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**RUPERT RESOURCES LTD.**  
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE AND NINE MONTHS ENDED

NOVEMBER 30, 2019  
(EXPRESSED IN CANADIAN DOLLARS)  
(UNAUDITED)

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## **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.

### **NOTICE TO READER**

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

# Rupert Resources Ltd.

## Condensed Consolidated Interim Statements of Financial Position (Expressed in Canadian Dollars) (Unaudited)

As at	November 30, 2019	February 28, 2019
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents (note 3)	\$ 5,075,754	\$ 5,949,381
Marketable securities (note 4)	246	282
Prepays and sundry receivables (note 5)	283,358	391,672
	<b>5,359,358</b>	<b>6,341,335</b>
<b>Non-current assets</b>		
Restricted cash (note 6)	1,307,900	1,204,899
Buildings and equipment (note 7)	2,685,961	2,723,798
Exploration and evaluation assets (note 8)	29,200,518	23,602,400
	<b>\$ 38,553,737</b>	<b>\$ 33,872,432</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Amounts payable and accrued liabilities (notes 9 and 15)	\$ 1,727,016	\$ 1,490,669
Convertible debentures (note 11)	-	7,253,233
	<b>1,727,016</b>	<b>8,743,902</b>
<b>Non-current liabilities</b>		
Asset retirement obligation (note 10)	1,178,413	1,203,465
Convertible debentures (note 11)	-	-
	<b>2,905,429</b>	<b>9,947,367</b>
<b>Shareholders' Equity</b>		
Share capital (note 12)	68,303,215	54,216,150
Contributed surplus (note 12)	5,866,303	4,640,839
Cumulative translation adjustment	(469,848)	96,376
Equity portion of convertible debentures (note 11)	75,700	1,716,066
Deficit	(38,127,062)	(36,744,366)
	<b>35,648,308</b>	<b>23,925,065</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 38,553,737</b>	<b>\$ 33,872,432</b>

Nature of Operations (note 1)

Commitments and Contingencies (note 17)

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.

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**Rupert Resources Ltd.****Condensed Consolidated Interim Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****(Unaudited)**

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	<b>Three Months November 30,</b>		<b>Nine Months Ended November 30,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Operating expenses</b>				
General and administrative expenses (note 13)	\$ <b>641,024</b>	\$ 590,340	\$ <b>1,676,232</b>	\$ 1,708,892
Share-based payments (note 12)	<b>435,875</b>	578,025	<b>1,262,964</b>	1,280,670
<b>Loss before other items</b>	<b>(1,076,899)</b>	(1,168,365)	<b>(2,939,196)</b>	(2,989,562)
Depreciation	<b>(9)</b>	(14)	<b>(29)</b>	(41)
Gain on debt conversion (notes 11 and 12)	<b>(537)</b>	-	<b>2,242,099</b>	-
Unrealized gain (loss) on marketable securities	<b>36</b>	(18)	<b>(36)</b>	(102)
Accretion and interest expense (note 11)	<b>(5,403)</b>	(318,184)	<b>(705,118)</b>	(930,368)
Other Income	<b>4,862</b>	10,533	<b>19,584</b>	12,698
<b>Net income (loss) for the period</b>	<b>(1,077,950)</b>	(1,476,048)	<b>(1,382,696)</b>	(3,907,375)
<b>Other comprehensive loss</b>				
Item that will be reclassified subsequently to income				
Exchange differences on translating foreign operations	<b>(6,436)</b>	77,888	<b>(566,224)</b>	(403,972)
<b>Net income (loss) and comprehensive loss for the period</b>	<b>\$ (1,084,386)</b>	\$ (1,398,160)	<b>\$ (1,948,920)</b>	\$ (4,311,347)
<b>Basic and diluted net (loss) per share (note 14)</b>	<b>\$ (0.01)</b>	\$ (0.01)	<b>\$ (0.01)</b>	\$ (0.04)
<b>Weighted average number of common shares outstanding - basic and diluted (note 14)</b>	<b>139,024,968</b>	111,804,573	<b>128,644,511</b>	110,472,051

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*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>Nine Months Ended November 30,</b>	<b>2019</b>	<b>2018</b>
<b>Operating activities</b>		
Net loss for the period	\$ (1,382,696)	\$ (3,907,375)
Adjustments for:		
Share-based payments - vesting of Black-Scholes value of options granted	1,262,964	1,280,670
Unrealized gain (loss) on marketable securities	36	102
Depreciation	29	41
Exchange differences on translating foreign operations	(110,380)	447,052
Accretion expense	462,473	737,494
Gain on debt conversion	(2,242,099)	-
Changes in non-cash working capital items:		
Prepays and sundry receivables	108,313	2,800
Amounts payable and accrued liabilities	236,346	(390,198)
	<b>(1,665,014)</b>	<b>(1,829,414)</b>
<b>Financing activities</b>		
Proceeds from exercise of options	26,250	87,500
Proceeds from private placement	7,252,999	9,660,553
Share issuance costs	-	(127,230)
Repayment of convertible debentures	(340,000)	-
	<b>6,939,249</b>	<b>9,620,823</b>
<b>Investing activities</b>		
Expenditure on exploration and evaluation assets	(6,017,803)	(4,937,215)
Deposits for restricted cash	(103,001)	45,104
Purchase of buildings and equipment	(27,058)	(102,214)
	<b>(6,147,862)</b>	<b>(4,994,325)</b>
<b>Net change in cash</b>	<b>(873,627)</b>	<b>2,797,084</b>
<b>Cash, beginning of period</b>	<b>5,949,381</b>	<b>5,487,407</b>
<b>Cash, end of period</b>	<b>\$ 5,075,754</b>	<b>\$ 8,284,491</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	Shares to be issued	Cumulative Translation Adjustment	Contributed Surplus	Convertible Debentures	Deficit	Total
<b>Balance, February 28, 2019</b>	<b>\$ 54,216,150</b>	<b>\$ -</b>	<b>\$ 96,376</b>	<b>\$ 4,640,839</b>	<b>\$ 1,716,066</b>	<b>\$(36,744,366)</b>	<b>\$ 23,925,065</b>
Private placement	7,252,999	-	-	-	-	-	7,252,999
Conversion of debt in commons shares (note 11)	6,770,316	-	-	-	(1,640,366)	-	5,129,950
Stock options exercised	63,750	-	-	(37,500)	-	-	26,250
Share-based payments (notes 12 and 15)	-	-	-	1,262,964	-	-	1,262,964
Net loss and comprehensive loss for the period	-	-	(566,224)	-	-	(1,382,696)	(1,948,920)
<b>Balance, November 30, 2019</b>	<b>\$ 68,303,215</b>	<b>\$ -</b>	<b>\$ (469,848)</b>	<b>\$ 5,866,303</b>	<b>\$ 75,700</b>	<b>\$(38,127,062)</b>	<b>\$ 35,648,308</b>
<b>Balance, February 28, 2018</b>	<b>\$ 36,106,781</b>	<b>\$ 2,465,951</b>	<b>\$ 818,385</b>	<b>\$ 3,707,511</b>	<b>\$ 1,716,066</b>	<b>\$(31,788,404)</b>	<b>\$ 13,026,290</b>
Private placement	12,171,970	(2,465,951)	-	-	-	-	9,706,019
Shares issued for property acquisition	5,404,813	-	-	-	-	-	5,404,813
Stock options exercised	212,500	-	-	(125,000)	-	-	87,500
Stock options cancelled	-	-	-	(336,150)	-	336,150	-
Share-based payments (notes 12 and 15)	-	-	-	1,280,670	-	-	1,280,670
Net loss and comprehensive loss for the period	-	-	(403,972)	-	-	(3,907,375)	(4,311,347)
<b>Balance, November 30, 2018</b>	<b>\$ 53,896,064</b>	<b>\$ -</b>	<b>\$ 414,413</b>	<b>\$ 4,527,031</b>	<b>\$ 1,716,066</b>	<b>\$(35,359,629)</b>	<b>\$ 25,193,945</b>

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

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# Rupert Resources Ltd.

## Notes to Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended November 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

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### 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.

These unaudited condensed interim consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will be able to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business. These unaudited condensed interim consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. The Company reported a net loss of \$1,382,696 for the nine months ended November 30, 2019 (nine months ended November 30, 2018 - \$3,907,375) and had an accumulated deficit of \$38,127,062 as at November 30, 2019 (February 28, 2019 - \$36,744,366). The Company has a working capital of \$3,632,342 (February 28, 2019 - \$2,402,567). The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

The Company's outstanding common shares trade on the TSX Venture Exchange under the symbol RUP. As at November 30, 2019, an investor of the Company, Alan Brimacombe, controlled 19,196,300 common shares of the Company or approximately 14% 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.

In June 2016, Company incorporated a wholly owned subsidiary, Rupert Finland Oy and in May 2018 the Company acquired Northern Aspect Resources Ltd. ("NARL") (note 8).

### 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 January 28, 2020, the date the Board of Directors approved the 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, 2019, 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 29, 2020 could result in restatement of these unaudited condensed interim consolidated financial statements.

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# Rupert Resources Ltd.

## Notes to Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended November 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

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### 2. Significant Accounting Policies (continued)

#### (b) New Accounting Policies

IFRS 16 was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. Based on the Company's assessment, the Company has determined that this standard has no significant impact on its unaudited condensed interim consolidated financial statements.

IFRIC 23 clarifies the accounting for uncertainties in income taxes. The interpretation requires the entity to use the most likely amount or the expected value of the tax treatment if it concludes that it is not probable that a particular tax treatment will be accepted. It requires an entity to assume that a taxation authority with the right to examine any amounts reported to it will examine those amounts and will have full knowledge of all relevant information when doing so. The requirements are applied by recognizing the cumulative effect of initially applying them in retained earnings, or in other appropriate components of equity, at the start of the reporting period in which an entity first applies them, without adjusting comparative information. Full retrospective application is permitted, if an entity can do so without using hindsight. Based on the Company's assessment, the Company has determined that this standard has significant impact on its unaudited condensed interim consolidated financial statements.

#### (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 01, 2020. 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.

#### IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")

IAS 1 and IAS 8 were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted. The Company is currently assessing the impact on the unaudited condensed interim consolidated financial statements.

### 3. Cash and Cash Equivalents

	As at November 30, 2019	As at February 28, 2019
Cash	\$ 4,975,754	\$ 5,849,381
Guaranteed investment certificates ("GIC's")	100,000	100,000
Total	\$ 5,075,754	\$ 5,949,381

The GIC's earn interest at 0.5%, mature one year from the date of purchase and provide security for the Company's credit cards.



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## Rupert Resources Ltd.

### Notes to Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended November 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

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#### 4. Marketable Securities

	As at November 30, 2019	As at February 28, 2019
RevoluGROUP Canada Inc. (formerly CUV Ventures Corp.) - 1,200 common shares	\$ 246	\$ 282

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#### 5. Prepaids and Sundry Receivables

	As at November 30, 2019	As at February 28, 2019
Prepaid expenses and sundry receivables	\$ 271,316	\$ 210,677
Sales tax receivable	12,042	180,995
	<b>\$ 283,358</b>	<b>\$ 391,672</b>

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#### 6. Restricted Cash

In connection with the acquisition of the Pahtavaara Gold Mine, the Company purchased environmental bonds of EURO 640,000 in July of 2016. In March 2017, October 2017 and October 2019, the Company purchased additional environmental bonds of EURO 30,000, EURO 60,000, and EURO 150,000, respectively. The sole purpose of these bonds is for settling the future restoration obligations of the Pahtavaara Gold Mine (note 10). The bonds are not interest-bearing and have no maturity date. This cash is not available for general corporate purposes.

In March 2017, the Company paid a EURO 60,000 deposit with a utility company to protect them against the risk of default. This was repaid to the Company in March 2019.

In connection with the acquisition of Northern Aspect Resources Ltd, the Company acquired a EURO 12,500 deposit. The sole purpose of the deposit is for 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.

## Rupert Resources Ltd.

### Notes to Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended November 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

#### 7. Buildings and Equipment

	Computers	Equipment and Machinery	Buildings	Vehicles	Office Furniture	Total
<b>Period ended November 30, 2018</b>						
At February 28, 2018	\$ 6,531	\$1,564,917	\$1,003,178	\$ 111,186	\$ 3,221	\$2,689,033
Additions	-	102,214	-	42,601	-	144,815
Foreign exchange differences	(231)	(57,041)	(36,566)	(4,325)	(117)	(98,280)
Depreciation	(41)	-	-	-	-	(41)
	\$ 6,259	\$1,610,090	\$ 966,612	\$ 149,462	\$ 3,104	\$2,735,527
At November 30, 2018						
Cost	\$ 7,376	\$1,610,090	\$ 966,612	\$ 149,462	\$ 3,104	\$2,736,644
Accumulated depreciation	(1,117)	-	-	-	-	(1,117)
Net book value at November 30, 2018	\$ 6,259	\$1,610,090	\$ 966,612	\$ 149,462	\$ 3,104	\$2,735,527
<b>Period ended November 30, 2019</b>						
At February 28, 2019	\$ 6,213	\$1,614,727	\$ 961,609	\$ 138,161	\$ 3,088	\$2,723,798
Additions	-	27,058	-	-	-	27,058
Foreign exchange differences	(145)	(38,456)	(22,902)	(3,290)	(74)	(64,867)
Depreciation	(28)	-	-	-	-	(28)
<b>At November 30, 2019</b>	<b>\$ 6,040</b>	<b>\$1,603,329</b>	<b>\$ 938,707</b>	<b>\$ 134,871</b>	<b>\$ 3,014</b>	<b>\$2,685,961</b>
At November 30, 2019						
Cost	\$ 7,200	\$1,603,329	\$ 938,707	\$ 145,398	\$ 3,014	\$2,697,648
Accumulated depreciation	(1,160)	-	-	(10,527)	-	(11,687)
<b>Net book value at November 30, 2019</b>	<b>\$ 6,040</b>	<b>\$1,603,329</b>	<b>\$ 938,707</b>	<b>\$ 134,871</b>	<b>\$ 3,014</b>	<b>\$2,685,961</b>

Depreciation has not been charged on buildings and equipment pending a decision by the Board of the Company on recommencement of production at the Pahtavaara mine.

## Rupert Resources Ltd.

### Notes to Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended November 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

#### 8. Exploration and Evaluation Assets

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

	Osikonmaki Property	Hirsikangas Property	Gold Centre Property	Pahtavaara Gold Mine	Total
<b>Balance, February 28, 2019</b>	<b>\$ 3,042,130</b>	<b>\$ 2,684,923</b>	<b>\$ 200,660</b>	<b>\$ 17,674,687</b>	<b>\$ 23,602,400</b>
<u>Acquisition Costs</u>					
Property taxes	-	-	-	13,748	13,748
Licenses and permits	263	50,176	-	527,149	577,588
	<b>\$ 3,042,393</b>	<b>\$ 2,735,099</b>	<b>\$ 200,660</b>	<b>\$ 18,215,584</b>	<b>\$ 24,193,736</b>
<u>Exploration and Evaluation Costs</u>					
Assays	\$ -	\$ -	\$ -	\$ 809,344	\$ 809,344
Geological consulting	-	-	-	190,985	190,985
Consulting	-	-	-	100,070	100,070
Geophysics	-	-	-	113,645	113,645
Drilling	-	-	-	2,596,896	2,596,896
Equipment rental	-	-	-	8,392	8,392
Transportation	-	-	-	18,006	18,006
Fuel	-	-	-	30,570	30,570
Utilities	-	-	-	153,293	153,293
Salary	-	199,426	-	1,206,103	1,405,529
Foreign exchange differences	(2,940)	(23,534)	-	(393,474)	(419,948)
<b>Balance, November 30, 2019</b>	<b>\$ 3,039,453</b>	<b>\$ 2,910,991</b>	<b>\$ 200,660</b>	<b>\$ 23,049,414</b>	<b>\$ 29,200,518</b>

## Rupert Resources Ltd.

### Notes to Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended November 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

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

	Osikonmaki Property	Hirsikangas Property	Gold Centre Property	Pahtavaara Gold Mine	Total
Balance, February 28, 2018	\$ -	\$ -	\$ 185,945	\$ 11,691,759	\$ 11,877,704
<u>Acquisition Costs</u>					
Acquisition of NARL	3,046,386	2,075,743	-	-	5,122,129
Property taxes	-	-	-	13,856	13,856
Licenses and permits	-	16,132	-	457,783	473,915
	\$ 3,046,386	\$ 2,091,875	\$ 185,945	\$ 12,163,398	\$ 17,487,604
<u>Exploration and Evaluation Costs</u>					
Assays	\$ -	\$ -	\$ -	\$ 1,113,432	\$ 1,113,432
Geological consulting	-	-	14,715	640,050	654,765
Consulting	-	36,685	-	-	36,685
Geophysics	-	-	-	14,669	14,669
Drilling	-	199,375	-	416,581	615,956
Equipment rental	-	-	-	16,160	16,160
Transportation	-	-	-	31,808	31,808
Fuel	-	-	-	19,513	19,513
Travel	-	-	-	19,350	19,350
Utilities	-	-	-	186,897	186,897
Salaries	-	313,712	-	1,409,956	1,723,668
Foreign exchange difference	(3,614)	(9,808)	-	(401,206)	(414,628)
Balance, November 30, 2018	\$ 3,042,772	\$ 2,631,839	\$ 200,660	\$ 15,630,608	\$ 21,505,879

#### 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 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 production royalty, which is considered contingent consideration, was valued at \$nil on the date of acquisition and as at February 29, 2020.

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## Rupert Resources Ltd.

### Notes to Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended November 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

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

##### Northern Aspect Resources Ltd ("NARL")

On March 20, 2018, the Company entered into a binding, definitive share exchange agreement with Northern Aspect Resources Ltd and all of the shareholders of NARL to acquire all of the issued and outstanding securities in NARL (the "**NARL transaction**"), subject to certain conditions, including inter alia, definitive approval from the TSX-V. On May 15, 2018, the Company received definitive approval from the TSX-V to acquire all the issued and outstanding securities of NARL and that it had completed the NARL transaction through issue of 4,913,466 consideration shares of which directors and officers of the Company received 750,000 shares.

The transaction does not constitute a business combination as NARL does not meet the definition of a business under IFRS 3, Business Combinations. As a result, the transaction is accounted for as an acquisition of assets.

The Osikonmaki and Hirsikangas mineral properties were acquired as part of the NARL transaction. These properties were in the exploration and evaluation stages at acquisition. The acquisition has been measured using the fair value of the consideration transferred. The excess of the consideration transferred over the fair value of the other net assets and liabilities has been allocated to the mineral properties.

The purchase price allocation is set out as follows:

Issuance of 4,913,466 common shares <sup>(1)</sup>	<u>\$ 5,404,813</u>
Allocation of purchase price:	
Cash	\$ 293,976
Prepaid and other receivables	109,611
Equipment	42,894
Mining property	5,333,681
Accounts payable and accrued liabilities	<u>(375,349)</u>
Total	<u>\$ 5,404,813</u>

<sup>(1)</sup> The value of the common shares was based on the fair value of the shares on date of close (May 11, 2018).

#### 9. Amounts Payable and Accrued Liabilities

	<b>As at November 30, 2019</b>	As at February 28, 2019
Trade payables	<b>\$ 1,236,263</b>	\$ 771,172
Accrued liabilities	<b>490,753</b>	719,497
	<b>\$ 1,727,016</b>	\$ 1,490,669

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## Rupert Resources Ltd.

### Notes to Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended November 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

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#### 10. Asset retirement obligation

<b>Balance, February 28, 2019</b>	<b>\$ 1,203,465</b>
Foreign exchange adjustment	(28,710)
Add: increase in restoration provision period	3,658
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<b>Balance, November 30, 2019</b>	<b>\$ 1,178,413</b>
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Balance, February 28, 2018	\$ 949,167
Foreign exchange adjustment	(39,264)
Add: increase in restoration provision period	297,327
Present value adjustment	(3,765)
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Balance, February 28, 2019	\$ 1,203,465

On August 30, 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.

The total undiscounted amount of estimated future cash flows required to settle obligations related to the Pahtavaara were EURO850,000 (\$1,243,805). The estimated future cash flows have been discounted using the Finland 10 year government bond yield, at the time the liability was estimated, at 0.483%.

During the last financial year, the Finnish Mining Authority estimated an additional EURO150,000 (\$219,495) is required to settle obligations related to the Pahtavaara mine. In October 2019, the Company purchased an additional environmental bond (see note 6)

These obligations are expected to be settled at the end of the mine life which is estimated to be 13 years. The asset retirement obligation was discounted at a rate of 0.44%.

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

#### 11. Convertible Debentures

On September 6, 2016, the Company issued unsecured convertible debentures with a total principal amount of \$7,707,500. Total transaction costs of \$72,015 were incurred on the issuance. The debentures were to mature on September 6, 2019 and bore interest at an annual rate of 5%, payable on a semi-annual basis. The convertible debentures will be convertible into common shares of the Company at the option of the holder prior to maturity, at a price of \$0.95 per common share.

After 12 months after the issue date of the convertible debentures, the Company had the option to repay the principal amounts of the convertible debentures in common shares provided certain circumstances were met, including that the 30 trading day volume weighted average price of the common shares is equal to or greater than 170% of the conversion price of \$0.95.

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## Rupert Resources Ltd.

### Notes to Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended November 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

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#### 11. Convertible Debentures (continued)

The Company used the residual value method to allocate the principal amount of the convertible debentures between the liability and equity components. The Company valued the debt component of the convertible debentures by calculating the present value of the principal and interest payments, discounted at a rate of 18%, being management's best estimate of the rate that a non-convertible debenture with similar terms would bear. The equity conversion feature of the convertible debentures comprise the value of the conversion option, being the difference between the face value of the convertible debentures and the liability element calculated above. Based on this calculation, the liability component was \$5,300,700 (\$5,350,695 net of transaction costs) and the residual equity component was \$1,716,066. Net accretion charges attributable to the convertible debentures for the nine months ended November 30, 2019 was \$458,815 (2018 - \$737,494). This amount was added to the liability component on the statements of financial position and was included in accretion expense on the statements of loss and comprehensive loss. Included in the accretion charge was interest paid on the convertible debentures. Interest was due twice per year and the Company paid the amount of \$238,560 (November 30, 2018 - \$192,688).

During the nine months ended November 30, 2019, the Company filed an application to amend the terms the convertible debenture. The amendment decrease the conversion price at which each Convertible Debenture converted into common shares of the Company ("Common Shares") from \$0.95 per common share to \$0.85 per common share. In connection with the conversion, the Company issued 8,667,643 common shares, converting a principle of \$7,367,500 into common shares to certain holders of the debentures and interest was paid up to the date of conversion.

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<b>Balance, February 28, 2019</b>	<b>\$ 7,253,233</b>
Loan converting to shares	(7,367,500)
Add: accretion for the period	697,375
Less: Interest paid in the period	(238,560)
Less: Gain on early converting of loan	(4,548)
Less: Loan repayment	(340,000)

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<b>Balance - November 30, 2019</b>	<b>\$ -</b>
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Balance - February 28, 2018	\$ 6,384,880
Add: accretion for the period	611,998
Less: Interest paid in the period	\$ (192,688)

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Balance - November 30, 2018	\$ 6,804,190
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#### 12. 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.

## Rupert Resources Ltd.

### Notes to Condensed Consolidated Interim Financial Statements Three and Nine Months Ended November 30, 2019 (Expressed in Canadian Dollars) (Unaudited)

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

##### Issued Share Capital

As at November 30, 2019, the issued share capital amounted to \$68,303,215. There were the following changes in issued share capital for the nine months ended November 30, 2019 and November 30, 2018:

	Number of Common Shares	Amount
<b>Balance, February 28, 2019</b>	<b>122,728,573</b>	<b>\$ 54,216,150</b>
Private placement <sup>(5)</sup>	8,532,940	7,252,999
Stock options exercised	150,000	63,750
Shares issued for debt conversion <sup>(4)</sup>	8,667,643	6,770,316
<b>Balance, November 30, 2019</b>	<b>140,079,156</b>	<b>\$ 68,303,215</b>
Balance, February 28, 2018	101,214,992	\$ 36,106,781
Private placement <sup>(1)(3)</sup>	15,152,615	12,299,200
Share issue costs	-	(127,230)
Stock options exercised	500,000	212,500
Shares issued for NARL acquisition (note 8)	4,913,466	5,404,813
Shares cancelled <sup>(2)</sup>	(352,500)	-
<b>Balance, November 30, 2018</b>	<b>121,428,573</b>	<b>\$ 53,896,064</b>

(1) On March 02, 2018, the Company closed a non-brokered private placement and has issued 5,903,615 common shares of the Company at a price of \$0.83 per Common Share for gross proceeds of \$4,900,000. \$2,465,951 was received prior to February 28, 2018 and as at that date was included in shares to be issued. The Company has agreed to pay cash finder's fees in respect of certain sales under the Private Placement: (i) to Smaller Capital Company, \$50,000, (ii) to Haywood Securities Inc., \$32,000, and (iii) to Canaccord Genuity Limited, \$4,000. In connection with the offering, legal fees and other expenses of \$46,608 were paid.

(2) On March 15, 2018, the Company cancelled 352,500 common shares for no consideration. The shares had been held in escrow, and in accordance with the escrow agreement, have now been cancelled.

(3) On November 30, 2018, the Company closed a non-brokered private placement and has issued 9,249,000 common shares of the Company at a price of \$0.80 per Common Share for gross proceeds of \$7,399,200. The Company has agreed to pay cash finder's fees in respect of certain sales under the Private Placement: (i) to Smaller Capital Company, \$10,000, and (ii) to Canaccord Genuity Limited, \$3,504. In connection with the offering, legal fees and other expenses of \$74,950 were paid.

The fair value of the Unit and Additional Unit warrants at issue date was \$194,656 and \$13,125, respectively, as calculated using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: a 18 months expected average life; share price of \$0.08; 130% expected volatility; risk free interest rate of 0.51%; and an expected dividend yield of 0%. Volatility is calculated based on the changes in historical stock prices over the expected life of the warrants.



# Rupert Resources Ltd.

## Notes to Condensed Consolidated Interim Financial Statements Three and Nine Months Ended November 30, 2019 (Expressed in Canadian Dollars) (Unaudited)

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

#### Issued Share Capital (continued)

- (4) During the nine months ended November 30, 2019, a principle of \$7,367,500 was converted into 8,549,996 common shares. The Company recorded a gain on conversion of convertible debt of \$2,203,521 on the difference between conversion price and fair market value.
- (5) On September 9, 2019, the Company closed a private placement by issuing 8,532,940 common shares at a price of \$0.85 per share for a gross proceed of \$7,252,999.

#### 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 5 years and vesting periods are determined by the Board of Directors.

The following table reflects the continuity of stock options for the nine months ended November 30, 2019 and November 30, 2018:

	Number of Stock Options	Weighted Average Exercise Price (\$)
<b>Balance, February 28, 2019</b>	<b>8,135,000</b>	<b>0.74</b>
Granted <sup>(2)</sup>	2,565,000	0.87
Exercised	(150,000)	0.175
<b>Balance, November 30, 2019</b>	<b>10,550,000</b>	<b>0.78</b>
Balance, February 28, 2018	8,315,000	0.49
Expired	(925,000)	0.35
Granted <sup>(1)</sup>	2,625,000	1.00
Exercised	(500,000)	0.175
<b>Balance, November 30, 2018</b>	<b>9,515,000</b>	<b>0.66</b>

(1) On August 1, 2018, the Company granted 2,625,000 stock options at a price of \$1.00 per share, expiring on July 31, 2023. 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 \$1.00; 113% expected volatility; risk-free interest rate of 2.25%; 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 \$2,112,600. The options vest 50% on each of July 31, 2019 and July 31, 2020.

(2) On August 22, 2019, the Company granted 2,565,000 stock options at a price of \$0.87 per share to certain directors, officers and employees of the Company, expiring on August 22, 2024. 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 \$0.812; 101% expected volatility; risk-free interest rate of 1.32%; 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 \$1,540,539. The options will vest 50% on each of August 22, 2020 and August 22, 2021.

For the three and nine months ended November 30, 2019, the impact on share-based compensation was \$435,875 and \$1,262,964, respectively (three and nine months ended November 30, 2018 - \$578,025 and \$1,280,670, respectively).

## Rupert Resources Ltd.

### Notes to Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended November 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

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

##### Stock Options (continued)

The following table reflects the actual stock options issued and outstanding as of November 30, 2019:

Expiry Date	Exercise Price (\$)	Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (exercisable)	Number of Options Unvested
March 24, 2021	0.175	1.32	1,890,000	1,890,000	-
June 10, 2021	0.56	1.53	525,000	525,000	-
November 9, 2021	0.76	1.95	775,000	775,000	-
April 22, 2022	1.01	2.38	2,170,000	2,170,000	-
July 31, 2023	1.00	3.67	2,625,000	1,312,500	1,312,500
August 22, 2024	0.87	4.73	2,565,000	-	2,565,000
	<b>0.78</b>	<b>3.01</b>	<b>10,550,000</b>	<b>6,672,500</b>	<b>3,877,500</b>

#### 13. General and Administrative Expenses

	Three Months November 30,		Nine Months Ended November 30,	
	2019	2018	2019	2018
Consulting	\$ 12,635	\$ 8,962	\$ 12,798	\$ 13,523
Office and sundry	153,918	205,151	488,496	562,764
Professional fees	173,897	21,436	323,763	186,398
Investigation of prospective property interests	490	43,909	854	46,840
Regulatory fees	3,055	1,025	17,008	14,248
Salaries and benefits (note 15)	194,962	201,102	573,273	580,520
Shareholder communications	3,331	(2,074)	3,331	1,408
Transfer agent	39,861	13,974	53,204	40,230
Travel	58,875	96,855	203,505	262,961
	<b>\$ 641,024</b>	<b>\$ 590,340</b>	<b>\$ 1,676,232</b>	<b>\$ 1,708,892</b>

#### 14. Net Loss Per Common Share

The calculation of basic and diluted loss per share for the three and nine months ended November 30, 2019 was based on the loss attributable to common shareholders of \$1,077,950 and \$1,382,696, respectively (three and nine months ended November 30, 2018 - \$1,476,048 and \$3,907,375, respectively) and the weighted average number of basic common shares outstanding of 139,024,968 and 128,644,511, respectively for the three and nine months ended November 30, 2019 (three and nine months ended November 30, 2018 - 111,804,573 and 110,472,051, respectively). Diluted loss per share did not include the effect of 10,550,000 stock options (three and nine months ended November 30, 2018 - 9,515,000) as they are anti-dilutive.

# Rupert Resources Ltd.

## Notes to Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended November 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

### 15. 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 November 30,		Nine Months Ended November 30,	
	2019	2018	2019	2018
Remuneration paid to Non-Executive Chairman <sup>(1)(2)</sup>	\$ 9,000	\$ 9,000	\$ 27,000	\$ 15,000
Remuneration paid to CEO <sup>(3)</sup>	79,969	82,931	237,069	252,634
Remuneration paid to CFO <sup>(4)</sup>	29,528	29,861	81,636	91,114
Share-based payments - Black-Scholes value	215,000	347,193	679,180	868,818
Marrelli Support Services Inc. <sup>(5)</sup>	8,144	7,941	33,360	27,840

<sup>(1)</sup> The Board of Directors do not have employment or services contracts with the Company.

<sup>(2)</sup> The Company entered into an agreement with the Non-Executive Chairman of the Company to pay him a monthly consulting fee of \$3,000 from July 1, 2018. During the three and nine months ended November 30, 2019, \$9,000 and \$27,000, respectively (three and nine months ended November 30, 2018 - \$9,000 and \$15,000, respectively) were paid.

<sup>(3)</sup> The Company entered into an agreement with the Chief Executive Officer of the Company to pay him a monthly base salary of GBP15,000. During the three and nine months ended November 30, 2019, \$79,969 and \$237,069, respectively (three and nine months ended November 30, 2018 - \$82,931 and \$252,634, respectively) was expensed as salaries. As at November 30, 2019, the Chief Executive Officer was owed \$nil for reimbursable expenses (February 28, 2019 - \$789) and this amount was included in amounts payable and accrued liabilities.

<sup>(4)</sup> The Company entered into an agreement with the Chief Financial Officer of the Company to pay him a monthly base salary of GBP5,833. During the three and nine months ended November 30, 2019, \$29,528 and \$81,636 (three and nine months ended November 30, 2018 - \$29,861 and \$91,114, respectively) was expensed as salaries. As at November 30, 2019, the Chief Financial Officer was owed \$nil for reimbursable expenses (February 28, 2019 - \$1,815) and this amount was included in amounts payable and accrued liabilities.

<sup>(5)</sup> The Company entered into an accounting support services agreement with MSSSI where under MSSSI provided, certain accounting support services. A director of the Company, Mr. Robert D. B. Suttie is President of MSSSI. During the three and nine months ended November 30, 2019, \$8,144 and \$33,360, respectively (three and nine months ended November 30, 2018 - \$7,941 and \$27,840, respectively) was expensed with respect to the services provided. As at November 30, 2019, MSSSI was owed \$4,890 (February 28, 2019 - \$2,973). These amounts are included in amounts payable and accrued liabilities.

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.

### 16. Segment Information

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

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## **Rupert Resources Ltd.**

**Notes to Condensed Consolidated Interim Financial Statements**

**Three and Nine Months Ended November 30, 2019**

**(Expressed in Canadian Dollars)**

**(Unaudited)**

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### **17. Commitments and Contingencies**

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

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