

**RUPERT RESOURCES LTD.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED**  
**FEBRUARY 28, 2017**

## **Introduction**

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Rupert Resources Ltd. ("Rupert" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended February 28, 2017. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements for the years ended February 28, 2017 and February 29, 2016, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). Information contained herein is presented as of May 29, 2017 unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Rupert's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

## **Description of Business**

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 has two projects located in Ontario and Finland.

The ability of the Company to continue as a going concern is dependent upon its ability to obtain additional financing. Rupert's financial statements have been prepared on the basis that the Company is a going concern and do not include adjustments that would be necessary should the Company be unable to continue as a going concern. The Company is actively seeking additional sources of liquidity and reducing discretionary expenditures where possible in order to preserve and enhance its liquidity.

The Company's outstanding common shares trade on the TSX Venture Exchange under the symbol RUP. As at February 28, 2017, an investor of the Company, Alan Brimacombe, controls 18,514,300 common shares of the Company or approximately 19.23% 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.

### **Overall Performance**

The following significant events occurred during the year ended February 28, 2017:

Convertible debentures with a total principal amount of \$7,707,500 were issued. The debenture was to mature on September 6, 2019 and bore interest at an annual rate of 5%, payable on a semi-annual basis.

29,470,081 common shares were issued at a weighted average price of \$0.41 for gross proceeds of \$12,034,999.

666,666 and 10,733,331 warrants with an exercise price of \$0.07 and \$0.06, respectively, and an expiry date of September 5, 2017 were exercised for gross proceeds of \$690,666.

1,550,000 stock options with an exercise price of \$0.08 and expiry date of January 10, 2019 were exercised for gross proceeds of \$124,000.

3,740,000 stock options with an exercise price of \$0.175 and expiry date of March 24, 2021 were granted. 825,000 stock options with an exercise price of \$0.56 and expiry date of June 10, 2021 were granted. 850,000 stock options with an exercise price of \$0.76 and expiry date of November 9, 2021 were granted.

On April 18, 2017, the Company granted 2,450,000 stock options with an exercise price of \$0.10 per common share and have an expiry date of April 18, 2022. One half of the shares will vest on April 18, 2018 and one half on April 18, 2019.

Subsequent to February 28, 2017, 177,777 warrants were exercised for the total proceeds of \$10,667.

At February 28, 2017, the Company had assets of \$21,034,006 (February 29, 2016 - \$205,620) and shareholders' capital of \$13,019,762 (February 29, 2016 - \$158,172). At February 28, 2017, the Company had current liabilities of \$1,498,523 (February 29, 2016 - \$47,448) and non-current liabilities of \$6,515,721 (February 29, 2016 - \$nil).

At February 28, 2017, the Company had a working capital of \$13,186,317 (February 29, 2016 – deficiency of \$28,145). The increase in working capital during the year ended February 28, 2017 was primarily due to the cash generated from the financing activities, despite being offset by increased amounts payable and accrued liabilities as a result of operating activities and expenditures on exploration and evaluation assets and buildings and equipment. The Company had cash of \$14,239,42 at February 28, 2017 (February 29, 2016 - \$12,651). The increase in cash during the year ended February 28, 2017 was primarily due to the proceeds received from the private placements, convertible debentures and exercises of warrants.

Additional financing will be required to fund operating expenses as it searches for suitable assets or businesses to merge with or acquire. See "Liquidity and Capital Resources".

In June 2016, Company incorporated a wholly owned subsidiary, Rupert Finland Oy.

### **Change of Management**

On March 24, 2016, the Company announced the resignation of Martin Kostuik as President and CEO of the Company and the appointment of Brian Hinchcliffe, a current director of the Company, as President and Chief Executive Officer of Rupert, effective immediately.

On June 16, 2016, Rupert announced the resignation of Jo-Anne Archibald as Corporate Secretary of the Company and the appointment of Gordon Chmilar as Corporate Secretary of the Company. Mr. Chmilar is a partner with global law firm Gowling WLG. For over ten years, his practice has focused on corporate finance and mergers and acquisitions. The Company also announced the appointment of Susan Milton as a Non-Executive Director and to the Audit Committee of the Company. Susan has two decades of experience as an investor and investment advisor with a focus on the mining sector. Ms. Milton began her career at Moss Lawson & Co before continuing at Richardson Greenshields & Sons, RBC Dominion Securities, Ocean Equities and Macquarie Private Wealth. Ms. Milton holds an MBA with a specialization in Financial Management & Markets from Arizona State University.

On April 18, 2017, James Withall joined the Company as its Chief Executive Officer. Mr. Withall was a Managing Partner at Baker Steel Capital Managers where he was a gold sector specialist and the Lead Manager of the top performing and multiple award winning Baker Steel Precious Metals Fund. James started his career as a geologist in Western Australia. At the same time, Brian Hinchcliffe, the former CEO will assume the role of Executive Chairman of Rupert.

On Dec 7, 2016, Martin Kostuik resigned as a director of the Company.

### **Potential Dilution**

The issue of common shares of the Company upon the exercise of the options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional options and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

### **Exploration and Evaluation Assets**

Securities of mining and mineral exploration companies, including the common shares of the Company, have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in Canada and globally, and market perceptions of the attractiveness of particular industries. The price of the securities of the Company is also significantly affected by short-term changes in commodity prices, base and precious metal prices or other mineral prices, currency exchange fluctuation and the political environment in the countries in which the Company does business. However, recently, equity markets in Canada have showed signs of improvement, with equities increasing significantly during this period. Strong equity markets are favourable conditions for completing a financing, public merger or acquisition transaction.

### **Pahtavaara gold mine, Northern Finland**

#### Ownership interest description

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 represent a 124km<sup>2</sup> land package in Finland in the Central Lapland Greenstone Belt. The purchase price for the acquisition is 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 Company accounted for the acquisition as a business combination. The production royalty, which is considered contingent consideration, was valued at \$nil on the date of acquisition and as at February 28, 2017. The purchase price allocation is set out as follows:

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Cash paid	\$ <u>660,479</u>
Allocation of purchase price:	
Plant, property and equipment	1,453,453
Mining property	60,779
Asset retirement obligation	<u>(853,753)</u>
Total	<u>660,479</u>

Geology and Exploration

The inaugural drill program of Pahtavaara gold mine commenced in June 2016 with one surface rig and an underground rig was added in November 2016. As of 27 April 2017 over 30,000m of diamond core had been drilled comprising 21,694m from surface and 9030m from UG. This drilling predominantly focused on infill / definition drilling five near mine zones (Karoliina, Vilehelmiina, North Flank West, North Flank West and Samurai) in close proximity to existing infrastructure. A third rig is scheduled to arrive at the end of May 2017 to drill new targets with potential to expand the known envelope of mineralisation. The Rupert drilling campaign aimed to improve understanding of the Pahtavaara orebody by drilling on 25m centers vs 40 to 50m used by the previous owners. This results of this work have been extremely encouraging and identified of a number of higher grade zones with a relatively small reduction in volume from previous estimates which provides confidence in higher grade mineralization potential at Pahatavaara.

Upon acquiring the Property, Rupert embarked on a program to define further mineral potential using geochemical soil sampling and 25km of Induced Polarisation (IP) geophysics. These activities were confined to near mine targets and areas of know mineralization to assess efficacy of each of these methods. Both the soils and geophysics demonstrated encouraging results and both will be used again in 2017 to identify license wide mineral potential and higher resolution IP is planned later in the year to further generate drill ready targets within 3km of the mill.

Other work

Further work has commenced in the underground mine including installation of new pumping and communications systems and an underground mining contractor has been engaged to undertake minor works to place the mine in a state of operational readiness whilst definition drilling continues.

In compliance with National Instrument 43-101, Mr. Mike Sutton, P.Geo. is the Company's Qualified Person.

**Gold Centre Property, Ontario**

Ownership interest description

The Company holds a 100% interest in a 21 year mining lease consisting of mineral claims located in the Balmer Township, Red Lake Mining Division of Ontario, subject to a 1.5% net smelter returns royalty ("NSR"). The Company performed a ground based exploration campaign in 2013 and followed with recommendations for further exploration including diamond drilling. The following year, an NI 43-101 compliant report was submitted. The mining lease encompassing the Gold Centre property is renewable for an additional 21 years and this was approved on March 17, 2016. The lease can be extended by reporting the type and value of exploration that occurred during the 21 year lease period and if the value is greater than \$4,400 per hectare.

Fiscal 2017 exploration program and results

During the year ended February 28, 2017, the Company spent \$nil (year ended February 29, 2016 - \$nil) on general exploration costs.

**Surf Inlet Property, British Columbia**

Ownership interest description

The Company holds a 100% interest in the Surf Inlet Gold property on Princess Royal Island, British Columbia, consisting of 21 Crown Grants and 9 mineral tenures on the property covering a total area of 874 hectares. The Crown Grants have no expiry dates, but an annual tax on each claim is payable to the British Columbia Provincial Government to retain ownership. The ownership period of 4 of the mineral tenures has been extended to 2020, 4 others have been extended to 2017 and the remaining single tenure expired in October 2016. This tenure can be extended through exploration activities or through payment in lieu of such activities. The property is the site of two former producing underground gold mines which last produced in 1947. The total historical production of the mines was 1,000,000 tons grading an average of 13.5 g/tonne for 463,731 ounces of gold. A July 2004 technical report by Carl Von Einsiedel recommended a nine-hole drill program at an estimated cost of \$525,000. This 43-101 compliant technical report was filed on SEDAR at [www.sedar.com](http://www.sedar.com). While the Company is of the opinion that the property has merit, it has not continued with the recommended exploration on this property and has no plans to do so in the foreseeable future. As a result, at February 29, 2016, the property's value was written down to nil.

Fiscal 2017 exploration program and results

During the year ended February 28, 2017, the Company spent \$nil (year ended February 29, 2016 - \$695) on general exploration costs.

**Off-Balance-Sheet Arrangements**

As of the date of this filing, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

**Selected Annual Financial Information**

The following is selected financial data derived from the audited annual financial statements of the Company as at February 29, 2016, February 28, 2015 and February 28, 2014 and for the years ended February 29, 2016, February 28, 2015 and February 28, 2014.

Description	Year Ended February 28, 2017 (\$)	Year Ended February 29, 2016 (\$)	Year Ended February 28, 2015 (\$)
Total revenues	nil	nil	nil
Total loss	(2,394,780)	(158,960)	(434,686)
Net loss per common share – basic	(0.04)	(0.00)	(0.01)
Net loss per common share – diluted <sup>(4)</sup>	(0.04)	(0.00)	(0.01)

Description	As at February 28, 2017 (\$)	As at February 29, 2016 (\$)	As at February 28, 2015 (\$)
Total assets	21,034,006	205,620	277,159
Total non-current financial liabilities	6,515,721	nil	nil
Distribution or cash dividends	nil	nil	nil

- The net loss for the year ended February 28, 2017 consisted primarily of general and administrative expenses of \$1,446,893, share-based payments of \$1,083,050, accretion and interest expense of \$483,408 and offset by deferred income tax recovery of \$618,718.
- The net loss for the year ended February 29, 2016 consisted primarily of general and administrative expenses of \$100,295, share-based payments of \$26,419 and write-off of exploration and evaluation assets of \$32,111.
- The net loss for the year ended February 28, 2015 consisted primarily of general and administrative expenses of \$434,399.

As the Company has no revenue, its ability to fund its operations is dependent upon its securing financing through the sale of equity or assets. See "Risk Factors" below.

**Summary of Quarterly Results**

Three Months Ended	Total Assets \$	Profit or loss	
		Total \$	Per Share <sup>(9)</sup> \$
February 28, 2017	21,034,006	(632,943) <sup>(1)</sup>	(0.01)
November 30, 2016	9,438,102	(758,938) <sup>(2)</sup>	(0.01)
August 31, 2016	1,143,389	(664,484) <sup>(3)</sup>	(0.01)
May 31, 2016	1,039,226	(343,131) <sup>(4)</sup>	(0.00)
February 29, 2016	205,620	(75,964) <sup>(5)</sup>	(0.00)
November 30, 2015	215,281	(32,973) <sup>(6)</sup>	(0.00)
August 31, 2015	296,954	(26,592) <sup>(7)</sup>	(0.00)
May 31, 2015	249,375	(23,431) <sup>(8)</sup>	(0.00)

Notes:

- (1) Net loss of \$632,943 principally relates to share-based payments of \$380,649, office and sundry of \$292,884, accretion & interest expense of \$ 249,073, travel of \$105,637, professional fees of \$87,098, salaries and benefits of 53,149 and operating expenses related to general working capital purposes. It was offset by a deferred income tax recovery of \$618,718.
- (2) Net loss of \$758,938 principally relates to share-based payments of \$301,741, office and sundry of \$87,143, accretion & interest expense of \$234,335, travel of \$112,730, professional fees of \$71,663 and operating expenses related to general working capital purposes.
- (3) Net loss of \$664,484 principally relates to salaries and benefits of \$177,799, share-based payments of \$268,637, professional fees of \$18,864, travel of \$125,274, office and sundry of \$36,448 and operating expenses related to general working capital purposes.
- (4) Net loss of \$343,131 principally relates to salaries and benefits of \$39,300, share-based payments of \$132,023, professional fees of \$45,040, travel of \$90,314, investigation of prospective property interests of \$17,651 and operating expenses related to general working capital purposes.
- (5) Net loss of \$75,964 principally relates to write-off of exploration and evaluation assets of \$32,111, transfer agent of \$6,455, professional fees of \$26,344, share-based payments of \$3,859, and operating expenses related to general working capital purposes.
- (6) Net loss of \$32,973 principally relates to transfer agent of \$8,594, professional fees of \$6,810, share-based payments of \$6,551, business development of \$6,436, and operating expenses related to general working capital purposes.
- (7) Net loss of \$32,952 principally relates to transfer agent of \$8,594, professional fees of \$6,810, share-based payments of \$6,551, business development of \$6,436, and operating expenses related to general working capital purposes.
- (8) Net loss of \$23,431 principally relates to professional fees of \$8,690, share-based payments of \$9,386, office and sundry of \$3,877, transfer agent of \$907, and operating expenses related to general working capital purposes.
- (9) Basic and diluted.

### **Discussion of Operations**

Year ended February 29, 2016, Compared with year ended February 28, 2015

Rupert's net loss totaled \$2,394,780 for the year ended February 28, 2017, with basic and diluted loss per share of \$0.04. This compares with a net loss of \$158,960 with basic and diluted loss per share of \$0.00 for the year ended February 29, 2016. No revenue was recorded in either period.

The net loss increased by \$2,235,820 due to the following:

General and administrative expenses increased to \$1,446,893, which was \$1,346,598 higher than the comparable period primarily due to increases in travel of \$433,955, office and sundry of \$412,352, salaries of \$210,941.

Share-based payments increased by \$1,056,631 as a result of the stock options granted and vested.

Accretion & interest expense of \$483,408 was incurred as a result of the convertible debentures.

The net loss was also offset by \$618,718 deferred income tax recovery.

### **Liquidity and Capital Resources**

As at February 28, 2017, the Company had a working capital of \$ 13,186,317 (February 29, 2016 – deficit of \$28,145). The Company is seeking additional sources of liquidity (see "Overall Performance"). There can be no assurance that additional financing or shareholder loans, if and when required, will be available on terms acceptable to the Company.

### **New Standards not yet Adopted and Interpretations Issued but not yet Effective**

IAS 7 Amendment - Statement of Cash Flows ("IAS 7") requires an entity to present a statement of cash flows as an integral part of its primary financial statements. Cash flows are classified and presented into operating activities (either using the "direct" or "indirect" method), investing activities and financing activities, with the latter two categories generally presented on a gross basis. The amendments require additional disclosures with respect to changes in liabilities arising from financing activities. It is effective for annual periods beginning on or after January 1, 2017. The Company assessed the impact of adopting IAS 7 Amendment on the consolidated financial statements and concluded it to be immaterial.

IFRS 9 - Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The Company is currently assessing the impact of this pronouncement.

In January 2016, the IASB issued IFRS 16, Leases ("IFRS 16"). IFRS 16 is effective for periods beginning on or after January 1, 2019, with early adoption permitted. IFRS 16 eliminates the current dual model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting.

There are no other relevant IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

### **Financial Instruments**

The Company is exposed to a variety of financial instrument related risks:

#### **Financial risk**

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency and equity price risk). Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

#### **Credit Risk**

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash. Cash is held with select major Canadian chartered banks, from which management believes the risk of loss to be minimal. The Company also believes risk of loss related to the other receivable balance is minimal.

#### **Liquidity Risk**

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at February 28, 2017 the Company had cash of \$14,239,421 (February 29, 2016 - \$12,651) to settle current liabilities of \$1,498,523 (February 29, 2016 - \$47,448). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

#### **Market Risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and equity price risk.

- Interest rate risk  
The Company has cash balances and only fixed interest-bearing debt. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy. Management believes interest rate risk to be minimal.

- **Foreign currency risk**  
The Company's functional and reporting currency is the Canadian dollar but is exposed to foreign currency risk with respect to the expenditures incurred by its Finland subsidiary.
- **Equity price risk**  
The Company is exposed to price risk with respect to equity and commodity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market in general to determine the appropriate course of action to be taken by the Company.

### **Capital Management**

The Company manages its capital to ensure that funds are available or are scheduled to be raised to provide adequate funds to conduct exploration of its property interests, search for and evaluate potential business opportunities and to meet its ongoing administrative costs. The Company considers its capital to be equity, which comprises share capital, reserves and deficit, which at February 28, 2017, totaled \$13,019,762 (February 29, 2016 - \$158,172).

This is achieved by the Board of Directors' review and acceptance of budgets that are achievable within existing resources and the timely matching and release of expenditures with the resources made available from private placements or other fund raisings.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of February 28, 2017, the Company is compliant with Policy 2.5.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate.

There were no changes in the Company's approach to capital management during the years ended February 28, 2017 and February 29, 2016.

### **Share Capital**

As at the date of this MD&A, the Company had 100,737,215 issued and outstanding common shares, 8,615,000 stock options with exercise prices between \$0.08 and \$1.01, and expiry dates between January 2019 and April 2022, and 200,000 warrants with an exercise price of \$0.06 and an expiry date of September 5, 2017.

### **Disclosure of Internal Controls**

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the 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 financial statements; and (ii) the financial statements fairly

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present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

**Related Party Transactions**

Rupert entered into the following transactions with related parties:

Names	Year Ended February 28, 2017 \$	Year Ended February 29, 2016 \$
Marrelli Support Services Inc. ("Marrelli Support") <sup>(1)</sup>	33,567	27,667

<sup>(1)</sup> On July 1, 2012, Rupert entered into an accounting support services agreement with Marrelli Support Services Inc. ("MSSI") where under MSSI provided, beginning July 1, 2012, certain accounting support services. On October 22, 2012, in connection with such agreement with Marrelli Support, Rupert retained Mr. Robert D. B. Suttie, Vice President of Marrelli Support, as its Chief Financial Officer. During the year ended February 28, 2017, \$33,567 (year ended February 29, 2016 - \$27,667) was expensed with respect to the services provided. As at February 28, 2017, Marrelli Support was owed \$5,203 (February 29, 2016 - \$6,767). These amounts are included in amounts payable and accrued liabilities.

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Remuneration and benefits of key management personnel and directors of the Company were as follows:

	Year Ended February 28, 2017 \$	Year Ended February 29, 2016 \$
<b>Salaries and benefits</b> <sup>(2)</sup>	\$	\$
Brian Hinchcliffe, CEO <sup>(3)</sup>	161,028	nil

	Year Ended February 28, 2017 \$	Year Ended February 29, 2016 \$
<b>Black-Scholes Fair Value of Stock Options Granted During the Period</b>	\$	\$
Martin Kostuik, former President and CEO	Nil	10,623
Brian Hinchcliffe, Chairman	70,069	2,550
Marc Leduc, Director	Nil	1,699
Michael Sutton, Director	87,585	1,699
Robert Suttie, CFO <sup>(1)</sup>	59,558	510
Jo-Anne Archibald, former Corporate Secretary	Nil	341
Arthur Millholland, Director	36,413	8,997
Susan Milton, Director	178,606	Nil
Gordon Chmilar, Corporate Secretary <sup>(4)</sup>	38,774	Nil
<b>Total</b>	<b>471,005</b>	<b>26,419</b>

<sup>(2)</sup> The Board of Directors do not have employment or service contracts with the Company.

<sup>(3)</sup> The Company entered into an agreement with the Executive Chairman of the Company to pay him a monthly consulting fee of US\$10,000 effective March 1, 2016, the monthly fee was increased to US\$16,000 on January 1, 2017. During the year ended February 28, 2017, \$161,028 (year ended February 29, 2016 - \$nil) was expensed as salaries and benefits. As at February 28, 2017, the Executive Chairman was owed \$29,218 for salaries and reimbursable expenses (February 29, 2016 - \$nil) and this amount was included in amounts payable and accrued liabilities.

<sup>(4)</sup> During the year ended February 28, 2017, legal fees and reimbursements of \$132,801 (year ended February 29, 2016 - \$nil) were paid to a legal firm of which the Company's Corporate Secretary is a partner. Included in accounts payable and accrued liabilities is \$29,042 (February 29, 2016 - \$nil) pertaining to these fees and ancillary expense reimbursements.

### **Risks and Uncertainties**

The Company's business of exploring for mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future, and the Company's common shares should be considered speculative in nature.

The business of exploration for minerals and mining involves a high degree of risk. A relatively small proportion of properties that are explored are ultimately developed into producing mines. At present, there are no known bodies of commercial ore on any of the mineral properties in which the Company holds interest or intends to acquire an interest and the proposed exploration program is an exploratory search for ore. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs. The Company has limited experience in the development and operation of mines and has relied on and may continue to rely upon consultants and others for exploration and operating expertise. The economics of developing gold and other mineral properties is affected by many factors including the cost of operations, variation of the grade of ore mined, and fluctuations in the price of any minerals produced.

The success of the Company is dependent, among other things, on obtaining sufficient funding to enable the Company to explore and develop its properties. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties. The Company will require new capital to continue to operate its business and to continue with exploration on its mineral properties, and there is no assurance that capital will be available when needed, if at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

The operations of the Company may require licenses and permits from various local, provincial and federal governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development, or mining operations, at its projects.

Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect the marketability of any mineral products discovered. The prices of mineral products have historically fluctuated widely and are affected by numerous factors beyond the Company's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.

The mining industry is intensely competitive. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for the recruitment and retention of qualified employees, contractors and consultants.

The Company's operations are subject to environmental regulations promulgated by local, provincial and federal government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require submissions to and approval of environmental impact

assessments. Environmental legislation is evolving in a manner, which means stricter standards and enforcement, and fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

Certain directors or proposed directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest, which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

The Company does not have a historical track record of operating upon which investors may rely. Consequently, investors will have to rely on the expertise of the Company's management. Further, the Company's properties are in the exploration stage and are not commercially viable at this time. The Company does not have a history of earnings or the provision of return on investment, and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

At present, there are no known bodies of commercial ore on any of the mineral properties in which the Company holds interest or intends to acquire an interest and the proposed exploration program is an exploratory search for ore. Further, the Company's properties are in the exploration stage and are not commercially viable at this time.

**Additional Disclosure for Venture Issuers without Significant Revenue**

During the year ended February 29, 2017 and February 29, 2016, the Company's expenditure on exploration and evaluation assets is broken down as follows:

	Year Ended February 28, 2017 \$	Year Ended February 29, 2016 \$
<b>Pahtavaara Gold Mine, Finland</b>		
Property taxes	819	Nil
Licenses and permits	7,195	Nil
Assays	353,557	Nil
Geological consulting	342,842	Nil
Consulting	44,837	Nil
Geophysics	78,136	Nil
Drilling	1,726,498	Nil
Equipment rental	15,311	Nil
Transportation	21,458	Nil
Field expenditures	33,087	Nil
Travel	8,807	Nil
Utilities	259,655	Nil
Equipment	98,339	Nil
Salary	810,749	Nil
Surveying	6,162	Nil
<b>Total</b>	<b>3,807,452</b>	<b>Nil</b>

	Year Ended February 28, 2017 \$	Year Ended February 29, 2016 \$
<b>Surf Inlet Property, British Columbia</b>		
Fees & licenses	Nil	695
Geological	Nil	Nil
Write-down	Nil	(32,111)
<b>Total</b>	<b>Nil</b>	<b>(31,416)</b>

### **Management's Responsibility for Financial Information**

The Company's financial statements are the responsibility of the Company's management, and have been approved by the Board of Directors. The financial statements were prepared by the Company's management in accordance with Canadian generally accepted accounting principles. The financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

### **Proposed Transactions**

There is no imminent decision by the Board of Directors of the Company with respect to any transaction beyond what is contemplated in this document.

### **Caution Regarding Forward-looking Statements**

The MD&A contains forward-looking information within Canadian securities laws (collectively "forward looking statements") concerning the anticipated developments in the Company's operations in future periods, its planned exploration activities, the adequacy of its financial resources and other events or conditions that may occur in the future. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Statements concerning mineral reserve and resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed. Any statements that express or involve predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects", "anticipates", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential" or variations thereof, or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward looking statements.

Forward-looking statements	Assumptions	Risk factors
<p>Potential of Rupert's properties to contain economic deposits of precious and base metals (as described under the headings "Description of Business" and "Exploration and Evaluation Assets" and "Discussion of Operations").</p>	<p>Financing will be available for future exploration and development of Rupert's properties; the actual results of Rupert's exploration and development activities will be favourable; operating, exploration and development costs will not exceed Rupert's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to Rupert, and applicable political and economic conditions are favourable to Rupert; the price of precious and base metals and applicable interest and exchange rates will be favourable to Rupert; no title disputes exist with respect to the Company's properties.</p>	<p>Precious and base metals price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with Rupert's expectations; availability of financing for and actual results of Rupert's exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff.</p>
<p>The Company's ability to meet its working capital needs at the current level for the twelve-month period ending February 28, 2018 (as described under the heading "Discussion of Operations").</p>	<p>The operating and exploration activities of the Company for the twelve months ending February 28, 2018, and the costs associated therewith, will be consistent with Rupert's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to Rupert.</p>	<p>Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions.</p>

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<p>Plans, costs, timing and capital for future exploration and development of Rupert's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations (as described under the headings "Exploration and Evaluation Assets" and "Discussion of Operations").</p>	<p>Financing will be available for Rupert's exploration and development activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to Rupert; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to Rupert; the price of precious and base metals will be favourable to Rupert; no title disputes exist with respect to Rupert's properties.</p>	<p>Precious and base metals price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with Rupert's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff.</p>
<p>Management's outlook regarding future trends.</p>	<p>Financing will be available for Rupert's exploration and operating activities; the price of precious and base metals will be favourable to Rupert.</p>	<p>Precious and base metals price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions.</p>
<p>Prices and price volatility for precious and base metals.</p>	<p>The price of precious and base metals will be favourable; debt and equity markets, interest and exchange rates and other economic factors which may impact the price of precious and base metals will be favourable.</p>	<p>Changes in debt and equity markets and the spot price of precious and base metals; interest rate and exchange rate fluctuations; changes in economic and political conditions.</p>

**Additional Information**

Additional information relating to the Company is available on the SEDAR website [www.sedar.com](http://www.sedar.com) or on the Company's corporate website, [www.rupertresources.com](http://www.rupertresources.com).

**Subsequent Event**

Subsequent to February 28, 2017, 177,777 warrants were exercised for the total proceeds of \$10,667.

On April 18, 2017, the Company granted 2,450,000 stock options with an exercise price of \$1.10 per common share and have an expiry date of April 18, 2022. One half of the shares will vest on April 18, 2018 and one half on April 18, 2019.

On April 18, 2017, James Withall joined the Company as its Chief Executive Officer. Mr. Withall was a Managing Partner at Baker Steel Capital Managers where he was a gold sector specialist and the Lead Manager of the top performing and multiple award winning Baker Steel Precious Metals Fund. James started his career as a geologist in Western Australia. At the same time, Brian Hinchcliffe, the former CEO will assume the role of Executive Chairman of Rupert.