

**JASPER MINING CORPORATION**  
**Management's Discussion and Analysis (Form 51-102F1)**  
**March 31, 2008**

---

The following discussion and analysis of financial results for the three months ended March 31, 2008 should be read in conjunction with the Corporation's unaudited financial statements as at and for the three months ended March 31, 2008 and the audited financial statements as at and for the year ended December 31, 2007 and related notes thereto. 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 30, 2008.

## **OVERVIEW**

Jasper Mining Corporation (the "Corporation") was incorporated on November 28, 1994 in the Province of Alberta. Effective November 14, 2007, the Corporation amalgamated with its wholly-owned subsidiary, Mountain Star Resources Ltd. The Corporation is in the exploration stage and is engaged in the exploration for and development of base and precious metals in Canada.

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 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 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.

During 2008, 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.

## **RESULTS OF OPERATIONS**

### **Three months ended March 31**

During the three months ended March 31, 2008, the Corporation incurred a net loss of \$95,680 compared to a net loss of \$138,782 during the same 2007 period. The majority of the decrease in the loss can be attributed to the following components:

- A \$6,000 decrease in general and administrative expenses due to lower professional fees (\$5,300); decrease in regulatory fees (\$4,000); and partially offset by increased travel and other costs.
- A \$61,000 decrease in stock-based compensation expense as there were no new options granted in 2008 compared to 2007.
- A \$22,000 increase in Part XII.6 tax due to the amount and timing of qualifying flow-through expenditures incurred under the look-back rule.
- A \$4,100 increase in interest revenue as term deposits held at December 31, 2007 were greater than in the previous year.

## **LIQUIDITY AND CAPITAL RESOURCES**

As at March 31, 2008, the Corporation had working capital of \$2,287,035 compared to \$2,455,291 at December 31, 2007. The decrease in working capital is comprised of primarily to net proceeds of \$470,000 raised through the issue of common shares offset by \$585,000 of mineral property expenditures, \$73,000 of funds used by operations and \$20,000 of other expenditures.

## **FINANCING ACTIVITIES**

During the first quarter of 2008, the Corporation raised gross proceeds of \$500,500 from the issuance of 1,430,000 common share units. Each unit consists of one flow-through common share and one half common share purchase warrant entitling the holder to purchase one common share at an exercise price of \$0.50 per share up to eighteen months from the closing date.

## **MINERAL PROPERTY AND OTHER CAPITAL SPENDING**

During the three months ended March 31, 2008, the Corporation incurred \$584,787 of cash expenditures on mineral properties as described under "Portfolio of Exploration Properties and Yearly Activity Report".

The Corporation also capitalized \$6,747 of stock-based compensation expense for two officers of the Corporation who are involved 100% in exploration and development of the Corporation.

Mineral property expenditures for the three months ended March 31, 2008 are summarized in the following table:

Property	Type of Expenditure	Amount
Vowell Creek	Acquisition	\$ 1,100
	Exploration	2
Isintok	Acquisition	-
	Exploration	2,567
Lydy/McFarlene	Acquisition	1,040
	Exploration	578,722
Erie Creek	Acquisition	-
	Exploration	8,103
		\$ 591,534

## INCOME TAX

The \$912,500 tax effect of the \$3,650,000 flow-through share proceeds raised in 2007 was recorded in February 2008 when the tax benefits were filed with the tax authorities and renounced to investors with an effective date of December 31, 2007. In addition, a future tax provision in the amount of \$8,523 was reflected in the three months ended March 31, 2007.

As at March 31, 2008, the Corporation has approximately \$2,800,000 (2007 - \$1,650,000) in tax pools and \$1,900,000 (2007 \$1,388,000) in non-capital losses available for deduction against future taxable income. The non-capital losses expire between 2009 and 2028.

## RELATED PARTY BALANCES AND TRANSACTIONS

Except as disclosed elsewhere in the financial statements, the Corporation had the following related party transactions for the three months ended March 31, 2008 and 2007:

- a) A total of \$11,350 (2007 – \$11,025) was charged by a Corporation owned by the president for rent and administrative services.
- b) Consulting fees of \$72,556 (2007 – \$76,186) was paid to a company owned by an officer of the Corporation and capitalized to exploration and development costs.
- c) An advance to an employee for field expenses was unspent at March 31, 2008. No interest was charged on the advance.

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 2008 with 56,760,053 shares outstanding. During the three months ended the Corporation issued the following:

- 1,430,000 common shares through private placements

As at March 31, 2008, the Corporation had 58,190,053 common shares outstanding.

Subsequent to March 31, 2008, a private placement for 60,000 common shares was closed which increased the common shares outstanding to 58,250,053 as at the date of this MD&A.

### **Warrants**

At the beginning of 2008, the Corporation had 9,125,000 warrants outstanding. During the three months ended March 31, 2008, 715,000 and 143,000 finders warrants were issued. As at March 31, 2008, 9,983,000 warrants were outstanding and subsequent to quarter end an additional 30,000 warrants and 6,000 finders warrants were issued resulting in 9,876,000 warrants outstanding at the date of this MD&A.

### **Stock options**

The Corporation had 6,852,500 stock options outstanding at the beginning of 2008 and at March 31, 2008. No options were issued subsequent to the quarter end.

## **COMMITMENTS AND CONTRACTUAL OBLIGATIONS**

### **Flow-through expenditures**

During 2007, the Corporation raised \$3,650,000 of flow-through share proceeds. The related tax benefit of the flow-through share proceeds was renounced to investors in February 2008 with an effective date of December 31, 2007. The Corporation has until December 31, 2008 to incur the related qualifying flow-through expenditures. As at March 31, 2008, approximately \$1,048,000 expenditures had been incurred and \$2,602,000 remains unspent.

### **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. The Corporation will file its assessment report with the Government of the Province of British Columbia for the 2008 field work.

### **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**

In the fall of 2007 we completed a financing with MineralFields which gave the Company sufficient funds to continue its exploration program through 2008.

Jasper has now drilled approximately 80 diamond drill holes resulting in 14,500 metres of core on its high priority McFarlane property. The holes have been drilled to test the high grade molybdenum vein system previously reported. Excellent results have been encountered in most holes. Molybdenum mineralization has been identified in the two adits on the property. The diamond drill holes extend the molybdenum vein system 1.75 km northeast of the Ben Derby adit. Some individual veins are documented over a width of approximately 400 metres. At the time of this writing there are cores for 50 holes that have not been fully logged, split and assayed. It is expected the Company will have upwards of 1500 assays associated with the McFarlane molybdenum discovery. It appears likely that sufficient information will be obtained from this program to prepare a resource calculation for McFarlane.

Jasper intends to move the drill rig to its Isintok property on May 25, 2008. The Isintok (copper-molybdenum) property, with the completion of the soils geochemistry, airbourne geophysics and ground IP survey, all of which overlap, points to a very encouraging anomaly that appears to be 2 km north/south by 600 metres east/west.

During August 2008 Jasper intends to drill a small number of diamond drill holes on the Irony (lead-zinc) property and, if time allows, to drill some holes on the Sawyer (lead-zinc) and Faith (gold) properties.

#### SELECTED QUARTERLY INFORMATION

	2008			
	March 31			
\$				
Mineral properties	8,129,020			
Total assets	10,788,715			
Working capital	2,287,035			
Shareholders' equity	8,646,673			
Net loss	95,680			
Net loss per share	0.00			
	2007			
	March 31	June 30	September 30	December 31
\$				
Mineral properties	6,248,172	6,751,208	7,065,980	7,537,486
Total assets	7,752,498	7,632,536	7,516,217	10,667,052
Working capital	918,636	359,607	(40,360)	2,455,291
Shareholders' equity	6,038,698	6,001,423	5,914,385	9,140,666
Net loss	138,782	112,629	164,176	278,691
Net loss per share	0.00	0.00	0.01	0.01

	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	5,897,269
Net loss	153,524	168,228	249,161	550,437
Net loss per share	0.00	0.00	0.01	0.01

## **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 fact that 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 the 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, 2007. The Corporation's significant accounting policies are subject to estimates and key judgments about future events, many of which are beyond management's control.

The Corporation believes the following are the most critical accounting estimates used in the determination of its financial results:

### **Valuation of mineral properties**

The Corporation records its interest in mineral claims and properties at cost whereby all direct and indirect costs of acquiring, exploring for and developing mining properties are capitalized as separate areas of interest. When the areas of interest are brought into production, the costs will be amortized using the unit-of-production method based on estimated proved reserves. Where a property shows no promise from prior exploration results and is dormant, the claims may be allowed to lapse, and would be written down to a nominal value where an interest in claims remained. Management will also determine if an exploration property is impaired, and whether the carrying value of such property should be written down and whether exploration costs incurred should be charged against earnings rather than being deferred, on each occasion that financial statements are issued.

### **Income taxes**

The Corporation records future tax assets and liabilities to account for the expected future tax consequences of events that have been recorded in its financial statements and its tax returns. These amounts are estimates and the actual tax consequences may differ from the estimates due to changing tax rates and regimes, as well as changing estimates of cash flows and capital expenditures in current and future periods. A valuation allowance is recorded to the extent that there is uncertainty regarding utilization of future tax assets.

### **Stock-based compensation**

Stock-based compensation expense is recorded in the statement of loss and deficit for all options granted based on the estimated fair value at the time of the grant and recognized as expense over the vesting period of the option. The fair value of options is estimated using the Black-Scholes option-pricing model based on estimates and assumptions for expected life of the options, expected volatility, risk-free interest rate and dividend yield.

## **CHANGE IN ACCOUNTING POLICIES**

On January 1, 2008, the Company adopted the new or revised Canadian accounting standards for capital disclosures, financial instruments – disclosure and presentation and inventories. Prior periods have not been restated. The adoption of these policies had no impact on opening deficit.

### **a) Capital Disclosures**

Section 1535 Capital Disclosures specifies the disclosure of (i) an entity's objectives, policies, and processes for managing capital, (ii) quantitative data about what the entity regards as capital, (iii) whether the entity has complied with any capital requirements, and (iv) if it has not complied, the consequences of such non-compliance.

### **b) Financial Instruments – Disclosure and Presentation**

Section 3862 Financial Instruments – Disclosure and Section 3863 Financial Instruments – Presentation replace Section 3861 Financial Instruments – Disclosure and Presentation. These new sections revise and enhance disclosure requirements and carrying forward unchanged presentation requirements. Increased emphasis is placed on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

c) Inventories

Section 3031 Inventories aligns Canadian GAAP with International Financial Reporting Standards. This standard has no impact on the Company's financial statements.

d) Pending accounting pronouncements:

The Company is currently assessing the impact of these following new standards on its financial statements:

i) International Financial Reporting Standards ("IFRS")

In 2005, the Accounting Standards Board of Canada ("AcSB") announced that accounting standards in Canada are to converge with IFRS. The AcSB has indicated that Canadian entities will need to begin reporting under IFRS by the first quarter of 2011 with appropriate comparative data from the prior year. Under IFRS, the primary audience is capital markets and as a result, there is significantly more disclosure required, specifically for quarterly reporting. Further, while IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in accounting policy which must be addressed.

ii) Goodwill and intangible assets

In January 2008, Section 3064 Goodwill and Intangible Assets was issued to replace Section 3062 Goodwill and Other Intangible Assets and Section 3450 Research and Development Costs. This standard aligns Canadian GAAP with IFRS and will be effective on October 1, 2008.

The Canadian Institute of Chartered Accountants ("CICA") has issued a number of accounting pronouncements, some of which may impact the Corporation's reported results and financial position in future periods:

## **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 our 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, 2008, that the Corporation's disclosure controls and procedures are effective to provide reasonable assurance that material information related to the Corporation, is made known to them by others with the entity. It should be noted that while the Corporation's Chief Executive Officer and Chief Financial Officer believe that our disclosure controls and procedures provide a reasonable level of assurance and 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 Corporation 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 Corporation, it is not possible to achieve complete segregation of duties; and
- Due to the size of the Corporation and the limited number of staff, the Corporation 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 Corporation'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, 2008**

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

### **LIST OF OFFICERS AS OF MARCH 31, 2008**

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