



**RUPERT RESOURCES LTD.**

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE AND SIX MONTHS ENDED

AUGUST 31, 2022

(EXPRESSED IN CANADIAN DOLLARS)  
(UNAUDITED)

---

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The accompanying unaudited condensed interim consolidated financial statements of Rupert Resources Ltd. (the "Company") are the responsibility of management and the Board of Directors.

The unaudited condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 - Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed interim consolidated financial statements; and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the years presented by the unaudited condensed interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

# Rupert Resources Ltd.

## Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

	As at August 31, 2022	As at February 28, 2022 (Audited)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents (note 3)	\$ 36,860,468	\$ 45,275,410
Marketable securities (notes 4 and 9)	210,000	495,000
Prepays and sundry receivables (note 5)	639,591	1,067,571
Due from related parties (note 16)	-	1,737,460
	<b>37,710,059</b>	<b>48,575,441</b>
<b>Non-current assets</b>		
Restricted cash (note 6)	1,279,508	1,288,672
Property, plant and equipment (note 7)	3,830,820	3,249,947
Right-of-use asset (note 8)	133,055	175,931
Exploration and evaluation assets (note 9)	78,157,453	68,628,763
	<b>\$ 121,110,895</b>	<b>\$ 121,918,754</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Amounts payable and accrued liabilities (notes 10 and 16)	\$ 3,508,725	\$ 8,636,201
Lease liability (note 12)	58,354	61,574
	<b>3,567,079</b>	<b>8,697,775</b>
<b>Non-current liabilities</b>		
Asset retirement obligation (note 11)	5,238,581	4,780,340
Lease liability (note 12)	77,159	115,431
	<b>8,882,819</b>	<b>13,593,546</b>
<b>Shareholders' Equity</b>		
Share capital (note 13)	176,399,967	159,355,523
Contributed surplus (note 13)	7,317,717	7,054,263
Warrants (note 13)	-	3,086,786
Cumulative translation adjustment	(8,335,341)	(3,111,547)
Equity portion of convertible debentures	75,700	75,700
Deficit	(63,229,967)	(58,135,517)
	<b>112,228,076</b>	<b>108,325,208</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 121,110,895</b>	<b>\$ 121,918,754</b>

Nature of Operations (note 1)

Commitments and Contingencies (note 18)

Approved on behalf of the Board:

(Signed) "Gunnar Nilsson" Director

(Signed) "James Withall" Director

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

## Rupert Resources Ltd.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss  
(Expressed in Canadian Dollars)  
(Unaudited)

	Three Months Ended August 31,		Six Months Ended August 31,	
	2022	2021	2022	2021
<b>Operating expenses</b>				
General and administrative expenses (note 14)	\$ 1,881,243	\$ 1,194,075	\$ 2,714,669	\$ 2,051,776
Share-based payments (notes 13 and 16)	841,789	772,872	1,485,808	1,356,557
<b>Loss before other items</b>	<b>(2,723,032)</b>	<b>(1,966,947)</b>	<b>(4,200,477)</b>	<b>(3,408,333)</b>
Depreciation (notes 7 and 8)	(23,752)	-	(39,181)	-
Unrealized loss on marketable securities (note 4)	(85,000)	(190,000)	(285,000)	(295,000)
Accretion and interest expense (note 12)	(1,838)	-	(4,154)	-
Foreign exchange loss	(221,009)	108,373	(565,738)	(25,949)
Other income	-	2,498	100	5,662
<b>Net (loss) for the period</b>	<b>(3,054,631)</b>	<b>(2,046,076)</b>	<b>(5,094,450)</b>	<b>(3,723,620)</b>
<b>Other comprehensive (loss) gain</b>				
Item that will be reclassified subsequently to income				
Exchange differences on translating foreign operations	(2,118,636)	551,673	(5,223,794)	(1,249,849)
<b>Net (loss) and comprehensive (loss) for the period</b>	<b>\$ (5,173,267)</b>	<b>\$ (1,494,403)</b>	<b>\$ (10,318,244)</b>	<b>\$ (4,973,469)</b>
<b>Basic and diluted net (loss) per share</b> (note 15)	<b>\$ (0.02)</b>	<b>\$ (0.01)</b>	<b>\$ (0.03)</b>	<b>\$ (0.02)</b>
<b>Weighted average number of common shares</b>				
outstanding - basic and diluted (note 15)	191,268,298	174,429,578	190,552,791	169,807,975

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

**Rupert Resources Ltd.**  
**Condensed Consolidated Interim Statements of Cash Flows**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

	<b>Six Months Ended</b>	
	<b>August 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Operating activities</b>		
Net loss for the period	\$ (5,094,450)	\$ (3,723,620)
Adjustments for:		
Share-based payments	1,485,808	1,356,557
Unrealized loss on marketable securities	285,000	295,000
Depreciation	39,181	-
Exchange differences on translating foreign operations	(402,303)	37,926
Accretion and interest expense	3,896	-
Changes in non-cash working capital items:		
Prepays and sundry receivables	427,980	462,047
Amounts payable and accrued liabilities	(3,390,016)	(845,047)
	<b>(6,644,904)</b>	<b>(2,417,137)</b>
<b>Financing activities</b>		
Proceeds from exercise of warrants	11,543,704	-
Proceeds from exercise of options	1,191,600	380,000
Proceeds from private placement and prospectus offering	-	48,654,000
Share issuance costs	-	(2,059,176)
Lease liability payments	(32,719)	-
	<b>12,702,585</b>	<b>46,974,824</b>
<b>Investing activities</b>		
Expenditure on exploration and evaluation assets	(13,442,860)	(10,892,509)
Net deposits for restricted cash	(76,469)	-
Purchase of property, plant and equipment	(953,294)	(175,577)
	<b>(14,472,623)</b>	<b>(11,068,086)</b>
<b>Net change in cash</b>	<b>(8,414,942)</b>	<b>33,489,601</b>
<b>Cash, beginning of period</b>	<b>45,275,410</b>	<b>21,724,305</b>
<b>Cash, end of period</b>	<b>\$ 36,860,468</b>	<b>\$ 55,213,906</b>

*The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.*

---

**Rupert Resources Ltd.****Condensed Consolidated Interim Statements of Changes in Capital****(Expressed in Canadian Dollars)****(Unaudited)**

---

	Share Capital	Cumulative Translation Adjustment	Contributed Surplus	Warrants	Convertible Debentures	Deficit	Total
<b>Balance, February 28, 2022</b>	<b>\$159,355,523</b>	<b>\$ (3,111,547)</b>	<b>\$ 7,054,263</b>	<b>\$ 3,086,786</b>	<b>\$ 75,700</b>	<b>\$ (58,135,517)</b>	<b>\$108,325,208</b>
Stock options exercised (note 13)	2,413,954	-	(1,222,354)	-	-	-	1,191,600
Share-based payments (notes 13 and 16)	-	-	1,485,808	-	-	-	1,485,808
Warrants exercised (note 13)	14,630,490	-	-	(3,086,786)	-	-	11,543,704
Net loss and comprehensive loss for the period	-	(5,223,794)	-	-	-	(5,094,450)	(10,318,244)
<b>Balance, August 31, 2022</b>	<b>\$176,399,967</b>	<b>\$ (8,335,341)</b>	<b>\$ 7,317,717</b>	<b>\$ -</b>	<b>\$ 75,700</b>	<b>\$ (63,229,967)</b>	<b>\$112,228,076</b>
<b>Balance, February 28, 2021</b>	<b>\$106,607,122</b>	<b>\$ 728,958</b>	<b>\$ 7,304,431</b>	<b>\$ 3,086,786</b>	<b>\$ 75,700</b>	<b>\$ (49,879,402)</b>	<b>\$ 67,923,595</b>
Private placement and prospectus offering (note 13)	46,594,824	-	-	-	-	-	46,594,824
Stock options exercised (note 13)	720,000	-	(340,000)	-	-	-	380,000
Share-based payments (notes 13 and 16)	-	-	1,356,557	-	-	-	1,356,557
Net loss and comprehensive loss for the period	-	(1,249,849)	-	-	-	(3,723,620)	(4,973,469)
<b>Balance, August 31, 2021</b>	<b>\$153,921,946</b>	<b>\$ (520,891)</b>	<b>\$ 8,320,988</b>	<b>\$ 3,086,786</b>	<b>\$ 75,700</b>	<b>\$ (53,603,022)</b>	<b>\$111,281,507</b>

*The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.*

---

# Rupert Resources Ltd.

## Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended August 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

---

### 1. Nature of Operations

Rupert Resources Ltd. (the "Company" or "Rupert") is a company incorporated under the laws of the Province of British Columbia. The Company is currently seeking out viable mineral exploration and evaluation opportunities and its primary projects located in Finland. The business of exploring for minerals involves a high degree of risk and there can be no assurance that planned exploration programs will result in profitable mining operations. The Company's primary office is The Canadian Venture Building, 82 Richmond St East, Suite 202, Toronto, Ontario M5C 1P1.

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility. Governments and central banks 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 the government and central bank 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 operating subsidiaries in future periods. The Company is monitoring the business environment as a result to ensure minimal disruption to business operations. The Company continues to be in operations as of the current date.

The Company's outstanding common shares trade on the TSX Venture Exchange under the symbol RUP. As at August 31, 2022, an investor of the Company, Agnico Eagle Mines Limited, controlled 28,644,111 common shares of the Company or approximately 15.0% of the total common shares outstanding. To the knowledge of directors and officers of Rupert, the remainder of the Company's outstanding common shares are widely held. These holdings can change at any time at the discretion of the owner.

### 2. Significant Accounting Policies

#### (a) *Statement of Compliance*

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of October 28, 2022, the date on which the Board of Directors approved the unaudited condensed interim consolidated financial statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended February 28, 2022, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending February 28, 2023 could result in restatement of these unaudited condensed interim consolidated financial statements.

#### (b) *New Accounting Policies Adopted*

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after March 1, 2022. Many are not applicable or do not have a significant impact to the Company and have been excluded.

#### (c) *Future Accounting Pronouncements*

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after March 1, 2023. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

---

## Rupert Resources Ltd.

### Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended August 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

---

## 2. Significant Accounting Policies (continued)

(c) *Future Accounting Pronouncements (continued)*

### IAS 1, Presentation of Financial Statements ("IAS 1")

IAS 1 was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or non-current is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023. Earlier adoption is permitted.

## 3. Cash and Cash Equivalents

	As at August 31, 2022	As at February 28, 2022
Cash	\$ 36,760,468	\$ 45,175,410
Guaranteed investment certificates ("GIC's")	100,000	100,000
Total	\$ 36,860,468	\$ 45,275,410

---

The GIC's earn interest at 0.75%, mature one year from the date of purchase and provide security for the Company's credit cards.

## 4. Marketable Securities

	As at August 31, 2022	As at February 28, 2022
Trillium Gold Mines Ltd - 1,000,000 common shares	\$ 210,000	\$ 495,000

---

## 5. Prepaids and Sundry Receivables

	As at August 31, 2022	As at February 28, 2022
Prepaid expenses and sundry receivables	\$ 129,787	\$ 289,657
Sales tax receivable	509,804	777,914
	\$ 639,591	\$ 1,067,571

---

## Rupert Resources Ltd.

### Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended August 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

#### 6. Restricted Cash

In connection with the acquisition of the Pahtavaara Gold Mine, the Company purchased environmental bonds of EURO 850,000 for the sole purpose of settling the future restoration obligations of the Pahtavaara Gold Mine (note 11). Furthermore, in connection with Rupert Lapland Project Area, the Company has also purchased exploration-related bonds totalling EURO 106,103. The bonds are not interest-bearing and have no maturity date. This cash is not available for general corporate purposes.

With the acquisition of Northern Aspect Resources Ltd. the Company also acquired a EURO 21,000 deposit for the sole purpose of settling the future restoration obligations of the Hirsikangas Gold Project. The deposit are not interest-bearing and have no maturity date. This cash is not available for general corporate purposes.

<b>Balance, February 28, 2022</b>	<b>\$ 1,288,672</b>
Additions	76,469
Foreign exchange adjustment	(85,633)
<b>Balance, August 31, 2022</b>	<b>\$ 1,279,508</b>

#### 7. Property, Plant and Equipment

	Computers	Equipment and Machinery	Construction in Progress	Buildings	Vehicles	Office Furniture	Total
<b>Year ended February 28, 2022</b>							
At February 28, 2021	\$ 6,231	\$ 2,002,070	\$ -	\$ 984,574	\$ 148,280	\$ 3,162	\$ 3,144,317
Additions (net)	-	342,113	-	-	-	-	342,113
Foreign exchange differences	(450)	(144,793)	-	(71,206)	(10,454)	(229)	(227,132)
Depreciation	-	-	-	-	(9,351)	-	(9,351)
At February 28, 2022	\$ 5,781	\$ 2,199,390	\$ -	\$ 913,368	\$ 128,475	\$ 2,933	\$ 3,249,947
At August 31, 2021							
Cost	\$ 7,039	\$ 2,199,390	\$ -	\$ 913,368	\$ 169,111	\$ 2,933	\$ 3,291,841
Accumulated depreciation	(1,258)	-	-	-	(40,636)	-	(41,894)
Net book value	\$ 5,781	\$ 2,199,390	\$ -	\$ 913,368	\$ 128,475	\$ 2,933	\$ 3,249,947
<b>Period ended August 31, 2022</b>							
At February 28, 2022	\$ 5,781	\$ 2,199,390	\$ -	\$ 913,368	\$ 128,475	\$ 2,933	\$ 3,249,947
Additions (net)	-	70,418	882,876	-	-	-	953,294
Foreign exchange differences	(438)	(164,038)	-	(69,090)	(7,738)	(222)	(241,526)
Depreciation	-	(51,623)	-	-	(79,272)	-	(130,895)
<b>At August 31, 2022</b>	<b>\$ 5,343</b>	<b>\$ 2,054,147</b>	<b>\$ 882,876</b>	<b>\$ 844,278</b>	<b>\$ 41,465</b>	<b>\$ 2,711</b>	<b>\$ 3,830,820</b>
At August 31, 2022							
Cost	\$ 6,601	\$ 2,104,481	\$ 882,876	\$ 844,278	\$ 154,519	\$ 2,711	\$ 3,995,466
Accumulated depreciation	(1,258)	(50,334)	-	-	(113,054)	-	(164,646)
<b>Net book value</b>	<b>\$ 5,343</b>	<b>\$ 2,054,147</b>	<b>\$ 882,876</b>	<b>\$ 844,278</b>	<b>\$ 41,465</b>	<b>\$ 2,711</b>	<b>\$ 3,830,820</b>

Depreciation has not been charged on construction in progress, buildings and certain equipments as they have been determined by management not to be available for use.

At August 31, 2022 and 2021, management assessed the assets classified as not available for use for indicators of impairment. No impairment losses were noted for both periods.

## Rupert Resources Ltd.

### Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended August 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

#### 8. Right-of-use Asset

	Office
<b>Period ended August 31, 2022</b>	
At February 28, 2022	\$ 175,931
Foreign exchange differences	(12,551)
Depreciation	(30,325)
<b>At August 31, 2022</b>	<b>\$ 133,055</b>
At August 31, 2022	
Cost	\$ 177,407
Accumulated depreciation	(44,352)
<b>Net book value at August 31, 2022</b>	<b>\$ 133,055</b>

#### 9. Exploration and Evaluation Assets

The Company's exploration and evaluation assets consist of the following:

	Hirsikangas Property	Rupert Lapland Project Area	Total
<b>Balance, February 28, 2022</b>	<b>\$ 4,291,690</b>	<b>\$ 64,337,073</b>	<b>\$ 68,628,763</b>
<u>Acquisition Costs</u>			
Property taxes	-	12,633	12,633
Licenses and permits	269,008	893,196	1,162,204
	<b>\$ 4,560,698</b>	<b>\$ 65,242,902</b>	<b>\$ 69,803,600</b>
<u>Exploration and Evaluation Costs</u>			
Assays	\$ -	\$ 3,200,652	\$ 3,200,652
Consulting	-	1,069,444	1,069,444
Geophysics	101,082	271,536	372,618
Drilling	4,333	5,648,565	5,652,898
Equipment rental and software	-	159,685	159,685
Transportation	-	137,183	137,183
Fuel	-	20,225	20,225
Asset retirement obligation decrease	-	840,831	840,831
Utilities	-	105,142	105,142
Salaries	47,588	1,428,085	1,475,673
Environmental	-	390,820	390,820
Foreign exchange differences	(206,825)	(4,986,532)	(5,193,357)
Depreciation	-	122,039	122,039
<b>Balance, August 31, 2022</b>	<b>\$ 4,506,876</b>	<b>\$ 73,650,577</b>	<b>\$ 78,157,453</b>

## Rupert Resources Ltd.

### Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended August 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

#### 9. Exploration and Evaluation Assets (continued)

##### Pahtavaara Gold Mine

On August 30, 2016, the Company exercised the option with the bankruptcy estate of Lapland Goldminers Oy to acquire the Pahtavaara gold mine, mill and exploration permits and concessions that represented a 124km<sup>2</sup> land package in Finland in the Central Lapland Greenstone Belt (the "Pahtavaara Gold Mine"). The Pahtavaara Gold Mine is included within Rupert Lapland Project Area. The purchase price for the acquisition was US\$2,500,000, structured as a US\$500,000 cash payment which was made upon the completion of the acquisition in November 2016 and a 1.5% production royalty, capped at US\$2,000,000, payable on go-forward revenues generated when gold production resumes. The production royalty, which is considered contingent consideration, was valued at \$nil on the date of acquisition and as at August 31, 2022 and 2021.

##### Gold Centre Property

During the year ended February 28, 2021, the Company entered into an arm's length, definitive agreement to joint venture the Company's Gold Centre property in Red Lake, Ontario with Trillium Gold Mines Ltd ("Trillium" or "TGM").

Rupert and Trillium have formed an unincorporated joint venture with respect to the Gold Centre property. Trillium has an 80% participating interest (a "Participating Interest") in the joint venture and Rupert has a 20% carried Participating Interest. In order to maintain its 80% Participating interest, Trillium is required to spend \$2,000,000 per annum in each of the first five years and \$500,000 in each subsequent year. Further, Trillium issued to Rupert 500,000 common shares upon the start date of the joint venture and in order to maintain its Participating Interest, will issue 500,000 common shares on each anniversary thereof for the subsequent three years, for a total of 2,000,000 common shares. As at August 31, 2022, Trillium issued to Rupert 1,000,00 common shares since the start date of the joint venture (note 4).

#### 10. Amounts Payable and Accrued Liabilities

	As at August 31, 2022	As at February 28, 2022
Trade payables	\$ 848,003	\$ 4,519,187
Accrued liabilities	2,660,722	4,117,014
	<b>\$ 3,508,725</b>	<b>\$ 8,636,201</b>

#### 11. Asset Retirement Obligation

<b>Balance, February 28, 2022</b>	<b>\$ 4,780,340</b>
Foreign exchange adjustment	(382,590)
Add: increase in restoration provision	62,316
Present value adjustment	778,515
<b>Balance, August 31, 2022</b>	<b>\$ 5,238,581</b>
Balance, February 28, 2021	\$ 3,534,987
Foreign exchange adjustment	(300,252)
Present value adjustment	1,545,605
Balance, February 28, 2022	\$ 4,780,340

---

## Rupert Resources Ltd.

### Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended August 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

---

#### 11. Asset Retirement Obligation (continued)

In August 2016, as part of the acquisition of the Pahtavaara Gold Mine, the Company recognized obligations for future site restoration. Although the ultimate amount of the future site restoration is uncertain, the fair value of the obligation was based on information currently available, including disturbances made to date, closure plans and applicable regulations. The amounts and timing of the closure plans will vary depending on a number of factors including alternative mine plans.

These obligations are expected to be settled at the end of the mine life which is estimated to be 10.5 years. The asset retirement obligation was revalued on August 31, 2022 using a discount rate of 2% and inflation rate of 7.62% per annum.

Refer to note 6 for assets pledged and restricted for the purposes of settling future site restoration obligations.

#### 12. Lease Liability

The lease liability consist of a lease of office space with a three-year term under a lease agreement. The lease is calculated using an incremental borrowing rate of 5% per annum.

<b>Balance, February 28, 2022</b>	<b>\$ 177,005</b>
Foreign exchange differences	(12,669)
Interest expense	3,896
Lease payments	(32,719)
<b>Balance, August 31, 2022</b>	<b>\$ 135,513</b>
<b>Allocated as:</b>	
Current	58,354
Non-current	77,159
<b>Balance, August 31, 2022</b>	<b>\$ 135,513</b>

The maturity analysis of the undiscounted contractual balances of the lease liability is as follows:

#### At August 31, 2022

Less than one year	\$ 63,805
One to three years	79,756
<b>Total undiscounted lease liability</b>	<b>\$ 143,561</b>

# Rupert Resources Ltd.

## Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended August 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

### 13. Share Capital and Reserves

#### Authorized Share Capital

The authorized share capital of the Company is an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. All issued shares, consisting only of common shares are fully paid.

#### Issued Share Capital

As at August 31, 2022, the issued share capital amounted to \$176,399,967. There were the following changes in issued share capital for the six months ended August 31, 2022 and 2021:

	Number of Common Shares	Amount
<b>Balance, February 28, 2022</b>	<b>178,609,594</b>	<b>\$ 159,355,523</b>
Stock options exercised <sup>(1)</sup>	1,115,000	2,413,954
Warrants exercised <sup>(2)</sup>	11,543,704	14,630,490
<b>Balance, August 31, 2022</b>	<b>191,268,298</b>	<b>\$ 176,399,967</b>
Balance, February 28, 2021	165,285,761	\$ 106,607,122
Private placement and prospectus offering <sup>(3)</sup>	9,180,000	48,654,000
Share issue costs <sup>(3)</sup>	-	(2,059,176)
Stock options exercised <sup>(1)</sup>	500,000	720,000
<b>Balance, August 31, 2021</b>	<b>174,965,761</b>	<b>\$ 153,921,946</b>

<sup>(1)</sup> During the six months ended August 31, 2022, 1,115,000 (six months ended August 31, 2021 - 500,000) stock options were exercised at a price of \$0.87 to \$3.20 (six months ended August 31, 2021 - \$0.76) per share for total proceeds of \$1,191,600 (six months ended August 31, 2021 - \$380,000). The options exercised had a grant date fair value of \$1,222,354 (six months ended August 31, 2021 - \$340,000) initially recognized in contributed surplus which was transferred to share capital upon exercise of the options.

<sup>(2)</sup> During the six months ended August 31, 2022, 11,543,704 (six months ended August 31, 2021 - nil) warrants were exercised at a price of \$1.00 (six months ended August 31, 2021 - \$nil) per share for total proceeds of \$11,543,704 (six months ended August 31, 2021 - \$nil). The warrants exercised had a grant date fair value of \$3,086,786 (six months ended August 31, 2021 - \$nil) initially recognized in warrants reserve which was transferred to share capital upon exercise of the warrants.

<sup>(3)</sup> On June 4, 2021, the Company closed equity financings, raising in total \$48,654,000. The financings comprised two components: a bought deal equity offering (the "Public Offering"); and a private placement (the "Private Placement") with existing shareholders, including Agnico Eagle Mines Limited ("Agnico"). The Public Offering comprised an issuance of 5,658,000 common shares in the capital of the Company (the "Common Shares") at a price of \$5.30 per Common Share (the "Offering Price") for gross proceeds of \$29,987,400, which included the exercise, in full, of the underwriter's Over-Allotment option of an additional 738,000 Common Shares. The Company also issued 3,522,000 Common Shares at the Offering Price with the same terms as the Public Offering (for gross proceeds of \$18,666,600), which included 442,000 Common Shares pursuant to the Over-Allotment option granted to the participants in the Private Placement.

The Company has paid cash finder's fees in respect of certain sales of \$1,649,307. In connection with the offering, legal fees and other expenses of \$409,869 were paid.

## Rupert Resources Ltd.

### Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended August 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

#### 13. Share Capital and Reserves (continued)

##### Stock Options

The Company has an incentive stock option plan in place under which it is authorized to grant options to directors and employees to acquire up to 10% of the Company's issued and outstanding common shares. Under the plan, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount. The options can be granted for a maximum term of 10 years and vesting periods are determined by the Board of Directors.

The following table reflects the continuity of stock options for the six months ended August 31, 2022 and 2021:

	Number of Stock Options	Weighted Average Exercise Price (\$)
<b>Balance, February 28, 2022</b>	<b>7,078,500</b>	<b>1.92</b>
Granted <sup>(4)</sup>	745,000	5.23
Exercised <sup>(1)</sup>	(1,115,000)	1.07
<b>Balance, August 31, 2022</b>	<b>6,708,500</b>	<b>2.43</b>
Balance, February 28, 2021	10,465,000	1.25
Granted <sup>(5)</sup>	709,000	5.00
Exercised <sup>(1)</sup>	(500,000)	0.76
Balance, August 31, 2021	10,674,000	1.52

<sup>(4)</sup> On June 14, 2022, the Company granted 745,000 stock options at a price of \$5.23 per share to certain directors, officers and employees of the Company, expiring on June 13, 2027. The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: a five year expected average life; share price of \$5.06; 64.07% expected volatility; risk-free interest rate of 3.56%; and an expected dividend yield of 0%. Volatility is calculated based on the changes in historical stock prices over the expected life of the options. The fair value assigned to these options was \$2,110,734. The options vest 1/3 on each of June 13, 2023, June 13, 2024 and June 13, 2025.

<sup>(5)</sup> On June 30, 2021, the Company granted 709,000 stock options at a price of \$5.00 per share to certain directors, officers, employees and consultants of the Company, expiring on June 29, 2026. The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: a five year expected average life; share price of \$5.02; 68.41% expected volatility; risk-free interest rate of 0.97%; and an expected dividend yield of 0%. Volatility is calculated based on the changes in historical stock prices over the expected life of the options. The fair value assigned to these options was \$2,018,807. 692,000 of the options vest 1/3 on each of June 29, 2022, June 29, 2023 and June 29, 2024. 17,000 of the options vest over a 12 month period from the date of grant.

For the three and six months ended August 31, 2022, the impact of share-based payments related to stock options on the profit or loss was \$591,359 and \$1,073,894, respectively (three and six months ended August 31, 2021 - \$772,872 and \$1,356,557, respectively).

The following table reflects the actual stock options issued and outstanding as of August 31, 2022:

## Rupert Resources Ltd.

Notes to Condensed Consolidated Interim Financial Statements  
Three and Six Months Ended August 31, 2022  
(Expressed in Canadian Dollars)  
(Unaudited)

### 13. Share Capital and Reserves (continued)

#### Stock Options (continued)

Expiry Date	Exercise Price (\$)	Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (exercisable)	Number of Options Unvested
July 31, 2023	1.00	0.92	1,695,000	1,695,000	-
August 9, 2024	3.20	1.95	1,687,500	1,687,500	-
August 21, 2024	0.87	1.98	1,835,000	1,835,000	-
June 29, 2026	5.00	3.83	692,000	230,667	461,333
September 23, 2026	4.30	4.07	54,000	-	54,000
June 13, 2027	5.23	4.79	745,000	-	745,000
	<b>2.43</b>	<b>2.22</b>	<b>6,708,500</b>	<b>5,448,167</b>	<b>1,260,333</b>

#### Warrants

The following table reflects the continuity of warrants for the six months ended August 31, 2022 and 2021:

	Number of Warrants	Weighted Average Exercise Price (\$)
<b>Balance, February 28, 2022</b>	<b>11,543,704</b>	<b>1.00</b>
Exercised <sup>(2)(6)</sup>	(11,543,704)	1.00
<b>Balance, August 31, 2022</b>	<b>-</b>	<b>-</b>
Balance, February 28, 2021 and August 31, 2021	11,543,704	1.00

<sup>(6)</sup> On February 14, 2022, the Company gave notice to Agnico Eagle Mines Limited and exercised the right to accelerate the expiry date of the 11,543,704 warrants to March 16, 2022, as the price of the Common Shares on the TSX Venture Exchange exceeded \$1.25 per Common Share for at least 20 consecutive trading days on February 11, 2022. On March 9, 2022, 11,543,704 warrants were exercised at a price of \$1.00 per share for total proceeds of \$11,543,704.

#### Performance Share Units ("PSUs")

The Company has an equity incentive plan in place under which it is authorized to grant PSUs to directors, employees and consultants to acquire up to an aggregate of 2,100,000 common shares of the Company. Each PSU will convert into up to one common share of the Company or the cash equivalent thereof at the discretion of the board of directors, at the end of the vesting period, subject to the level of achievement of certain performance objectives.

The following table reflects the continuity of PSUs for the six months ended August 31, 2022 and 2021:

## Rupert Resources Ltd.

### Notes to Condensed Consolidated Interim Financial Statements Three and Six Months Ended August 31, 2022 (Expressed in Canadian Dollars) (Unaudited)

#### 13. Share Capital and Reserves (continued)

##### Performance Share Units ("PSUs") (continued)

	Number of PSUs
<b>Balance, February 28, 2022 and August 31, 2022</b>	<b>240,402</b>
Granted <sup>(7)</sup>	140,852
<b>Balance, August 31, 2022</b>	<b>381,254</b>
Balance, February 28, 2021 and August 31, 2021	-

<sup>(7)</sup> On June 14, 2022, the Company granted 140,852 PSUs to certain officers and employees of the Company. A fair value of \$712,711 was determined based on the fair value of the Company's share price on the date of grant. The PSUs are expected to vest in two separate tranches of 125,661 and 15,190 based on the achievement of certain corporate performance objectives. Both tranches are estimated to vest on February 29, 2024 based on certain corporate performance objectives..

For the three and six months ended August 31, 2022, the Company recorded share-based payments for the PSUs of \$250,430 and \$411,914 (three and six months ended August 31, 2021 - \$nil) in the profit or loss. As at August 31, 2022, nil PSUs are exercisable.

#### 14. General and Administrative Expenses

	Three Months Ended August 31,		Six Months Ended August 31,	
	2022	2021	2022	2021
Consulting	\$ 7,230	\$ 69,209	\$ 34,158	\$ 108,717
Overheads, maintenance and other costs	827,979	276,206	1,043,548	504,836
Professional fees	151,447	287,811	236,566	449,549
Investigation of prospective property interests	12,195	22,459	12,604	22,543
Regulatory fees	4,860	4,741	72,660	36,347
Salaries and benefits (note 16)	709,657	371,765	1,006,428	632,601
Shareholder communications	59,737	104,307	120,113	192,870
Transfer agent	26,538	28,894	40,250	36,793
Travel and vehicle operating costs	81,600	28,683	148,342	67,520
	<b>\$ 1,881,243</b>	<b>\$ 1,194,075</b>	<b>\$ 2,714,669</b>	<b>\$ 2,051,776</b>

#### 15. Net Loss Per Common Share

The calculation of basic and diluted loss per share for the three and six months ended August 31, 2022 was based on the loss attributable to common shareholders of \$3,054,631 and \$5,094,450, respectively (three and six months ended August 31, 2021 - \$2,046,076 and \$3,723,620, respectively) and the weighted average number of basic common shares outstanding of 191,268,298 and 190,552,791, respectively for the three and six months ended August 31, 2022 (three and six months ended August 31, 2021 - 174,429,578 and 169,807,975, respectively). Diluted loss per share did not include the effect of 6,708,500 stock options and 381,254 PSUs (three and six months ended August 31, 2021 - 10,674,000 stock options, 11,543,704 warrants, and nil PSUs) as they are anti-dilutive.

---

## Rupert Resources Ltd.

### Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended August 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

---

#### 16. Related Party Transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Remuneration of directors and key management personnel of the Company was as follows:

	Three Months Ended August 31,		Six Months Ended August 31,	
	2022	2021	2022	2021
Remuneration paid to Board of Directors	\$ 30,000	\$ 111,000	\$ 60,000	\$ 111,000
Remuneration paid to Non-Executive Chairman	16,250	37,250	32,500	53,501
Remuneration paid to CEO	203,371	98,115	278,305	196,263
Remuneration paid to CFO	126,421	34,649	197,691	71,604
Share-based payments	464,625	424,666	866,745	766,380
	\$ 840,667	\$ 705,680	\$ 1,435,241	\$ 1,198,748

The amounts included in due from related parties of \$nil (February 28, 2022 - \$1,737,460) and the amount of \$nil (February 28, 2022 - \$1,737,460) included in accounts payable and accrued liabilities as at August 31, 2022 relates to the withholding tax obligation from the exercise of stock options during the fiscal year 2022. The full balance of the receivable has been settled by the related party during the six months ended August 31, 2022.

On August 31, 2022, the amount of \$173,566 (February 28, 2022 - \$379,105) was included in accounts payable and accrued liabilities as bonus due to the Chief Executive Officer and Chief Financial Officer of the Company.

The above noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors.

Amounts due to related parties are non-interest bearing, unsecured and due on demand.

#### 17. Segment Information

The Company operates in one reportable operating segment, being the acquisition and exploration of mineral properties in Finland.

#### 18. Commitments and Contingencies

On August 16, 2021, the Company entered into an agreement containing an option to acquire a beneficial interest of up to 70 percent in certain mineral tenements in northern Finland, with a minimum expenditure commitment of €400,000 to be incurred prior to the first calendar anniversary of the agreement. In order to maintain the option in good standing, expenditure of a further €800,000 is required prior to the third calendar anniversary. Further to this being met, in order to exercise the option, further expenditures of €2,200,000 would be required to be incurred within the subsequent three years.

On February 1, 2022, the Company signed a service agreement with a third party for the provision of laboratory services in Finland for a minimum period of two years. The total minimum financial commitment under this agreement is approximately €1,800,000.

The Company's operations are subject to government environmental protection legislation. Environmental consequences are difficult to identify in terms of results, timetable and impact (note 11).

At this time, to management's best knowledge, the Company's operations are in compliance with current laws and regulations.