



RUPERT RESOURCES LTD.

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

NOVEMBER 30, 2023

(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

The unaudited condensed consolidated interim 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 consolidated interim 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 consolidated interim 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 consolidated interim 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 consolidated interim financial statements; and (ii) the unaudited condensed consolidated interim 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 consolidated interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed consolidated interim 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 consolidated interim 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 consolidated interim 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.

(Signed) "James Withall" Chief Executive Officer

(Signed) "Jeffrey Karoly" Chief Financial Officer

January 12, 2024

Rupert Resources Ltd.

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

	As at November 30, 2023	As at February 28, 2023 (Audited)
ASSETS		
Current assets		
Cash and cash equivalents (note 3)	\$ 43,605,144	\$ 70,499,292
Marketable securities (note 4)	669,631	2,085,948
Prepays and sundry receivables (note 5)	883,877	1,116,422
	45,158,652	73,701,662
Non-current assets		
Restricted cash (note 6)	1,369,074	1,332,465
Property, plant and equipment (note 7)	7,897,878	5,266,396
Right-of-use asset (note 8)	66,536	113,497
Exploration and evaluation assets (note 10)	122,001,354	96,628,131
	\$ 176,493,494	\$ 177,042,151
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Amounts payable and accrued liabilities (notes 11 and 17)	\$ 4,173,538	\$ 6,927,101
Lease liability (note 13)	69,882	65,615
	4,243,420	6,992,716
Non-current liabilities		
Asset retirement obligation (note 12)	11,336,931	8,783,178
Lease liability (note 13)	-	51,405
	15,580,351	15,827,299
Shareholders' Equity		
Share capital (note 14)	228,950,501	225,288,990
Contributed surplus (note 14)	7,958,717	7,758,519
Cumulative translation adjustment	2,418,346	(685,065)
Equity portion of convertible debentures	75,700	75,700
Deficit	(78,490,121)	(71,223,292)
	160,913,143	161,214,852
Total liabilities and shareholders' equity	\$ 176,493,494	\$ 177,042,151

Nature of Operations (note 1)

Commitments and Contingencies (note 19)

Subsequent Events (note 20)

Approved on behalf of the Board:

(Signed) "Gunnar Nilsson" Director

(Signed) "James Withall" Director

Rupert Resources Ltd.

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

	Three Months Ended November 30,		Nine Months Ended November 30,	
	2023	2022	2023	2022
Operating expenses				
General and administrative expenses (note 15)	\$ 1,384,480	\$ 1,378,714	\$ 4,993,921	\$ 4,093,383
Share-based payments (notes 14 and 17)	546,116	677,912	2,003,295	2,163,720
Depreciation (notes 7 and 8)	(64,774)	21,159	60,184	60,340
Gain on sale of property (note 10)	(26,000)	-	(26,000)	-
Loss before other items	(1,839,822)	(2,077,785)	(7,031,400)	(6,317,443)
Gain on redemption of treasury bills (note 3)	307,882	-	834,926	-
Unrealized (loss) gain on marketable securities (note 4)	(208,871)	20,000	(1,388,518)	(265,000)
Accretion and interest income (expense) (notes 3 & 13)	85,087	(1,672)	565,639	(5,826)
Foreign exchange (loss) gain	317,200	622,766	(273,414)	57,028
Other income (expense)	(14)	-	25,938	100
Net (loss) for the period	(1,338,538)	(1,436,691)	(7,266,829)	(6,531,141)
Other comprehensive gain (loss)				
Item that will be reclassified subsequently to income				
Exchange differences on translating foreign operations	1,029,616	5,181,404	3,103,411	(42,390)
Net (loss) income and comprehensive (loss) income				
for the period	\$ (308,922)	\$ 3,744,713	\$ (4,163,418)	\$ (6,573,531)
Basic and diluted net (loss) per share (note 16)	\$ (0.01)	\$ (0.01)	\$ (0.04)	\$ (0.03)
Weighted average number of common shares outstanding - basic and diluted (note 16)	203,808,776	191,299,502	202,974,386	190,799,884

Rupert Resources Ltd.

Condensed Consolidated Interim Statements of Cash Flows (Expressed in Canadian Dollars) (Unaudited)

	Nine Months Ended November 30,	
	2023	2022
Operating activities		
Net loss for the period	\$ (7,266,829)	\$ (6,531,141)
Adjustments for:		
Share-based payments	2,003,295	2,163,720
Unrealized loss on marketable securities	1,388,518	265,000
Depreciation	60,184	60,340
Exchange differences on translating foreign operations	592,911	420,692
Accretion and interest expense	3,626	5,569
Gain on sale of property	(26,000)	-
Changes in non-cash working capital items:		
Prepays and sundry receivables	232,545	(451,595)
Amounts payable and accrued liabilities	(2,753,563)	(1,849,179)
	(5,765,313)	(5,916,594)
Financing activities		
Performance share units settled in cash	(173,786)	(86,296)
Proceeds from exercise of warrants	-	11,543,704
Proceeds from exercise of options	2,032,200	1,217,700
Lease liability payments	(53,180)	(49,042)
	1,805,234	12,626,066
Investing activities		
Expenditure on exploration and evaluation assets	(20,380,006)	(20,297,767)
Net deposits for restricted cash	(2,083)	(54,639)
Purchase of property, plant and equipment, net of disposals	(2,551,980)	(2,638,438)
	(22,934,069)	(22,990,844)
Net change in cash	(26,894,148)	(16,281,372)
Cash and cash equivalents, beginning of period	70,499,292	45,275,410
Cash and cash equivalents, end of period	\$ 43,605,144	\$ 28,994,038

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)	260,715	-	(434,501)	-	-	-	(173,786)
Stock options exercised (note 14)	3,400,796	-	(1,368,596)	-	-	-	2,032,200
Share-based payments (note 14)	-	-	2,003,295	-	-	-	2,003,295
Net income (loss) and comprehensive income (loss) for the period	-	3,103,411	-	-	-	(7,266,829)	(4,163,418)
Balance, November 30, 2023	\$228,950,501	\$ 2,418,346	\$ 7,958,717	\$ -	\$ 75,700	\$ (78,490,121)	\$160,913,143
Balance, February 28, 2022	\$159,355,523	\$ (3,111,547)	\$ 7,054,263	\$ 3,086,786	\$ 75,700	\$ (58,135,517)	\$108,325,208
Shares issued for performance							
share unit awards (note 14)	195,510	-	(294,000)	-	-	12,194	(86,296)
Stock options exercised (note 14)	2,458,069	-	(1,240,369)	-	-	-	1,217,700
Share-based payments (note 14)	-	-	2,163,720	-	-	-	2,163,720
Warrants exercised (note 14)	14,630,490	-	-	(3,086,786)	-	-	11,543,704
Net loss and comprehensive loss for the period	-	(42,390)	-	-	-	(6,531,141)	(6,573,531)
Balance, November 30, 2022	\$176,639,592	\$ (3,153,937)	\$ 7,683,614	\$ -	\$ 75,700	\$ (64,654,464)	\$116,590,505

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

Rupert Resources Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended November 30, 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 November 30, 2023, an investor of the Company, Agnico Eagle Mines Limited, controlled 28,644,111 common shares of the Company or approximately 14.0% of the total common shares outstanding. To the knowledge of directors and officers of Rupert, the remainder of the Company's outstanding common shares are widely held. These holdings can change at any time at the discretion of the owner.

2. Significant Accounting Policies

(a) Statement of Compliance

These unaudited condensed consolidated interim 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 consolidated interim financial statements are based on IFRS issued and outstanding as of January 12, 2024, the date on which the Board of Directors approved the unaudited condensed consolidated interim financial statements. The same accounting policies and methods of computation are followed in these unaudited condensed consolidated interim 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 consolidated interim 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 and Nine Months Ended November 30, 2023
(Expressed in Canadian Dollars)
(Unaudited)

3. Cash and Cash Equivalents

	As at November 30, 2023	As at February 28, 2023
Cash	\$ 10,296,992	\$ 70,399,292
Treasury bills	33,208,152	-
Guaranteed investment certificates ("GIC's")	100,000	100,000
Total	\$ 43,605,144	\$ 70,499,292

The GIC's earn interest at 1.75%, mature one year from the date of purchase and provide security for the Company's credit cards.

The treasury bills earn interest at 3.45% to 4.85%, and mature 41 to 77 days from the date of purchase.

During the three and nine months ended November 30, 2023, the Company recorded a gain on redemption of treasury bills of \$307,882 and \$834,926, respectively (three and nine months ended November 30, 2022 - \$nil) and interest income from treasury bills of \$53,188 and \$72,373, respectively (three and nine months ended November 30, 2022 - \$nil) in profit or loss.

During the three and nine months ended November 30, 2023, the Company recorded interest income of \$32,898 and \$496,892, respectively (three and nine months ended November 30, 2022 - interest expense of \$nil and \$257, respectively) in profit or loss.

4. Marketable Securities

	As at November 30, 2023	As at February 28, 2023
Renegade Gold Inc. (formerly Trillium Gold Mines Ltd.) - 150,000 common shares	\$ 60,000	\$ 165,000
Northgold AB - 1,116,000 common shares (note 9)	609,631	1,920,948
Total	\$ 669,631	\$ 2,085,948

During the three and nine months ended November 30, 2023, the Company recorded an unrealized loss on marketable securities of \$208,871 and \$1,388,518, respectively (three and nine months ended November 30, 2022 - unrealized gain of \$20,000 and unrealized loss of \$265,000, respectively) in profit or loss.

During the three and nine months ended November 30, 2023, the Company recorded foreign exchange gain of \$36,183 and foreign exchange loss of \$53,799, respectively (three and nine months ended November 30, 2022 - \$nil) in profit and loss.

5. Prepaids and Sundry Receivables

	As at November 30, 2023	As at February 28, 2023
Prepaid expenses and sundry receivables	\$ 357,216	\$ 295,100
Other receivable	37,908	387
Sales tax receivable	488,753	820,935
Total	\$ 883,877	\$ 1,116,422

Rupert Resources Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended November 30, 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 873,500 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 51,050. 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
Additions	2,083
Foreign exchange adjustment	34,526
Balance, November 30, 2023	\$ 1,369,074

7. Property, Plant and Equipment

	Computers	Equipment and Machinery	Construction in Progress	Land	Buildings	Vehicles	Office Furniture	Total
Period ended November 30, 2023								
At February 28, 2023	\$ 5,860	\$ 2,227,774	\$ 178,756	\$ -	\$ 2,832,768	\$ 18,265	\$ 2,973	\$ 5,266,396
Additions (net)	-	(54,958)	(183,388)	2,470,777	319,549	-	-	2,551,980
Foreign exchange differences	152	56,994	4,632	-	71,706	430	77	133,991
Depreciation	-	(29,982)	-	-	(21,037)	(3,470)	-	(54,489)
At November 30, 2023	\$ 6,012	\$ 2,199,828	\$ -	\$ 2,470,777	\$ 3,202,986	\$ 15,225	\$ 3,050	\$ 7,897,878
Year ended February 28, 2023								
At February 28, 2022	\$ 5,781	\$ 2,199,390	\$ -	\$ -	\$ 913,368	\$ 128,475	\$ 2,933	\$ 3,249,947
Additions (net)	-	77,089	178,756	-	2,044,899	(20,672)	-	2,280,072
Foreign exchange differences	79	26,146	-	-	5,668	(2,855)	40	29,078
Depreciation	-	(74,851)	-	-	(131,167)	(86,683)	-	(292,701)
At February 28, 2023	\$ 5,860	\$ 2,227,774	\$ 178,756	\$ -	\$ 2,832,768	\$ 18,265	\$ 2,973	\$ 5,266,396

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.

8. Right-of-use Asset

	Office
Period ended November 30, 2023	
At February 28, 2023	\$ 113,497
Foreign exchange differences	2,328
Depreciation	(49,289)
At November 30, 2023	\$ 66,536
At November 30, 2023	
Cost	\$ 199,608
Accumulated depreciation	(133,072)
Net book value at November 30, 2023	\$ 66,536

Rupert Resources Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended November 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

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 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 during the year ended February 28, 2023. 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).

10. Exploration and Evaluation Assets

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

	Rupert Lapland Project Area
Balance, February 28, 2023	\$ 96,628,131
<u>Acquisition Costs</u>	
Property taxes	15,496
Licenses and permits	1,455,515
	\$ 98,099,142
<u>Exploration and Evaluation Costs</u>	
Assays	\$ 3,529,457
Consulting	1,122,906
Geophysics	789,185
Drilling	7,270,947
Equipment rental and software	228,725
Transportation	239,557
Fuel	14,241
Pre-feasibility study	1,114,851
Asset retirement obligation increase	2,297,582
Utilities	143,791
Salaries	3,115,078
Environmental	1,225,185
Depreciation	158,666
Foreign exchange differences	2,652,041
Balance, November 30, 2023	\$ 122,001,354

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 November 30, 2023 and February 28, 2023.

Rupert Resources Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended November 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

10. Exploration and Evaluation Assets (continued)

Pahtavaara Gold Mine (continued)

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).

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.

During the period ended November 30, 2023, Trillium changed its name to Renegade Gold Inc. ("Renegade") and consolidated its outstanding common shares on a 1 for 10 basis. As at November 30, 2023, Renegade issued to Rupert 150,000 common shares since the start date of the joint venture (note 4) and a notice of termination of the joint venture was received.

During the period ended November 30, 2023, the Company received 50,000 common shares of Renegade valued at \$26,000 at the time of issue and were offset against the exploration and evaluation asset, with the balance being recorded as a gain on sale of property in profit or loss.

11. Amounts Payable and Accrued Liabilities

	As at November 30, 2023	As at February 28, 2023
Trade payables	\$ 2,399,782	\$ 4,509,426
Accrued liabilities	1,773,756	2,417,675
	\$ 4,173,538	\$ 6,927,101

Rupert Resources Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended November 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

12. Asset Retirement Obligation

Balance, February 28, 2023	\$ 8,783,178
Foreign exchange adjustment	256,171
Add: increase in restoration provision	5,078,757
Present value adjustment	(2,781,175)
Balance, November 30, 2023	\$ 11,336,931
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 25 years (February 28, 2023 - 26 years). The asset retirement obligation was revalued on November 30, 2023 using a discount rate of 3.1% (February 28, 2023 - 3.1%) and average inflation rate of 1.92% (February 28, 2023 - 2.47%) 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.

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	2,416
Interest expense	3,626
Lease payments	(53,180)
Balance, November 30, 2023	\$ 69,882
Allocated as:	
Current	69,882
Non-current	-
Balance, November 30, 2023	\$ 69,882

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

At November 30, 2023

Less than one year	\$ 71,789
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Rupert Resources Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended November 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

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 November 30, 2023, the issued share capital amounted to \$228,950,501. There were the following changes in issued share capital for the nine months ended November 30, 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⁾	62,075	260,715
Stock options exercised ⁽²⁾	1,685,000	3,400,796
Balance, November 30, 2023	203,889,423	\$ 228,950,501
Balance, February 28, 2022	178,609,594	\$ 159,355,523
Shares issued for performance share unit awards ⁽¹⁾	46,550	195,510
Stock options exercised ⁽²⁾	1,145,000	2,458,069
Warrants exercised ⁽³⁾	11,543,704	14,630,490
Balance, November 30, 2022	191,344,848	\$ 176,639,592

⁽¹⁾ During the nine months ended November 30, 2023, the Company settled 97,361 (nine months ended November 30, 2022 - 70,000) performance share units ("PSUs"). 62,075 (nine months ended November 30, 2022 - 46,500) of the PSUs were exercised into common shares and \$260,715 (nine months ended November 30, 2022 - \$195,510) was reclassified from contributed surplus to share capital. 35,286 (nine months ended November 30, 2022 - 23,500) PSUs were settled through a cash payment of \$173,786 (nine months ended November 30, 2022 - \$86,296).

⁽²⁾ During the nine months ended November 30, 2023, 1,685,000 (nine months ended November 30, 2022 - 1,145,000) stock options were exercised at a price of \$0.87 to \$3.20 (nine months ended November 30, 2022 - \$0.87 to \$3.20) per share for total proceeds of \$2,032,200 (nine months ended November 30, 2022 - \$1,217,700). The options exercised had a grant date fair value of \$1,368,596 (nine months ended November 30, 2022 - \$1,240,369) initially recognized in contributed surplus which was transferred to share capital upon exercise of the options.

⁽³⁾ During the nine months ended November 30, 2023, nil (nine months ended November 30, 2022 - 11,543,704) warrants were exercised at a price of \$nil (nine months ended November 30, 2022 - \$1.00) per share for total proceeds of \$nil (nine months ended November 30, 2022 - \$11,543,704). The warrants exercised had a grant date fair value of \$nil (nine months ended November 30, 2022 - \$3,086,786) initially recognized in warrants reserve which was transferred to share capital upon exercise of the warrants.

Rupert Resources Ltd.

Notes to Condensed Consolidated Interim Financial Statements

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(Expressed in Canadian Dollars)

(Unaudited)

14. Share Capital and Reserves (continued)

Stock Options

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

The following table reflects the continuity of stock options for the nine months ended November 30, 2023 and 2022:

	Number of Stock Options	Weighted Average Exercise Price (\$)
Balance, February 28, 2023	6,001,000	2.59
Cancelled	(188,883)	4.45
Granted ⁽⁵⁾⁽⁶⁾⁽⁷⁾	766,364	3.83
Exercised ⁽²⁾	(1,685,000)	1.21
Balance, November 30, 2023	4,893,481	3.19
Balance, February 28, 2022	7,078,500	1.92
Granted ⁽⁸⁾	745,000	5.23
Exercised ⁽²⁾	(1,145,000)	1.06
Balance, November 30, 2022	6,678,500	2.43

⁽⁵⁾ 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; 63.2% 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 1, 2024, March 1, 2025 and March 1, 2026.

⁽⁶⁾ On May 31, 2023, the Company granted 474,789 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 \$948,581. The options vest 1/3 on each of May 30, 2024, May 30, 2025 and May 30, 2026.

⁽⁷⁾ On October 23, 2023, the Company granted 200,000 stock options at a price of \$3.42 per share to a certain director of the Company, expiring on October 22, 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 \$3.46; 62.65% expected volatility; risk-free interest rate of 4.18%; 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 \$393,540. The options vest 1/3 on each of October 22, 2024, October 22, 2025 and October 22, 2026.

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14. Share Capital and Reserves (continued)

Stock Options (continued)

⁽⁸⁾ On June 14, 2022, the Company granted 745,000 stock options at a price of \$5.23 per share to certain directors, officers and employees of the Company, expiring on June 13, 2027. The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: a five year expected average life; share price of \$5.06; 64.07% expected volatility; risk-free interest rate of 3.56%; and an expected dividend yield of 0%. Volatility is calculated based on the changes in historical stock prices over the expected life of the options. The fair value assigned to these options was \$2,110,734. The options vest 1/3 on each of June 13, 2023, June 13, 2024 and June 13, 2025.

For the three and nine months ended November 30, 2023, the impact of share-based payments related to stock options on the profit or loss was \$203,312 and \$1,063,637, respectively (three and nine months ended November 30, 2022 - \$469,335 and \$1,543,229, respectively).

The following table reflects the actual stock options issued and outstanding as of November 30, 2023:

Expiry Date	Exercise Price (\$)	Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (exercisable)	Number of Options Unvested
August 9, 2024	3.20	0.70	1,440,000	1,440,000	-
August 21, 2024	0.87	0.73	1,345,000	1,345,000	-
June 29, 2026	5.00	2.58	634,000	422,667	211,333
September 23, 2026	4.30	2.82	54,000	36,000	18,000
June 13, 2027	5.23	3.54	691,500	230,500	461,000
March 1, 2028	4.85	4.25	91,575	-	91,575
May 30, 2028	3.81	4.50	437,406	-	437,406
October 22, 2028	3.42	4.90	200,000	-	200,000
	3.19	2.04	4,893,481	3,474,167	1,419,314

Warrants

The following table reflects the continuity of warrants for the nine months ended November 30, 2023 and 2022:

	Number of Warrants	Weighted Average Exercise Price (\$)
Balance, February 28, 2023 and November 30, 2023	-	-
Balance, February 28, 2022	11,543,704	1.00
Exercised ⁽³⁾⁽⁹⁾	(11,543,704)	1.00
Balance, November 30, 2022	-	-

⁽⁹⁾ 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.

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14. Share Capital and Reserves (continued)

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 nine months ended November 30, 2023 and 2022:

	Number of PSUs
Balance, February 28, 2023	311,254
Granted ⁽¹⁰⁾⁽¹¹⁾	232,972
Awarded as common shares ⁽¹⁾	(62,075)
Paid as deduction of payroll taxes ⁽¹⁾	(35,286)
Cancelled	(3,041)
Balance, November 30, 2023	443,824
Balance, February 28, 2022	240,402
Granted ⁽¹²⁾	140,852
Awarded as common shares ⁽¹⁾	(46,550)
Paid as deduction of payroll taxes ⁽¹⁾	(23,450)
Balance, November 30, 2022	311,254

⁽¹⁰⁾ 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.

⁽¹¹⁾ On May 31, 2023, the Company granted 181,426 PSUs to a certain employees of the Company. A fair value of \$691,232 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 120,951 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.

⁽¹²⁾ On June 14, 2022, the Company granted 140,852 PSUs to certain officers and employees of the Company. A fair value of \$712,711 was determined based on the fair value of the Company's share price on the date of grant. The PSUs are expected to vest in two separate tranches of 125,661 and 15,190 based on the achievement of certain corporate performance objectives. Both tranches are estimated to vest on February 29, 2024 based on certain corporate performance objectives.

For the three and nine months ended November 30, 2023, the Company recorded share-based payments for the PSUs of \$342,804 and \$939,658, respectively (three and nine months ended November 30, 2022 - \$208,577 and \$620,491, respectively) in profit or loss. As at November 30, 2023, nil (February 28, 2023 - 30,402) PSUs are exercisable.

Rupert Resources Ltd.

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(Expressed in Canadian Dollars)

(Unaudited)

15. General and Administrative Expenses

	Three Months Ended		Nine Months Ended	
	November 30,		November 30,	
	2023	2022	2023	2022
Consulting	\$ 5,263	\$ 56,729	\$ 6,104	\$ 90,887
Overheads, maintenance and other costs	539,358	240,594	1,259,016	1,284,142
Professional fees	187,420	215,846	456,141	452,412
Investigation of prospective property interests	(12,116)	9,500	1,141,259	22,104
Regulatory fees	1,875	14,404	72,277	87,064
Salaries and benefits (note 17)	484,106	615,763	1,529,427	1,622,191
Shareholder communications	31,891	107,866	122,103	227,979
Transfer agent	51,407	46,493	93,507	86,743
Travel and vehicle operating costs	95,276	71,519	314,087	219,861
	\$ 1,384,480	\$ 1,378,714	\$ 4,993,921	\$ 4,093,383

16. Net Loss Per Common Share

The calculation of basic and diluted loss per share for the three and nine months ended November 30, 2023 was based on the loss attributable to common shareholders of \$1,338,538 and \$7,266,829, respectively (three and nine months ended November 30, 2022 - \$1,436,691 and \$6,531,141, respectively) and the weighted average number of basic common shares outstanding of 203,808,776 and 202,974,386, respectively for the three and nine months ended November 30, 2023 (three and nine months ended November 30, 2022 - 191,299,502 and 190,799,884, respectively). Diluted loss per share did not include the effect of 4,893,481 stock options and 443,824 PSUs (three and nine months ended November 30, 2022 - 6,678,500 stock options and 311,254 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		Nine Months Ended	
	November 30,		November 30,	
	2023	2022	2023	2022
Remuneration paid to Board of Directors	\$ 29,872	\$ 48,000	\$ 123,872	\$ 108,000
Remuneration paid to Non-Executive Chairman	17,500	22,250	58,500	54,750
Remuneration paid to CEO	221,704	159,984	642,348	438,289
Remuneration paid to CFO	132,892	104,595	406,980	302,286
Share-based payments	159,096	338,453	850,596	1,205,198
	\$ 561,064	\$ 673,282	\$ 2,082,296	\$ 2,108,523

On November 30, 2023, the amount of \$460,500 (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 first calendar anniversary of the receipt in February 2022 of the relevant exploration permits to enable exploration activities to commence. 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.

In March 2023, the Company received a notice from the Regional State Administrative Authority requesting an increase for bonded amounts related to future reclamation activities at Pahtavaara to €14,200,000 (approximately \$21,000,000). The Company has filed an appeal related to this notice and the court date is expected at a future date.

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.

20. Subsequent Events

On December 7, 2023, the Company granted 200,000 stock options at a price of \$4.12 per share to a certain director of the Company, expiring on December 6, 2028. The options vest 1/3 on each of December 6, 2024, December 6, 2025 and December 6, 2026.