

JASPER MINING CORPORATION
Management's Discussion and Analysis (Form 51-102F1)
March 31, 2007

The following discussion and analysis of financial results for the quarter ending March 31, 2007 should be read in conjunction with the Corporation's March 31, 2007 unaudited interim consolidated financial statements and the December 31, 2006 audited consolidated financial statements and related notes. Certain statements included in this discussion constitute forward-looking statements that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements expressed or implied by such forward-looking statements. Such factors include general economic and business conditions, which among other things, affect demand for the Corporation's services; industry capacity; the ability of the Corporation to implement its business strategy; and changes in, or the failure to comply with government regulations, especially health, safety and environmental law, regulations and guidelines.

The date of this Management's Discussion and Analysis ("MD&A") is May 28, 2007.

It is assumed by Management that the reader has access to the previously filed MD&A.

OVERVIEW

Jasper Mining Corporation (the "Corporation"), is an Alberta provincially incorporated company that operates as a junior mining company in the Province of British Columbia through its wholly owned subsidiary Mountain Star Resources Ltd..

The carrying value of mineral properties reported in the Corporation's financial statements represents costs incurred to date, net of abandonment's and write-downs, and do not necessarily reflect present or future values. The ability of the Corporation to continue as a going concern and the recoverability of amounts shown for mineral properties is dependent upon the existence of economically recoverable mineral reserves, the ability of the Corporation to obtain necessary financing to complete their development and upon future profitable operations. These consolidated financial statements have been prepared on a going concern basis, which assumes the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. These consolidated financial statements do not include any adjustments that would be necessary should the Corporation be unable to raise sufficient capital and consequently be unable to continue as a going concern.

Jasper's sole business is the exploration and development of mining properties located in the Province of British Columbia. Jasper's business plan has been to acquire 100% working interest properties that have indications of known mineralization. The Corporation has undertaken an extensive review of the B.C. mines department's public records and private corporate records in order to locate properties that management of Jasper believe are mineral properties of merit. Jasper has acquired its properties by share purchase agreements, options to purchase, staking, and a combination of these methods.

Once acquired, Jasper's strategy has been to develop a systematic exploration approach, which generally includes gathering and assimilating all known reports and data on a particular property, conducting geological mapping to determine rock type and structure followed by geophysical work which usually includes airborne magnetic, electromagnetic and radiometric followed by diamond drilling, if warranted.

The Corporation has raised additional funds to meet both its general and administrative expenses for the year, and to enable it to undertake further exploration and development on its mineral properties.

The 2007 drilling program is dictated by the airborne geophysical results produced by the two geophysical consultants used by the Corporation, Fugro Airborne Surveys and Aeroquest Surveys. Most of the final interpretations for the properties have been received and drill locations are being chosen based on the airborne geophysical results, soils results and, in the case of Isintok, the IP results.

The Corporation's systematic exploration approach is, in the opinion of management, paying off and the 2007 drilling program will be dictated by surface geology, soils geochemistry and geophysics, both airborne and ground (IP). As of the writing of this report, the Corporation has three soil sampling crews in the field on the Corporation's properties, collecting soil samples for geochemical analysis.

The Corporation commenced diamond drilling on the Erie Creek property in January 2007. The Corporation has drilled approximately ten holes from six different locations on the property. The holes have encountered copper, molybdenum and elevated tungsten. Certified assays for all of the holes are not, as yet, available. The Corporation is encouraged with the preliminary drilling results at Erie Creek. It should be noted that only a small portion of the Erie Creek has been drilled.

Immediately following drilling at Erie Creek, the Corporation moved the rig to McFarlane Creek where the Corporation has been drilling for three weeks. Some of the drill sites have been supported by helicopter drill moves. As drilling at McFarlane Creek is in its early stages, no reportable results are available.

The Corporation's exploration plans for the balance of the 2007 exploration season are in accordance with the plans outlined for each property in the December 31, 2006 MD&A. The actual timing of the exploration on the Corporation's various properties will vary as a result of weather related issues.

RESULTS OF OPERATIONS

Three months ended March 31

During the three months ended March 31, 2007, the Corporation incurred a net loss of \$138,782 compared to a net loss of \$153,524 during the same 2006 period.

Interest expense for the three months ended March 31, 2007 decreased to \$9,655 from \$23,697 for the comparative period in 2006. The 2007 interest expense is a result of the unspent portion of flow-through expenditures from the 2005 flow-through monies. The interest expense will be required to be paid at the end of February 2008.

Interest income for the three months ended March 31, 2007 was \$15,731 as compared to \$26,322 in 2006. The Corporation redeemed \$250,000 of the term deposit to spend on exploration and development of the mining claims.

Stock-based compensation expense was of \$90,792 compared to \$72,525 for the 2006 period. 2007 stock-based compensation relates to options granted during 2006 that vest during 2006 and

2007.

SELECTED QUARTERLY INFORMATION

	2007			
	March 31			
\$				
Mineral properties	6,248,172			
Total assets	7,752,498			
Working capital	918,636			
Shareholders' equity	6,038,698			
Net loss	(138,782)			
Net loss per share	0.00			
	2006			
	March 31	June 30	September 30	December 31
\$				
Mineral properties	3,207,770	4,004,225	5,086,688	5,804,075
Total assets	7,327,030	7,569,462	7,749,682	7,630,104
Working capital	3,831,105	3,060,869	2,016,825	1,206,588
Shareholders' equity	5,702,722	5,953,355	6,013,018	5,985,178
Net loss	(153,524)	(168,228)	(249,161)	(550,437)
Net loss per share	–	–	(0.01)	(0.01)
	2005			
	March 31	June 30	September 30	December 31
\$				
Mineral properties	2,200,949	2,373,144	2,784,618	3,097,541
Total assets	2,973,791	2,822,995	4,213,719	7,322,190
Working capital	664,393	315,593	1,209,303	3,757,159
Shareholders' equity	1,890,680	1,859,079	3,433,757	6,617,335
Net loss	(34,935)	(51,397)	(63,075)	(373,600)
Net loss per share	–	–	–	(0.02)

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2007, the Corporation had working capital of \$918,636 compared to \$1,206,588 as at December 31, 2006. The reduction in working capital is primarily related to \$430,178 of mineral property expenditures, \$4,910 of expenditures on mineral property deposits and the repayment of long-term debt and \$42,864 of funds used by operations offset by \$190,000 of proceeds received on the exercise of warrants.

FINANCING ACTIVITIES

During the first quarter of 2007, the Corporation raised \$190,000 of cash by way of exercise of 600,000 warrants.

MINERAL PROPERTY AND OTHER CAPITAL SPENDING

During the period ended March 31, 2007, the Corporation incurred \$430,178 of cash expenditures and \$13,919 of capitalized stock options, on mineral properties are summarized below:

Property	Type of Expenditure	Amount
Vowell Creek	Acquisition	\$ —
	Exploration	2,767
Isintok	Acquisition	—
	Exploration	59,963
Lydy/McFarlene	Acquisition	260
	Exploration	17,257
Proximal	Acquisition	—
	Exploration	435
Erie Creek	Acquisition	4,268
	Exploration	326,443
Irony	Acquisition	11,793
	Exploration	7,317
Other	Acquisition	11,637
	Exploration	1,957
		\$ 444,097

INCOME TAX

The \$14,500 tax effect of the \$50,000 flow-through share proceeds raised in 2006 was recorded in February 2007 when the tax benefits were filed with the tax authorities and renounced to investors with an effective date of December 31, 2006. In addition, a future tax provision in the amount of \$1,676 was reflected in the three months ended March 31, 2007.

As at March 31, 2007, the Corporation had approximately \$1,700,000 (December 31, 2006 – \$1,650,000) of tax pools and \$1,388,000 (2006 \$1,385,000) of non-capital losses available for deduction against future taxable income. The non-capital losses expire between 2007 and 2015.

RELATED PARTY BALANCES AND TRANSACTIONS

Except as disclosed elsewhere in the financial statements, the Corporation had the following related party transactions during the three months ended March 31, 2007:

- a) A total of \$11,025 (2006 – \$5,250) was charged by a Corporation owned by the president for rent and administrative services.
- b) Consulting fees of \$76,186 (2006 – \$30,048) was paid to a company owned by an officer of the Corporation and capitalized to exploration and development costs.

Transactions in the normal course of operations were recorded at exchange amounts, which is the amount of consideration established and agreed to by the related parties.

SHARE CAPITAL

Common shares

The Corporation commenced 2007 with 46,985,053 shares outstanding. During the quarter the Corporation issued 600,000 common shares on the exercise of warrants resulting in 47,585,053 common shares outstanding as at March 31, 2007 and the date of this MD&A.

Warrants

At the beginning of 2007, the Corporation had 7,409,107 warrants outstanding. During the quarter the following changes occurred:

- 600,000 common shares on the exercise of warrants
- 1,790,000 warrants expired in the quarter

As at March 31, 2007 the Corporation had 5,019,107 warrants outstanding. There has been no change in the number of warrants outstanding as at the date of this MD&A.

Stock options

The Corporation had 5,452,500 stock options outstanding at the beginning of the year and at the March 31, 2007. There has been no change in the number of options outstanding as at the date of this MD&A.

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

Flow-through expenditures

During 2005, the Corporation raised \$3,133,889 of flow-through share proceeds. The related tax benefits of the flow-through share proceeds were renounced to investors in February 2006 with an effective date of December 31, 2005. The Corporation had until December 31, 2006 to incur the \$3,133,889 of qualifying flow-through expenditures. As at March 31, 2007, all the expenditures had been incurred.

During 2006, the Corporation raised \$50,000 of flow-through proceeds. The related tax benefits of the flow-through share proceeds were renounced to investors in February 2007 with an effective date of December 31, 2006. As at March 31, 2007, all qualifying expenditures had been incurred.

Work Credits

The Corporation's work on the Ruth/Vowell Creek, Lydy, Proximal, Isintok, Erie Creek and other properties have been credited towards the assessment requirement of the Province of British Columbia which puts the claims, leases and grants of the Corporation in good standing for a number of years.

Other

The Corporation has not entered into any hedging contracts. The Corporation does not have any special purpose entities nor is it a party to any off-balance sheet arrangements.

THE YEAR AHEAD

The Management of the Corporation believes that the exploration for economic deposits in British Columbia is a high risk program. The results that the Corporation has obtained to date justify continued exploration on all of its properties. The financial reward of success in mining exploration would be significant.

BUSINESS AND OPERATIONAL RISKS

The Corporation is a mineral exploration company and is exposed to a number of risks and uncertainties that are common to companies in the same business. These risks and uncertainties include, among other things, the speculative nature of mineral exploration and development activities, the Corporation's need for additional funding to continue its exploration efforts, operating hazards and risks incidental to mineral exploration, the Corporation's properties are in the exploration stage only and do not contain a known body of commercial ore, uncertainties associated with title to mineral properties, changes in general economic, market and business conditions; competition for, among other things, capital, acquisitions of mineral properties and skilled personnel; ability to obtain required mine licenses, mine permits and regulatory approvals required to proceed with mining operations; ability to comply with current and future environmental and other laws; actions by governmental or regulatory authorities including

increasing taxes and changes in other regulations; and the occurrence of unexpected events involved in mineral exploration, development and production.

Being a junior exploration mining company, the Corporation's ability to raise the necessary financings for future exploration depends to a large degree on commodity price trends, general investor sentiment for companies in the mining exploration sector and the Corporation's ability to confirm the existence of sought after minerals in sufficient quantities and quality on its exploration lands. Management of the Corporation is of the view that these risks faced by the Corporation are no greater than with risks encountered by its peers.

CRITICAL ACCOUNTING ESTIMATES

The Corporation's financial statements are prepared in accordance with Canadian generally accepted accounting principles. A comprehensive discussion of the Corporation's significant accounting policies is contained in note 2 to the audited financial statements for the year ended December 31, 2006. The Corporation's significant accounting policies are subject to estimates and key judgments about future events, many of which are beyond management's control. A detailed discussion of the critical accounting estimates of the Company is provided in the December 31, 2006 MD&A.

CHANGES IN ACCOUNTING POLICIES

On January 1, 2007, the Corporation adopted the new Canadian accounting standards for financial instruments – recognition and measurement, financial instruments – presentation and disclosures, comprehensive income and accounting changes as disclosed in note 3 of the Corporation's unaudited interim consolidated financial statements for the three months ended March 31, 2007. Adopting these standards did not impact the Corporation's financial statements.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Corporation is accumulated and communicated to the Corporation's management as appropriate to allow timely decisions regarding required disclosure. The Corporation's Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation as of March 31, 2007, that the Corporation's disclosure controls and procedures as of the end of such period are effective to provide reasonable assurance that material information related to the Corporation, including its consolidated subsidiaries, is made known to them by others within those entities. It should be noted that while the Corporation's Chief Executive Officer and Chief Financial Officer believe that the Corporation's disclosure controls and procedures provide a reasonable level of assurance that they are effective, they do not expect that the disclosure controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. We have assessed the design of our internal control over financial reporting and during this process we have identified certain weaknesses in internal controls over financial reporting which are follows:

- Due to the limited number of staff at the Company, it is not possible to achieve complete segregation of duties; and
- Due to the size of the Company and the limited number of staff, the Company does not have the technical accounting expertise and knowledge to address all complex and non-routine accounting transactions that may arise.

These weaknesses in the Company's internal controls over financial reporting result in a more than remote likelihood that a material misstatement would not be prevented or detected. Management and the board of directors work to mitigate the risk of material misstatement in financial reporting. In addition, when complex accounting and technical issues arise during preparation of the quarterly financial statements outside consulting expertise is engaged. In spite of management's best efforts, there can be no assurance that this risk can be reduced to less than a remote likelihood of a material misstatement.

LIST OF DIRECTORS AS OF MARCH 31, 2007

Gordon F. Dixon, Q.C.
 Steven C. Funk
 John A. Dixon
 Ronald W. Shepherd
 Jean-Pierre Pelletier
 Tiro Clarke
 Frederick W. Shandro

LIST OF OFFICERS AS OF MARCH 31, 2007

Gordon F. Dixon, Q.C. - President and CEO
 John A. Dixon - Secretary
 Richard T. Walker - Vice-President, Exploration
 Susan Lawrence - Assistant Secretary
 Dena Dixon - Assistant Treasurer