



RUPERT RESOURCES LTD.

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

AUGUST 31, 2024

(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.

Rupert Resources Ltd.

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

	As at August 31, 2024	As at February 29, 2024
(Audited)		
ASSETS		
Current assets		
Cash and cash equivalents (note 3)	\$ 52,422,385	\$ 36,829,838
Marketable securities (note 4)	233,967	666,874
Prepays and sundry receivables (note 5)	807,716	1,162,917
	53,464,068	38,659,629
Non-current assets		
Restricted cash (note 6)	1,400,381	1,363,082
Property, plant and equipment (note 7)	8,277,446	8,281,507
Right-of-use asset (note 8)	16,761	49,471
Exploration and evaluation assets (note 9)	145,236,254	129,856,715
	\$ 208,394,910	\$ 178,210,404
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Amounts payable and accrued liabilities (notes 10 and 16)	\$ 4,433,701	\$ 7,510,531
Lease liability (note 12)	17,935	52,281
	4,451,636	7,562,812
Non-current liabilities		
Asset retirement obligation (note 11)	10,424,171	11,340,516
	14,875,807	18,903,328
Shareholders' Equity		
Share capital (note 13)	265,203,408	228,950,501
Contributed surplus (note 13)	8,130,024	7,971,472
Cumulative translation adjustment	3,807,275	1,484,167
Equity portion of convertible debentures	75,700	75,700
Deficit	(83,697,304)	(79,174,764)
	193,519,103	159,307,076
Total liabilities and shareholders' equity	\$ 208,394,910	\$ 178,210,404

Nature of Operations (note 1)

Commitments and Contingencies (note 18)

Subsequent Events (note 19)

Approved on behalf of the Board:

(Signed) "Gunnar Nilsson" Director

(Signed) "James Withall" Director

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

Rupert Resources Ltd.

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

	Three Months Ended August 31,		Six Months Ended August 31,	
	2024	2023	2024	2023
Operating expenses				
General and administrative expenses (note 14)	\$ 2,018,507	\$ 2,513,251	\$ 3,860,070	\$ 3,609,441
Share-based payments (notes 13 and 16)	572,189	726,187	865,194	1,457,179
Depreciation (notes 7 and 8)	(38,418)	76,939	33,264	124,958
Loss before other items	(2,552,278)	(3,316,377)	(4,758,528)	(5,191,578)
Gain on redemption of treasury bills (note 3)	118,531	527,044	316,840	527,044
Unrealized loss on marketable securities (note 4)	(349,580)	(312,255)	(433,249)	(1,179,647)
Accretion and interest (expense) income (notes 3, 11 & 12)	(99,306)	155,617	(25,400)	480,552
Foreign exchange gain (loss)	(218,652)	(390,841)	59,486	(590,614)
Other income	317,773	25,952	318,311	25,952
Net loss for the period	(2,783,512)	(3,310,860)	(4,522,540)	(5,928,291)
Other comprehensive gain (loss)				
Item that will be reclassified subsequently to income				
Exchange differences on translating foreign operations	1,329,906	1,763,316	2,323,108	2,073,795
Net (loss) and comprehensive (loss) for the period	\$ (1,453,606)	\$ (1,547,544)	\$ (2,199,432)	\$ (3,854,496)
Basic and diluted net (loss) per share (note 15)	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.03)
Weighted average number of common shares outstanding - basic and diluted (note 15)	207,658,683	202,726,786	205,860,581	202,561,726

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)**

	Six Months Ended	
	August 31,	
	2024	2023
Operating activities		
Net loss for the period	\$ (4,522,540)	\$ (5,928,291)
Adjustments for:		
Share-based payments	865,194	1,457,179
Unrealized loss on marketable securities	433,249	1,179,646
Depreciation	33,264	124,958
Exchange differences on translating foreign operations	223,018	584,785
Accretion and interest expense	165,909	2,627
Changes in non-cash working capital items:		
Prepays and sundry receivables	355,201	482,775
Amounts payable and accrued liabilities	517,371	(2,672,855)
	(1,929,334)	(4,769,176)
Financing activities		
Performance share units settled in cash	(16,044)	(75,296)
Proceeds from exercise of options	2,134,150	1,860,000
Proceeds from private placement and public offering	35,191,504	-
Share issuance costs	(2,051,643)	-
Lease liability payments	(35,890)	(35,490)
	35,222,077	1,749,214
Investing activities		
Expenditure on exploration and evaluation assets	(17,711,186)	(12,945,071)
Net deposits for restricted cash	(14,921)	(2,936)
Disposal (purchase) of property, plant and equipment	25,911	(13,426)
	(17,700,196)	(12,961,433)
Net change in cash	15,592,547	(15,981,395)
Cash and cash equivalents, beginning of period	36,829,838	70,499,292
Cash and cash equivalents, end of period	\$ 52,422,385	\$ 54,517,897
Supplemental information:		
Interest income	\$ 140,509	\$ 483,179

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
Balance, February 29, 2024	\$ 228,950,501	\$ -	\$ 1,484,167	\$ 7,971,472	\$ 75,700	\$ (79,174,764)	\$ 159,307,076
Private placement and public offering (note 13)	35,191,504	-	-	-	-	-	35,191,504
Share issue costs (note 13)	(2,051,643)	-	-	-	-	-	(2,051,643)
Shares issued for performance share unit awards (note 13)	25,623	-	-	(41,667)	-	-	(16,044)
Stock options exercised (note 13)	3,087,423	-	-	(953,273)	-	-	2,134,150
Share-based payments (note 13)	-	-	-	1,153,492	-	-	1,153,492
Net income (loss) and comprehensive income (loss) for the period	-	-	2,323,108	-	-	(4,522,540)	(2,199,432)
Balance, August 31, 2024	\$ 265,203,408	\$ -	\$ 3,807,275	\$ 8,130,024	\$ 75,700	\$ (83,697,304)	\$ 193,519,103
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 13)	65,205	-	-	(140,501)	-	-	(75,296)
Stock options exercised (note 13)	1,435,574	1,660,416	-	(1,235,990)	-	-	1,860,000
Share-based payments (note 13)	-	-	-	1,457,179	-	-	1,457,179
Net income (loss) and comprehensive income (loss) for the period	-	-	2,073,795	-	-	(5,928,291)	(3,854,496)
Balance, August 31, 2023	\$ 226,789,769	\$ 1,660,416	\$ 1,388,730	\$ 7,839,207	\$ 75,700	\$ (77,151,583)	\$ 160,602,239

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

Rupert Resources Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended August 31, 2024

(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 August 31, 2024, an investor of the Company, Agnico Eagle Mines Limited, controlled 28,644,111 common shares of the Company or approximately 13.4% 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. Material 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 October 11, 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 29, 2024, 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, 2025 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, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company has adopted the following policy effective March 1, 2024.

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. There was no significant impact to the Company.

(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, 2025. Many are not applicable or do not have a significant impact to the Company and have been excluded.

Rupert Resources Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended August 31, 2024

(Expressed in Canadian Dollars)

(Unaudited)

3. Cash and Cash Equivalents

	As at August 31, 2024	As at February 29, 2024
Cash	\$ 11,991,303	\$ 14,163,391
Treasury bills	40,331,082	22,566,447
Guaranteed investment certificates ("GIC's")	100,000	100,000
Total	\$ 52,422,385	\$ 36,829,838

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 4.18% to 4.22%, and mature 28 to 41 days from the date of purchase.

During the three and six months ended August 31, 2024, the Company recorded a gain on redemption of treasury bills of \$118,531 and \$316,840, respectively (three and six months ended August 31, 2023 - \$527,044) and interest income from treasury bills of \$3,407 and \$10,682, respectively (three and six months ended August 31, 2023 - \$12,717 and \$19,185, respectively) in profit or loss.

During the three and six months ended August 31, 2024, the Company recorded interest income of \$62,612 and \$129,827, respectively (three and six months ended August 31, 2023 - \$69,229 and \$463,994, respectively) in profit or loss.

4. Marketable Securities

	As at August 31, 2024	As at February 29, 2024
Renegade Gold Inc. - 150,000 common shares (note 9)	\$ 36,000	\$ 37,500
Northgold AB - 1,116,000 common shares	197,967	629,374
Total	\$ 233,967	\$ 666,874

During the three and six months ended August 31, 2024, the Company recorded an unrealized loss on marketable securities of \$349,580 and \$433,249, respectively (three and six months ended August 31, 2023 - \$312,255 and \$1,179,647, respectively) in profit or loss.

During the three and six months ended August 31, 2024, the Company recorded foreign exchange gain of \$7,549 and \$342, respectively (three and six months ended August 31, 2023 - foreign exchange loss of \$8,961 and \$89,983, respectively) in profit and loss.

5. Prepaids and Sundry Receivables

	As at August 31, 2024	As at February 29, 2024
Prepaid expenses and sundry receivables	\$ 147,002	\$ 237,560
Other receivable	311,616	-
Sales tax receivable	349,098	925,357
Total	\$ 807,716	\$ 1,162,917

Rupert Resources Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended August 31, 2024

(Expressed in Canadian Dollars)

(Unaudited)

6. Restricted Cash

In connection with the acquisition of the Pahtavaara Gold Mine, the Company purchased environmental bonds of EURO 850,000 for the sole purpose of settling the future restoration obligations of the Pahtavaara Gold Mine (note 11). Furthermore, in connection with Rupert Lapland Project Area, the Company has also purchased exploration-related bonds totalling EURO 53,500. The bonds are not interest-bearing and have no maturity date. This cash is not available for general corporate purposes.

Balance, February 29, 2024	\$ 1,363,082
Additions	14,921
Foreign exchange adjustment	22,378
Balance, August 31, 2024	\$ 1,400,381

7. Property, Plant and Equipment

	Computers	Equipment and Machinery	Construction in Progress	Land	Buildings	Vehicles	Office Furniture	Total
Period ended August 31, 2024								
At February 29, 2024	\$ -	\$ 2,204,693	\$ -	\$ 2,888,388	\$ 3,188,426	\$ -	\$ -	\$ 8,281,507
Disposals	-	(25,911)	-	-	-	-	-	(25,911)
Foreign exchange differences	-	35,469	-	47,418	49,892	-	-	132,779
Depreciation	-	(38,463)	-	-	(72,466)	-	-	(110,929)
At August 31, 2024	\$ -	\$ 2,175,788	\$ -	\$ 2,935,806	\$ 3,165,852	\$ -	\$ -	\$ 8,277,446
Year ended February 29, 2024								
At February 28, 2023	\$ 5,860	\$ 2,227,774	\$ 178,756	\$ -	\$ 2,832,768	\$ 18,265	\$ 2,973	\$ 5,266,396
Additions (net)	-	(78,992)	-	3,043,315	90,282	-	-	3,054,605
Transfers	(5,860)	118,166	(181,097)	(163,995)	254,024	(18,265)	(2,973)	-
Foreign exchange differences	-	39,044	2,341	9,068	49,981	-	-	100,434
Depreciation	-	(101,299)	-	-	(38,629)	-	-	(139,928)
At February 29, 2024	\$ -	\$ 2,204,693	\$ -	\$ 2,888,388	\$ 3,188,426	\$ -	\$ -	\$ 8,281,507

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.

Transfers represent reclassification of assets for presentation purposes.

8. Right-of-use Asset

	Office
Period ended August 31, 2024	
At February 29, 2024	\$ 49,471
Foreign exchange differences	554
Depreciation	(33,264)
At August 31, 2024	\$ 16,761

Rupert Resources Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended August 31, 2024

(Expressed in Canadian Dollars)

(Unaudited)

9. Exploration and Evaluation Assets

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

	Rupert Lapland Project Area
Balance, February 29, 2024	\$ 129,856,715
<u>Acquisition Costs</u>	
Licenses and permits	1,313,386
	\$ 131,170,101
<u>Exploration and Evaluation Costs</u>	
Assays	\$ 1,794,246
Consulting	342,958
Geophysics	203,630
Drilling	4,172,212
Transportation	44,341
Pre-feasibility study	1,830,367
Asset retirement obligation decrease	(1,258,976)
Utilities	85,295
Salaries	2,518,742
Software	212,989
Environmental	1,887,117
Depreciation	110,929
Foreign exchange differences	2,122,303
Balance, August 31, 2024	\$ 145,236,254

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 August 31, 2024 and February 29, 2024.

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 had a 20% carried Participating Interest. In order to maintain its 80% Participating interest, Trillium was 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, was to issue 500,000 common shares on each anniversary thereof for the subsequent three years, for a total of 2,000,000 common shares.

Rupert Resources Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended August 31, 2024

(Expressed in Canadian Dollars)

(Unaudited)

9. Exploration and Evaluation Assets (continued)

During the year ended February 29, 2024, Trillium changed its name to Renegade Gold Inc. ("Renegade") and consolidated its outstanding common shares on a 1 for 10 basis. As at August 31, 2024, Renegade had issued to Rupert 150,000 common shares since the start date of the joint venture (note 4). A notice of termination of the joint venture was received during the year ended February 29, 2024 and the Gold Centre property reverted to the Company.

10. Amounts Payable and Accrued Liabilities

	As at August 31, 2024	As at February 29, 2024
Trade payables	\$ 1,915,752	\$ 5,625,309
Accrued liabilities	2,517,949	1,885,222
	\$ 4,433,701	\$ 7,510,531

11. Asset Retirement Obligation

Balance, February 29, 2024	\$ 11,340,516
Foreign exchange adjustment	177,678
Present value adjustment	(1,258,976)
Accretion expense	164,953
Balance, August 31, 2024	\$ 10,424,171
Balance, February 28, 2023	\$ 8,783,178
Foreign exchange adjustment	159,041
Add: increase in restoration provision	5,077,715
Present value adjustment	(2,679,418)
Balance, February 29, 2024	\$ 11,340,516

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 24.5 years (February 29, 2024 - 25 years). The asset retirement obligation was revalued on August 31, 2024 using a discount rate of 3.0% (February 29, 2024 - 3.0%) and average inflation rate of 1.21% (February 29, 2024 - 1.64%) per annum.

The increase in the restoration provision in the prior year is related to an increase in the estimated future cash flows required to complete the retirement obligation. The estimated undiscounted cash flows of the future obligation is \$15,956,096.

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

Refer to note 18 for contingencies related to the mine.

Rupert Resources Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended August 31, 2024

(Expressed in Canadian Dollars)

(Unaudited)

12. Lease Liability

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

Balance, February 29, 2024	\$ 52,281
Foreign exchange differences	588
Interest expense	956
Lease payments	(35,890)
Balance, August 31, 2024	\$ 17,935

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

At August 31, 2024

Less than one year	\$ 18,084
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13. Share Capital and Reserves

Authorized Share Capital

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

Issued Share Capital

As at August 31, 2024, the issued share capital amounted to \$265,203,408. There were the following changes in issued share capital for the six months ended August 31, 2024 and 2023:

	Number of Common Shares	Amount
Balance, February 29, 2024	203,889,423	\$ 228,950,501
Private placement and public offering ⁽¹⁾	9,830,029	35,191,504
Share issue costs ⁽¹⁾	-	(2,051,643)
Shares issued for performance share unit awards ⁽²⁾	5,283	25,623
Stock options exercised ⁽³⁾	772,500	3,087,423
Balance, August 31, 2024	214,497,235	\$ 265,203,408
Balance, February 28, 2023	202,142,348	\$ 225,288,990
Shares issued for performance share unit awards ⁽²⁾	15,525	65,205
Stock options exercised ⁽³⁾	585,000	1,435,574
Balance, August 31, 2023	202,742,873	\$ 226,789,769

⁽¹⁾ On August 1, 2024, the Company closed equity financings, raising in total \$35,191,504. The financings comprised two components: a bought deal equity offering (the "Public Offering"); and a private placement (the "Private Placement"). The Public Offering comprised an issuance of 8,030,700 common shares at a price of \$3.58 (the "Offering Price") for gross proceeds of \$28,749,906, which included the exercise, in full, of the underwriter's over-allotment option of an additional 1,047,400 common shares. The Company also issued 1,799,329 common shares at the Offering Price with the same terms as the Public Offering for gross proceeds of \$6,441,598.

The Company paid cash commissions of \$1,573,369, legal fees of \$413,274 and other expenses of \$65,000.

Rupert Resources Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended August 31, 2024

(Expressed in Canadian Dollars)

(Unaudited)

13. Share Capital and Reserves (continued)

Issued Share Capital (continued)

- (2) During the six months ended August 31, 2024, the Company settled 8,591 (six months ended August 31, 2023 - 27,361) performance share units ("PSUs"). 5,283 (six months ended August 31, 2023 - 15,525) of the PSUs were exercised into common shares and \$25,623 (six months ended August 31, 2023 - \$65,205) was reclassified from contributed surplus to share capital. 3,308 (six months ended August 31, 2023 - 11,836) PSUs were settled through a cash payment of \$16,044 (six months ended August 31, 2023 - \$75,296).
- (3) During the six months ended August 31, 2024, 772,500 (six months ended August 31, 2023 - 585,000) stock options were exercised at a price of \$0.87 to \$3.20 (six months ended August 31, 2023 - \$0.87 to \$3.20) per share for total proceeds of \$2,134,150 (six months ended August 31, 2023 - \$940,000). The options exercised had a grant date fair value of \$953,273 (six months ended August 31, 2023 - \$495,574) initially recognized in contributed surplus which was transferred to share capital upon exercise of the options.

Stock Options

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

The following table reflects the continuity of stock options for the six months ended August 31, 2024 and 2023:

	Number of Stock Options	Weighted Average Exercise Price (\$)
Balance, February 29, 2024	5,293,481	3.23
Forfeited	(33,000)	4.26
Granted ⁽⁴⁾	1,121,117	4.09
Exercised ⁽³⁾	(772,500)	2.76
Balance, August 31, 2024	5,609,098	3.46
Balance, February 28, 2023	6,001,000	2.59
Forfeited	(55,500)	5.11
Granted ⁽⁵⁾⁽⁶⁾	566,354	3.98
Exercised ⁽³⁾	(1,505,000)	1.24
Balance, August 31, 2023	5,006,854	3.12

- (4) On May 31, 2024, the Company granted 1,121,117 stock options at a price of \$4.09 per share to a certain officers, directors and employees of the Company, expiring on May 30, 2029. 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 \$4.35; 61.66% expected volatility; risk-free interest rate of 3.67%; 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 \$2,772,074. The options vest 1/3 on each of May 30, 2025, May 30, 2026 and May 30, 2027.

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(Unaudited)

13. Share Capital and Reserves (continued)

Stock Options (continued)

- (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.

For the three and six months ended August 31, 2024, the impact of share-based payments related to stock options was \$780,326 and \$1,310,350, respectively (three and six months ended August 31, 2023 - \$351,891 and \$860,325, respectively). For the three and six months ended August 31, 2024, share-based payments related to stock options of \$230,534 and \$345,573, respectively (three and six months ended August 31, 2023 - \$nil) was capitalized and included in exploration and evaluation assets, and \$549,792 and \$964,777, respectively (three and six months ended August 31, 2023 - \$351,891 and \$860,325, respectively) was recorded in profit and loss.

The following table reflects the actual stock options issued and outstanding as of August 31, 2024:

Expiry Date	Exercise Price (\$)	Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (exercisable)	Number of Options Unvested
August 10, 2024 ⁽⁷⁾	3.20	0.00	800,000	800,000	-
August 21, 2024 ⁽⁷⁾	0.87	0.00	1,200,000	1,200,000	-
June 29, 2026	5.00	1.83	624,000	624,000	-
September 23, 2026	4.30	2.06	54,000	36,000	18,000
June 13, 2027	5.23	2.78	684,000	456,000	228,000
March 1, 2028	4.85	3.50	91,575	30,525	61,050
May 30, 2028	3.81	3.75	434,406	144,802	289,604
October 22, 2028	3.42	4.15	200,000	-	200,000
December 7, 2028	4.12	4.27	200,000	-	200,000
January 15, 2029	3.53	4.38	200,000	-	200,000
May 30, 2029	4.09	4.75	1,121,117	-	1,121,117
	3.46	2.32	5,609,098	3,291,327	2,317,771

- (7) Under the terms of the Company's Stock Option Plan, if the option expiry date falls within a black-out period, the expiry date will automatically be extended to the date which is the tenth business day after the end of the black-out period. The options scheduled to expire on August 10, 2024 and August 21, 2024 have not yet expired because there has been a black-out period in effect for the Company as at August 31, 2024.

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(Expressed in Canadian Dollars)

(Unaudited)

13. 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 six months ended August 31, 2024 and 2023:

	Number of PSUs
Balance, February 29, 2024	318,163
Granted ⁽⁸⁾	147,540
Awarded as common shares ⁽²⁾	(5,283)
Paid as deduction of payroll taxes ⁽²⁾	(3,308)
Cancelled	(196,617)
Balance, August 31, 2024	260,495
Balance, February 28, 2023	311,254
Granted ⁽⁹⁾⁽¹⁰⁾	232,972
Awarded as common shares ⁽²⁾	(15,525)
Paid as deduction of payroll taxes ⁽²⁾	(11,836)
Cancelled	(3,041)
Balance, August 31, 2023	513,824

⁽⁸⁾ On May 31, 2024, the Company granted 147,540 PSUs to a certain officers and employees of the Company. A fair value of \$787,902 was determined using the Monte Carlo simulation at the date of grant. The number of common shares that can be issued to settle vested PSUs is between 0 to 295,079, based on the Company's share price performance relative to the share price performance of the GDXJ Index. The PSUs vest upon the completion of a 36 month performance period.

⁽⁹⁾ 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 PSUs vest based on the level of achievement of certain corporate and individual performance objectives.

⁽¹⁰⁾ 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 vest in two separate tranches of 120,951 and 60,475 based on the achievement of certain corporate performance objectives.

For the three and six months ended August 31, 2024, the Company recorded share-based payments for the PSUs of \$53,430 and \$(156,858), respectively (three and six months ended August 31, 2023 - \$374,296 and \$596,854, respectively). For the three and six months ended August 31, 2024, share-based payments related to PSUs of \$31,033 and \$(57,275) (three and six months ended August 31, 2023 - \$nil) was capitalized and included in exploration and evaluation assets, and \$22,397 and \$(99,583), respectively (three and six months ended August 31, 2023 - \$374,296 and \$596,854, respectively) was recorded in profit and loss.

As at August 31, 2024, nil (February 29, 2024 - nil) PSUs are exercisable.

Rupert Resources Ltd.

Notes to Condensed Consolidated Interim Financial Statements

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(Expressed in Canadian Dollars)

(Unaudited)

14. General and Administrative Expenses

	Three Months Ended August 31,		Six Months Ended August 31,	
	2024	2023	2024	2023
Overheads, maintenance and other costs	371,988	334,760	786,074	720,499
Professional fees	338,040	192,661	501,181	268,721
Investigation of prospective property interests	12,283	1,153,375	348,115	1,153,375
Regulatory fees	19,285	1,290	84,465	70,402
Salaries and benefits (note 16)	974,845	656,491	1,643,471	1,045,321
Shareholder communications	38,262	41,566	73,215	90,212
Transfer agent and exchange fees	94,954	21,519	111,460	42,100
Travel and vehicle operating costs	168,850	111,589	312,089	218,811
	\$ 2,018,507	\$ 2,513,251	\$ 3,860,070	\$ 3,609,441

15. Net Loss Per Common Share

The calculation of basic and diluted loss per share for the three and six months ended August 31, 2024 was based on the loss attributable to common shareholders of \$2,783,512 and \$4,522,540, respectively (three and six months ended August 31, 2023 - \$3,310,860 and \$5,928,291, respectively) and the weighted average number of basic common shares outstanding of 207,658,683 and 205,860,581, respectively for the three and six months ended August 31, 2024 (three and six months ended August 31, 2023 - 202,726,786 and 202,561,726, respectively). Diluted loss per share did not include the effect of 5,609,098 stock options and 260,495 PSUs (three and six months ended August 31, 2023 - 5,006,854 stock options and 513,824 PSUs) as they are anti-dilutive.

16. 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 August 31,		Six Months Ended August 31,	
	2024	2023	2024	2023
Remuneration paid to CEO	\$ 399,308	\$ 326,830	\$ 675,785	\$ 420,644
Remuneration paid to CFO	194,844	195,184	356,579	274,088
Remuneration paid to Non-Executive Chairman	17,500	23,500	41,000	41,000
Remuneration paid to Board of Directors	38,000	56,000	94,000	94,000
Share-based payments	522,733	325,294	804,764	633,528
	\$ 1,172,385	\$ 926,808	\$ 1,972,128	\$ 1,463,260

On August 31, 2024, the amount of \$504,017 (February 29, 2024 - \$380,766) was included in accounts payable and accrued liabilities as remuneration due to the Chief Executive Officer, Chief Financial Officer, Non-Executive Chairman and Board of Directors 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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17. Segment Information

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

18. Commitments and Contingencies

On August 16, 2021, the Company entered into an agreement containing an option to acquire a beneficial interest of up to 70 percent in certain mineral tenements in northern Finland, with a minimum expenditure commitment of €400,000 (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. The Company met the required expenditure of a further €800,000 prior to the third calendar anniversary, and the option is maintained in good standing as at August 31, 2024. 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 11). At this time, to management's best knowledge, the Company's operations are in compliance with current laws and regulations.

19. Subsequent Events

- Subsequent to the period ended August 31, 2024, 1,673,213 stock options were exercised at a price of \$0.87 to \$3.20 per share for total proceeds of \$2,558,282.
- Subsequent to the period ended August 31, 2024, the Company settled 70,000 PSUs. 46,550 of the PSUs were exercised into common shares and 23,450 PSUs were settled through a cash payment of \$98,490.
- Subsequent to the period ended August 31, 2024, 326,787 stock options with an exercise price of \$3.20 per share which were not exercised by option holders lapsed and were expired.