

**Jasper Mining Corporation**  
**(an exploration stage corporation)**

**Financial Statements**

**September 30, 2020**

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**Jasper Mining Corporation**  
(an exploration stage corporation)

**Financial Statements**

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**September 30, 2020**

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## **Management Report**

### **To the Shareholders of Jasper Mining Corporation**

The unaudited interim 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 interim 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 interim 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 interim financial statements.

#### **Auditor involvement**

The auditor of Jasper Mining Corporation has not performed a review of the unaudited interim financial statements for the nine months ended September 30, 2020.

#### **Jasper Mining Corporation**

*(Signed) "Gordon F. Dixon"*

President and in the capacity of Chief Executive Officer

*(Signed) "Paul Seo"*

Chief Financial Officer

**Calgary, Canada  
November 27, 2020**

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**Jasper Mining Corporation**  
(an exploration stage corporation)

**Statements of Financial Position**  
(Unaudited)

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<b>As at,</b>	<b>September 30, 2020</b>	<b>December 31, 2019</b>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 12,946	\$ 8,306
Other receivables	359	674
	<b>13,305</b>	<b>8,980</b>
Mineral property security deposits (note 4)	<b>36,907</b>	50,712
Property and equipment (note 5)	<b>127,821</b>	128,313
	<b>\$ 178,033</b>	<b>\$ 188,005</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payables and accrued liabilities	\$ 301,159	\$ 269,518
Due to related parties (note 12)	<b>30,000</b>	-
	<b>331,159</b>	<b>269,518</b>
<b>Shareholders' Equity (Deficiency)</b>		
Share capital (note 6)	<b>10,049,480</b>	10,049,480
Warrants (note 7)	-	-
Contributed surplus	<b>7,333,226</b>	7,333,226
Deficit	<b>(17,535,832)</b>	(17,464,219)
	<b>(153,126)</b>	<b>(81,513)</b>
	<b>\$ 178,033</b>	<b>\$ 188,005</b>

Nature of operations and going concern (note 1)  
Subsequent event (note 14)

(Signed) "Gordon F. Dixon" \_\_\_\_\_, Director

(Signed) "Jean Pierre-Pelletier" \_\_\_\_\_, Director

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**Jasper Mining Corporation**  
(an exploration stage corporation)

**Interim Statements of Loss and Comprehensive Loss**  
(Unaudited)

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	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>
<b>Expenses</b>				
General and administrative (note 8)	\$ 8,872	\$ 18,608	\$ 57,186	\$ 92,580
Exploration and evaluation expense	339	2,893	14,158	12,169
Depreciation (note 5)	164	195	492	585
	<b>(9,375)</b>	<b>(21,696)</b>	<b>(71,836)</b>	<b>(105,334)</b>
<b>Finance income</b>	<b>55</b>	<b>70</b>	<b>223</b>	<b>172</b>
<b>Loss and comprehensive loss for the period</b>	<b>\$ (9,320)</b>	<b>\$ (21,626)</b>	<b>\$ (71,613)</b>	<b>\$ (105,162)</b>
<b>Net loss per share</b>				
Basic and diluted (note 9)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)

**Jasper Mining Corporation**  
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**Statements of Changes in Equity**  
(Unaudited)

	Number of shares	Share capital	Warrants	Contributed Surplus	Deficit	Total shareholders' equity (deficiency)
<b>Balance December 31, 2018</b>	16,256,716	\$ 9,824,132	\$ 16,588	\$ 7,302,555	\$ (17,338,514)	\$ (195,239)
Issued for debt settlement	1,933,070	193,307	-	-	-	193,307
Issuance on exercise of warrants	208,334	32,041	(11,208)	-	-	20,833
Share-based compensation	-	-	-	25,291	-	25,291
Expiration of warrants	-	-	(5,380)	5,380	-	-
Net loss for the year	-	-	-	-	(125,705)	(125,705)

**Balance December 31, 2019**                      **18,398,120**      **\$ 10,049,480**      **\$ -**      **\$ 7,333,226**      **\$ (17,464,219)**      **\$ (81,513)**

	Number of shares	Share capital	Warrants	Contributed Surplus	Deficit	Total shareholders' equity (deficiency)
<b>Balance December 31, 2019</b>	<b>18,398,120</b>	<b>\$ 10,049,480</b>	<b>\$ -</b>	<b>\$ 7,333,226</b>	<b>\$ (17,464,219)</b>	<b>\$ (81,513)</b>
Net loss for the period	-	-	-	-	(71,613)	(71,613)

**Balance September 30, 2020**                      **18,398,120**      **\$ 10,049,480**      **\$ -**      **\$ 7,333,226**      **\$ (17,535,832)**      **\$ (153,126)**

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**Jasper Mining Corporation**  
(an exploration stage corporation)

**Interim Statements of Cash Flows**  
(Unaudited)

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<b>Nine month period ended September 30,</b>	<b>2020</b>	<b>2019</b>
<b>Operating activities</b>		
Net loss for the period	\$ (71,613)	(105,162)
Items not affecting cash		
Depreciation	492	585
Share-based compensation	-	25,291
Changes in working capital (note 10)	31,956	11,593
	<b>(39,165)</b>	<b>(67,693)</b>
<b>Financing activity</b>		
Share issuance proceeds	-	20,833
Mineral property security deposits	14,028	-
Related party advances	30,000	-
	<b>44,028</b>	<b>20,833</b>
<b>Investing activity</b>		
Mineral property security deposits	(223)	(172)
<b>Increase (decrease) in cash</b>	<b>4,640</b>	<b>(47,032)</b>
<b>Cash, beginning of year</b>	<b>8,306</b>	<b>60,376</b>
<b>Cash, end of period</b>	<b>\$ 12,946</b>	<b>\$ 13,344</b>
<b>Cash interest received</b>	<b>\$ 223</b>	<b>\$ 172</b>
<b>Non-cash transactions:</b>		
Fair value of warrants exercised transferred to share capital	\$ -	11,208
Fair value of warrants expired transferred to contributed surplus	-	5,380

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**Jasper Mining Corporation**  
(an exploration stage corporation)

**Notes to the Financial Statements**

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**For the period ended September 30, 2020 (Unaudited)**

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**1. Nature of operations 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 - 4<sup>th</sup> Avenue SW, Calgary, Alberta, Canada, 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's 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, advances from related parties, 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 September 30, 2020, the Corporation had a working capital deficiency of \$(317,854) 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;
- c) The current equity market environment may hamper the Corporation's ability to raise funds for its exploration programs; and
- d) During the period there was a worldwide outbreak of a novel coronavirus known as "COVID-19", which has impacted the global economy (note 14).

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; and
- 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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**Jasper Mining Corporation**  
(an exploration stage corporation)

**Notes to the Financial Statements**

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**For the period ended September 30, 2020 (Unaudited)**

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**2. Basis of presentation**

Statement of compliance:

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, 2019.

These financial statements were authorized for issue by the Board of Directors on November 27, 2020.

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 its nature, while general and administrative expenses are presented on a functional basis. Other significant expenses, such as share-based compensation, are presented by their nature in the notes to the financial statements.

The financial statements have been prepared on the historical cost basis, presented in Canadian dollars, which is the Corporation’s functional currency.

**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, 2019. There have been no changes to the Corporation’s accounting policies since December 31, 2019 other than outlined below.

The following accounting standard is effective for reporting periods beginning on or after January 1, 2020 and was adopted with no material impact on the financial statements.

Amendments to IFRS 3 Business Combinations

Amendments to IFRS 3, Business Combinations assist in determining whether a transaction should be accounted for as a business combination or an asset acquisition. It amends the definition of a business to include an input and a substantive process that together significantly contribute to the ability to create goods and services provided to customers, generating investment and other income, and it excludes returns in the form of lower costs and other economic benefits.

**4. Mineral property security deposits**

The Corporation is required to make reclamation deposits in respect of its expected rehabilitation obligations. The reclamation deposits represent collateral for possible reclamation activities necessary on mineral properties in connection with the permits required for exploration activities by the Corporation. The deposits are held in certificates of deposit with maturity dates during 2020 and interest rates of 1.00% - 1.60% (2019 – 1.00% - 1.60%).

**Jasper Mining Corporation**  
(an exploration stage corporation)

**Notes to the Financial Statements**

**For the period ended September 30, 2020 (Unaudited)**

**5. Property and equipment**

	Land	Equipment	Total
<b>Cost</b>			
As at December 31, 2018, 2019 and September 30, 2020	\$ 123,387	\$ 40,205	\$ 163,592
<b>Accumulated depreciation</b>			
As at December 31, 2018	\$ -	\$ 34,501	\$ 34,501
Depreciation	-	778	778
As at December 31, 2019	\$ -	\$ 35,279	\$ 35,279
Depreciation	-	492	492
As at September 30, 2020	\$ -	\$ 35,771	\$ 35,771
<b>Net book value</b>			
As at December 31, 2019	\$ 123,387	\$ 4,434	\$ 127,821
As at September 30, 2020	\$ 123,387	\$ 4,926	\$ 128,313

**6. Share capital**

	September 30, 2020		December 31, 2019	
	Number of shares	Value	Number of shares	Value
<b>Issued</b>				
Balance, beginning of year	18,398,120	\$ 10,049,480	16,256,716	\$ 9,824,132
Debt conversion	-	-	1,933,070	193,307
Exercise of warrants	-	-	208,334	32,041
<b>Balance, end of period</b>	<b>18,398,120</b>	<b>\$ 10,049,480</b>	<b>18,398,120</b>	<b>\$ 10,049,480</b>

In December 2019, the Corporation approved the conversion of certain existing accounts payable and amounts due to related parties from debt to equity. The total amount outstanding extinguished by the Corporation was \$193,307 for 1,933,070 common shares. The debt was owed to four non-arms' length parties and was converted at \$0.10 per share which was the trading price on the date of conversion. The shares are subject to a four-month hold period ending in April 2020.

**7. Warrants**

	September 30, 2020		December 31, 2019	
	Number of warrants	Value	Number of warrants	Value
Balance, beginning of year	-	\$ -	308,334	\$ 16,588
Expired	-	-	(100,000)	(5,380)
Exercised	-	-	(208,334)	(11,208)
<b>Balance, end of period</b>	<b>-</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>

**Jasper Mining Corporation**  
(an exploration stage corporation)

**Notes to the Financial Statements**

**For the period ended September 30, 2020 (Unaudited)**

**8. Share-based payments**

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

	<b>September 30, 2020</b>		December 31, 2019	
	<b>Number of options</b>	<b>Weighted average exercise price (\$)</b>	Number of options	Weighted average exercise price (\$)
Balance, beginning of year	1,300,000	\$ 0.10	1,450,000	\$ 0.10
Forfeited	-	-	(150,000)	0.10
Balance, end of period	1,300,000	\$ 0.10	1,300,000	\$ 0.10

Summary information with respect to options outstanding at December 31, 2019 is provided below:

<b>Exercise price (\$)</b>	<b>Number Outstanding</b>	<b>Contractual life remaining (years)</b>	<b>Exercise price (\$)</b>	<b>Number exercisable</b>
0.10	575,000	0.2	0.10	575,000
0.08	200,000	2.0	0.08	200,000
0.10	525,000	3.2	0.10	525,000
	1,300,000	1.8	0.10	1,300,000

During the year ended December 31, 2019, the Corporation's share-based compensation expense was \$25,291 (2018 - \$54,741) of which all was recorded in general and administrative in the statements of loss and comprehensive loss. Of this amount, \$12,044 was for share-based payments to key management. There was no unvested share-based compensation expense as of December 31, 2019.

**9. Per share amounts**

Basic net loss per share is calculated as follows with the effect of stock options and warrants being anti-dilutive in loss periods:

<b>September 30,</b>	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>2020</b>	2019	<b>2020</b>	2019
Net loss for the period	\$ (9,320)	\$ (21,626)	\$ (71,613)	\$ (105,334)
Weighted average number of shares:				
Issued common shares at beginning of period	18,398,120	16,256,716	18,398,120	16,256,716
Shares issued	-	208,334	-	127,315
Basic weighted average shares	18,398,120	16,465,050	18,398,120	16,384,031
Net loss per share – basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)

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**Jasper Mining Corporation**  
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**Notes to the Financial Statements**

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**For the period ended September 30, 2020 (Unaudited)**

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**10. Change in working capital**

<b>For the nine months ended September 30,</b>	<b>2020</b>	<b>2019</b>
Other receivables	\$ 315	\$ 911
Accounts payable and accrued liabilities	31,641	10,682
	<b>\$ 31,956</b>	<b>\$ 11,593</b>

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**11. 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:

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.

- a) During the three and nine months ended September 30, 2020, \$1,500 and \$4,500 (2019 - \$1,500 and \$4,500) was charged for rent by a company owned by the President of the Corporation. Included in accounts payable and accrued liabilities at September 30, 2020 is \$6,300 (December 31, 2019 - \$1,575) due to this company. On December 18, 2019, \$11,555 was converted into common shares at a price of \$0.10 per share resulting in the issuance of 115,555 common shares.
- b) At September 30, 2020, there was \$nil (December 31, 2019 - \$nil) in due to related parties for expense advances and \$30,000 due to related parties (December 31, 2019 - \$nil) controlled by the President of the Corporation. On December 18, 2019, \$139,490 was converted into common shares at a price of \$0.10 per share resulting in the issuance of 1,394,900 common shares.
- c) During the three and nine months ended September 30, 2020, \$5,250 and \$15,750 (2019 - \$5,250 and \$15,750) was charged by a company owned by the President of the Corporation for administrative services. Included in accounts payable and accrued liabilities at September 30, 2020 is \$22,050 (December 31, 2019 - \$5,513) due to this company. On December 18, 2019, \$42,262 was converted into common shares at a price of \$0.10 per share resulting in the issuance of 422,620 common shares.

**Notes to the Financial Statements**

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**For the period ended September 30, 2020 (Unaudited)**

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**12. Financial instruments and 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 interest rate 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 other receivables 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 September 30, 2020 and December 31, 2019, the Corporation's financial liabilities were comprised of accounts payable and accrued liabilities, which all 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 terms deposits as it has not entered into any interest rate contracts. For the period ended September 30, 2020 and years ended December 31, 2019 and 2018, if interest rates had been 1% higher with all other variables held constant, the change in net loss would have been insignificant.

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**Jasper Mining Corporation**  
(an exploration stage corporation)

**Notes to the Financial Statements**

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**For the period ended September 30, 2020 (Unaudited)**

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**13. 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 \$317,854 (December 31, 2019 - \$260,538) and shareholders' deficiency of \$153,126 (December 31, 2019 - \$81,513). 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 period ended September 30, 2020 and years ended December 31, 2019 and 2018. The Corporation has not paid or declared any dividends since the date of incorporation, nor are any contemplated in the foreseeable future.

**14. Subsequent event**

During the period, there was a global outbreak of a novel coronavirus identified as "COVID-19". On March 11, 2020, the World Health Organization declared a global pandemic. In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets.

Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any 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 Corporation and its operations in future periods.