RUPERT RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED

FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

(EXPRESSED IN CANADIAN DOLLARS)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

The 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 consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the reporting date. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality and are in compliance with all applicable International Financial Reporting Standards.

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 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 consolidated financial statements; and (ii) the 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 consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the 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 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 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.

MNP LLP

Independent Auditor's Report

To the Shareholders of Rupert Resources Ltd.:

Opinion

We have audited the consolidated financial statements of Rupert Resources Ltd. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at February 28, 2021 and February 29, 2020, and the consolidated statements of loss and comprehensive loss, changes in capital and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at February 28, 2021 and February 29, 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Brock Stroud.

MNP LLP

Toronto, Ontario
June 25, 2021

Chartered Professional Accountants
Licensed Public Accountants

MNP

Rupert Resources Ltd.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at	February 28, 2021	February 29, 2020
ASSETS		
Current assets		
Cash and cash equivalents (note 6)	**$ 21,724,305**	$ 14,313,403
Marketable securities (notes 7 and 11)	**665,000**	-
Prepaids and sundry receivables (note 8)	**585,971**	364,356
	22,975,276	14,677,759
Non-current assets		
Restricted cash (note 9)	**1,378,394**	1,319,788
Buildings and equipment (note 10)	**3,144,317**	2,713,362
Exploration and evaluation assets (note 11)	**47,460,493**	32,873,298
	$ 74,958,480	$ 51,584,207
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Amounts payable and accrued liabilities (notes 12 and 18)	**$ 3,499,898**	$ 2,388,987
	3,499,898	2,388,987
Non-current liabilities		
Asset retirement obligation (note 13)	**3,534,987**	1,189,124
	7,034,885	3,578,111
Shareholders' Equity		
Share capital (note 15)	**106,607,122**	80,328,629
Contributed surplus (note 15)	**7,304,431**	6,322,098
Warrants (note 15)	**3,086,786**	3,086,786
Cumulative translation adjustment	**728,958**	(221,811)
Equity portion of convertible debentures (note 14)	**75,700**	75,700
Deficit	**(49,879,402)**	(41,585,306)
	67,923,595	48,006,096
Total liabilities and shareholders' equity	**$ 74,958,480**	$ 51,584,207

Nature of Operations (note 1)
Commitments and Contingencies (note 20)
Subsequent Event (note 22)

Approved on behalf of the Board:

(Signed) "*Gunnar Nilsson*" Director

(Signed) "*James Withall*" Director

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

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

	Year Ended February 28, 2021	Year Ended February 29, 2020
Operating expenses		
General and administrative expenses (note 16)	**$ 3,628,585**	$ 2,512,244
Share-based payments (note 15)	**1,965,784**	1,718,759
Loss before other items	**(5,594,369)**	(4,231,003)
Depreciation (note 10)	**(13,225)**	(7,812)
Gain on repayment of debt (note 14)	**-**	19,228
Write-down of property (note 11)	**(3,045,353)**	-
Gain on sale of property (note 11)	**539,340**	-
Realized and unrealized gain (loss) on marketable securities	**(75,000)**	(138)
Accretion and interest expense (note 13)	**(114,277)**	(697,478)
Other income	**8,788**	76,263
Net (loss) for the year	**(8,294,096)**	(4,840,940)
Other comprehensive (loss)		
Item that will be reclassified subsequently to income		
Exchange differences on translating foreign operations	**950,769**	(318,187)
Net (loss) and comprehensive (loss) for the year	**$ (7,343,327)**	$ (5,159,127)
Basic and diluted net (loss) per share (note 17)	**$ (0.05)**	$ (0.04)
Weighted average number of common shares outstanding - basic and diluted (note 17)	**161,082,076**	132,270,587

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

Rupert Resources Ltd.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended February 28, 2021	Year Ended February 29, 2020
Operating activities		
Net loss for the year	**$ (8,294,096)**	$ (4,840,940)
Adjustments for:		
Share-based payments - vesting of Black-Scholes value of options granted	**1,965,784**	1,718,759
Unrealized loss on marketable securities	**75,000**	-
Depreciation	**13,225**	7,812
Exchange differences on translating foreign operations	**(171,754)**	22,744
Accretion expense	**114,277**	454,833
Gain on repayment of debt	**-**	(19,228)
Write-down of property	**3,045,353**	-
Gain on sale of property	**(539,340)**	-
Changes in non-cash working capital items:		
Prepaids and sundry receivables	**(221,615)**	27,316
Amounts payable and accrued liabilities	**1,110,911**	898,319
	(2,902,255)	(1,730,385)
Financing activities		
Proceeds from exercise of options	**1,091,701**	26,250
Proceeds from private placement and prospectus offering	**25,600,000**	20,335,862
Proceeds from sale of investment	**-**	282
Share issuance costs	**(1,396,659)**	(185,911)
Repayment of convertible debentures	**-**	(340,000)
	25,295,042	19,836,483
Investing activities		
Expenditure on exploration and evaluation assets	**(14,637,057)**	(9,571,101)
Net deposits for restricted cash	**(7,674)**	(132,894)
Purchase of buildings and equipment	**(337,154)**	(38,081)
	(14,981,885)	(9,742,076)
Net change in cash	**7,410,902**	8,364,022
Cash, beginning of year	**14,313,403**	5,949,381
Cash, end of year	**$ 21,724,305**	$ 14,313,403
Supplemental information:		
Interest paid (note 14)	**$ -**	$ 242,646

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

Rupert Resources Ltd.
Consolidated Statements of Changes in Capital
(Expressed in Canadian Dollars)

	Share Capital	Cumulative Translation Adjustment	Contributed Surplus	Warrants	Convertible Debentures	Deficit	Total
Balance, February 29, 2020	**$ 80,328,629**	**$ (221,811)**	**$ 6,322,098**	**$ 3,086,786**	**$ 75,700**	**$ (41,585,306)**	**$ 48,006,096**
Private placement and prospectus offering	24,203,341	-	-	-	-	-	24,203,341
Stock options exercised	2,075,152	-	(983,451)	-	-	-	1,091,701
Share-based payments (notes 15 and 18)	-	-	1,965,784	-	-	-	1,965,784
Net loss and comprehensive loss for the year	-	950,769	-	-	-	(8,294,096)	(7,343,327)
Balance, February 28, 2021	**$106,607,122**	**$ 728,958**	**$ 7,304,431**	**$ 3,086,786**	**$ 75,700**	**$ (49,879,402)**	**$ 67,923,595**
Balance, February 28, 2019	**$ 54,216,150**	**$ 96,376**	**$ 4,640,839**	**$ -**	**$ 1,716,066**	**$ (36,744,366)**	**$ 23,925,065**
Private placement	17,063,165	-	-	3,086,786	-	-	20,149,951
Conversion of debt in commons shares (note 14)	8,985,564	-	-	-	(1,640,366)	-	7,345,198
Stock options exercised	63,750	-	(37,500)	-	-	-	26,250
Share-based payments (notes 15 and 18)	-	-	1,718,759	-	-	-	1,718,759
Net loss and comprehensive loss for the year	-	(318,187)	-	-	-	(4,840,940)	(5,159,127)
Balance, February 29, 2020	**$ 80,328,629**	**$ (221,811)**	**$ 6,322,098**	**$ 3,086,786**	**$ 75,700**	**$ (41,585,306)**	**$ 48,006,096**

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

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 outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods. The Company is monitoring the business environment as a result to ensure minimal disruption to business operations. The Company continues to be in operations as of the current date.

The Company's outstanding common shares trade on the TSX Venture Exchange under the symbol RUP. As at February 28, 2021, an investor of the Company, Alan Brimacombe, controlled 18,824,300 common shares of the Company or approximately 11.4% 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. Significant Accounting Policies

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC"), effective for the Company's reporting for the years ended February 28, 2021 and February 29, 2020.

The Board of Directors approved the financial statements on June 24, 2021.

(b) Basis of Consolidation

These consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiaries (collectively "the Group"). Subsidiaries are entities controlled directly or indirectly by the Company. Control is the power to govern the financial and operating policies of an entity to obtain benefits from its activities. Subsidiaries are included in the consolidated financial statements from the date control is obtained until the date control ceases. The Company's subsidiaries are, Rupert Finland Oy, Rupert Exploration Finland Oy, BR Gold Mining Oy, Northern Aspect Resources Oy and Northern Aspect Resources Ltd.

2. Significant Accounting Policies (continued)

(c) Basis of Presentation

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates. Of particular significance are the estimates and assumptions used in the recognition and measurement of items included in note (o) below.

(d) Business Combinations

Business combinations are accounted for under the acquisition method. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Company, if any, at the date control is obtained. The consideration transferred includes the fair value of any liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than share and debt issue costs incurred to issue financial instruments that form part of the consideration transferred, are expensed as incurred. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. If a business combination is achieved in stages, the Company remeasures its previously held interest in the acquiree at its acquisition-date fair value and recognizes the resulting gain or loss, if any, in net income. Contingent consideration is classified as a provision and is measured at fair value, with subsequent changes recognized in income. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity. New information obtained during the measurement period, up to 12 months following the acquisition date, about facts and circumstances existing at the acquisition date affect the acquisition accounting.

(e) Financial assets and liabilities

The Company's financial instruments consist of the following:

Financial assets:	**Classification:**
Cash and cash equivalents	Amortized cost
Restricted cash	Amortized cost
Marketable securities	Fair value through profit and loss ("FVTPL")
Financial liabilities:	**Classification:**
Amounts payable and accrued liabilities	Amortized cost
Convertible debentures	Amortized cost

2. Significant Accounting Policies (continued)

(e) Financial assets and liabilities (continued)

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss, amortized cost, or fair value through other comprehensive income. The Company determines the classification of its financial assets at initial recognition.

i. Financial assets recorded at fair value through profit or loss ("FVTPL")

Financial assets are classified as fair value through profit or loss if they do not meet the criteria of amortized cost or fair value through other comprehensive income. Gains or losses on these items are recognized in profit or loss.

ii. Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at fair value through profit and loss: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest".

iii. Fair value through other comprehensive income ("FVOCI")

All financial assets not classified at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

i. Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at fair value through profit or loss, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

ii. Financial liabilities recorded fair value through profit or loss ("FVTPL")

Financial liabilities are classified as fair value through profit or loss if they fall into one of the five exemptions detailed above.

Transaction costs

Transaction costs associated with financial instruments, carried at fair value through profit or loss, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

2. Significant Accounting Policies (continued)

(e) Financial assets and liabilities (continued)

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Derecognition

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Expected Credit Loss Impairment Model

IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The adoption of the expected credit loss impairment model had no impact on the Company's financial statements.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of February 28, 2021 and February 29, 2020, except for marketable securities, none of the Company's financial instruments are recorded at fair value in the statements of financial position. Marketable securities are classified as Level 1.

(f) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment.

2. Significant Accounting Policies (continued)

(g) Exploration and evaluation expenditures

Exploration and evaluation assets include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. All costs related to the acquisition, exploration and development of mineral properties are capitalized by property as an intangible asset. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the profit and loss statement.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(h) Buildings and Equipment

Buildings and equipment are carried at cost less accumulated depreciation and any recognized impairment loss. Cost includes expenditures directly attributable with bringing the asset to its operating location and condition. Depreciation of buildings and equipment used in exploration and evaluation activities is expensed. When the Company commences development activities, depreciation of buildings and equipment used for development activities will be capitalized in Mineral Properties. Depreciation is computed using the declining-balance method at rates varying from 10% to 40%.

Assets classified as not available for use are not depreciated.

(i) Provisions

i) Environmental rehabilitation provisions

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an environmental rehabilitation obligation is recognized at its fair value in the period in which it is incurred if a reasonable estimate of cost can be made. The Company records the present value of estimated future cash flows associated with reclamation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. Subsequently, these capitalized asset retirement costs are amortized over the life of the related assets. At the end of each period, the liability is increased to reflect the passage of time (accretion expense) and changes in the estimated future cash flows underlying any initial estimates (additional rehabilitation costs). The Company recognizes its environmental liability on a site-by-site basis when it can be reliably estimated (note 13).

Environmental expenditures related to existing conditions from past or current operations and which no current or future benefit is discernible, are charged to the profit and loss statement.

2. Significant Accounting Policies (continued)

(i) Provisions (continued)

ii) Other provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

The Company had no material provisions as at February 28, 2021 and February 29, 2020.

(j) Finance costs

Costs incurred on the issuance of the Company's equity instruments are charged directly to the respective equity account.

(k) Flow-through shares

Flow-through shares are a unique Canadian tax incentive. The Company has adopted a policy whereby flow-through proceeds are allocated between the offering of the common shares and the sale of tax benefits when the common shares are offered. The allocation is made based on the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares. A deferred premium on flow-through shares liability is recognized for the premium paid by the investors. The premium is credited to other liabilities and included in income at the time the qualifying expenditures are made. A deferred tax liability is recognized in accordance with IAS 12, Income Taxes, for the tax base of the properties less the amount renounced.

(l) Share-based payment transactions

The fair value of share options granted to employees is recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company. The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

The fair value of share-based payments to non-employees and other share-based payments are based on the fair value of the goods or services received. If the Company cannot estimate reliably the fair value of the goods or services received, the Company is required to measure their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted at the date the Company receives the goods or services.

If and when the stock options are exercised, the applicable amounts of reserves are transferred to share capital. When vested options are forfeited or not exercised at the expiry date the amount previously recognized in share-based payments is revised from share-based payment reserve to deficit. Amounts recorded for forfeited or expired unexercised warrants are transferred to share capital.

2. Significant Accounting Policies (continued)

(m) Income taxes

Income tax on the profit or loss for the year presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not recognize the excess.

(n) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares.

(o) Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2. Significant Accounting Policies (continued)

(o) Significant accounting judgments and estimates (continued)

Critical accounting estimates

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- *Impairment / reversal of impairment of exploration and evaluation assets:*
  While assessing whether any indications of impairment or reversal of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Company's mineral properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets. Evaluating whether an asset is impaired or if an impairment should be reversed requires a high degree of judgment and may to a large extent, depend upon the selection of key assumptions about the future. Impairment is reversed, as applicable, to the extent that conditions for impairment are no longer present.

- *Estimation of decommissioning and restoration costs and the timing of expenditure:*
  Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

- *Share-based payments:*
  Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Critical accounting judgments

- The categorization of financial assets and liabilities and functional currency determination are accounting policies that requires management to make judgments or assessments.

- Management's judgment is used in determining the eligible expenditures used in the recognition of tax credits receivable.

2. Significant Accounting Policies (continued)

(o) Significant accounting judgments and estimates (continued)

Critical accounting judgments (continued)

- Management applied judgment in determining the Company's ability to continue as a going concern.

- *Capitalization of exploration and evaluation costs:*
  Management has determined that exploration and evaluation costs incurred during the year have future economic benefits and are economically recoverable. In making this judgment, management has assessed various sources of information including but not limited to the geologic and metallurgic information, history of conversion of mineral deposits to proven and probable mineral reserves, scoping and feasibility studies, proximity of operating facilities, operating management expertise and existing permits. See Note 11 for details of capitalized exploration and evaluation costs.

(p) Foreign Currencies

The functional currency of the Company and its subsidiary, Northern Aspect Resources Ltd, is the Canadian Dollar. The functional currency of the Company's subsidiaries, Rupert Finland Oy, Rupert Exploration Finland Oy, BR Gold Mining Oy and Northern Aspect Resources Oy, is the European Euro. For the purpose of the consolidated financial statements, the results and financial position are expressed in Canadian Dollars.

The consolidated financial statements of foreign subsidiaries for which the functional currency is not the Canadian dollar are translated into Canadian dollars using the exchange rate in effect at the end of the reporting period for assets and liabilities and the average exchange rates for the period for revenue, expenses and cash flows. Foreign exchange differences arising on translation are recognized in other comprehensive income (loss) and in the cumulative transaction adjustment in shareholders' equity.

(q) New Accounting Policies Adopted

IFRS 3, Business Combinations ("IFRS 3")

Amendments to IFRS 3, issued in October 2018, provide clarification on the definition of a business. The amendments permit a simplified assessment to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendments are effective for transactions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020. The adoption of the amendments had no impact on the Company's consolidated financial statements.

IAS 1, Presentation of Financial Statements ("IAS 1")

Amendments to IAS 1, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications. The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's consolidated financial statements.

2. Significant Accounting Policies (continued)

(q) New Accounting Policies (continued)

IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")

Amendments to IAS 8, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications. The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's consolidated financial statements.

(r) 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, 2021. Many are not applicable or do not have a significant impact to the Company and have been excluded.

3. Capital Risk Management

The Company manages its capital to ensure that funds are available or are scheduled to be raised to provide adequate funds to conduct exploration of its property interests, search for and evaluate potential business opportunities and to meet its ongoing administrative costs. The Company considers its capital to be equity, which comprises share capital, reserves and deficit, which at February 28, 2021, totaled $67,923,595 (February 29, 2020 - $48,006,096).

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

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of February 28, 2021, the Company is compliant with Policy 2.5.

The Company is not subject to any material externally imposed capital requirements or covenants.

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

There were no changes in the Company's approach to capital management during the years ended February 28, 2021 and February 29, 2020.

4. Financial Risk Management

(i) Financial risk

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

4. Financial Risk Management (continued)

(ii) Credit risk

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

(iii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at February 28, 2021, the Company had cash of $21,724,305 (February 29, 2020 - $14,313,403) to settle current liabilities of $3,499,898 (February 29, 2020 - $2,388,987). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

(iv) Market risk

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

(a) Interest rate risk

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

(b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar but is exposed to foreign currency risk with respect to the expenditures incurred by its Finland subsidiary.

(c) Equity price risk

The Company is exposed to price risk with respect to equity and commodity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market in general to determine the appropriate course of action to be taken by the Company.

4. Financial Risk Management (continued)

(v) Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve month period:

(a) The Company's investment in the common shares of Trillium Gold Mines Ltd is subject to fair value fluctuations (included in 'marketable securities'). As at February 28, 2021, sensitivity to a plus or minus 10% change in the quoted market price of Trillium Gold Mines Ltd. common shares, with all other variables held constant, would lead to a $66,500 gain/loss in the reported net loss and comprehensive loss.

(b) The Company has a subsidiary with balances denominated in European Euro. Sensitivity to a plus or minus five percentage point change in exchange rates would lead to a $2,392,199 gain/loss in the reported net loss and comprehensive loss for the year ended February 28, 2021.

5. Categories of Financial Instruments

As at	**February 28, 2021**	February 29, 2020
Financial assets:		
Amortized cost		
Cash and cash equivalents	**$ 21,724,305**	$ 14,313,403
Restricted cash	**1,378,394**	1,319,788
FVTPL		
Marketable securities	**$ 665,000**	$ -
Financial liabilities:		
Amortized costs		
Amounts payable and accrued liabilities	**$ 3,499,898**	$ 2,388,987

As at February 28, 2021 and February 29, 2020, the fair value of the Company's financial instruments approximates the carrying value due to the short-term nature.

6. Cash and Cash Equivalents

	As at February 28, 2021	As at February 29, 2020
Cash	**$ 21,624,305**	$ 14,213,403
Guaranteed investment certificates ("GIC's")	**100,000**	100,000
Total	**$ 21,724,305**	$ 14,313,403

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

(Expressed in Canadian Dollars)

7. Marketable Securities

	As at February 28, 2021	As at February 29, 2020
Trillium Gold Mines Ltd - 500,000 common shares	**$ 665,000**	$ -

8. Prepaids and Sundry Receivables

	As at February 28, 2021	As at February 29, 2020
Prepaid expenses and sundry receivables	**$ 249,587**	$ 149,337
Other receivable	**-**	15,947
Sales tax receivable	**336,384**	199,072
	$ 585,971	$ 364,356

9. Restricted Cash

In connection with the acquisition of the Pahtavaara Gold Mine, the Company purchased environmental bonds of EURO 888,000 for the sole purpose of settling the future restoration obligations of the Pahtavaara Gold Mine (note 13). The bonds are not interest-bearing and have no maturity date. This cash is not available for general corporate purposes.

With the acquisition of Northern Aspect Resources Ltd. the Company also acquired a EURO 17,500 deposit for the sole purpose of settling the future restoration obligations of the Hirsikangas Gold Project. The deposit are not interest-bearing and have no maturity date. This cash is not available for general corporate purposes.

(Expressed in Canadian Dollars)

10. Buildings and Equipment

	Computers	Equipment and Machinery	Buildings	Vehicles	Office Furniture	Total
Year ended February 29, 2020						
At February 28, 2019	$ 6,213	$1,614,727	$ 961,609	$ 138,161	$ 3,088	$2,723,798
Additions	-	38,081	-	-	-	38,081
Foreign exchange differences	(91)	(24,130)	(14,370)	(1,992)	(46)	(40,629)
Depreciation	(38)	-	-	(7,850)	-	(7,888)
	$ 6,084	$1,628,678	$ 947,239	$ 128,319	$ 3,042	$2,713,362
At February 29, 2020						
Cost	$ 7,254	$1,628,678	$ 947,239	$ 146,467	$ 3,042	$2,732,680
Accumulated depreciation	(1,170)	-	-	(18,148)	-	(19,318)
Net book value at February 29, 2020	$ 6,084	$1,628,678	$ 947,239	$ 128,319	$ 3,042	$2,713,362
Year ended February 28, 2021						
At February 29, 2020	$ 6,084	$1,628,678	$ 947,239	$ 128,319	$ 3,042	$2,713,362
Additions (net)	-	309,198	-	27,956	-	337,154
Foreign exchange differences	235	64,194	37,335	5,142	120	107,026
Depreciation	(88)	-	-	(13,137)	-	(13,225)
At February 28, 2021	**$ 6,231**	**$2,002,070**	**$ 984,574**	**$ 148,280**	**$ 3,162**	**$3,144,317**
At February 28, 2021						
Cost	$ 7,489	$2,002,070	$ 984,574	$ 179,565	$ 3,162	$3,176,860
Accumulated depreciation	(1,258)	-	-	(31,285)	-	(32,543)
Net book value at February 28, 2021	**$ 6,231**	**$2,002,070**	**$ 984,574**	**$ 148,280**	**$ 3,162**	**$3,144,317**

Depreciation has not been charged on buildings and equipment as they have been determined by management not to be available for use.

At February 28, 2021 and February 29, 2020, management assessed the assets classified as not available for use for impairment. No impairment losses were noted for both years.

(Expressed in Canadian Dollars)

11. Exploration and Evaluation Assets

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

	Osikonmaki Property	Hirsikangas Property	Gold Centre Property	Pahtavaara Gold Mine	Total
Balance, February 29, 2020	**$ 2,995,551**	**$ 2,982,245**	**$ 200,660**	**$ 26,694,842**	**$ 32,873,298**
Acquisition Costs					
Property taxes	-	-	-	14,433	14,433
Licenses and permits	-	280,952	-	457,325	738,277
	$ 2,995,551	$ 3,263,197	$ 200,660	$ 27,166,600	$ 33,626,008
Exploration and Evaluation Costs					
Assays	$ -	$ -	$ -	$ 2,872,272	$ 2,872,272
Geological consulting	-	470	-	291,709	292,179
Consulting	-	-	-	232,554	232,554
Geophysics	-	178,520	-	224,492	403,012
Drilling	-	64,373	-	7,250,485	7,314,858
Equipment rental	-	-	-	18,831	18,831
Transportation	-	-	-	168,496	168,496
Fuel	-	-	-	19,563	19,563
Travel	-	-	-	6,974	6,974
Asset retirement obligation increase	-	-	-	2,185,449	2,185,449
Utilities	-	-	-	262,373	262,373
Salary	-	153,966	-	2,139,269	2,293,235
Foreign exchange differences	49,802	50,199	-	910,701	1,010,702
Disposal of property	-	-	(200,660)	-	(200,660)
Property write down	(3,045,353)	-	-	-	(3,045,353)
Balance, February 28, 2021	$ -	$ 3,710,725	$ -	$ 43,749,768	$ 47,460,493

(Expressed in Canadian Dollars)

11. Exploration and Evaluation Assets (continued)

	Osikonmaki Property	Hirsikangas Property	Gold Centre Property	Pahtavaara Gold Mine	Total
Balance, February 28, 2019	$ 3,042,130	$ 2,684,923	$ 200,660	$ 17,674,687	$ 23,602,400
Acquisition Costs					
Property taxes	-	-	-	13,873	13,873
Licenses and permits	266	69,335	-	797,201	866,802
	$ 3,042,396	$ 2,754,258	$ 200,660	$ 18,485,761	$ 24,483,075
Exploration and Evaluation Costs					
Assays	$ -	$ 41,764	$ -	$ 1,433,613	$ 1,475,377
Geological consulting	-	4,899	-	202,141	207,040
Consulting	-	36,707	-	243,414	280,121
Geophysics	-	-	-	216,886	216,886
Drilling	-	62,903	-	4,377,105	4,440,008
Equipment rental	-	-	-	11,237	11,237
Transportation	-	-	-	37,150	37,150
Fuel	-	-	-	61,123	61,123
Utilities	-	-	-	235,732	235,732
Salaries	-	138,086	-	1,587,666	1,725,752
Foreign exchange difference	(46,845)	(56,372)	-	(196,986)	(300,203)
Balance, February 29, 2020	$ 2,995,551	$ 2,982,245	$ 200,660	$ 26,694,842	$ 32,873,298

Pahtavaara Gold Mine

On August 30, 2016, the Company exercised the option with the bankruptcy estate of Lappland Goldminers Oy to acquire the Pahtavaara gold mine, mill and exploration permits and concessions that represented a 124km^2 land package in Finland in the Central Lapland Greenstone Belt. The purchase price for the acquisition is US$2,500,000, structured as a US$500,000 cash payment which was made upon the completion of the acquisition in November 2016 and a 1.5% production royalty, capped at US$2,000,000, payable on go-forward revenues generated when gold production resumes. The production royalty, which is considered contingent consideration, was valued at $nil on the date of acquisition and as at February 28, 2021 and February 29, 2020.

Northern Aspect Resources Ltd ("NARL")

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 Osikonmaki and Hirsikangas mineral properties were acquired as part of the NARL transaction. These properties were in the exploration and evaluation stages at acquisition.

Further to a strategic review during the year ended February 28, 2021, and an increased focus on Pahtavaara, the Company elected to withdraw from the Osikonmaki project and the value was written down.

(Expressed in Canadian Dollars)

11. 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 will form an unincorporated joint venture with respect to the Gold Centre property. Trillium will have an 80% participating interest (a "Participating Interest") in the joint venture and Rupert will have a 20% carried Participating Interest. In order to maintain its 80% Participating interest, Trillium will be required to spend $2,000,000 per annum in each of the first five years and $500,000 in each subsequent year. Further, Trillium will issue to Rupert 500,000 common shares upon the start date of the joint venture (note 7) and on each anniversary thereof for the subsequent three years, for a total of 2,000,000 common shares. The 500,000 shares were valued at $740,000 at time of issue and was offset against the exploration and evaluation asset with the balance being recorded as a gain on the disposal of asset in the consolidated statement of loss.

12. Amounts Payable and Accrued Liabilities

	As at February 28, 2021	As at February 29, 2020
Trade payables	**$ 1,944,216**	$ 1,279,107
Accrued liabilities	**1,555,682**	1,109,880
	$ 3,499,898	$ 2,388,987

13. Asset retirement obligation

Balance, February 29, 2020	**$ 1,189,124**
Foreign exchange adjustment	46,137
Add: increase in restoration provision year	2,185,449
Present value adjustment	114,277
Balance, February 28, 2021	**$ 3,534,987**
Balance, February 28, 2019	$ 1,203,465
Foreign exchange adjustment	(17,982)
Present value adjustment	3,641
Balance, February 29, 2020	$ 1,189,124

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.

(Expressed in Canadian Dollars)

13. Asset retirement obligation (continued)

These obligations are expected to be settled at the end of the mine life which is estimated to be 11 years. The asset retirement obligation was discounted at a rate of 0.14%.

Refer to note 9 for assets pledged and restricted for the purposes of settling future site restoration obligations.

14. Convertible Debentures

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

During the year ended February 29, 2020, the Company filed an application to amend the terms the convertible debenture. The amendment decrease the conversion price at which each Convertible Debenture converted into common shares of the Company ("Common Shares") from $0.95 per common share to $0.85 per common share. The change in conversion price was accounted for as a debt extingishment in accordance with IFRS 9 on the date of modification which had no impact to the consolidated financial statements.

In August and September 2019, the Company issued 8,667,643 common shares, converting a principle of $7,367,500 into common shares to certain holders of the debentures and interest was paid up to the date of conversion.

Balance - February 28, 2019	$ 7,253,233
Loan converting to shares	(7,345,198)
Add: accretion for the year	693,839
Less: Interest paid in the year	(242,646)
Less: Gain on settlement of debt	(19,228)
Less: Loan repayment	(340,000)
Balance - February 29, 2020 and February 28, 2021	**$ -**

15. 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.

(Expressed in Canadian Dollars)

15. Share Capital and Reserves (continued)

Issued Share Capital

As at February 28, 2021, the issued share capital amounted to $106,607,122. There were the following changes in issued share capital for the year ended February 28, 2021 and February 29, 2020:

	Number of Common Shares	Amount
Balance, February 29, 2020	**155,470,761**	**$ 80,328,629**
Private placement and prospectus offering [1]	8,000,000	25,600,000
Stock options exercised	1,815,000	2,075,152
Share issue costs	-	(1,396,659)
Balance, February 28, 2021	**165,285,761**	**$106,607,122**
Balance, February 28, 2019	122,728,573	$ 54,216,150
Private placement [3] [4]	23,924,545	20,335,862
Fair value of warrants issued	-	(3,086,786)
Share issue costs	-	(185,911)
Stock options exercised	150,000	63,750
Shares issued for debt conversion [2]	8,667,643	8,985,564
Balance, February 29, 2020	155,470,761	$ 80,328,629

(1) On July 23, 2020, the Company announced that it had closed the July 2020 Financing's, raising in total $25,600,000 before expenses. The July 2020 Financing's comprised an issuance pursuant to the Public Offering of 5,295,999 common shares in the capital of the Company (the "Common Shares") at a price of $3.20 per Common Share (the "Offering Price") for gross proceeds of approximately $16,947,197, which included the exercise, in full, of the underwriter's Over-Allotment option of an additional 690,782 Common Shares. The company also issued 2,704,001 Common Shares at the Offering Price in a concurrent Private Placement on substantially the same terms as the Public Offering (for gross proceeds of $8,652,803), which included 352,697 Common Shares pursuant to the Over-Allotment option granted to the participants in Private Placement.

The Company has agreed to pay cash finder's fees in respect of certain sales of $1,016,832. In connection with the offering, legal fees and other expenses of $379,827 were paid.

(2) During the year ended February 29, 2020, a principle of $7,367,500 was converted into 8,667,643 common shares. The amount of $1,640,366 was moved to share capital from the equity portion of convertible debentures.

(3) On September 9, 2019, the Company closed a non brokered private placement by issuing 8,532,940 common shares at a price of $0.85 per share for a gross proceed of $7,252,999. In connection with the offering, legal fees and other expenses of $87,342 were paid.

15. Share Capital and Reserves (continued)

Issued Share Capital (continued)

(4) On February 11, 2020 the Company closed a non-brokered private placement with Agnico Eagle Mines Limited ("Agnico"). Agnico has acquired 15,391,605 units of the Company (the "Units") at a subscription price of $0.85 per Unit, for gross proceeds to Rupert of $13,082,864. Each Unit is comprised of (i) one Common Share; and (ii) 0.75 of a non-transferrable, common share purchase warrant, which will entitle Agnico to purchase, for a period of three years from the date of issue, one Common Share for each whole warrant at an exercise price of $1.00 per Common Share. The warrants provide that, beginning two years from the date of issue, if the price of the Common Shares on the TSX Venture Exchange exceeds $1.25 per Common Share for at least 20 consecutive trading days, Rupert shall have the right to accelerate, by notice to Agnico, the expiry date of the warrants to 30 calendar days after the date of such notice (such that Agnico may either exercise all or a portion of the warrants in such 30 day period, or failing such exercise, any unexercised warrants would expire). In connection with the offering, legal fees of $61,486 were paid.

The fair value of the warrants at issue date was $3,086,786, as calculated using the Black-Scholes option pricing model with the following assumptions: a 3 years expected average life; share price of $0.84; 54% expected volatility; risk free interest rate of 1.42%; and an expected dividend yield of 0%. Volatility is calculated based on the changes in historical stock prices over the expected life of the warrants.

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.

(Expressed in Canadian Dollars)

15. Share Capital and Reserves (continued)

Stock Options (continued)

The following table reflects the continuity of stock options for the years ended February 28, 2021 and February 29, 2020:

	Number of Stock Options	Weighted Average Exercise Price ($)
Balance, February 29, 2020	**10,460,000**	**0.78**
Forfeited	(65,000)	0.75
Granted [(1)]	1,885,000	3.20
Exercised	(1,815,000)	0.60
Balance, February 28, 2021	**10,465,000**	**1.25**
Balance, February 28, 2019	8,135,000	0.74
Granted [(2)]	2,475,000	0.87
Exercised	(150,000)	0.175
Balance, February 29, 2020	10,460,000	0.78

[(1)] On August 10, 2020, the Company granted 1,885,000 stock options at a price of $3.20 per share, expiring on August 10, 2024. The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: a four year expected average life; share price of $2.90; 67.12% expected volatility; risk-free interest rate of 0.27%; 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 $2,602,054. The options vest 50% on each of August 10, 2021 and August 10, 2022.

[(2)] On August 22, 2019, the Company granted 2,475,000 stock options at a price of $0.87 per share to certain directors, officers and employees of the Company, expiring on August 21, 2024. The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: a five year expected average life; share price of $0.812; 101% expected volatility; risk-free interest rate of 1.32%; and an expected dividend yield of 0%. Volatility is calculated based on the changes in historical stock prices over the expected life of the options. The fair value assigned to these options was $1,486,238. The options will vest 50% on each of August 21, 2020 and August 21, 2021.

For the year ended February 28, 2021, the impact on share-based compensation was $1,965,784 (year ended February 29, 2020 - $1,718,759).

(Expressed in Canadian Dollars)

15. Share Capital and Reserves (continued)

Stock Options (continued)

The following table reflects the actual stock options issued and outstanding as of February 28, 2021:

Expiry Date	Exercise Price ($)	Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (exercisable)	Number of Options Unvested
March 24, 2021	0.175	0.07	1,080,000	1,080,000	-
June 10, 2021	0.56	0.28	500,000	500,000	-
November 9, 2021	0.76	0.70	700,000	700,000	-
April 22, 2022	1.01	1.13	2,040,000	2,040,000	-
July 31, 2023	1.00	2.42	2,120,000	2,120,000	-
August 10, 2024	3.20	3.45	1,885,000	-	1,885,000
August 21, 2024	0.87	3.48	2,140,000	922,500	1,217,500
	1.25	**2.11**	**10,465,000**	**7,362,500**	**3,102,500**

Warrants

The following table reflects the continuity of warrants for the year ended February 28, 2021 and February 29, 2020:

	Number of Warrants	Weighted Average Exercise Price ($)
Balance, February 29, 2020 and February 28, 2021	**11,543,704**	**1.00**
Balance, February 28, 2019	-	0.00
Granted (Note 15(4))	11,543,704	1.00
Balance, February 29, 2020	11,543,704	1.00

The following table reflects the actual warrants issued and outstanding as of February 28, 2021:

Expiry Date	Exercise Price ($)	Remaining Contractual Life (years)	Number of Warrants Outstanding
February 11, 2023 (1)	1.00	1.95	11,543,704

(1) The warrants provide that after February 11, 2022, if the price of the Common Shares on the TSX Venture Exchange exceeds $1.25 per Common Share for at least 20 consecutive trading days, Rupert shall have the right to accelerate, by notice to Agnico, the expiry date of the warrants to 30 calendar days after the date of such notice (such that Agnico may either exercise all or a portion of the warrants in such 30 day period, or failing such exercise, any unexercised warrants would expire).

(Expressed in Canadian Dollars)

16. General and Administrative Expenses

	Year Ended February 28, 2021	2020
Consulting	**$ 95,109**	$ 20,742
Overheads, maintenance and other costs	**967,352**	754,388
Professional fees	**717,979**	383,249
Investigation of prospective property interests	**1,252**	854
Regulatory fees	**60,253**	39,583
Salaries and benefits (note 18)	**1,242,916**	942,588
Shareholder communications	**226,212**	9,653
Transfer agent	**139,754**	79,957
Travel and vehicle operating costs	**177,758**	281,230
	$ 3,628,585	$ 2,512,244

17. Net Loss Per Common Share

The calculation of basic and diluted loss per share for the year ended February 28, 2021 was based on the loss attributable to common shareholders of $8,294,096 (year ended February 29, 2020 - $4,840,940) and the weighted average number of basic common shares outstanding of 161,082,076 for the year ended February 28, 2021 (year ended February 29, 2020 - 132,270,587). Diluted loss per share did not include the effect of 22,008,704 stock options and warrants (year ended February 29, 2020 - 22,003,704 stock options and warrants) as they are anti-dilutive.

18. Related Party Transactions

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

	Year Ended February 28, 2021	2020
Remuneration paid to Non-Executive Chairman (1)(2)	**$ 48,000**	$ 36,000
Remuneration paid to CEO (3)	**576,514**	401,099
Remuneration paid to CFO (4)	**205,905**	169,929
Share-based payments - Black-Scholes value	**1,060,466**	883,363
Marrelli Support Services Inc.(5)	**41,080**	53,950

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

(2) The Company entered into an agreement with the Non-Executive Chairman of the Company to pay him a monthly consulting fee of $3,000 per month, increased from July 1, 2020 to $4,500. During the year ended February 28, 2021, $48,000 (year ended February 29, 2020 - $36,000) were paid.

18. Related Party Transactions (continued)

(3) The Company entered into an agreement with the Chief Executive Officer of the Company to pay him a monthly base salary of of GBP 15,000, increased from April 1, 2020 to GBP 16,667. During the year ended February 28, 2021, $576,514, including a bonus of $211,710 (year ended February 29, 2020 - $401,099, including a bonus of $82,500) was expensed as salaries.

(4) The Company entered into an agreement with the Chief Financial Officer of the company to pay him a monthly base salary GBP5,833, increased to GBP 6,667 from April 1, 2020. During the year ended February 28, 2021, $205,905, including a bonus of $59,990 (year ended February 29, 2020 - $169,929, including a bonus of $58,300) was expensed as salaries.

(5) The Company has entered into an accounting support services agreement with MSSI where under MSSI provided, certain accounting support services. A former director of the Company, Mr. Robert D. B. Suttie is President of MSSI. During the year ended February 28, 2021, $41,080 (year ended February 29, 2020 - $53,950) was expensed with respect to the services provided. As at February 28, 2021, MSSI was owed $3,544 (February 29, 2020 - $4,239). These amounts are included in amounts payable and accrued liabilities.

(6) On February 28, 2021, the amount of $271,700 (February 29, 2020 - $140,800) was included in accounts payable and accrued liabilities as 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.

(Expressed in Canadian Dollars)

19. Segment Information

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

The following table summarizes the total assets and liabilities by geographic segment as at:

At February 28, 2021	**Finland**	**Canada**
Cash and cash equivalents	1,512,531	20,211,774
Other current assets	256,498	994,473
Restricted cash	1,378,394	-
Buildings and equipment	3,144,317	-
Exploration and evaluation assets	47,460,493	-
Total assets	53,752,233	21,206,247
Accounts payable and accrued liabilities	2,373,274	1,126,624
Asset retirement obligation	3,534,987	-
Total liabilities	5,908,261	1,126,624
Year Ended February 28, 2021		
Operating expenses	892,125	4,702,244
Other expenses	3,172,766	(473,039)
Net loss for the year	4,064,891	4,229,205

At February 29, 2020	**Finland**	**Canada**
Cash and cash equivalents	442,533	13,870,870
Other current assets	217,410	146,946
Restricted cash	1,319,788	-
Buildings and equipment	2,713,273	89
Exploration and evaluation assets	32,672,638	200,660
Total assets	37,365,642	14,218,565
Accounts payable and accrued liabilities	1,930,772	458,215
Asset retirement obligation	1,189,124	-
Total liabilities	3,119,896	458,215
Year Ended February 29, 2020		
Operating expenses	691,988	3,539,015
Other expenses	(20,437)	630,374
Net loss for the year	671,551	4,169,389

(Expressed in Canadian Dollars)

20. Commitments and Contingencies

The Company's operations are subject to government environmental protection legislation. Environmental consequences are difficult to identify in terms of results, timetable and impact (note 13).

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

21. Income Taxes

Major items causing the Company's income tax rate to differ from the combined Canadian federal and provincial statutory rate of approximately 26.50% (2020 - 26.50%) are as follows:

	2021	2020
Loss before income taxes	**$ (8,294,096)**	$ (4,840,940)
Income tax benefit at the combined Canadian statutory income tax rate	**(2,197,940)**	(1,282,850)
Adjustment to expected income tax benefit:		
Difference in tax rates	**225,970**	43,650
Tax rate changes and other adjustments	**359,810**	(6,310)
Share based compensation and non-deductible expenses	**520,930**	455,470
Effect of convertible debenture	**22,860**	153,160
Financing an share issue cost	**(367,460)**	(50,380)
Benefit of tax loss not recognized	**1,435,830**	687,260
Net deferred income tax provision (recovery)	**$ -**	$ -

Deferred tax assets

The following table summarizes the components of deferred tax:

	Opening balance	Recognized in net loss	Recognized in equity	Ending balance
Deferred Tax Assets				
Non-capital losses carried forward	$ 2,028,873	701,658	-	$ 2,730,531
Deferred Tax Liabilities				
Exploration and Evaluation Assets	(2,028,873)	(701,658)	-	(2,730,531)
	$ -	-	-	$ -

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax asset of non-capital losses have been recognized up to the amount of deferred tax liabilities. Other deferred assets have not been recognized in respect of these temporary differences because it is not probable that future taxable profit will be available against which the Company can utilize the benefits.

(Expressed in Canadian Dollars)

21. Income Taxes (continued)

Deferred tax assets (continued)

Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	2021	2020
Deductible temporary differences:		
Exploration and evaluation assets	**$ 10,835,520**	$ 10,005,220
Capital losses carried forward	**4,005,050**	4,005,050
Non-capital losses carried forward - Canada	**10,790,770**	8,054,080
Foreign non-capital losses - Finland	**3,599,530**	2,599,270
Mining tax credits	**699,620**	699,620
Share issue and financing fees	**1,412,000**	400,090
Other temporary differences	**205,760**	53,820
	$ 31,548,250	$ 25,817,150

At February 28, 2021, the Company has unclaimed non-capital losses that are to expire as follows:

2028	$ 173,140
2029	266,730
2030	118,440
2031	54,400
2032	65,880
2033	125,100
2034	7,820
2035	7,750
2036	37,810
2037	1,364,910
2038	2,102,390
2039	2,138,620
2040	1,905,600
2041	2,422,180
	$ 10,790,770

The Finland subsidiary non-capital loss set to expire between 2027 and 2031 if not utilized.

Mining tax credits will expire between 2027 and 2034. Capital losses may be applied against capital gains income in future periods. Deferred financing costs will be fully amortized in 2024. The remaining deductible temporary differences may be carried forward indefinitely.

22. Subsequent Event

On June 4, 2021, the Company announced that it had closed equity financings, raising in total $48,654,000 before expenses. The financings comprised two components: a bought deal equity offering (the "Public Offering"); and a private placement (the "Private Placement") with existing shareholders, including Agnico Eagle Mines Limited ("Agnico Eagle"). The Public Offering comprised an issuance of 5,658,000 common shares in the capital of the Company (the "Common Shares") at a price of $5.30 per Common Share (the "Offering Price") for gross proceeds of approximately $29,987,400, which included the exercise, in full, of the underwriter's Over-Allotment option of an additional 738,000 Common Shares. The Company also issued 3,522,000 Common Shares at the Offering Price in a concurrent Private Placement on substantially the same terms as the Public Offering (for gross proceeds of $18,666,600), which included 442,000 Common Shares pursuant to the Over-Allotment option granted to the participants in the Private Placement.