

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 the unaudited financial statements as at and for the three and six months ended June 30, 2010 and 2009.

Jasper Mining Corporation
(an exploration stage Corporation)
Interim Balance Sheets
(unaudited)

	<u>June 30, 2010</u>	<u>December 31, 2009</u>
Assets		
Current		
Cash	\$ 425,374	\$ 703,781
Due from related parties	5,967	5,967
Accounts receivable	4,555	8,403
	<u>435,896</u>	<u>718,151</u>
Mineral property deposits	95,006	69,581
Investment	100	100
Mineral properties (note 2)	6,761,894	6,755,391
Capital assets (note 3)	149,097	151,747
	<u>\$ 7,441,993</u>	<u>\$ 7,694,970</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 133,612	\$ 257,458
Future income taxes (note 7)	1,194,846	933,216
	<u>1,328,458</u>	<u>1,190,674</u>
Shareholders' Equity		
Share capital (note 4)	7,646,030	7,908,530
Warrants (note 5)	660,699	697,633
Contributed surplus (note 6)	5,601,050	5,564,116
Deficit	(7,794,244)	(7,665,983)
	<u>6,113,535</u>	<u>6,504,296</u>
	<u>\$ 7,441,993</u>	<u>\$ 7,694,970</u>
Nature of operations and basis of presentation (note 1)		
Commitment (note 8)		
Subsequent event (note 13)		

See accompanying notes to interim financial statements

Jasper Mining Corporation
(an exploration stage Corporation)
Interim Statements of Loss, Comprehensive Loss and Deficit
For the three and six months ended June 30
(unaudited)

	Three months ended June 30		Six months ended June 30	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenue				
Interest	\$ <u>213</u>	\$ 450	\$ <u>443</u>	\$ 860
Expenses				
Stock-based compensation	–	35,177	–	80,935
General and administrative	78,466	60,373	112,988	120,862
Part XII.6 interest	7,856	–	13,106	–
Depreciation	1,786	2,414	3,479	4,829
	<u>88,108</u>	<u>97,964</u>	<u>129,573</u>	<u>206,626</u>
Loss before income taxes	(87,895)	(97,514)	(129,130)	(205,766)
Future income tax (reduction) (note 7)	(447)	(603)	(870)	(1,207)
Net loss and comprehensive loss for the period	(87,448)	(96,911)	(128,260)	(204,559)
Deficit, beginning of period	<u>(7,706,796)</u>	<u>(5,688,382)</u>	<u>(7,665,984)</u>	<u>(5,580,734)</u>
Deficit, end of period	\$ <u>(7,794,244)</u>	\$ <u>(5,785,293)</u>	\$ <u>(7,794,244)</u>	\$ <u>(5,785,293)</u>
Loss per share – basic and diluted (note 4)	\$ –	\$ –	\$ –	\$ –
Weighted average number of shares outstanding	67,955,047	62,705,047	67,955,047	62,705,047

See accompanying notes to interim financial statements

Jasper Mining Corporation
(an exploration stage Corporation)
Interim Statements of Cash Flows
For the three and six months ended June 30
(unaudited)

	Three months ended June 30		Six months ended June 30	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Operating				
Net loss for the period	\$ (87,448)	\$ (96,911)	\$ (128,260)	\$ (204,559)
Add back non-cash items:				
Stock-based compensation	–	35,177	–	80,935
Depreciation	1,786	2,414	3,479	4,829
Future income tax (reduction)	(447)	(603)	(870)	(1,207)
	<u>(86,109)</u>	<u>(59,923)</u>	<u>(125,651)</u>	<u>(120,002)</u>
Change in non-cash working capital <i>(note 9)</i>	<u>(36,984)</u>	<u>42,143</u>	<u>(58,568)</u>	<u>39,437</u>
	<u>(123,093)</u>	<u>(17,780)</u>	<u>(184,219)</u>	<u>(80,565)</u>
Financing				
Change in non-cash working capital <i>(note 9)</i>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(8,220)</u>
	<u>–</u>	<u>–</u>	<u>–</u>	<u>(8,220)</u>
Investing				
Payment on mineral deposit	(9,042)	(14,117)	(25,426)	(12,131)
Mineral property expenditures	(6,503)	(69,130)	(6,503)	(205,367)
Other capital additions	(829)	–	(829)	–
Redemption of short term investment	–	48,513	–	168,548
Change in non-cash working capital <i>(note 9)</i>	<u>(22,604)</u>	<u>54,354</u>	<u>(61,430)</u>	<u>66,674</u>
	<u>(38,978)</u>	<u>19,620</u>	<u>(94,188)</u>	<u>17,724</u>
(Decrease) increase in cash	(162,071)	1,840	(278,407)	(71,061)
Cash, beginning of period	<u>587,445</u>	<u>7,543</u>	<u>703,781</u>	<u>80,444</u>
Cash, end of period	\$ <u>425,374</u>	\$ <u>9,383</u>	\$ <u>425,374</u>	\$ <u>9,383</u>
Supplemental cash flow information:				
Interest paid	\$ –	\$ –	\$ –	\$ –

Jasper Mining Corporation

(an exploration stage Corporation)

Notes to the Interim Financial Statements

June 30, 2010
(unaudited)

1. Nature of operations and basis of presentation

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. To date, the Corporation has not yet determined whether these properties are economically recoverable and is considered to be in the exploration stage. The Corporation is satisfied that title to all of its properties in all material respects is satisfactory.

At June 30, 2010, the Corporation had a working capital of \$302,284 (December 31, 2009 - \$460,693) and an accumulated deficit of \$7,794,244 (December 31, 2009 - \$7,665,983). As described in Note 9, as at June 30, 2010 the Corporation must incur \$1,043,397 of qualifying flow through expenditures by December 31, 2010. The Corporation's ability to continue its operations is dependent on the Corporation's success in developing its mineral interests, obtaining required funds to continue exploration activities and attaining profitable operations.

These unaudited financial statements have been prepared on the basis that the Corporation will be able to discharge its obligations and realize its assets in the normal course of business at the values at which they are carried in these financial statements, and that the Corporation will be able to continue its business activities. Management believes that steps being taken will enable the Corporation to obtain additional capital as its commitments become due. However, there is no certainty that the Corporation will be able to continue as a going concern, in which case the Corporation may not be able to meet its obligations as they come due, or realize its assets at the amounts at which they are carried in these financial statements. Should the going concern assumption not be appropriate, certain asset and liability amounts would require adjustment and reclassification and such adjustments may be significant.

2. Mineral properties

		Balance as at December 31 2009	2010 Expenditures	Balance as at June 30 2010
Isintok	Acquisition	113,867	–	113,867
	Exploration	3,295,073	–	3,295,073
Lydy/McFarlene	Acquisition	51,700	–	51,700
	Exploration	2,955,927	5,660	2,961,587
Other	Acquisition	67,146	843	67,989
	Exploration	271,678	–	271,678
		<u>\$ 6,755,391</u>	<u>\$ 6,503</u>	<u>\$ 6,761,894</u>
Summary	Acquisition	\$ 232,713	\$ 843	\$ 233,556
	Exploration	6,522,678	5,660	6,528,338
		<u>\$ 6,755,391</u>	<u>\$ 6,503</u>	<u>\$ 6,761,894</u>

The Corporation has not capitalized any general and administrative expenses to mineral properties in 2010 and 2009. During the three and six months ended June 30, 2010 and 2009, the Corporation did not capitalize any stock-based compensation to the fair value of options granted to field consultants.

Jasper Mining Corporation
(an exploration stage Corporation)
Notes to the Interim Financial Statements

June 30, 2010
(unaudited)

3. Capital assets

	June 30, 2010		
	Cost	Accumulated Depreciation	Net
Land	\$ 123,387	\$ –	\$ 123,387
Furniture and fixtures	1,708	1,516	192
Vehicles	70,887	56,488	14,399
Fence	12,692	3,414	9,278
Computer equipment	14,834	12,993	1,841
	<u>\$ 223,508</u>	<u>\$ 74,411</u>	<u>\$ 149,097</u>

4. Share capital

a) Common shares issued

	Number	Amount
Balance – December 31, 2009	67,955,047	\$ 7,908,530
Tax effect of flow through shares (i)	–	(262,500)
Balance – June 30, 2010	<u>67,955,047</u>	<u>\$ 7,646,030</u>

i) The \$262,500 tax effect of the \$1,050,000 flow-through share proceeds raised in 2009 was recorded in February 2010 when the tax benefits were filed with the tax authorities and renounced to investors with an effective date of December 31, 2009. As at June 30, 2010, \$6,503 of the qualifying flow-through expenditures have been incurred.

b) Stock options

As at June 30, 2010 and December 31, 2009, the Company had 5,447,500 stock options outstanding for which shares have been reserved.

The following table summarizes information about stock options as at June 30, 2010:

Exercise Price (\$)	Number Outstanding	Number Exercisable	Weighted Average Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)
0.30	2,967,500	2,967,500	0.30	2.2
0.40	1,550,000	1,550,000	0.40	1.4
0.45	720,000	720,000	0.45	0.3
0.75	210,000	210,000	0.75	1.0
	<u>5,447,500</u>	<u>5,447,500</u>	<u>0.37</u>	<u>1.67</u>

c) Per share amounts

Per share calculations are based on the weighted average number of common shares outstanding during the three and six months ended June 30, 2010 of 67,955,047 (2009 – 62,705,047). The effect of the conversion of all outstanding options and warrants would be anti-dilutive.

Jasper Mining Corporation
(an exploration stage Corporation)
Notes to the Interim Financial Statements

June 30, 2010
(unaudited)

5. Warrants

	Number	Amount
Balance – December 31, 2009	4,828,793	\$ 697,633
Expired	<u>(509,600)</u>	<u>(36,934)</u>
Balance – June 30, 2010	<u>4,319,193</u>	<u>\$ 660,699</u>

The following table summarizes information about warrants as at June 30, 2010:

Exercise Price (\$)	Number Outstanding and Exercisable	Weighted Average Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)
0.40	126,699	0.40	0.20
0.75	2,538,332	0.75	0.36
1.00	1,654,162	1.00	0.21
	<u>4,319,193</u>	<u>0.84</u>	<u>0.30</u>

6. Contributed surplus

Balance – December 31, 2009	\$ 5,564,116
Warrants expired (<i>note 5</i>)	<u>36,934</u>
Balance – June 30, 2010	<u>\$ 5,601,050</u>

7. Income taxes

The Corporation's computation of income taxes for the three and six months ending June 30 is as follows:

	Three months ended June 30		Six months ended June 30	
	2010	2009	2010	2009
Anticipated income tax reduction at 28.5% (2009 – 29.5%)	\$ (25,050)	\$ (29,254)	\$ (36,802)	\$ (61,730)
Stock-based compensation and other non-deductible items	383	11,262	932	25,213
Change in valuation allowance	21,192	14,390	30,595	453
Effect of rate change and other	<u>3,028</u>	<u>2,999</u>	<u>4,405</u>	<u>34,857</u>
Future income tax reduction	<u>\$ (447)</u>	<u>\$ (603)</u>	<u>\$ (870)</u>	<u>\$ (1,207)</u>

The components of the net future income tax asset (liability) at June 30, 2010 are as follows:

Non-capital loss carry forwards	\$ 616,123
Share issue costs	68,974
Mineral properties and deferred exploration costs	<u>(1,194,846)</u>
	(509,749)
Valuation allowance	<u>(685,097)</u>
	<u>\$ (1,194,846)</u>

Jasper Mining Corporation

(an exploration stage Corporation)

Notes to the Interim Financial Statements

June 30, 2010
(unaudited)

7. Income taxes (continued)

As at June 30, 2010, the Corporation has approximately \$3,000,000 (2009 – \$3,000,000) in tax pools and \$2,400,000 (December 31, 2009 – \$2,200,000) in non-capital losses available for deduction against future taxable income. The non-capital losses expire between 2010 and 2030 as follows:

Expiry	Losses
2010	\$ 100,000
2014	200,000
2025	300,000
2026	700,000
2027	400,000
2028	500,000
2030	200,000
	<u>\$ 2,400,000</u>

The future income tax assets for non-capital losses and share issue costs have not been recognized as their recovery is uncertain.

8. Commitment

Pursuant to the flow-through financings in November and December 2009, the Corporation must incur \$1,050,000 of qualifying flow-through expenditures by December 31, 2010. \$6,503 of the expenditures have been incurred to June 30, 2010.

9. Change in non-cash working capital

	Three months ended June 30		Six months ended June 30	
	2010	2009	2010	2009
Accounts receivable	\$ 2,392	\$ (866)	\$ 3,848	\$ 13,691
Accounts payable and accrued liabilities	(61,980)	97,363	(123,846)	84,200
	<u>\$ (59,588)</u>	<u>\$ 96,497</u>	<u>\$ (119,998)</u>	<u>\$ 97,891</u>

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

	Three months ended June 30		Six months ended June 30	
	2010	2009	2010	2009
Operating	\$ (36,984)	\$ 42,143	\$ (58,568)	\$ 39,437
Financing	–	–	–	(8,220)
Investing	(22,604)	54,354	(61,430)	66,674
	<u>\$ (59,588)</u>	<u>\$ 96,497</u>	<u>\$ (119,998)</u>	<u>\$ 97,891</u>

Jasper Mining Corporation
(an exploration stage Corporation)
Notes to the Interim Financial Statements
June 30, 2010
(unaudited)

10. Related party balances and transactions

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

Except as disclosed elsewhere in the financial statements, the Corporation had the following related party transactions for the three and six months ended June 30, 2010 and 2009:

- a) A total of \$10,850 and \$25,200, respectively (2009 – \$12,600 and \$25,200) was charged by a company owned by the President of the Corporation for rent and administrative services.

11. Financial instruments and financial risk management

The Corporation's financial instruments include cash, accounts receivable, due from related parties, investment, mineral property deposits and accounts payable and accrued liabilities. The carrying values of these financial instruments approximate their fair values due to their relatively short periods to maturity.

The Corporation's risk management policies are established to identify and analyze the risks faced by the Corporation, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Corporation's activities. The Corporation has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments.

This note presents information about the Corporation's exposure to each of the above risks and the Corporation's objectives, policies and processes for measuring and managing these risks. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Corporation's risk management framework. The Board has implemented and monitors compliance with risk management policies as set out herein:

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 accounts receivable relates 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.

Jasper Mining Corporation

(an exploration stage Corporation)

Notes to the Interim Financial Statements

June 30, 2010
(unaudited)

11. Financial instruments and financial risk management (continued)

b) Liquidity risk (continued)

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 June 30, 2010, the Corporation's financial liabilities were comprised of accounts payable and accrued liabilities which have a maturity of less than one year. As described in Note 8 at June 30, 2010, the Corporation has a \$1,043,397 unexpended flow through commitment and working capital of \$302,284.

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.

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 term deposits. For the three and six months ended June 30, 2010, if interest rates had been 1% higher with all other variables held constant, loss for the quarter would have been \$80 and \$160 lower, (2009 – \$58 and \$135) 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 June 30, 2010 or 2009.

Jasper Mining Corporation

(an exploration stage Corporation)

Notes to the Interim Financial Statements

June 30, 2010
(unaudited)

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 of \$302,284 (December 31, 2009 –\$460,693) and shareholders' equity of \$6,113,535 (December 31, 2009 – \$6,504,296). 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 and six months ended June30, 2010. 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

On July 6, 2010 the Corporation granted 1,900,000 stock options at \$0.15 per share and expiring on July 6, 2015.