Jasper Mining Corporation

(an exploration stage corporation)

Interim Financial Statements

For the three months ended March 31, 2013 and 2012

(unaudited – prepared by Management)

Notice of No Auditor Review of Interim Financial Statements

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, 2013 and 2012.

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

		March 31, 2013		December 31, 2012
Assets				
Current assets				
Cash	$	8,326	$	33,981
Due from related parties (Note 14)		–		13,599
Other receivables (Note 4)		1,231		1,064
		9,557		48,644
Non-current assets				
Mineral property security deposits		64,046		64,662
Investment		100		100
Property and equipment (Note 5)		169,869		176,043
Exploration and evaluation assets (Note 6)		184,753		179,541
		418,768		420,346
Total assets	$	428,325	$	468,990
Liabilities and Shareholders' Equity				
Current liabilities				
Trade and other payables (Note 7)	$	255,279	$	284,521
Due to related parties (Note 14)		8,201		–
Share premium liability		11,525		14,380
Current portion of long term debt (Note 8)		11,417		11,417
		286,422		310,318
Long term debt (Note 8)		27,924		30,712
		314,346		341,030
Shareholders' equity				
Share capital (Note 9)		9,384,887		9,384,887
Warrants (Note 10)		107,466		342,454
Contributed surplus		6,962,481		6,727,493
Deficit		(16,340,855)		(16,326,874)
		113,979		127,960
Total liabilities and shareholders' equity	$	428,325	$	468,990

Going concern (Note 1)
Commitments (Note 16)

Jasper Mining Corporation

(an exploration stage corporation)

Interim Statements of Loss and Comprehensive Loss
For the three months ended March 31
(unaudited)

	2013	2012
Expenses		
General and administrative (Note 11)	$ 23,663	$ 83,382
Depreciation	3,184	4,916
Loss from operations	(26,847)	(88,298)
Finance income	106	93
Finance expense	(643)	(811)
Net finance expense (Note 13)	(537)	(718)
Loss for the period	(27,384)	(89,016)
Gain on settlement of accounts payable (Note 5)	10,548	–
Deferred income tax reduction	2,855	8,530
Net loss and comprehensive loss for the period	$ (13,981)	$ (80,486)
Net loss per share		
Basic and diluted (Note 12)	$ –	$ –

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
January 1, 2013	73,437,499	$9,384,887	$342,454	$6,727,493	$(16,326,874)	$127,960
Expiration of warrants			(234,988)	234,988		–
Net loss for the period					(13,981)	(13,981)
March 31, 2013	73,437,499	$9,384,887	$107,466	$6,962,481	$(16,340,855)	$113,979

	Number of shares	Share Capital	Warrants	Contributed Surplus	Deficit	Total Shareholders' Equity
January 1, 2012	72,687,499	$9,331,625	$344,507	$6,670,907	$(9,900,708)	$6,446,331
Share-based compensation	–	–	–	35,472	–	35,472
Net loss for the period	–	–	–	–	(80,486)	(80,486)
March 31, 2012	72,687,499	$9,331,625	$344,507	$6,706,379	$(9,981,194)	$6,401,317

Jasper Mining Corporation
(an exploration stage corporation)
Interim Statements of Cash Flows
For the three months ended March 31
(unaudited)

		2013		2012
Cash flows from (used in) operating activities				
Net loss for the period	$	(13,981)	$	(80,486)
Add back (deduct) non-cash items:				
Depreciation		3,184		4,916
Share-based compensation		–		35,472
Non cash gain on settlement of accounts payable (Note 5)		4,263		–
Deferred income tax reduction		(2,855)		(8,530)
Change in non-cash working capital (Note 15)		17,200		15,342
		7,811		(33,286)
Cash flows from financing activities				
Payments on loan		(2,788)		(2,620)
		(2,788)		(2,620)
Cash flows used in investing activities				
Mineral property security deposits		615		872
Exploration and evaluation expenditures		(5,212)		(24,525)
Other capital additions		(1,271)		–
Change in non-cash working capital (Note 15)		(24,810)		(67,921)
		(30,678)		(91,574)
Change in cash and cash equivalents		(25,655)		(127,480)
Cash, beginning of period		33,981		136,029
Cash, end of period	$	8,326	$	8,549
Cash interest paid	$	643	$	811

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 – 4th 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 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 share 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, 2013, the Corporation has a working capital deficiency of $276,865 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) The Corporation will continue to review opportunities to enter into joint venture/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.

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, 2012.

These financial statements were authorized for issue by the Board of Directors on May 30, 2013.

Operating expenses in the statement of loss are presented as a combination of function and nature in conformity with industry practice. Depletion and depreciation are presented on a separate line by their nature, while operating expenses and net 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, 2012. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

<u>New accounting policies</u>

Effective January 1, 2013, the Company adopted IFRS 10 *Consolidated Financial Statements,* IFRS 11 *Joint Arrangements,* IFRS 12 *Disclosure of Interests in Other Entities,* and IFRS 13 *Fair Value Measurement*. There has been no impact on the financial statements as a result of the adoption of these standards.

4. OTHER RECEIVABLES:

	March 31, 2013	December 31, 2012
GST	$ 1,231	$ 1,064

5. PROPERTY AND EQUIPMENT:

		Land		Equipment		Total
Cost						
As at January 1, 2012	$	123,387	$	165,741	$	289,128
Expenditures (dispositions)		–		(28,277)		(28,277)
As at December 31, 2012	$	123,387	$	137,464	$	260,851
Expenditures		–		1,271		1,271
Dispositions		–		(42,610)		(42,610)
As at March 31, 2013	$	123,387	$	96,125	$	219,512
Accumulated depreciation						
As at January 1, 2012	$	–	$	92,364	$	92,364
Disposition				(28,278)		(28,278)
Depreciation		–		20,722		20,722
As at December 31, 2012	$	–	$	84,808	$	84,808
Disposition		–		(38,349)		(38,349)
Depreciation		–		3,184		3,184
As at March 31, 2013	$	–	$	49,643	$	49,643
Net book value						
As at December 31, 2012	$	123,387	$	52,656	$	176,043
As at March 31, 2013	$	123,387	$	46,482	$	169,869

During the quarter ended March 31, 2013, accounts payable in the amount of $14,811 were settled by the transfer of ownership of a vehicle, which had a carrying value of $4,263, resulting in a gain on settlement of $10,548. The gain is calculated based on the difference between the net disposal proceeds, which is estimated to be the fair value of the accounts payable settled, and the carrying value of the asset transferred.

6. EXPLORATION AND EVALUATION ASSETS:

Cost	Isintok	McFarlane	Other	Total
As at January 1, 2012	$ 3,654,811	$ 3,090,255	$ 991,833	$ 7,736,899
Acquisition expenditures	–	–	13,772	13,772
Exploration expenditures	–	6,140	17,077	23,217
As at December 31, 2012	$ 3,654,811	$ 3,096,395	$ 1,022,682	$ 7,773,888
Acquisition expenditures	–	–	5,212	5,212
Exploration expenditures	–	–	–	–
As at March 31, 2013	$ 3,654,811	$ 3,096,395	$ 1,027,894	$ 7,779,100
Accumulated impairment				
As at January 1, 2012	$ –	$ –	$ 275,698	$ 275,698
Acquisition impairment	–	–	17,946	17,946
Exploration impairment	3,540,944	3,044,695	715,064	7,300,703
As at March 31, 2013 and December 31, 2012	$ 3,540,944	$ 3,044,695	$ 1,008,708	$ 7,594,347
Net book value				
As at December 31, 2012				
Acquisition	$ 113,867	$ 51,700	$ 13,974	$ 179,541
As at March 31,2013				
Acquisition	$ 113,867	$ 51,700	$ 19,186	$ 184,753

7. TRADE AND OTHER PAYABLES:

	March 31, 2013	December 31, 2012
Trade payables	$ 126,673	$ 140,915
Accruals	22,000	37,000
Flow-through share interest	106,606	106,606
	$ 255,279	$ 284,521

8. 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 $31,232. As at March 31, 2013, the balance of the loan outstanding was $39,341 which represents $11,417 due within the next year and $27,924 due for the remainder of the period.

9. SHARE CAPITAL:

ISSUED:

Common Shares	Number of Shares		Amount
Balance – January 1, 2012	72,687,499	$	9,331,625
Unit private placement	250,000		16,484
Unit private placement	500,000		39,455
Share issue costs	–		(2,677)
Balance – March 31, 2013 and December 31, 2012	73,437,499	$	9,384,887

10. WARRANTS:

	Number of warrants		Value
Balance – January 1, 2012	2,366,225	$	344,507
Issued	125,000		8,516
Issued	250,000		10,545
Expired	(188,571)		(21,114)
Balance – December 31, 2012	2,552,654	$	342,454
Expired	(1,594,000)		(234,988)
Balance – March 31, 2013	958,654	$	107,466

Summary information with respect to warrants outstanding at March 31, 2013 is provided below:

Exercise price $	Number outstanding and exercisable	Weighted average contractual life remaining (years)	Weighted average exercise price $
0.20	375,000	1.47	0.20
0.45	583,654	0.13	0.45
	958,654	0.66	0.35

11. 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, 2012	5,560,494	$	0.24
Expired	(985,494)		(0.34)
Balance – March 31, 2013 and December 31, 2012	4,575,000	$	0.23

Summary information with respect to options outstanding at March 31, 2013 is provided below:

Exercise price $	Number outstanding	Weighted average contractual life remaining (years)	Weighted average exercise price $	Number exercisable
0.15	1,900,000	2.3	0.15	1,900,000
0.26	300,000	1.2	0.26	300,000
0.27	1,200,000	3.0	0.27	1,200,000
0.30	1,175,000	0.4	0.30	1,175,000
	4,575,000	1.92	0.23	4,575,000

During the three months ended March 31, 2013 the Corporation's share based compensation expense was $nil (March 31, 2012 – $35,472), of which all was recognized in general and administrative expense in the statement of loss and comprehensive loss.

12. PER SHARE AMOUNTS:

Basic net loss per share is calculated as follows:

	Three months ended March 31			
		2013		2012
Net loss for the period	$	(13,981)	$	(80,486)
Basic and fully diluted weighted average shares		73,437,499		72,687,498
Net loss per share – basic and diluted:	$	(0.00)	$	(0.00)

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

13. FINANCE INCOME AND EXPENSE:

	Three months ended March 31 2013		2012
Finance income:			
Interest on cash held in bank accounts	$	106 $	93
Finance expense:			
Interest on long term debt		(643)	(811)
Net finance (expense)	$	(537) $	(718)

14. 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 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) A total of $5,250 (March 31, 2012 - $5,250) was charged by a company owned by the President for rent. Included in trade and other payables at March 31, 2013 is $9,188 (December 31, 2012 - $3,675) due to this company.

c) The Corporation has a receivable of $777 (December 31, 2012 - $777) from Jasper Diamonds Inc., 50% owned by the President of the Corporation at period end.

d) During the three months ended March 31, 2013, $20,000 (December 31, 2012 - $nil) advance and $1,800 of expenses was given/paid by the President of the corporation. This amount was settled by reducing the receivable due from the President of the Corporation. At March 31, 2013, there is $8,201 (December 31, 2012- ($12,822)) in accounts payable (receivable) for expense advances from (to) the President of the Corporation.

e) A total of $5,250 (March 31, 2012 - $5,250) was charged by a company owned by the President for administrative services. Included in trade and other payables at March 31, 2013 is $21,780 (December 31, 2012 - $16,530) due to this company.

15. CHANGE IN NON-CASH WORKING CAPITAL:

	Three months ended March 31	
	2013	2012
Other receivables	$ (167)	$ 4,823
Due from related parties	21,800	(140)
Trade and other payables	(29,243)	(57,262)
	$ (7,610)	$ (52,579)

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

	Three months ended March 31	
	2013	2012
Operating	$ 17,200	$ 15,342
Investing	(24,810)	(67,921)
	$ (7,610)	$ (52,579)

16. COMMITMENTS:

Except as disclosed elsewhere in these financial statements, the Corporation had the following commitments as at March 31, 2013:

a) Pursuant to flow-through financings completed in November and December 2009, the Corporation was to have incurred $1,050,000 of qualifying flow-through expenditures by December 2010. Approximately $36,989 of the qualifying expenditures were incurred to December 31, 2012($981,506 to December 31, 2011) and an additional $5,212 has been incurred to March 31, 2013. The Corporation anticipates that it will incur the remaining $26,291 during the remainder of 2013.

b) The Corporation has a rental agreement of $8,750 total on office premises which terminates on May 31, 2013. The agreement has been renewed for a three year term expiring on May 31, 2016 resulting in additional commitments of $21,000 per year.

17. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANANGEMENT:

The Corporation's financial instruments include cash, other receivables, due from 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 disclosed in the Corporation's annual audited financial statements for the year ended December 31, 2012.

17. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANANGEMENT: (CONTINUED)

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 and not invested in asset-backed commercial paper products.

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, 2013, the Corporation's financial liabilities were comprised of trade and other payables which have a maturity of less than one year and long term debt.

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.

17. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANANGEMENT: (CONTINUED)

c) Market risk (continued)

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, 2013, if interest rates had been 1% higher with all other variables held constant, loss for the period would have been $68 lower (March 31, 2012 – $65) due to increased interest income. An equal and opposite impact would have occurred had interest rates been lower by the same amounts.

The Corporation did not have any interest rate contracts outstanding at March 31, 2013 or 2012.

18. 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 $276,865 (December 31, 2012 – deficit of $261,674) and shareholders' equity of $113,979 (December 31, 2012 – $127,960). 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.

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, 2013. The Corporation has not paid or declared any dividends since the date of incorporation, nor are any contemplated in the foreseeable future.