	\$ 129	\$ 105	\$ 206	\$ 211
Finance expense:				
Interest on long term debt	417	404	881	1,047
Net finance expense	\$ (288)	\$ (299)	\$ (675)	\$ (836)

### 13. 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 and six months ended June 30, 2014, \$5,250 and \$10,500 (June 30, 2013 - \$5,250 and \$10,500) was charged for rent by a company owned by the President of the Corporation. Included in trade and other payables at June 30, 2014 is \$20,975 (December 31, 2013 - \$25,725) due to this company.

# Jasper Mining Corporation

## (an exploration stage corporation)

Notes to the Interim Financial Statements

For the three and six months ended June 30, 2014 and 2013

(unaudited)

### 13. RELATED PARTY TRANSACTIONS (CONTINUED):

- c) The Corporation has a receivable of \$677 (December 31, 2013 - \$777) from Jasper Diamonds Inc., 50% owned by the President of the Corporation.
- d) During the three and six months ended June 30, 2014, a \$nil advance (June 30, 2013 - \$20,000) was provided by the President of the Corporation. At June 30, 2014, there is \$20,048 (December 31, 2013 - \$18,636) in accounts payable for expense advances from the President of the Corporation.
- e) During the three and six months ended June 30, 2014, \$5,250 and \$10,500 (June 30, 2013 - \$5,250 and \$10,500) was charged by a company owned by the President of the Corporation for administrative services. Included in trade and other payables at June 30, 2014 is \$26,750 (December 31, 2013 - \$38,393) due to this company.

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

	Three months ended June 30		Six months ended June 30	
	2014	2013	2014	2013
Trade and other receivables	\$ (985)	\$ (149)	\$ (1,492)	\$ (316)
Due to related parties	–	662	–	22,462
Trade and other payables	(56,394)	23,837	(43,423)	(5,407)
	\$ (57,379)	\$ 24,350	\$ (44,915)	\$ 16,739

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

	Three months ended June 30		Six months ended June 30	
	2014	2013	2014	2013
Operating	\$ (57,379)	\$ 24,350	\$ (43,225)	\$ 41,549
Investing	–	–	(1,690)	(24,810)
	\$ (57,379)	\$ 24,350	\$ (44,915)	\$ 16,739

### 15. COMMITMENTS:

Except as disclosed elsewhere in these financial statements, the Corporation had the following commitments as at June 30, 2014:

- a) The Corporation has a rental agreement on office premises which expires on May 31, 2016 for rental commitments of \$21,000 per year.

# Jasper Mining Corporation

## (an exploration stage corporation)

Notes to the Interim Financial Statements

For the three and six months ended June 30, 2014 and 2013

(unaudited)

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### 16. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT:

The Corporation's financial instruments include cash, other receivables, due to related parties, investment, mineral property security deposits, trade and other payables, and long term debt. 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.

There have been no significant changes in these risks or the approach to managing the risks since what was disclosed in the Corporation's annual audited financial statements for the year ended December 31, 2013.

#### 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 June 30, 2014, 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 and long term debt.

# Jasper Mining Corporation

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For the three and six months ended June 30, 2014 and 2013

(unaudited)

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### 16. 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 and six months ended June 30, 2014 and 2013, 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 June 30, 2014 or December 31, 2013.

### 17. 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 \$315,507 (December 31, 2013 – deficit of \$356,139) and shareholders' equity of \$86,093 (December 31, 2013 – \$142,968). 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)**

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(unaudited)

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### **17. 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 and six months ended June 30, 2014. The Corporation has not paid or declared any dividends since the date of incorporation, nor are any contemplated in the foreseeable future.

### **18. SUBSEQUENT EVENT:**

The Corporation has passed a directors' resolution to consolidate its present issued and outstanding common shares on an 8 to1 basis. The total outstanding shares to date are 74,303,753 which would be consolidated to 9,287,970 common shares outstanding. The Corporation is awaiting approval with the regulatory authorities.