

**JASPER MINING CORPORATION**  
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**NEWS RELEASE**

**JASPER MINING CORPORATION ANNOUNCES LETTER OF INTENT FOR REVERSE TAKE-OVER**

Jasper Mining Corporation ("**Jasper**" or the "**Company**") (TSX-V:JSP) is pleased to announce that it has entered into a letter of intent dated May 16, 2016 (the "**Letter of Intent**") with two arm's length private Alberta companies, Tacitus Ventures Corp. ("**Tacitus**") and Delfan Energy Resources Corp ("**Delfan**"), to acquire all the issued and outstanding common shares of Tacitus and Delfan in an all-stock transaction that is anticipated to be completed by way of Plan of Arrangement (the "**Transaction**"). The Transaction will constitute a reverse takeover under the rules and policies of the TSX Venture Exchange ("**TSXV**"). The Transaction gives Jasper exposure to scalable and economically attractive opportunities in both the exploration and production of helium for industrial customers and CO2 for enhanced oil recovery efforts in the United States.

The Transaction may also involve a concurrent (brokered/non-brokered) private placement offering of common shares in the capital of Jasper ("**Jasper Shares**") at a price of \$0.3482 for aggregate gross proceeds of up to \$3,000,000 (the "**Private Placement**"). The gross proceeds of the Private Placement will be used to provide operational and working capital. The Transaction is expected to close prior to the end of August 2016 and is subject to the approval of the shareholders of each of Jasper, Tacitus and Delfan and of the TSXV and approved by the Court of Queen's Bench of Alberta.

For the purposes of the Transaction, the Company will have a deemed value of approximately \$4 million, Tacitus will have a deemed value of approximately \$4 million and Delfan will have a deemed value of approximately \$2 million.

Shareholders of each of Tacitus and Delfan will receive Jasper Shares, at a deemed price of \$0.3482 per Jasper Share in exchange for each common share in the capital of Tacitus and Delfan, respectively, held by such shareholder for aggregate deemed consideration of approximately \$6 million. It is expected that following the Transaction and Private Placement, the Company will have 37,335,678 Jasper Shares issued and outstanding and that former holders of shares in Tacitus will hold 11,487,976 Jasper Shares and former holders of shares of Delfan will hold 5,743,988 Jasper Shares.

The Letter of Intent contemplates material conditions precedent to be fulfilled prior to there being a binding agreement between the Company, Tacitus and Delfan, including customary due diligence, the negotiation and execution of a definitive agreement and board approvals being obtained. Until satisfaction of these and other conditions

precedent, the likelihood of closing the Transaction is uncertain and trading in the securities of the Company would be highly speculative. Completion of the Transaction is subject to a number of conditions, including, but not limited to the receipt of all necessary regulatory, corporate and third party approvals, compliance with all applicable regulatory requirements, satisfactory financing arrangements, satisfactory retention of key employees and absence of material adverse changes in the business, assets, condition, or prospects of any of the parties to the Transaction. Further disclosure concerning the terms and conditions of the Transaction, including management, directors and advisors will be disclosed once the conditions precedent have been fulfilled and a definitive agreement is entered into.

Tacitus is an exploration and development company that has identified and acquired high concentration helium prospects in the United States, uniquely positioned to lead the North American marketplace in helium source development. As existing sources of helium mature, the long term market demand continues to grow as it is built-in to the technology economy which includes electronics, healthcare, aerospace and industrial uses.

Tacitus is controlled by three major shareholders, Gareth Roberts of Dallas, Texas, who holds approximately 50% of the issued and outstanding shares of Tacitus ("**Tacitus Shares**"), Jason Demers, of Calgary, Alberta, who holds approximately 24% of the Tacitus Shares and Michael Frey of Calgary, Alberta who holds approximately 22.5% of the Tacitus Shares.

Delfan holds the rights on approximately 50,000 acres on the Kevin Dome in Montana. Technical information regarding Delfan's holdings in Montana will be released in a subsequent news release.

Jasper has historically been an early stage mining corporation. Its present mineral holdings include the Isintok property which is prospective for copper, molybdenum, gold, silver and tungsten and the Vowell Creek property which is prospective for lead, zinc and silver. Management also believes that the Vowell Creek property may contain commercial quantities of gold. In addition to Jasper's present mineral holdings, Jasper holds fee simple interest to a 4 acre industrial property in the city of Cranbrook, British Columbia.

The strategy of Jasper going forward is to develop new sources of helium in the short term while the Company continues to build additional long term value from its present mineral holdings.

"Jasper will become the only helium focused exploration and development company to be publicly listed, offering exposure to a high value industry that until now has been primarily controlled by the U.S. Government and a small number of major industrial gas companies", said Jasper President Gordon Dixon. "I have a tremendous amount of confidence in the team that has created this model and established the business opportunities we are about to embark on together".

Tacitus' Chairman, Gareth Roberts, who will take over as Jasper's new Chairman following the closing of the Transaction, explains, "The helium market is exciting, unique and in a state of structural flux that has opened up a tremendous opportunity for us. Being able to draw on the exploration and extraction methods developed in the energy sector provides all the upstream expertise we need to be successful in this space."

Following the Transaction, it is expected that the directors and officers of Jasper will be as follows:

**Gordon F. Dixon, Q.C.**

*Director*

Mr. Dixon is Chairman of the Board and Chief Executive Officer of Jasper Mining Corporation and is in private legal practice at Dixon Law in Calgary, Alberta. He obtained a Bachelor of Arts from the University of Calgary in 1965 with majors in Political Science, History and English and an LLB from the University of Alberta in Edmonton in 1968. He was appointed a Queen's Counsel in 1992. From 1969 to 1994 he practiced law with the Macleod Dixon law firm in Calgary as a partner. Mr. Dixon developed the San Antonio gold mine in Manitoba and was President of New Forty-Four Mines Ltd. where he restored the property to gold production in 1980. Mr. Dixon also developed a gold mining property in Bolivia. He has been a director or an officer of several other publicly traded companies in the oil and gas, mining and financial fields. Mr. Dixon owns and operates Calaway Park, Western Canada's largest amusement park. He has developed several hundred residential condominiums as a principal developer. For many years he was a director and part owner of the Fernie Ski Hill until its sale in 1999. Mr. Dixon has been active in mining and oil and gas exploration for 40 years.

**Jason Demers**

*Director and President and Chief Executive Officer*

Mr. Demers is a businessman and entrepreneur, having started and subsequently selling an established engineering and regulatory business in Calgary. Mr. Demers has spent the past 8 years building a private company primarily on the development of a natural CO<sub>2</sub> and helium resource in the United States. This experience has helped Mr. Demers to gain a unique understanding of helium market opportunities which has led to taking a lead role in the creation of a unique helium resource development model. Establishing the vision and a network of technical, business and political contacts that support and propagate the business model are foundational to his achievements.

**Gareth Roberts**

*Director and Chairman of the Board*

Mr. Roberts has over 40 years of experience in the oil industry working initially as a geologist for Texaco, Murphy Oil and Coho Resources. He founded Denbury Management, Inc. in 1990, which subsequently became Denbury Resources, Inc. (TSE, NYSE). Mr. Roberts was the President and Chief Executive Officer of Denbury from 1992 to 2009 and served as a Director until 2011. He has served on the board of Genesis

Energy Inc. (NYSE) as Chairman and as a Director of Belden & Blake Corp. He founded Petro Harvester Oil and Gas in 2011 and is the current Chairman.

Mr. Roberts holds honors and master degrees in Geology from St. Edmund Hall, Oxford University, where he has been elected to an Honorary Fellowship. He has also been elected to the Oxford Chancellors Court of Benefactors.

**Michael Frey**

*Director and Sr. Vice President Exploration & Development*

Mr. Frey is a graduate of the University of Alberta, with more than 25 years of business, exploration and development activities in the oil and gas industry. Mr. Frey has been involved in senior management and oversight roles with both public and private companies overseeing exploration and business development activities in Canada, the United States and the United Kingdom. Mr. Frey brings a fundamentals basis to identify and acquire unique resource opportunities which provide significant growth potential across diverse geological and economic environments.

It is expected that two additional directors will be added to the board of Jasper following the Transaction and that the Company will appoint a Chief Financial Officer and Corporate Secretary although no candidates have been selected at this time.

If and when such candidates are selected, the Company will issue a subsequent news release in accordance with the policies of the TSXV which will include the names and biographies of such candidates, summary financial information of each of Tacitus and Delfan as well as any additional information on the Transaction not contained herein.

The trading of common shares of Jasper has been halted as a result of this announcement and will remain halted pending receipt by the TSXV of certain required materials from Jasper and until Jasper engages a sponsor or a sponsorship exemption is granted. The Company intends to apply for an exemption from the sponsorship requirements of the TSXV in connection with the Transaction. There is no assurance that such sponsorship exemption will be granted or be granted on terms satisfactory to the parties.

For further information contact:

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***Cautionary Statements***

*Statements in this press release may contain forward-looking information including in relation to the Transaction, the conditions to closing of the Transaction, the Company's business objectives, the sufficiency of the Private Placement to achieve such objectives, and the availability of additional financing in future. Any statements that are contained in this press release that are not statements of historical fact may be deemed to be*

*forward- looking statements. Forward-looking statements are often identified by terms such as "may", "should", "anticipate", "expects" and similar expressions. The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement. The forward-looking statements contained in this press release are made as of the date of this press release, and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by securities law.*

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*Completion of the Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance, and, if applicable pursuant to TSXV rules and policies, majority of the minority shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.*

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Jasper should be considered highly speculative.

**THE TSX VENTURE EXCHANGE HAS IN NO WAY PASSED UPON THE MERITS OF THE TRANSACTION AND HAS NEITHER APPROVED OR DISAPPROVED THE CONTENTS OF THIS PRESS RELEASE. NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS PRESS RELEASE.**