Jasper Mining Corporation

Unaudited Interim Condensed Financial Statements

As at June 30, 2022 and for the three and six months ended June 30, 2022 and 2021

Management Report

To the Shareholders of Jasper Mining Corporation

The unaudited interim condensed financial statements of Jasper Mining Corporation were prepared by management in accordance with appropriately selected International Financial Reporting Standards and have been approved by the Board of Directors. Management has used estimates and careful judgment, particularly in those circumstances where transactions affecting current periods are dependent on information not known until a future period.

Management is responsible for the integrity of the financial and operational information contained in these unaudited interim condensed financial statements. The Company has designed and maintains internal controls to provide reasonable assurance that assets are properly safeguarded and that the financial records are well maintained and provide relevant, timely and reliable information to management. The unaudited interim condensed financial statements have been prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized in the notes to the unaudited interim condensed financial statements.

Auditor involvement

The auditor of Jasper Mining Corporation has not performed a review of the unaudited interim condensed financial statements as at June 30, 2022 and for the three and six months ended June 30, 2022 and 2021.

Jasper Mining Corporation

Signed: *"Tim de Freitas"*
President and Chief Executive Officer

Signed: *"Mark Smith"*
Chief Financial Officer

Calgary, Canada
August 24, 2022

Jasper Mining Corporation

Interim Condensed Statements of Financial Position
(unaudited)

(Expressed in CDN dollars)	Notes		**June 30, 2022**		December 31, 2021
Assets					
Current assets					
Cash and cash equivalents		**$**	**8,155**	$	11,208
Other receiveables			**1,458**		1,171
Prepaid exploration and evaluation expenditures			**11,707**		24,556
			21,320		36,935
Mineral property security deposits	5		**32,225**		32,175
Property and equipment	6		**126,883**		127,121
		$	**180,428**	$	196,231
Liabilities and Shareholders' Deficit					
Current liabilities					
Accounts payable and accrued liabilities	10	**$**	**446,715**	$	373,710
Due to related parties	10		**162,038**		100,000
			608,753		473,710
Shareholders' equity					
Share capital	7		**10,049,480**		10,049,480
Contributed surplus	7		**7,399,915**		7,333,226
Deficit			**(17,877,720)**		(17,660,185)
			(428,325)		(277,479)
		$	**180,428**	$	196,231

Nature of operations and going concern (note 1)
Subsequent events (note 12)

See accompanying notes to the financial statements.

Approved on behalf of the Board of Directors:

(signed) “Robert Dales” Director

(signed) “Tim de Freitas” Director

Jasper Mining Corporation

Interim Condensed Statements of Loss and Comprehensive Loss
(unaudited)

(Expressed in CDN dollars)	Notes	Three months ended June 30, **2022**	Three months ended June 30, 2021	Six months ended June 30, **2022**	Six months ended June 30, 2021
Expenses					
General and administrative		**114,483**	34,586	**135,812**	47,304
Exploration and evaluation expense		**7,046**	-	**14,846**	-
Share-based compensation	8	**-**	-	**66,689**	-
Depreciation	6	**73**	134	**238**	268
		121,602	34,720	**217,585**	47,572
Finance income	5	**25**	25	**50**	52
Net loss and comprehensive loss		**$ (121,577)**	$ (34,695)	**$ (217,535)**	$ (47,520)
Net loss per share					
Basic	9	**$ (0.01)**	$ (0.00)	**$ (0.01)**	$ (0.00)
Diluted	9	**$ (0.01)**	$ (0.00)	**$ (0.01)**	$ (0.00)

See accompanying notes to the financial statements.

Jasper Mining Corporation

Interim Condensed Statements of Changes in Shareholders' Deficit

(unaudited)

(Expressed in CDN dollars)	Notes	Share Capital	Contributed Surplus	Deficit	Total
Balance at December 31, 2020		$ 10,049,480	$ 7,333,226	$ (17,555,366)	$ (172,660)
Net loss for the period		-	-	(47,520)	(47,520)
Balance at June 30, 2021		$ 10,049,480	$ 7,333,226	$ (17,602,886)	$ (220,180)

	Notes	Share Capital	Contributed Surplus	Deficit	Total
Balance at December 31, 2021		$ 10,049,480	$ 7,333,226	$ (17,660,185)	$ (277,479)
Share based compensation	8	-	66,689	-	66,689
Net loss for the period		-	-	(217,535)	(217,535)
Balance at June 30, 2022		$ 10,049,480	$ 7,399,915	$ (17,877,720)	$ (428,325)

See accompanying notes to the financial statements.

Jasper Mining Corporation

Interim Condensed Statements of Cash Flows
(unaudited)

(Expressed in CDN dollars)	Notes	Three months ended June 30, **2022**	Three months ended June 30, 2021	Six months ended June 30, **2022**	Six months ended June 30, 2021
Cash provided by (used in):					
Operating activities					
Net loss for the period		**$ (121,577)**	$ (34,695)	**$ (217,535)**	$ (47,520)
Non-cash items:					
Depreciation	6	**73**	134	**238**	268
Share-based compensation	8	**-**	-	**66,689**	-
		(121,504)	(34,561)	**(150,608)**	(47,252)
Change in non-cash working capital		**96,927**	17,403	**85,567**	4,391
		(24,577)	(17,158)	**(65,041)**	(42,861)
Investing activities					
Interest earned on mineral property security deposits	5	**(25)**	(25)	**(50)**	(52)
		(25)	(25)	**(50)**	(52)
Financing activities					
Related party advances	10	**32,038**	20,000	**62,038**	40,000
		32,038	20,000	**62,038**	40,000
Increase (decrease) in cash		**7,436**	2,817	**(3,053)**	(2,913)
Cash - beginning of period		**719**	11,048	**11,208**	16,778
Cash - end of period		**$ 8,155**	$ 13,865	**$ 8,155**	$ 13,865

See accompanying notes to the financial statements.

1. Nature of operations and going concern

Jasper Mining Corporation (the “Company”) is incorporated under the laws of the Province of Alberta and is listed on the TSX Venture Exchange. The Company is engaged in the business of mineral exploration in Canada. The Company’s registered and head office is located at 501, 888 - 4th Avenue SW, Calgary, Alberta, Canada, T2P 0V2.

To date, the Company has not yet determined whether its mineral claims are economically recoverable, nor has it found defined reserves and it’s considered to be in the exploration stage. The Company believes that it has established and retains satisfactory title to all its claims.

These interim condensed 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. Management has made the following judgements in its assessment of the Company’s ability to continue as a going concern:

- The $4.67 million of gross proceeds raised in the recapitalization transaction outlined in note 12(a) will service the Company’s $587,434 (December 31, 2021 - $436,775) working capital deficiency and will allow the Company to pursue further exploration of its mining assets and fund deposits on future acquisitions.

- The Company will be able to raise significant capital to fund acquisitions and future capital expenditures required to further explore and ultimately develop the Company’s resource assets;

- The Company will be successful in executing its business plan leading to profitable operations in the near future.

- The Company 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 Company be unable to continue as a going concern and these adjustments could be material.

2. COVID-19

The duration and impact of the COVID-19 pandemic is unknown at this time, as is the efficacy of any government monetary and fiscal interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods. The outbreak and subsequent measures intended to limit the pandemic have contributed to significant declines and volatility in financial markets. The volatility and uncertainty in the market could have a significant impact on the Company’s ability to raise capital in future periods.

Management has taken the following steps to address and limit the impact on the Company and its financial condition:

- The Company has implemented and followed health and safety procedures in accordance with provincial health guidelines; and

- The Company has reduced its spending on general and administrative and other discretionary expenses to preserve cash resources and limit the impact on liquidity.

The following estimates and judgements made by management in the preparation of these financial statements are increasingly difficult and subject to a higher degree of measurement uncertainty:

- Appropriateness of the going concern assumption.

3. Basis of presentation

These interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” as issued by the International Accounting Standards Board (”IASB”) under accounting principles consistent with International Financial Reporting Standards (“IFRS”) as issued by the IASB.

These interim condensed financial statements should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2021. The Company has applied the same accounting policies outlined by the Company in its most recent annual financial statements other than those listed in note 4. These interim condensed financial statements do not include all the information required for full annual financial statements.

These interim condensed financial statements were prepared on a historical cost basis using the accrual basis of accounting, except for those assets and liabilities that are measured at fair value at the end of each reporting period.

These interim condensed financial statements were authorized for issue by the Board of Directors on August 24, 2022.

4. Newly adopted and future accounting standards

<u>Newly adopted accounting standards</u>

Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments to IAS 37 specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

These amendments are effective for reporting periods beginning on or after January 1, 2022. The adoption of this standard did not have a material impact on the Company’s financial statements.

<u>Future accounting standards and pronouncements</u>

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date.

These amendments are effective for reporting periods beginning on or after January 1, 2023.

5. Mineral property security deposits

The Company is required to maintain safekeeping deposits with the Government of British Columbia as a condition of certain mineral claims. These deposits represent collateral for possible reclamation activities necessary on mineral properties in connection with the permits required for exploration activities by the Company. The deposits are held in guaranteed investment certificates with annual maturity dates and interest rates of 1.2% (December 31, 2021 – 0.40%) or in trust with the government ministry. At June 30, 2022, the Company had $32,225 (December 31, 2021 - $32,175) on deposit.

6. Property and equipment

		Land		Equipment		Total
Cost						
As at December 31, 2021 and June 30, 2022	$	123,387	$	40,205	$	163,592
Accumulated depreciation						
As at December 31, 2021	$	-	$	(36,471)	$	(36,471)
Depreciation		-		(238)		(238)
As at June 30, 2022	$	-	$	(36,709)	$	(36,709)
Net book value						
As at December 31, 2021	$	123,387	$	3,734	$	127,121
As at June 30, 2022	$	123,387	$	3,496	$	126,883

7. Share capital

Common shares

	June 30, 2022			December 31, 2021		
	Number of Shares		**Amount**	Number of Shares		Amount
Balance, beginning of period	**18,398,120**	**$**	**10,049,480**	18,398,120	$	10,049,480
Balance, end of period	**18,398,120**	**$**	**10,049,480**	18,398,120	$	10,049,480

Contributed surplus

	June 30, 2022		December 31, 2021
Balance, beginning of period	**7,333,226**	$	7,333,226
Share based compensation	**66,689**		-
Balance, end of period	**7,399,915**	$	7,333,226

8. Share-based payments

The following is a continuity of stock options for which shares have been reserved:

	June 30, 2022			December 31, 2021		
	Number of Options		**Weighted average exercise price**	Number of Options		Weighted average exercise price
Balance, beginning of period	**725,000**	**$**	**0.09**	725,000	$	0.09
Granted	**1,000,000**		**0.08**	-		-
Expired	**(200,000)**		**0.08**	-		-
Balance, end of period	**1,525,000**	**$**	**0.09**	725,000	$	0.09

Summary information with respect to options outstanding at June 30, 2022 is provided below:

Exercise price ($)	Number outstanding	Contractual life remaining (years)	Exercise price ($)	Number exercisable
0.10	525,000	1.3	0.10	525,000
0.08	1,000,000	4.7	0.08	500,000
0.09	1,525,000	3.5	0.09	1,025,000

The Company calculated and recorded stock-based compensation expense for the six months ended June 30, 2022 of $66,889 (2021 - $nil) using the Black-Scholes option pricing model. Significant assumptions used in the calculation are risk-free interest rate 2.17%, expected option life 5 years, share price volatility of 130%, expected dividend payments Nil, estimated forfeiture rate of 2.8%.

9. Per share amounts

Basic and diluted net loss per share is calculated as follows:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	**2022**	2021
Net loss	**$ (121,577)**	$ (34,695)	**$ (217,535)**	$ (47,520)
Weighted average common shares outstanding				
Basic	**18,398,120**	18,398,120	**18,398,120**	18,398,120
Diluted	**18,398,120**	18,398,120	**18,398,120**	18,398,120
Net loss per common share:				
Basic	**$ (0.01)**	$ (0.00)	**$ (0.01)**	$ (0.00)
Diluted	**$ (0.01)**	$ (0.00)	**$ (0.01)**	$ (0.00)

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

10. Related party transactions and key management compensation

Except as disclosed elsewhere in these financial statements, the Company had the following related party transactions in the normal course of operations and measured at the exchange amount:

Amounts due to related parties consist of amounts due to shareholders, officers and directors of the Company and companies controlled or significantly influenced by shareholders and officers of the Company. The amounts are non-interest bearing, unsecured and have been repaid.

a) During the six months ended June 30, 2022, $3,000 (2021 - $3,000) was charged for office rent by a company owned by a director of the Company. Included in accounts payable and accrued liabilities at June 30, 2022 is $17,325 (December 31, 2021 - $14,175) due to this company. This amount was settled on July 15, 2022, see note 12(a).

b) During the six months ended June 30, 2022, $62,038 was advanced to the Company from a related party. At June 30, 2022, $162,038 (December 31, 2021 - $100,000) was due from the Company to this related party. This amount was settled on July 15, 2022, see note 12(a).

c) During the six months ended June 30, 2022, $10,500 (2021 - $10,500) was charged by a company owned by a director of the Company for administrative services. Included in accounts payable and accrued liabilities at June 30, 2022 is $60,638 (December 31, 2021 – $49,613) due to this company. This amount was settled on July 15, 2022, see note 12(a).

11. Financial instruments

The Company's financial instruments include cash and cash equivalents, other receivables, mineral property security deposits, accounts payable and accrued liabilities, and due to related parties. The carrying values of these financial instruments approximate their fair values due to their relatively short periods to maturity.

a) Fair value of financial instruments

IFRS establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lower priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those inputs for the asset or liability that are not based on observable market data.

12. Subsequent events

a) Recapitalization transaction

On July 15, 2022, the Company completed a recapitalization transaction which included the following:

The conversion of $240,000 debt of the Company into 2,666,666 common shares at a deemed price of $0.09 per common share.

A Non-Brokered Private Placement of 31,941,773 units of the Company at a price of $0.09 per unit for aggregate gross proceeds of $2.87 million. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles holders to acquire one common share at an exercise price of $0.11 prior to the date that is four years from the date of the issuance of the warrants. The warrants will vest and become exercisable as to one-third upon the 20-day volume weighted average trading price of the common shares equaling or exceeding $0.13, $0.155 and $0.18, respectively.

A Brokered Private Placement of 20,000,000 units of the Company at a price of $0.09 per unit for aggregate gross proceeds of $1.8 million. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles holders to acquire one common share at an exercise price of $0.11 prior to the date that is four years from the date of the issuance of the warrants. The warrants will vest and become exercisable as to one-third upon the 20-day volume weighted average trading price of the common shares equaling or exceeding $0.13, $0.155 and $0.18, respectively. The Company paid the agent a commission equal to 6.0% of the gross proceeds received by the Company. The commission was paid through the issuance of 358,479 units of the Company at a deemed price of $0.09 per unit and $75,737 in cash.

Concurrently with the closing of the non brokered and brokered private placement, the appointment of a new management team and reconstitution of the board of directors was completed.

b) Stock options

On July 25, 2022, the Company granted an aggregate of 5,050,000 options to purchase common shares ("Options") to the directors and officers of the Company. Each Option is exercisable for one common share at a price of $0.15 per common share until July 25, 2027. The Options were issued under the Company's amended and restated stock option plan (the "New Option Plan") which was approved by the Company's board of directors on July 15, 2022. Pursuant to TSXV policies, the New Option Plan and the Options granted thereunder must be approved at the next meeting of the shareholders of the Company and until such time, none of the Options may be exercised.