

Jasper Mining Corporation
(an exploration stage corporation)

Financial Statements

For the three months ended March 31, 2018 and 2017

(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, 2018 and 2017.

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

	March 31, 2018	December 31, 2017
Assets		
Current assets		
Cash	\$ 15,267	\$ 8,696
Prepays	—	1,576
Other receivables	616	852
	15,883	11,124
Non-current assets		
Mineral property security deposits	50,289	50,247
Property and equipment (Note 4)	129,793	130,027
	180,082	180,274
Total assets	\$ 195,965	\$ 191,398
Liabilities and Shareholders' Equity		
Current liabilities		
Trade and other payables	\$ 270,835	\$ 481,944
Due to related parties (Note 9)	94,490	74,490
	365,325	556,434
Shareholders' equity(deficiency)		
Share capital (Note 5)	9,749,021	9,535,890
Warrants (Note 6)	58,863	63,232
Contributed surplus	7,223,145	7,216,281
Deficit	(17,200,389)	(17,180,439)
	(169,360)	(365,036)
Total liabilities and shareholders' equity	\$ 195,965	\$ 191,398

Reporting entity and Going concern (Note 1)

Subsequent event (Note 13)

Jasper Mining Corporation

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Interim Statements of Loss and Comprehensive Loss (unaudited)

	Three months ended March 31	
	2018	2017
Expenses		
General and administrative (Note 7)	\$ 18,934	\$ 21,733
Exploration and evaluation expense	824	814
Depreciation (Note 4)	234	285
	19,992	22,832
Finance income	42	58
Net loss and comprehensive loss for the period	\$ (19,950)	\$ (22,774)
Net loss per share		
Basic and diluted (Note 8)	\$ —	\$ —

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Interim Statements of Changes in Equity

	Number of shares	Share Capital	Warrants	Contributed Surplus	Deficit	Total Shareholders' Equity(Deficiency)
December 31, 2017	13,504,643	\$9,535,890	\$63,232	\$7,216,281	\$(17,180,439)	\$(365,036)
Units issued for debt settlement	2,152,073	215,207		—	—	215,207
Share issue costs	—	(2,076)	—	—	—	(2,076)
Share-based compensation	—	—	—	2,495	—	2,495
Expiration of warrants	—	—	(4,369)	4,369	—	—
Net loss for the period	—	—	—	—	(19,950)	(19,950)
March 31, 2018	15,656,716	\$9,749,021	\$58,863	\$7,223,145	\$(17,200,389)	\$(169,360)

	Number of shares	Share Capital	Warrants	Contributed Surplus	Deficit	Total Shareholders' Equity
December 31, 2016	12,887,976	\$9,518,243	\$58,482	\$7,188,640	\$(17,044,690)	\$(279,325)
Net loss for the period	—	—	—	—	(22,774)	(22,774)
March 31, 2017	12,887,976	\$9,518,243	\$58,482	\$7,188,640	\$(17,067,464)	\$(302,099)

Jasper Mining Corporation
(an exploration stage corporation)
Interim Statements of Cash Flows
(unaudited)

	Three months ended March 31	
	2018	2017
Cash flows used in operating activities		
Net loss for the period	\$ (19,950)	\$ (22,774)
Add back (deduct) non-cash items:		
Depreciation	234	285
Share-based compensation	2,495	—
Change in non-cash working capital (Note 13)	5,910	5,831
	(11,311)	(16,658)
Cash flows from financing activities		
Related party advance	20,000	—
Share issuance costs	(2,076)	—
	17,924	—
Cash flows from investing activities		
Mineral property security deposits	(42)	(56)
	(42)	(56)
Change in cash	6,571	(16,714)
Cash, beginning of period	8,696	19,523
Cash, end of period	\$ 15,267	\$ 2,809

Jasper Mining Corporation

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Notes to the Interim Financial Statements

For the three months ended March 31, 2018 and 2017

(unaudited)

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 it is considered to be in the exploration stage. The Corporation believes that it has established and retains satisfactory title to all its claims.

These 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 and warrants 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, 2018, the Corporation had a working capital deficiency of \$349,442 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.

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.

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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, 2017.

These financial statements were authorized for issue by the Board of Directors on May 29th, 2018.

Expenses in the statement of loss and comprehensive loss are presented as a combination of function and nature in conformity with industry practice. Depreciation is 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, 2017.

4. PROPERTY AND EQUIPMENT:

	Land		Equipment		Total
Cost					
As at December 31, 2017 and March 31, 2018	\$	123,387	\$	40,205	\$ 163,592
Accumulated depreciation					
As at December 31, 2017	\$	—	\$	33,565	\$ 33,565
Depreciation		—		234	234
As at March 31, 2018	\$	—	\$	33,799	\$ 33,799
Net book value					
As at December 31, 2017	\$	123,387	\$	6,640	\$ 130,027
As at March 31, 2018	\$	123,387	\$	6,406	\$ 129,793

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Notes to the Interim Financial Statements

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5. SHARE CAPITAL:

ISSUED:

	Number of Shares		Value
Balance – December 31, 2017	13,504,643	\$	9,535,890
Debt conversion (a)	2,152,073		215,207
Share issue costs	–		(2,076)
Balance – March 31, 2018	15,656,716	\$	9,749,021

- a) In February 2018, the Corporation approved the conversion of certain existing accounts payable from debt to equity. The total amount of outstanding payable extinguished by the Corporation was \$215,207 for 2,152,073 common shares. The debt was owed to 3 non-arms-length parties. The conversion was recorded at \$0.10 per share which was the trading price of the shares as at the date of the conversion. The shares are subject to a four month hold period ending in June 2018.

6. WARRANTS:

	Number of warrants		Value
Balance – December 31, 2017	2,108,334	\$	63,232
Expired (a)	(400,000)		(4,369)
Balance – March 31, 2018	1,708,334	\$	58,863

- a) During the three months ended March 31, 2018, 400,000 warrants expired unexercised and \$4,369 was allocated to contributed surplus.

Summary information with respect to warrants outstanding at March 31, 2018 is provided below:

Exercise price \$	Number exercisable	Number outstanding	Weighted average contractual life remaining (years)	Weighted average exercise price \$
0.10	1,708,334	1,708,334	0.57	0.10

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7. 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 – December 31, 2017 and March 31, 2018	1,200,000	\$ 0.18

Summary information with respect to options outstanding at March 31, 2018 is provided below:

Exercise price \$	Number outstanding	Contractual life remaining (years)	Exercise price \$	Number Exercisable
0.80	150,000	0.3	0.80	150,000
0.10	750,000	2.5	0.10	750,000
0.08	300,000	4.2	0.08	150,000
	1,200,000	2.65	0.18	1,050,000

During the three months ended March 31, 2018, the Corporation's share-based compensation expense was \$2,495 (March 31, 2017 – \$nil), of which all was recognized in general and administrative expenses in the statements of loss and comprehensive loss.

8. PER SHARE AMOUNTS:

Basic net loss per share is calculated as follows:

	Three months ended March 31	
	2018	2017
Net loss for the period	\$ (19,950)	\$ (22,774)
Weighted average number of shares:		
Issued common shares at beginning of period	13,504,643	12,887,976
Shares issued	1,291,244	–
Basic weighted average shares	14,795,887	12,887,976
Net loss per share – basic and diluted:	\$ (0.00)	\$ (0.00)

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

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Notes to the Interim Financial Statements

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9. 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 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, 2018, \$1,500 (March 31, 2017 - \$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, 2018 is \$2,100 (December 31, 2017 - \$101,300) due to this company.
- c) At March 31, 2018, there is \$61,490 (December 31, 2017 - \$41,490) in due to related parties for expense advances and \$33,000 due to related parties (December 31, 2017 - \$33,000) controlled by the President of the Corporation.
- d) During the three months ended March 31, 2018, \$4,500 (March 31, 2017 - \$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, 2018 is \$9,188 (December 31, 2017 - \$114,600) due to this company

10. CHANGE IN NON-CASH WORKING CAPITAL:

		Three months ended March 31	
		2018	2017
Other receivables	\$	236	\$ (1,182)
Prepays		1,576	—
Trade and other payables		4,098	7,013
	\$	5,910	\$ 5,831

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

		Three months ended March 31	
		2018	2017
Operating	\$	5,910	\$ 5,831

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11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT:

The Corporation's financial instruments include cash, other receivables, due to related parties, 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 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, 2018, 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.

c) 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, 2018 and year ended December 31, 2017, if interest rates had been 1% higher with all other variables held constant, the change in the loss for the years would have been insignificant.

The Corporation did not have any interest rate contracts outstanding at March 31, 2018 or December 31, 2017.

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12. 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 \$349,442 (December 31, 2017 – deficit of \$545,310) and shareholders' equity (deficiency) of (\$169,360) (December 31, 2017 – (\$365,036)). 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, 2018. The Corporation has not paid or declared any dividends since the date of incorporation, nor are any contemplated in the foreseeable future.

13. SUBSEQUENT EVENT:

Subsequent to March 31, 2018, 400,000 warrants expired, unexercised, resulting in 1,308,334 warrants outstanding as at the date the financial statements were approved.