



RUPERT RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED

MAY 31, 2023

(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

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

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

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

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 May 31, 2023	As at February 28, 2023
ASSETS		
Current assets		
Cash and cash equivalents (note 3)	\$ 59,170,431	\$ 70,499,292
Marketable securities (note 4)	1,137,535	2,085,948
Prepays and sundry receivables (note 5)	696,308	1,116,422
	61,004,274	73,701,662
Non-current assets		
Restricted cash (note 6)	1,339,573	1,332,465
Property, plant and equipment (note 7)	5,278,995	5,266,396
Right-of-use asset (note 8)	97,802	113,497
Exploration and evaluation assets (note 10)	104,896,966	96,628,131
	\$ 172,617,610	\$ 177,042,151
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Amounts payable and accrued liabilities (notes 11 and 17)	\$ 3,707,019	\$ 6,927,101
Lease liability (note 13)	66,793	65,615
	3,773,812	6,992,716
Non-current liabilities		
Asset retirement obligation (note 12)	8,897,534	8,783,178
Lease liability (note 13)	34,668	51,405
	12,706,014	15,827,299
Shareholders' Equity		
Share capital (note 14)	225,942,395	225,288,990
Contributed surplus (note 14)	8,108,810	7,758,519
Cumulative translation adjustment	(374,586)	(685,065)
Equity portion of convertible debentures	75,700	75,700
Deficit	(73,840,723)	(71,223,292)
	159,911,596	161,214,852
Total liabilities and shareholders' equity	\$ 172,617,610	\$ 177,042,151

Nature of Operations (note 1)

Commitments and Contingencies (note 19)

Subsequent Events (note)

Approved on behalf of the Board:

(Signed) "Gunnar Nilsson" Director

(Signed) "James Withall" Director

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

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

	Three months ended May 31,	
	2023	2022
Operating expenses		
General and administrative expenses (note 15)	\$ 1,096,190	\$ 833,426
Share-based payments (notes 14 and 17)	730,992	644,019
Depreciation (notes 7 and 8)	48,019	15,429
Loss before other items	(1,875,201)	(1,492,874)
Unrealized loss on marketable securities (note 4)	(867,392)	(200,000)
Accretion and interest expense (note 13)	324,935	(2,316)
Foreign exchange gain (loss)	(199,773)	(344,729)
Other income	-	100
Net (loss) for the period	(2,617,431)	(2,039,819)
Other comprehensive gain (loss)		
Item that will be reclassified subsequently to income		
Exchange differences on translating foreign operations	310,479	(3,105,158)
Net (loss) and comprehensive (loss) for the period	\$ (2,306,952)	\$ (5,144,977)
Basic and diluted net (loss) per share (note 16)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares		
outstanding - basic and diluted (note 16)	202,396,666	189,837,283

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)

	Three months ended May 31,	
	2023	2022
Operating activities		
Net loss for the period	\$ (2,617,431)	\$ (2,039,819)
Adjustments for:		
Share-based payments	730,992	644,019
Unrealized loss on marketable securities	867,392	200,000
Depreciation	48,019	15,429
Exchange differences on translating foreign operations	70,454	34,141
Accretion and interest expense	47,939	2,074
Changes in non-cash working capital items:		
Prepays and sundry receivables	420,114	823,358
Amounts payable and accrued liabilities	(3,220,086)	(2,902,247)
	(3,652,607)	(3,223,045)
Financing activities		
Performance share units settled in cash	(75,296)	-
Proceeds from exercise of warrants	-	11,543,704
Proceeds from exercise of options	348,000	1,191,600
Lease liability payments	(17,823)	(16,647)
	254,881	12,718,657
Investing activities		
Expenditure on exploration and evaluation assets	(7,915,058)	(8,716,489)
Purchase of property, plant and equipment	(16,077)	(299,515)
	(7,931,135)	(9,016,004)
Net change in cash	(11,328,861)	479,608
Cash, beginning of period	70,499,292	45,275,410
Cash, end of period	\$ 59,170,431	\$ 45,755,018

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

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

	Share Capital	Cumulative Translation Adjustment	Contributed Surplus	Warrants	Convertible Debentures	Deficit	Total
Balance, February 28, 2023	\$225,288,990	\$ (685,065)	\$ 7,758,519	\$ -	\$ 75,700	\$ (71,223,292)	\$161,214,852
Shares issued for performance share unit awards (note 14)	65,205	-	(140,501)	-	-	-	(75,296)
Stock options exercised (note 14)	588,200	-	(240,200)	-	-	-	348,000
Share-based payments (notes 14 and 17)	-	-	730,992	-	-	-	730,992
Net loss and comprehensive loss for the period	-	310,479	-	-	-	(2,617,431)	(2,306,952)
Balance, May 31, 2023	\$225,942,395	\$ (374,586)	\$ 8,108,810	\$ -	\$ 75,700	\$ (73,840,723)	\$159,911,596
Balance, February 28, 2022	\$159,355,523	\$ (3,111,547)	\$ 7,054,263	\$ 3,086,786	\$ 75,700	\$ (58,135,517)	\$108,325,208
Stock options exercised (note 14)	2,413,954	-	(1,222,354)	-	-	-	1,191,600
Share-based payments (notes 14 and 17)	-	-	644,019	-	-	-	644,019
Warrants exercised (note 14)	14,630,490	-	-	(3,086,786)	-	-	11,543,704
Net loss and comprehensive loss for the period	-	(3,105,158)	-	-	-	(2,039,819)	(5,144,977)
Balance, May 31, 2022	\$176,399,967	\$ (6,216,705)	\$ 6,475,928	\$ -	\$ 75,700	\$ (60,175,336)	\$116,559,554

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

Rupert Resources Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended May 31, 2023

(Expressed in Canadian Dollars)

(Unaudited)

1. Nature of Operations

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

The Company's outstanding common shares trade on the Toronto Stock Exchange under the symbol RUP. As at May 31, 2023, an investor of the Company, Agnico Eagle Mines Limited, controlled 28,644,111 common shares of the Company or approximately 14.1% of the total common shares outstanding. To the knowledge of directors and officers of Rupert, the remainder of the Company's outstanding common shares are widely held. These holdings can change at any time at the discretion of the owner.

2. Significant Accounting Policies

(a) Statement of Compliance

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

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of July 7, 2023, the date on which the Board of Directors approved the unaudited condensed interim consolidated financial statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended February 28, 2023, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending February 28, 2024 could result in restatement of these unaudited condensed interim consolidated financial statements.

(b) New Accounting Policies Adopted

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

(c) Future Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after March 1, 2024. 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")

IAS 1 was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or non-current is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2024. Earlier adoption is permitted.

Rupert Resources Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended May 31, 2023

(Expressed in Canadian Dollars)

(Unaudited)

3. Cash and Cash Equivalents

	As at May 31, 2023	As at February 28, 2023
Cash	\$ 22,304,127	\$ 70,399,292
Treasury bills	36,766,304	-
Guaranteed investment certificates ("GIC's")	100,000	100,000
Total	\$ 59,170,431	\$ 70,499,292

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

4. Marketable Securities

	As at May 31, 2023	As at February 28, 2023
Trillium Gold Mines Ltd. - 1,000,000 common shares	\$ 120,000	\$ 165,000
Northgold AB - 1,116,000 common shares (note 9)	1,017,535	1,920,948
Total	\$ 1,137,535	\$ 2,085,948

During the three months ended May 31, 2023, the Company recorded an unrealized loss on marketable securities of \$867,392 (three months ended May 31, 2022 - \$200,000) in profit or loss.

5. Prepaids and Sundry Receivables

	As at May 31, 2023	As at February 28, 2023
Prepaid expenses and sundry receivables	\$ 209,219	\$ 295,100
Other receivable	9,566	387
Sales tax receivable	477,523	820,935
Total	\$ 696,308	\$ 1,116,422

Rupert Resources Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended May 31, 2023

(Expressed in Canadian Dollars)

(Unaudited)

6. Restricted Cash

In connection with the acquisition of the Pahtavaara Gold Mine, the Company purchased environmental bonds of EURO 850,000 for the sole purpose of settling the future restoration obligations of the Pahtavaara Gold Mine (note 12). Furthermore, in connection with Rupert Lapland Project Area, the Company has also purchased exploration-related bonds totalling EURO 70,050. The bonds are not interest-bearing and have no maturity date. This cash is not available for general corporate purposes.

Balance, February 28, 2023	\$ 1,332,465
Foreign exchange adjustment	7,108
Balance, May 31, 2023	\$ 1,339,573
Balance, February 28, 2022	\$ 1,288,672
Additions	56,365
Sale of subsidiary	(30,251)
Foreign exchange adjustment	17,679
Balance, February 28, 2023	\$ 1,332,465

7. Property, Plant and Equipment

	Computers	Equipment and Machinery	Construction in Progress	Buildings	Vehicles	Office Furniture	Total
Period ended May 31, 2023							
At February 28, 2023	\$ 5,860	\$ 2,227,774	\$ 178,756	\$ 2,832,768	\$ 18,265	\$ 2,973	\$ 5,266,396
Additions (net)	-	171,355	(178,756)	23,478	-	-	16,077
Foreign exchange differences	31	12,765	-	15,112	98	16	28,022
Depreciation	-	-	-	(31,500)	-	-	(31,500)
At May 31, 2023	\$ 5,891	\$ 2,411,894	\$ -	\$ 2,839,858	\$ 18,363	\$ 2,989	\$ 5,278,995
At May 31, 2023							
Cost	\$ 7,149	\$ 2,310,977	\$ 179,709	\$ 3,009,430	\$ 102,724	\$ 2,989	\$ 5,612,978
Accumulated depreciation	(1,258)	(78,792)	-	(169,572)	(84,361)	-	(333,983)
Net book value	\$ 5,891	\$ 2,232,185	\$ 179,709	\$ 2,839,858	\$ 18,363	\$ 2,989	\$ 5,278,995
Period ended May 31, 2022							
At February 28, 2022	\$ 5,781	\$ 2,199,390	\$ -	\$ 913,368	\$ 128,475	\$ 2,973	\$ 3,249,987
Additions (net)	-	299,515	-	-	-	-	299,515
Foreign exchange differences	(275)	(103,924)	-	(43,430)	(6,108)	(139)	(153,876)
At May 31, 2022	\$ 5,506	\$ 2,394,981	\$ -	\$ 869,938	\$ 122,367	\$ 2,834	\$ 3,395,626
At May 31, 2022							
Cost	\$ 6,764	\$ 2,394,981	\$ -	\$ 869,938	\$ 153,652	\$ 2,794	\$ 3,428,129
Accumulated depreciation	(1,258)	-	-	-	(31,285)	-	(32,543)
Net book value	\$ 5,506	\$ 2,394,981	\$ -	\$ 869,938	\$ 122,367	\$ 2,794	\$ 3,395,586

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

Rupert Resources Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended May 31, 2023

(Expressed in Canadian Dollars)

(Unaudited)

8. Right-of-use Asset

	Office
Period ended May 31, 2023	
At May 31, 2022	\$ 113,497
Foreign exchange differences	824
Depreciation	(16,519)
At May 31, 2023	\$ 97,802
Period ended May 31, 2022	
At February 28, 2022	\$ 175,931
Foreign exchange differences	(8,170)
Depreciation	(15,429)
At May 31, 2022	\$ 152,332

9. Sale of subsidiary

On February 8, 2023, the Company completed the sale of its wholly owned subsidiary Northern Aspects Resources Oy to Northgold AB ("Northgold"). As consideration for the sale, the Company received 890,000 common shares in Northgold valued at \$1,410,650 (note 4). As a result of the sale, the Company reduced the value of the exploration and evaluation assets related to the Hirsikangas Property to \$nil (note 10) and recorded an impairment of exploration and evaluation assets of \$3,722,737 included on the Company's consolidated statements of loss and comprehensive loss. In addition, The Company has furthermore participated in a directed placement of shares in Northgold, purchasing 226,000 shares for a total value of \$369,510 (note 4).

Rupert Resources Ltd.**Notes to Condensed Consolidated Interim Financial Statements****Three Months Ended May 31, 2023****(Expressed in Canadian Dollars)****(Unaudited)**

10. Exploration and Evaluation Assets

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

	Hirsikangas Property	Rupert Lapland Project Area	Total
Balance, February 28, 2023	\$ -	\$ 96,628,131	\$ 96,628,131
<u>Acquisition Costs</u>			
Licenses and permits	-	418,538	418,538
	\$ -	\$ 97,046,669	\$ 97,046,669
<u>Exploration and Evaluation Costs</u>			
Assays	\$ -	\$ 1,549,591	\$ 1,549,591
Consulting	-	534,086	534,086
Geophysics	-	189,991	189,991
Drilling	-	3,616,166	3,616,166
Equipment rental and software	-	21,320	21,320
Transportation	-	99,662	99,662
Fuel	-	4,588	4,588
Travel	-	133,662	133,662
Utilities	-	39,030	39,030
Equipment	-	188,939	188,939
Salaries	-	978,888	978,888
Environmental	-	98,335	98,335
Foreign exchange differences	-	396,039	396,039
Balance, May 31, 2023	\$ -	\$ 104,896,966	\$ 104,896,966

Rupert Resources Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended May 31, 2023

(Expressed in Canadian Dollars)

(Unaudited)

10. Exploration and Evaluation Assets (continued)

	Hirsikangas Property	Rupert Lapland Project Area	Total
Balance, February 28, 2022	\$ 4,291,690	\$ 64,337,073	\$ 68,628,763
<u>Acquisition Costs</u>			
Licenses and permits	268,676	414,339	683,015
	\$ 4,560,366	\$ 64,751,412	\$ 69,311,778
<u>Exploration and Evaluation Costs</u>			
Assays	\$ -	\$ 1,728,341	\$ 1,728,341
Consulting	-	617,252	617,252
Geophysics	544	122,310	122,854
Drilling	-	4,327,402	4,327,402
Equipment rental and software	-	3,152	3,152
Transportation	-	95,331	95,331
Fuel	-	4,928	4,928
Asset retirement obligation increase	-	701,140	701,140
Utilities	-	56,531	56,531
Salaries	24,212	849,573	873,785
Environmental	-	203,898	203,898
Foreign exchange difference	(127,104)	(3,045,493)	(3,172,597)
Balance, May 31, 2022	\$ 4,458,018	\$ 70,415,777	\$ 74,873,795

Pahtavaara Gold Mine

On August 30, 2016, the Company exercised the option with the bankruptcy estate of Lapland Goldminers Oy to acquire the Pahtavaara gold mine, mill and exploration permits and concessions that represented a 124km² land package in Finland in the Central Lapland Greenstone Belt (the "Pahtavaara Gold Mine"). The Pahtavaara Gold Mine is included within Rupert Lapland Project Area. The purchase price for the acquisition was US\$2,500,000, structured as a US\$500,000 cash payment which was made upon the completion of the acquisition in November 2016 and a 1.5% production royalty, capped at US\$2,000,000, payable on go-forward revenues generated when gold production resumes. The production royalty, which is considered contingent consideration, was valued at \$nil on the date of acquisition and as at May 31, 2023 and 2022.

On May 15, 2018, the Company acquired all the issued and outstanding securities of NARL through the issue of 4,913,466 consideration shares of the Company. The Hirsikangas mineral property was acquired as part of the NARL transaction. This property was in the exploration and evaluation stages at acquisition.

During the year ended February 28, 2023, the value of the Hirsikangas property was written down to \$nil as a result of the sale of Northern Aspect Resources Oy (note 9).

Rupert Resources Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended May 31, 2023

(Expressed in Canadian Dollars)

(Unaudited)

10. Exploration and Evaluation Assets (continued)

Gold Centre Property

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

Rupert and Trillium have formed an unincorporated joint venture with respect to the Gold Centre property. Trillium has an 80% participating interest (a "Participating Interest") in the joint venture and Rupert has a 20% carried Participating Interest. In order to maintain its 80% Participating interest, Trillium is required to spend \$2,000,000 per annum in each of the first five years and \$500,000 in each subsequent year. Further, Trillium issued to Rupert 500,000 common shares upon the start date of the joint venture and in order to maintain its Participating Interest, will issue 500,000 common shares on each anniversary thereof for the subsequent three years, for a total of 2,000,000 common shares. As at May 31, 2023, Trillium issued to Rupert 1,000,000 common shares since the start date of the joint venture (note 4).

11. Amounts Payable and Accrued Liabilities

	As at May 31, 2023	As at February 28, 2023
Trade payables	\$ 2,208,654	\$ 4,509,426
Accrued liabilities	1,498,365	2,417,675
	\$ 3,707,019	\$ 6,927,101

12. Asset Retirement Obligation

Balance, February 28, 2023	\$ 8,783,178
Foreign exchange adjustment	67,839
Present value adjustment	46,517
Balance, May 31, 2023	\$ 8,897,534
Balance, February 28, 2022	\$ 4,780,340
Foreign exchange adjustment	(111,434)
Add: increase in restoration provision	7,480,375
Present value adjustment	(3,366,103)
Balance, February 28, 2023	\$ 8,783,178

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

These obligations are expected to be settled at the end of the mine life which is estimated to be 26 years (February 28, 2023 - 11 years). The increase to the time period is a result of an increase to the Company's estimate of the expected mine life. The asset retirement obligation was revalued on May 31, 2023 using a discount rate of 3.1% (May 31, 2022 - 1.59%) and average inflation rate of 2.47% (May 31, 2022 - 6.96%) per annum.

The increase in the restoration provision in the current year is related to an increase in the estimated future cash flows required to complete the retirement obligation. Refer to note 6 for assets pledged and restricted for the purposes of settling future site restoration obligations.

Rupert Resources Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended May 31, 2023

(Expressed in Canadian Dollars)

(Unaudited)

13. Lease Liability

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

Balance, February 28, 2023	\$ 117,020
Foreign exchange differences	842
Interest expense	1,422
Lease payments	(17,823)
Balance, May 31, 2023	\$ 101,461
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Balance, February 28, 2022	\$ 177,005
Addition	-
Foreign exchange differences	(686)
Interest expense	7,177
Lease payments	(66,476)
Balance, February 28, 2023	\$ 117,020
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Allocated as:	
Current	66,793
Non-current	34,668
Balance, May 31, 2023	\$ 101,461

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

At May 31, 2023

Less than one year	\$ 69,976
One to two years	52,482
Total undiscounted lease liability	\$ 122,458

14. Share Capital and Reserves

Authorized Share Capital

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

Issued Share Capital

As at May 31, 2023, the issued share capital amounted to \$225,942,395. There were the following changes in issued share capital for the three months ended May 31, 2023 and 2022:

	Number of Common Shares	Amount
Balance, February 28, 2023	202,142,348	\$ 225,288,990
Shares issued for performance share unit awards ⁽¹⁾	15,525	65,205
Stock options exercised ⁽²⁾	400,000	588,200
Balance, May 31, 2023	202,557,873	\$ 225,942,395

Rupert Resources Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended May 31, 2023

(Expressed in Canadian Dollars)

(Unaudited)

14. Share Capital and Reserves (continued)

Issued Share Capital (continued)

	Number of Common Shares	Amount
Balance, February 28, 2022	178,609,594	\$ 159,355,523
Stock options exercised ⁽²⁾	1,115,000	2,413,954
Warrants exercised ⁽³⁾	11,543,704	14,630,490
Balance, May 31, 2022	191,268,298	\$ 176,399,967

(1) On March 2, 2023, 27,361 performance share units ("PSUs") were exercised into common shares and \$65,205 was reclassified from contributed surplus to share capital. 11,836 PSUs were settled through a cash payment of \$75,296.

(2) During the three months ended May 31, 2023, 400,000 (three months ended May 31, 2022 - 1,115,000) stock options were exercised at a price of \$0.87 (three months ended May 31, 2022 - \$0.87 to \$3.20) per share for total proceeds of \$348,000 (three months ended May 31, 2022 - \$1,191,600). The options exercised had a grant date fair value of \$240,200 (three months ended May 31, 2022 - \$1,222,354) initially recognized in contributed surplus which was transferred to share capital upon exercise of the options.

(3) During the three months ended May 31, 2023, (three months ended May 31, 2022 - 11,543,704) warrants were exercised at a price of \$nil (three months ended May 31, 2022 - \$1.00) per share for total proceeds of \$nil (three months ended May 31, 2022 - \$11,543,704). The warrants exercised had a grant date fair value of \$nil (three months ended May 31, 2022 - \$3,086,786) initially recognized in warrants reserve which was transferred to share capital upon exercise of the warrants.

Stock Options

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

The following table reflects the continuity of stock options for the three months ended May 31, 2023 and 2022:

	Number of Stock Options	Weighted Average Exercise Price (\$)
Balance, February 28, 2023	6,001,000	2.59
Cancelled	(55,500)	5.11
Granted ⁽⁴⁾⁽⁵⁾	566,354	3.98
Exercised ⁽²⁾	(400,000)	0.877
Balance, May 31, 2023	6,111,854	2.81
Balance, February 28, 2022	7,078,500	1.92
Exercised ⁽²⁾	(1,115,000)	1.07
Balance, May 31, 2022	5,963,500	2.08

Rupert Resources Ltd.

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14. Share Capital and Reserves (continued)

Stock Options (continued)

- (4) On March 2, 2023, the Company granted 91,575 stock options at a price of 4.85 per share to a employee of the Company, expiring on March 1, 2028. 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 \$4.76; 63.20% expected volatility; risk-free interest rate of 3.66%; 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 \$243,633. The options vest 1/3 on each of March 2, 2024, March 2, 2025 and March 2, 2026.
- (5) On May 31, 2023, the Company granted 474,774 stock options at a price of \$3.81 per share to a certain employees of the Company, expiring on May 30, 2028. 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 \$3.65; 62.68% expected volatility; risk-free interest rate of 3.44%; 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 \$243,633. The options vest 1/3 on each of May 31, 2024, May 31, 2025 and May 31, 2026.

For the three months ended May 31, 2023, the impact of share-based payments related to stock options on the profit or loss was \$508,434 (three months ended May 31, 2022 - \$482,535).

The following table reflects the actual stock options issued and outstanding as of May 31, 2023:

Expiry Date	Exercise Price (\$)	Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (exercisable)	Number of Options Unvested
July 31, 2023	1.00	0.17	1,040,000	1,040,000	-
August 9, 2024	3.20	1.20	1,665,000	1,665,000	-
August 21, 2024	0.87	1.23	1,405,000	1,405,000	-
June 29, 2026	5.00	3.08	663,000	242,000	421,000
September 23, 2026	4.30	3.32	54,000	18,000	36,000
June 13, 2027	5.23	4.04	718,500	300	718,200
March 2, 2028	4.85	4.76	91,575	-	91,575
May 31, 2028	3.81	5.00	474,779	-	474,779
	2.81	1.94	6,111,854	4,370,300	1,741,554

Warrants

The following table reflects the continuity of warrants for the three months ended May 31, 2023 and 2022:

	Number of Warrants	Weighted Average Exercise Price (\$)
Balance, February 28, 2022	11,543,704	1.00
Exercised ⁽⁶⁾	(11,543,704)	1.00
Balance, May 31, 2022, February 28, 2023 and May 31, 2022	-	-

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14. Share Capital and Reserves (continued)

Warrants (continued)

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

Performance Share Units ("PSUs")

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

The following table reflects the continuity of PSUs for the three months ended May 31, 2023 and 2022:

	Number of PSUs
Balance, February 28, 2023	311,254
Granted ⁽⁷⁾⁽⁸⁾	232,972
Awarded as common shares ⁽¹⁾	(15,525)
Paid as deduction of payroll taxes ⁽¹⁾	(11,836)
Cancelled	(3,040)
Balance, May 31, 2023	513,825
	Number of PSUs
Balance, February 28, 2022 and May 31, 2022	240,402

(7) On March 2, 2023, the Company granted 51,546 PSUs to certain employee of the Company. A fair value of \$250,000 was determined based on the fair value of the Company's share price on the date of grant. The number of PSUs estimated to vest is 51,546, based on the level of achievement of certain corporate and individual performance objectives. The PSUs are estimated to vest 1/6 on each of March 1, 2024, March 1, 2025 and March 1, 2026, and 1/2 on December 31, 2023 based on certain corporate performance objectives.

(8) On May 31, 2023, the Company granted 181,426 PSUs to a certain employees of the Company. A fair value of \$391,232 was determined based on the fair value of the Company's share price on the date of grant. The PSUs are expected to vest in two separate tranches of 120,950 and 60,475 based on the achievement of certain corporate performance objectives. The tranches are estimated to vest on September 30, 2024 and June 30, 2024, respectively, based on certain corporate performance objectives.

For the three months ended May 31, 2023, the Company recorded share-based payments for the PSUs of \$222,558 (May 31, 2022 - \$161,484) in profit or loss.

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15. General and Administrative Expenses

	Three months ended May 31,	
	2023	2022
Consulting	\$ 16,146	\$ 26,928
Overheads, maintenance and other costs	369,593	215,569
Professional fees	76,060	85,119
Investigation of prospective property interests	-	409
Regulatory fees	69,112	67,800
Salaries and benefits (note 17)	388,830	296,771
Shareholder communications	48,646	60,376
Transfer agent	20,581	13,712
Travel and vehicle operating costs	107,222	66,742
	\$ 1,096,190	\$ 833,426

16. Net Loss Per Common Share

The calculation of basic and diluted loss per share for the three months ended May 31, 2023 was based on the loss attributable to common shareholders of \$2,617,431 (three months ended May 31, 2022 - \$2,039,819) and the weighted average number of basic common shares outstanding of 202,396,666 for the three months ended May 31, 2023 (three months ended May 31, 2022 - 189,837,283). Diluted loss per share did not include the effect of 6,111,854 stock options and 513,825 PSUs (three months ended May 31, 2022 - 5,963,500 stock options, - warrants, and 480,804 PSUs) as they are anti-dilutive.

17. Related Party Transactions

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

	Three months ended May 31,	
	2023	2022
Remuneration paid to Board of Directors	\$ 38,000	\$ 30,000
Remuneration paid to Non-Executive Chairman	18,500	16,250
Remuneration paid to CEO	256,433	74,934
Remuneration paid to CFO	137,462	48,353
Share-based payments	376,558	402,120
	\$ 826,953	\$ 571,657

On May 31, 2023, the amount of \$309,540 (February 28, 2023 - \$321,965) was included in accounts payable and accrued liabilities as salaries and bonus due to the Chief Executive Officer and Chief Financial Officer of the Company.

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

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

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18. Segment Information

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

19. Commitments and Contingencies

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

The Company's operations are subject to government environmental protection legislation. Environmental consequences are difficult to identify in terms of results, timetable and impact (note 12).

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