RUBICON MINERALS CORPORATION

Consolidated Financial Statements

(Stated in thousands of Canadian Dollars, except for share data)

For the Years Ended December 31, 2017 and 2016

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Rubicon Minerals Corporation (the "Company" or "Rubicon") and other information contained in the management's discussion and analysis are the responsibility of management and have been approved by the Board of Directors. The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board as outlined in Part 1 of the Handbook of the Chartered Professional Accountants of Canada, and include some amounts that are based on management's estimates and judgement.

The Board of Directors carries out its responsibility for the consolidated financial statements principally through its Audit Committee, which is comprised solely of independent directors. The Audit Committee reviews the Company's annual consolidated financial statements and recommends its approval to the Board of Directors. The Company's auditors have full access to the Audit Committee, with and without management being present. These consolidated financial statements have been audited by PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants.

"George Ogilvie"	"Nicholas J. Nikolakakis "
George Ogilvie	Nicholas J. Nikolakakis
President and Chief Executive Officer	Chief Financial Officer

March 21, 2018

March 21, 2018

Independent Auditor's Report

To the Shareholders of
Rubicon Minerals Corporation

We have audited the accompanying consolidated financial statements of Rubicon Minerals Corporation and its subsidiaries, which comprise the consolidated balance sheets as at December 31, 2017 and 2016 and the consolidated statements of comprehensive income (loss), changes in equity and cash flows for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these 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.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Rubicon Minerals Corporation and its subsidiaries as at December 31, 2017 and 2016 and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants, Licensed Public Accountants

RUBICON MINERALS CORPORATION
Consolidated Balance Sheets
(in Canadian dollars, in thousands)

		For the years ended December 31		
		2017		2016
Assets				
Current assets				
Cash and cash equivalents (note 6)	$	4,719	$	24,091
Short-term investments (note 7)		17,164		-
Marketable securities (note 8)		78		-
Accounts receivable (note 9)		295		559
Prepaid expenses and supplier advances		462		563
Inventories		87		195
		22,805		25,408
Non-current assets				
Restricted cash and deposits (note 10)		27		3,089
Property, plant and equipment (note 11)		24,732		24,602
		24,759		27,691
	$	47,564	$	53,099
Liabilities and Equity				
Current liabilities				
Accounts payable and accrued liabilities (note 12)	$	1,706	$	1,196
Current portion of long-term debt (note 13)		1,081		1,033
		2,787		2,229
Non-current liabilities				
Long-term debt (note 13)		11,791		11,782
Provisions and other liabilities (note 14)		7,708		7,708
		19,499		19,490
Equity				
Share capital (note 17)		732,190		722,784
Contributed surplus		48,135		46,513
Accumulated other comprehensive loss		(17)		-
Deficit		(755,030)		(737,917)
		25,278		31,380
	$	47,564	$	53,099

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

Commitments and Contingencies (note 22)

Approved by the Audit Committee on behalf of the Board of Directors

/s/ Julian Kemp	/s/ Daniel Burns
Julian Kemp	Daniel Burns
Director	Director

RUBICON MINERALS CORPORATION

Consolidated Statements of Comprehensive Income (Loss)

(in Canadian Dollars, in thousands except for share data)

	For the years ended December 31	
	2017	**2016**
Expenses		
Exploration and evaluation expenditures, net (note 15)	$ 12,673	$ 1,214
General and administrative (note 16)	4,151	4,579
Share based compensation (note 17)	1,931	3,393
Depreciation	590	118
Loss (gain) on sale of assets	(95)	29
Restructuring fees	-	3,092
Loss before other items	19,250	12,425
Interest and other expense (income) (note 18)	(1,085)	5,765
Foreign exchange losses (gains)	233	(26,554)
Other fair value adjustment on financial liabilities	-	(126)
Gain on restructuring	-	(6,956)
Gain on financial instrument on restructuring	-	(97,365)
Loss (income) before income taxes	18,398	(112,811)
Deferred income tax recovery (note 17, 19)	(1,285)	-
Net loss (income) for the year	$ 17,113	$ (112,811)
Other comprehensive income (loss), that may be reclassified subsequently to net income, net of tax		
Fair value adjustment, net of tax, on available for sale financial instruments:		
Marketable securities and other investments	17	-
Other comprehensive loss for the year	17	-
Comprehensive loss (income)	$ 17,130	$ (112,811)
Basic loss (income) per common share	$ 0.30	$ (28.33)
Diluted loss (income) per common share	$ 0.30	$ (27.87)
Basic - Weighted average number of common shares outstanding	57,295,059	3,982,680
Diluted - Weighted average number of common shares outstanding	57,295,059	4,048,315

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

RUBICON MINERALS CORPORATION

Consolidated Statements of Changes in Equity

(in Canadian dollars, in thousands except for share data)

	Number of Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income/(Loss)	Deficit	Total Equity
January 1, 2016	394,928,246	$ 657,316	$ 42,757	$ -	$ (850,728)	$ (150,655)
Share consolidation	(392,491,991)					
Net Impact of Share Consolidation	2,436,255					
Share issuance	51,383,860	68,341				68,341
Share issuance costs		(2,966)				(2,966)
Units conversion	69,918	93				93
Share-based payments			3,106			3,106
Shares issued to settle obligation			650			650
Net income for the period					112,811	112,811
December 31, 2016	53,890,033	$ 722,784	$ 46,513	$ -	$ (737,917)	$ 31,380

	Number of Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income/(Loss)	Deficit	Total Equity
January 1, 2017	53,890,033	$ 722,784	$ 46,513	$ -	$ (737,917)	$ 31,380
Share-based payments	107,100	312	1,775			2,087
Flow-through share offering	3,895,000	8,725				8,725
Flow-through share offering – issuance costs		(696)				(696)
Unrealized loss on available-for-sale investments				(17)		(17)
Shares issued to settle obligation	155,360	300	(153)			147
Shares issued to purchase land claims	550,000	765				765
Net loss for the period					(17,113)	(17,113)
December 31, 2017	58,597,493	$ 732,190	$ 48,135	$ (17)	$ (755,030)	$ 25,278

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

RUBICON MINERALS CORPORATION
Consolidated Statements of Cash Flows
(in Canadian Dollars, in thousands)

	For the years ended December 31	
	2017	**2016**
Operating activities		
Net income (loss) for the year	$ (17,113)	$ 112,811
Items not involving cash:		
Depreciation	590	118
Provisions	-	(4)
Interest on long term debt	1,235	5,861
Shares issued in settlement of obligations	146	-
Shares issued for mineral property	765	-
Loss on sale of assets	(95)	209
Share-based compensation	1,931	3,393
Interest and other income	(333)	(107)
Other gains and losses	-	29
Deferred income tax	(1,285)	-
Unrealized foreign exchange loss (gain)	233	(26,580)
Gain on financial instrument	-	(97,365)
Gain on restructuring	-	(6,956)
Other fair value adjustment on financial liabilities	-	(126)
Changes in non-cash working capital:		
Accounts receivable and other current assets	473	5,089
Accounts payable and accrued liabilities	507	(14,125)
Interest paid	(145)	(2,278)
Interest received	333	106
Net cash used in operating activities	(12,758)	(19,925)
Investing activities		
Expenditures on property, plant and equipment	(718)	(302)
Proceeds from disposal of property, plant, and equipment	-	172
Decrease (increase) in short-term investments	(17,164)	-
Restricted cash	3,060	1,428
Net cash from (used in) investing activities	(14,822)	1,298
Financing activities		
Issuance of common shares, net of issue costs	9,314	42,042
Options exercised	158	-
Proceeds (repayment) of loan facility	-	(20,000)
Repayment of finance lease obligation	(1,033)	(1,134)
Net cash from financing activities	8,439	20,908
Effect of exchange rate changes on cash	(231)	(462)
Increase (decrease) in cash and cash equivalents	(19,372)	1,819
Cash and cash equivalents, beginning	24,091	22,272
Cash and cash equivalents, ending	$ 4,719	$ 24,091

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

(in Canadian Dollars, in thousands except for share data)

1. NATURE OF OPERATIONS

Rubicon is an advanced exploration company that owns the Phoenix Gold Project, located in the Red Lake gold district in northwestern Ontario, Canada. The Company is incorporated in British Columbia, Canada. The address of its registered office is Suite 2200, HSBC Building 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8. The Company maintains its head office at 121 King Street West, Suite 830, Toronto, Ontario M5H 3T9.

The ability of the Company to recover the costs it has incurred to date on its properties, including the Phoenix Gold Project, is dependent upon profitable extraction of gold or other minerals from its properties, the ability of the Company to resolve any environmental, regulatory, or other constraints which may hinder the successful operation and expansion of its properties, obtaining financing to complete exploration and development, and upon future profitable production or proceeds from disposition of mineral properties. Although the Company is unaware of any defects in its title to its mineral properties, no guarantee can be made that none exist.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These consolidated financial statements of the Company as at and for the year ended December 31, 2017 with comparative information as at and for the year ended December 31, 2016, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), and with interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the CPA Canada Handbook – Accounting.

Basis of Measurement

The consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments which are measured at fair value as determined at each reporting date.

These consolidated financial statements were authorized for issuance on March 21, 2018 by the Board of Directors.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving judgment or complexity, or areas where assumptions and estimates are significant and could affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period, are discussed in note 2 (d).

Certain reclassifications have been made to the prior period financial statements to conform with the current period presentation, and increases the understanding of the Company’s operations and results in classifications that are more comparable to its peers.

b) Basis of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. The principal subsidiaries of the Company and their place of operations at December 31, 2017 were as follows:

Name of Subsidiary	Place of Operation	Ownership Interest	Principal Activity
0691403 B.C. Ltd.	British Columbia, Canada	100%	Holding company
1304850 Ontario Inc.	Ontario, Canada	100%	Mineral property staking and sale
Rubicon Minerals Nevada Inc.	British Columbia, Canada	100%	Holding company
Rubicon Nevada Corp.	Nevada, United States	100%	Mineral exploration
Rubicon Alaska Holdings Inc.	Alaska, United States	100%	Inactive
Rubicon Alaska Corp.	Alaska, United States	100%	Inactive

2. BASIS OF PRESENTATION *(continued)*

All material intercompany transactions and balances are eliminated on consolidation.

c) Foreign currency translation

The functional and reporting currency of the Company and its subsidiaries is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at each reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated. Foreign currency translation differences are recognized in profit or loss, except for differences on the re-translation of available-for-sale instruments which are recognized in other comprehensive income.

d) Significant accounting judgments and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts and the valuation of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period reported. Management uses its best estimates for these purposes, based on assumptions that it believes reflect the most probable set of economic conditions and planned courses of action. While actual results could differ materially from these estimates, and other than as described below in impairment of non-current non-financial assets, no specific sources of estimation uncertainty have been identified by management that are believed to have a significant risk of resulting in a material adjustment within the next financial year to the carrying amount of the Company's assets and liabilities as recorded at December 31, 2017.

The most significant judgments and estimates made by management in preparing the Company's consolidated financial statements are described as follows:

Impairment of non-current non-financial assets

The Company reviews and evaluates the carrying value of each of its non-current non-financial assets for impairment when events or changes in circumstances indicate that the carrying amounts of the related asset may not be recoverable. The identification of such events or changes and the performance of the assessment requires significant judgment. Furthermore, management's estimates of many of the factors relevant to completing this assessment, including commodity prices, foreign currency exchange rates, mineral resources, and operating, capital and reclamation costs, are subject to risks and uncertainties that may further affect the determination of the recoverability of the carrying amounts of its non-current non-financial assets.

At each reporting period, management reviews property plant and equipment for indicators of impairment. If any such indicator exists, the recoverable amount of the asset is estimated to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties.

Fair value of mineral assets is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, using a post-tax discount rate. Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and from its ultimate disposal, using a pre-tax discount rate.

If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for that period. Impairment is normally assessed at the level of cash-generating units ("CGUs"), which are identified as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets.

Non-financial assets other than goodwill that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed. When a reversal of a previous impairment

2. BASIS OF PRESENTATION *(continued)*

is recorded, the reversal amount is adjusted for depreciation that would have been recorded had the impairment not taken place.

The determination of fair value and value in use requires management to make estimates and assumptions about expected production and sales volumes, gold prices, mine plan estimates, operating costs, mine closure and restoration costs, future capital expenditures and appropriate discount rates for future cash flows. The estimates and assumptions are subject to risk and uncertainty, and as such there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired or the impairment charge reduced with the impact recorded in the statement of income.

As at December 31, 2017, management's impairment assessment did not result in the identification of any impairment indicators or identification of impairment reversals.

Flow-through Shares

Periodically, the Company finances a portion of its exploration and development activities through the issuance of flow-through common shares whereby the tax benefits of the eligible resource expenditures incurred are renounced to investors in accordance with tax legislation. The proceeds from issuing flow-through shares are allocated between the offering of shares and the sale of tax benefits. The allocation is based on the difference ("premium") between the fair value of the Company's existing shares and the amount the investor pays for the actual flow-through shares. A liability is recognized for the premium and is reversed and recognized as an income tax recovery as the related resource expenditures are incurred and the tax effect of the temporary differences is recorded. The net difference between the liability and the value of the tax assets renounced is reported as deferred tax expense.

Significant judgment is required in determining the provision for income taxes, due to the complexity of legislation, including the judgments around the use of flow-through share financing. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

e) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, deposits in banks and highly liquid investments having terms to maturity of 90 days or less when acquired.

f) Short-term investments

Short-term investments consist of short-term money market instruments that have original maturities of greater than 90 days and up to one year.

g) Inventories

Inventories may include materials and supplies, mineralized material in stockpile, in-circuit, and finished metal. Inventories are valued at the lower of cost and net realizable value. Cost is determined on a weighted average basis and includes all costs incurred, based on a normal production capacity, in bringing in each product to its present location and condition.

Net realizable value is determined with reference to relevant market prices, less estimated applicable costs of completion.

h) Property plant and equipment

Property, plant and equipment is carried at cost, less accumulated depreciation and net accumulated impairment losses. Cost comprises the fair value of consideration given to acquire or construct an asset and includes the direct charges associated with bringing the asset to the location and condition necessary for putting it into use along with the future cost of dismantling and removing the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (components) of property, plant and equipment.

2. BASIS OF PRESENTATION *(continued)*

Assets under construction are depreciated over their estimated useful lives once they are substantially complete and available for their intended use.

Plant and equipment associated with mining operations are depreciated over the estimated useful lives of the assets on a declining-balance basis at the following rates:

Underground operating equipment	20%
Trucks	30%
Buildings/Hoist/Powerlines	5%

All other equipment and assets are depreciated over the estimated useful life of the assets using the declining-balance method at the following rates:

Furniture, fixtures and office equipment	20%
Computers	30%
Software	50%

Depreciation methods and useful lives are reviewed at each reporting date and adjusted as required.

Residual values, method of amortization and useful lives of the assets are reviewed annually and adjusted if appropriate. Impairment losses and gains and losses on disposals of property, plant and equipment are included in results from operations.

i) Exploration and Evaluation

Exploration and evaluation expenditures relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential.

Expenditures on mineral exploration or evaluation incurred in respect of a property before the acquisition of a mineral interest are expensed, as incurred, to general mineral exploration. Once a license to explore an area has been secured, expenditures on exploration and evaluation activities are expensed in the period incurred.

Mineral property acquisition costs are included in exploration and evaluation expenditures and include any cash consideration and advance royalties paid, and the fair market value of shares issued, if any, on the acquisition of the mineral property interest. Properties acquired under option agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts when the payments are made.

j) Reclamation deposits

The Company maintains cash deposits, or cash deposits secured by surety bonds, as required by regulatory bodies as assurance for the funding of reclamation costs. These funds are restricted to that purpose and are not available to the Company until the reclamation obligations have been fulfilled or the related property is sold and the obligation is assumed by the buyer.

Reclamation deposits are classified as loans and receivables, are recorded at amortized cost and are classified as non-current assets.

2. BASIS OF PRESENTATION *(continued)*

k) Provision for closure and reclamation

The Company recognizes a closure and reclamation provision for statutory, contractual, constructive or legal obligations to undertake reclamation and closure activities associated with property, plant, equipment and exploration and evaluation assets, generally at the time that an environmental or other site disturbance occurs or a constructive obligation for reclamation and closure activities is determined. When the extent of disturbance increases over the life of an operation, the provision is increased accordingly. Provisions are measured at the present value of the expected future expenditures required to settle the obligation, using a risk-free pre-tax discount rate reflecting the time value of money and risks specific to the liability. The liability is increased for the passage of time, and adjusted for changes to the current market-based risk-free discount rate as well as changes in the estimated amount or timing of the expected future expenditures. The associated restoration costs are capitalized as part of the carrying amount of the related asset and then depreciated accordingly.

l) Debt

Debt is initially recorded at fair value, net of financing costs incurred. Debt is subsequently measured at amortized cost. Any difference between amounts received and the redemption value of the debt is recognized in the consolidated statement of income (loss) over the period maturity using the effective interest rate method.

m) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of the asset. A qualifying asset is one that takes a substantial period of time to get ready for its intended use. Capitalization of borrowing costs ceases when the asset is completed and ready for productive use. All other borrowing costs are recognized as finance costs in the period in which they are incurred.

n) Income taxes

Deferred tax is recognized, using the liability method, on temporary differences between the carrying value of assets and liabilities in the consolidated statement of financial position and the corresponding tax bases used in the computation of taxable profit. Deferred tax is determined using tax rates and tax laws that are enacted or substantively enacted at the date of the consolidated statement of financial position and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets and liabilities are not recognized if the temporary difference arises on the initial recognition of assets and liabilities in a transaction other than a business combination, that at the time of the transaction, affects neither the taxable nor the accounting profit or loss.

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available to be utilized against those deductible temporary differences. Deferred tax assets are reviewed at each reporting date and amended to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the current tax assets against the current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

o) Share capital

The Company records proceeds from share issuances net of issue costs. Common shares issued for consideration other than cash are valued based on their market value at the date the shares are issued.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

q) Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at recognition.

i. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are initially recognized at fair value with changes in fair value recorded through income. The Company does not currently hold any of this type of financial asset.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets or non-current assets based on their maturity date. Loans and receivables are initially recognized at fair market value and subsequently carried at amortized cost less any impairment.

Loans and receivables are comprised of cash in the bank, guaranteed investment certificates guaranteed by major Canadian banks, provincial notes, short-term investments, reclamation deposits and trade and other receivables.

iii. Available-for-sale financial assets

Available-for-sale ("AFS") financial assets are non-derivatives that are either designated as available-for-sale or not classified in any of the other financial asset categories. Available-for-sale assets are initially recorded at fair value plus transaction costs, and are subsequently carried at fair value. All unrealized gains and losses arising from changes in the fair value of assets classified as available-for-sale are recognized directly in other comprehensive income, except for unrealized foreign exchange gains or losses on monetary financial assets and impairment losses which are recognized in the statement of income. Any reversal of a previously recognized impairment loss on a non-monetary asset is recognized directly in other comprehensive income. Realized gains and losses from the derecognition of available-for-sale assets are recognized in the consolidated statement of income in the period derecognized with any unrealized gains or losses being recycled from other comprehensive income. AFS assets are comprised of marketable securities.

Financial liabilities

The Company's financial liabilities are classified as other financial liabilities.

Other financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs incurred and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in the income statement over the period to maturity using the effective interest method.

Other financial liabilities are classified as current or non-current based on their maturity date. Financial liabilities include accounts payable and accrued liabilities, and finance lease obligations.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

r) Loss per share

Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of common shares outstanding in the period. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. Where the effects of including all outstanding options and warrants would be anti-dilutive, no dilution is calculated and the diluted loss per share is presented as the same as basic loss per share.

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company identified no significant accounting standards and amendments to be adopted effective January 1, 2017.

The Company has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but are only effective for accounting periods beginning on or after January 1, 2017 or later periods.

Effective for accounting periods beginning on or after January 1, 2018:

- IFRS 15, “Revenue from Contracts with Customers”

In May 2014, the IASB and the Financial Accounting Standards Board (“FASB”) completed its joint project to clarify the principles for recognizing revenue and to develop a common revenue standard for IFRS and United States Generally Accepted.

Accounting Principles (“US GAAP”). As a result of the joint project, the IASB issued IFRS 15, Revenue from Contracts with Customers (“IFRS 15”). IFRS 15 establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers.

IFRS 15 is for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company has developed a plan and assessed that there will not be any material impact of the adoption of this standard.

- IFRS 9, “Financial Instruments”

The IASB issued its completed version of IFRS 9, Financial Instruments (“IFRS 9”) in July 2014. The completed standard provides revised guidance on the classification and measurement of financial assets. It also introduces a new expected credit loss model for calculating impairment for financial assets. The new hedging guidance that was issued in November 2013 is incorporated into this new final standard.

The final version of IFRS 9 will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 introduces a single expected credit loss impairment model, which is based on changes in credit quality since initial recognition. The adoption of the expected credit loss impairment model will not have a significant impact on the Company’s financial statements. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, but is available for early adoption. The Company plans to adopt the standard beginning January 1, 2018.

On transition, investments classified as available-for-sale will be re-designated fair-value through profit and loss financial instruments. Associated revaluation adjustments will be recorded in the statement of earnings instead of through other comprehensive income. The Company expects that there will be an adjustment to opening deficit and accumulated other comprehensive loss on transition for cumulative gains/losses on these instruments of $17.

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS *(continued)*

- IFRS 16, "Leases"

In January 2016, the IASB issued IFRS 16 Leases, which requires lessees to recognize assets and liabilities for most leases. Application of the standard is mandatory for annual reporting periods beginning on or after January 1, 2019, with earlier application permitted, provided the new revenue standard, IFRS 15 Revenue from Contracts with Customers, has been applied or is applied at the same date as IFRS 16. The Company has not evaluated the impact of adopting this standard.

4. CAPITAL MANAGEMENT

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern including the preservation of capital and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash, cash equivalents, and short-term investments to be its manageable capital. The Company's policy is to raise sufficient cash, as needs arise, to cover operating, exploration and development costs over a reasonable future period. The Company may also acquire additional funds where advantageous circumstances arise.

Excess cash is invested in securities issued or guaranteed by major Canadian banks or the federal or provincial governments of Canada. The Company is required to maintain a minimum cash position of $5,000 as per the terms of its Amended Loan Facility.

5. FINANCIAL INSTRUMENTS

Fair value hierarchy

Financial instruments recognized at fair value on the consolidated balance sheets must be classified into one of the three following fair value hierarchy levels:

Level 1 – measurement based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;

Level 2 – measurement based on inputs other than quoted prices included in Level 1, that are observable for the asset or liability;

Level 3 – measurement based on inputs that are not observable (supported by little or no market activity) for the asset or liability.

The Company's financial instruments recognized at fair value consist of marketable securities having a fair value of $78 (December 31, 2016 - $nil) measured in accordance with Level 1.

The fair value of the loan facility approximates the carrying amount of $10,382 (December 31, 2016 - $9,292).

Financial instrument risks

The Company's financial instruments are exposed to the following risks:

Credit Risk

The Company's primary exposure to credit risk is the risk of non-payment of cash and cash equivalents and short-term investments at December 31, 2017 amounted to $21,883 (December 31, 2016 - $24,091). These cash and cash equivalents and short-term investments are held on deposit with major Canadian banks or in bank guaranteed investment certificates which are guaranteed by a major Canadian bank or by a provincial government.

(in Canadian Dollars, in thousands except for share data)

5. FINANCIAL INSTRUMENTS *(continued)*

As the Company's policy is to limit excess cash investments to deposits or investments with or guaranteed by major Canadian banks or the federal or a provincial government, the credit risk is considered by the Company to be negligible.

The Company's credit risk exposure from accounts receivable, excluding HST refunds, at December 31, 2017 amounted to $nil (December 31, 2016 - $106).

Liquidity Risk

The Company's liquidity risk from financial instruments is its need to meet operating accounts payable requirements, commitments, finance lease obligations, and debt service payments. The Company has no significant sources of revenue, has a historic deficit of $755,030, and is dependent on financing to fund its operations. In addition, as the Company is in the advanced exploration stage, it is subject to the risks, uncertainties and challenges similar to other companies in a comparable stage of exploration. These include, but are not limited to, the continuation of losses in future periods; the ability to raise sufficient funds to continue its exploration programs, and on acceptable commercial terms; the ability to establish the economic viability of mineral deposits on any of its mining properties; the acquisition of required permits to mine; and the attainment of profitable operations.

Foreign Exchange Risk

Foreign exchange risk is the risk that fluctuations in foreign exchange rates may have an effect on future cash flows associated with the Company's US dollar denominated cash balances. Fluctuations in the CAD/USD exchange rate may result in a decrease or increase in foreign exchange income or expense.

A change in the CAD/USD exchange rate of 1.0% on the December 31, 2017 US dollar denominated balances related to the cash balances would result in a change to net loss of approximately $15.

Interest Rate Risk

The Company is exposed to interest rate risk on its cash and cash equivalents. The majority of these investments are in high interest savings accounts and guaranteed investment certificates with pre-determined fixed yields.

A difference in interest rates of 1.0%, on the December 31, 2017 balance of cash and cash equivalents and short-term investments, over a year, would result in a change to net loss of approximately $219.

6. SUPPLEMENTAL CASH FLOW

Cash and cash equivalents are comprised of the following:

	December 31, 2017	December 31, 2016
Cash	$ 858	$ 864
Government of Canada treasury bills, provincial government promissory notes, and bank guaranteed investment certificates on high interest savings accounts.	3,861	23,227
Cash and cash equivalents	$ 4,719	$ 24,091

7. SHORT-TERM INVESTMENTS

Short-term investments had an aggregate carrying value and market value of $17,164 at December 31, 2017 (December 31, 2016 - $nil). Short-term investments are carried at amortized cost which approximates fair value due to the short-term nature of these instruments and includes accrued interest.

(in Canadian Dollars, in thousands except for share data)

8. MARKETABLE SECURITIES

Marketable securities consist of investments in public company shares and have an aggregate carrying value and fair value of $78 at December 31, 2017 (December 31, 2016 - $nil). Market values were based on quoted prices in an active market.

9. ACCOUNTS RECEIVABLE

Accounts receivable consists of HST refunds at December 31, 2017 of $295 (December 31, 2016 - $453).

10. RESTRICTED CASH AND DEPOSITS

Restricted cash of $27 at December 31, 2017 (December 31, 2016 - $3,089) consists of $27 related to GICs deposited as security for a letter of credit relating to other credit facilities.

11. PROPERTY, PLANT AND EQUIPMENT

The following is a summary of the changes in property, plant and equipment during the period:

	Assets under Construction	Office Equipment	Mine-site Equipment	Leased Equipment	Mine-site Buildings	Total
	$	$	$	$	$	$
Cost						
Balance, January 1, 2016	19,240	210	444	14,704	-	34,598
Additions	302	-	-	-	-	302
Disposals	(35)	(9)	(336)	(8,937)	-	(9,317)
Transfers	(302)	-	302	-	-	-
Balance, December 31, 2016	19,205	201	410	5,767	-	25,583
Additions	589	20	111	-	-	720
Transfers	(9,892)	-	985	-	8,907	-
Balance, December 31, 2017	9,902	221	1,506	5,767	8,907	26,303
Accumulated depreciation						
Balance, January 1, 2016	-	8	335	1,687	-	2,030
Depreciation for the period	-	58	60	-	-	118
Disposals	-	-	(29)	(1,138)	-	(1,167)
Balance, December 31, 2016	-	66	366	549	-	981
Depreciation for the period	-	43	204	72	271	590
Balance, December 31, 2017	-	109	570	621	271	1,571
Carrying amounts						
December 31, 2016	19,205	135	44	5,218	-	24,602
December 31, 2017	9,902	112	936	5,146	8,636	24,732

(in Canadian Dollars, in thousands except for share data)

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		December 31, 2017		December 31, 2016
Trade payables	$	771	$	712
Compensation payables		20		126
Accrued liabilities		915		358
Accounts payable and accrued liabilities	$	1,706	$	1,196

13. LONG-TERM DEBT

		December 31, 2017		December 31, 2016
Amended Loan facility (a)	$	10,382	$	9,292
Finance lease obligations (b)		2,490		3,523
		12,872		12,815
Less: current portion of loan facility		-		-
Less: current portion of finance lease obligation		(1,081)		(1,033)
Long-term debt	$	11,791	$	11,782

(a) Amended Loan Facility

On December 20, 2016 the Company entered into an amended secured loan facility with CPPIB ("Amended Loan Facility"). The terms of the Amended Loan Facility include a principal amount outstanding of $12,000 due and payable on the maturity date, December 31, 2020, and annual effective interest payments of 5.0% paid-in-kind on maturity.

The Amended Loan Facility is senior and secured by a pledge of substantially all of the assets of the Company and its subsidiaries. The Amended Loan Facility has standard covenants including a requirement by the Company to maintain a minimum of $5,000 in cash and cash equivalents.

Amended Loan Facility	Total
	$
Balance, as at January 1, 2017	9,292
Amortization of discount	1,090
Balance, as at December 31, 2017	10,382

(b) Finance Lease Obligations

The Company has existing finance lease obligations in respect of equipment at the Phoenix Gold Project. The lease agreements have a sixty-month term, carry an incremental borrowing rate of 4.5% per annum, and allow the Company to purchase the assets at the end of the term for a nominal amount.

		Less than 1 year		More than 1 year		Total
Total future minimum lease payments	$	1,170	$	1,454	$	2,624
Less amount representing interest		(89)		(45)		(134)
Finance lease obligation	$	1,081	$	1,409	$	2,490

(in Canadian Dollars, in thousands except for share data)

14. PROVISIONS AND OTHER LIABILITIES

Provisions are comprised of the following:

	December 31, 2017	December 31, 2016
Provision for closure and reclamation	$ 7,708	$ 7,708

Provision for Closure and Reclamation

The Company's provision for closure and reclamation is for its Phoenix Gold Project. Closure and reclamation activities related to this project will include land rehabilitation, demolition of buildings and processing facilities, ongoing care and maintenance and other costs.

The current estimated value of the future provision as of December 31, 2017 is $7,708 (December 31, 2016 - $7,708).

15. EXPLORATION AND EVALUATION EXPENDITURES, NET

	2017	2016
	$	$
Phoenix Gold Project, Red Lake Ontario	12,750	1,198
Other Red Lake Properties, Ontario	(27)	16
	12,723	1,214

For the year ended December 31, 2017, proceeds from precious metal sales from exploration and evaluation activities on the Phoenix Gold Project of $46 (2016 - $2,118) were applied as a reduction of exploration and evaluation expenditures.

CANADA
ONTARIO
RED LAKE MINING DIVISION

Phoenix Gold Property

The Company holds a 100% interest in the Phoenix Gold Project.

(i) Water Claims Agreement

The Company holds a 100% interest in the "Water Claims" portion of the Phoenix Gold Project. These claims are subject to a net smelter returns royalty of 2%, for which advance royalties of US$50 are due annually (to a maximum of US$1,000 prior to commercial production). To December 31, 2017 the Company has paid US$750 with respect to the Water Claims advance royalties. Advance royalties paid to date have been expensed to exploration and evaluation expenditures.

The Company has the option to take back a 0.5% amount of the Net Smelter Royalty ("NSR") royalty for US$675 at any time, however, this option is subject to a right of first refusal, whereby, a third party has the initial right to exercise this option. Upon a positive production decision, the Company would be required to make an additional advance royalty payment of US$675, which would be deductible from commercial production royalties as well as amounts paid pursuant to the maximum US$1,000 in advance royalty payments described above.

(ii) Land Claims Agreement

The Company holds a 100% interest in the "Land Claims" portion of the Phoenix Gold Project. In October 2011, the Company acquired the Land Claims royalty for 1,216,071 of its common shares valued at $4,256.

(in Canadian Dollars, in thousands except for share data)

15. EXPLORATION AND EVALUATION EXPENDITURES, NET *(continued)*

(iii) Unpatented Claim

The Company controls a 100% interest in a single unpatented claim.

Other Red Lake Properties

The Company's Other Red Lake Properties as of December 31, 2017 are as follows:

Property	Interest	Location in Ontario
Adams Lake	100%	Balmer and Bateman townships
Advance	100%	Todd township
DMC	100%	Dome, McDonough, Bateman and Fairlie townships
East Bay	100%	Bateman and Black Bear townships
Humlin	100%	Fairlie township
McCuaig	100%	Dome township
Red Lake North	100%	Bateman, Black Bear Lake, McDonough and Coli Lake townships
Schlasinger	100%	Bateman township
Slate Bay	100%	McDonough, Dome and Graves and Fairlie townships
West End	100%	Todd township
Wolf Bay	100%	Todd township

Rubicon Royalty Division ("RRD")

The Company holds ownership or royalty interests in a number of properties designated as the RRD. These properties, included in the RRD, are generally held for the purpose of earning option and possible royalty income.

During 2017, the Company recorded cash and share receipts from options of $75 (2016 - $224). RRD properties are carried at $nil.

Nevada-Utah Properties, USA

The Company's properties in the USA as of December 31, 2017 are as follows:

Property	Interest	Location
Nevada – Utah	28%-100%	Elko County, Nevada and Box Elder County, Utah

Royal Gold NSRs

Royal Gold holds the following NSRs and options, with respect to NSRs, on the Company's land holdings:

- 1.0% NSR on all of the Company's land holdings in Ontario, including the Phoenix Gold Project, subject to a maximum 4.0% NSR on any one property;
- 2.5% NSR on the Company's Nevada/Utah properties, subject to a maximum 5.0% NSR on any one property; and
- an assignment of Rubicon's rights to acquire any portion of an existing NSR that is subject to a buyback provision and a right of first refusal in respect of any royalty, stream, participating interest in production or amount of gold or other minerals based on production, that the Company wishes to offer for sale in relation to the Company's current properties.

(in Canadian Dollars, in thousands except for share data)

16. GENERAL AND ADMINISTRATIVE

	2017	2016
	$	$
Insurance	784	924
Office and rent	269	494
Transfer agent and regulatory filing fees	154	377
Travel and accommodation	193	171
Consulting and professional fees	227	674
Salaries and benefits	2,524	1,939
Total	4,151	4,579

17. SHARE CAPITAL

(a) Stock options:

The following is a summary of the changes in the Company's outstanding stock options:

	Period Ended December 31, 2017		Year Ended December 31, 2016	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
		$		$
Balance at beginning of period	3,002,803	1.48	17,055,928	2.73
Forfeited/expired	(45,000)	(1.48)	(6,459,396)	3.46
Effect of Restructuring (see below)	-	-	(10,596,532)	2.28
Granted	180,000	1.60	3,002,803	1.48
Exercised	(107,100)	1.48	-	-
Outstanding at end of period	3,030,703	1.49	3,002,803	1.48
Exercisable at end of period	1,379,302	1.48	750,700	1.48

The following is a summary of outstanding stock options:

December 31, 2017			
Option Price Range	Number Outstanding	Weighted Average Price	Weighted Average Life
		$	Years
$1.48 - $1.60	3,030,703	1.49	4.02
Total Stock Options	3,030,703	1.49	4.02

(in Canadian Dollars, in thousands except for share data)

17. SHARE CAPITAL *(continued)*

The fair value of stock options granted during the year ended December 31, 2017 has been estimated using the Black-Scholes option pricing model based on the following weighted average assumptions:

	2017
Weighted average exercise price	$1.60
Risk-free interest rate	1.77%
Expected life	5.0 Years
Expected volatility	47.36%
Expected dividend yield	Nil
Fair Value	$0.69

(b) March 2017 Flow-Through Share Offering

On March 3, 2017, the Company closed a public flow-through share offering of 3,895,000 common shares on a "flow-through" basis under the *Income Tax Act* (Canada) at a price of $2.57 per flow-through share for aggregate gross proceeds of $10,010. $8,725 was recorded in share capital and the remaining $1,285, representing the implied premium, was recorded as flow-through share premium liability. In connection with the offering, the Company incurred share issuance costs of $696 including an underwriter's commission representing 6% of the gross proceeds. As at December 31, 2017, the Company has renounced the full amount of the offering to investors with an effective renunciation date of December 31, 2017.

18. OTHER INCOME

During the year ended December 31, 2017 the Company received $1,989 (2016 - $nil) as a result of the settlement of an agreement relating to operations at the Company's Phoenix Gold Project. These settlement funds were recorded as other income.

19. INCOME TAXES

The following is a reconciliation of income taxes at statutory rates:

	2017	2016
	$	$
Net loss (income) for the year, before taxes	18,398	(112,811)
Statutory tax rate	26.5%	26.5%
Tax recovery (expense) at statutory rates	4,875	(29,895)
Non-deductible amounts	(654)	219
Change in unrecognized tax assets	(4,221)	29,676
Flow-through share renunciation	1,285	-
Income tax recovery	1,285	-

(in Canadian Dollars, in thousands except for share data)

19. INCOME TAXES *(continued)*

The Company has unrecognized tax attributes as follows:

	December 31, 2017	December 31, 2016
	$	$
Non-capital losses expiring 2028-2037	21,995	15,148
US net operating losses expiring 2027-2035	10,823	10,823
Mineral property expenditures	386,886	397,190
Equipment	203,720	192,680
Lease obligations and asset retirement obligation	10,198	12,370
Financing costs and other	7,980	10,583
Investment tax credits expiring 2029-2035	40,750	40,750
	682,352	679,544

20. SEGMENTED INFORMATION

The Company conducts its business as a single operating segment being the mining business in North America. All assets, liabilities and operating activities are based in Canada with the exception of the Company's Nevada based mineral properties. Investment revenues were earned principally from Canadian sources.

21. RELATED PARTY TRANSACTIONS

Key management personnel compensation

Compensation	2017	2016
	$	$
Short-term employee benefits	2,281	2,783
Share-based payments	1,714	875
Total	3,995	3,658

Key management personnel include the Company's directors and officers.

22. COMMITMENTS AND CONTINGENCIES

(a) The Company has the following operating lease, rental and contractual commitments, made for the Company's office premises, staff accommodations and various contractual obligations made for the acquisition of equipment:

	December 31, 2017	December 31, 2016
Less than 1 year	$ 264	$ 123
Between 1 and 3 years	460	156
After 3 years	248	19
Total	$ 972	$ 298

(b) The Company is required to make certain cash payments, incur exploration costs and pay certain advance royalty amounts to maintain its mineral properties in good standing. These payments and costs are at the Company's discretion and are based upon available financial resources and the exploration merits of the mineral properties which are evaluated on a periodic basis.

23. SUBSEQUENT EVENTS

On February 12, 2018, the Company received $0.5 million as a result of the settlement of an agreement relating to operations at the Company's Phoenix Gold Project. These settlement funds will be recorded as received in the first quarter of 2018. This amount is not expected to be a recurring item.

On February 26, 2018 the Company closed a bought deal private placement financing of 7,122,034 common shares on a "flow-through" basis under the *Income Tax Act (Canada)* at a price of $1.53 per flow-through share for aggregate gross proceeds to the Company of $10,897. The gross proceeds from the offering will be used to incur eligible Canadian Exploration Expenses.

RUBICON MINERALS CORPORATION

Management's Discussion & Analysis

Year Ended December 31, 2017

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TABLE OF CONTENTS

INTRODUCTION

This Management Discussion and Analysis ("**MD&A**"), dated March 21, 2018, includes financial information from, and should be read in conjunction with, the audited consolidated financial statements as at and for the year-ended December 31, 2017. Please refer to the cautionary notices at the end of this MD&A, especially in regard to forward-looking statements.

Rubicon Minerals Corporation ("**Rubicon**" or the "**Company**") reports its financial position, statement of comprehensive income (loss), changes in equity and cash flows in accordance with International Financial Reporting Standards ("**IFRS**") in Canadian dollars.

The Company is a reporting issuer in all the provinces of Canada. The Company's common shares normally trade on the Toronto Stock Exchange ("**TSX**") in Canada under the symbol '**RMX**' and on the OTCQX Best Market ("**OTCQA**") under the symbol '**RBYCF**'.

DEFINITIONS

The following terms are used in this MD&A:

*"**F2 Gold Deposit**"* is a gold mineralized system located at the Phoenix Gold Property composed of high-grade gold mineralization and a lower grade sulphide-rich zone, which currently has a strike length of approximately 1,200 metres ("**m**") and a depth extent of 1,500 m below surface and remains open along strike and at depth. The system appears to at least partly correlate with a large Titan-24 chargeability anomaly. The anomaly extends laterally from the F2 Gold Deposit for over 1,500 m and to depths up to 750 m– the current depth limit of the survey. The F2 Gold Deposit is 420 m southeast of the existing shaft and is entirely independent from the previous gold resource of the McFinley Gold Deposit.

"***D2 structures***" are characterized by east-southeast- and north-northwest-trending (east-northeast- and west-northwest-trending: mine grid) shear zones. The D2 shear zones are typically characterized by less than 1-to 3-metre wide zones of strongly-developed foliation, and occur with or without sets of laminated quartz veins or extensional quartz vein arrays. These D2 structures have been interpreted as the main control on the distribution of later stage higher-grade gold mineralization at the upper-portion of the F2 Gold Deposit in the 2016 Technical Report's structural interpretation. Based on the Preliminary Structural Analysis (see below), press released on March 12, 2018, the D2 Structures are viewed as localized and discontinuous and do not have significant control on the gold mineralization in the F2 Gold Deposit. Further exploration work and analysis is required.

*"**Technical Report**"* means the National Instrument 43-101 technical report titled "*Technical Report for the Phoenix Gold Project, Phoenix Gold Project, Red Lake, Ontario"*, prepared by SRK Consulting (Canada) Inc. ("**SRK**"), dated effective January 11, 2016.

"***Phoenix Gold Project***" The Phoenix Gold Project is the exploration, construction, and development of an underground gold project and mill located on the Phoenix Gold Property, as described in the Phoenix Project Closure Plan that was filed in December 2011 pursuant to the *Mining Act* (Ontario), as amended from time to time.

*"**Phoenix Gold Property**"* is the property containing the Phoenix Gold Project located in Bateman Township, Municipality of Red Lake, Ontario, Canada.

*"**Preliminary Structural Interpretation**"* is the updated preliminary interpretation of the structural geology of the F2 Gold Deposit at the Phoenix Gold Project, developed by the Company and its consultants and

issued on March 12, 2018. The Preliminary Structural Interpretation utilizes historical information and benefits from the additional data collected in the Company's 2017 Exploration Program. Please refer to the Rubicon news release dated March 12, 2018 for further details. The Preliminary Structural Interpretation has not been finalized; it will continue to be refined, enhanced, and supported with data and observations collected from the 2018 Exploration Program, prior to potentially serving as the basis of an updated geological model and Mineral Resource Estimate.

*"**Riedel Vein System**"* is a system of quartz-actinolite veins interpreted as the primary structural control on the gold mineralization within the main host rock ("**HiTi Basalt Units**") at the F2 Gold Deposit, according to the Preliminary Structural Interpretation. These veins, comprised of R', R, and P veins (each representing a different orientation) host gold mineralization and appear to improve the continuity of gold mineralization within the HiTi Basalt Units.

COMPANY OVERVIEW

Rubicon is an advanced exploration company that owns the Phoenix Gold Project located in the Red Lake gold district in northwestern Ontario, Canada. In addition, the Company controls over 280 square kilometers of exploration ground in the Red Lake gold district and more than 900 square kilometers of mineral property interests in the emerging Long Canyon gold district that straddles the Nevada-Utah border in the United States. The Company does not have any assets or mineral properties that are in commercial production or that contain a mineral reserve.

Recent Highlights

In 2017 the Company completed an exploration program ("**2017 Exploration Program**") consisting of 28,700 m of oriented drilling and 10,292 m of historical core relogging.

The table below summarizes the progress of the exploration activities undertaken through to the end of 2017:

2017 Exploration Program	Exploration Program (Actual)	Exploration Program (Plan)
Historical core re-logging	10,292 m	10,000 m
Structural drilling on the 244-, 305-, and 610-metre levels	3,550 m	3,500 m
Infill and step-out drilling on the 305-, 610-, and 685-metre levels	25,150 m	20,000 m

Please refer to the Company's press releases dated February 20, 2018, December 14, 2017, November 16, 2017, September 18, 2017, May 11, 2017, and January 10, 2017 for additional detail and drill results with respect to the 2017 Exploration Program.

On January 23, 2018 the Company announced details on its 2018 planned activities ("**2018 Exploration Program**"). The objectives of the 2018 Exploration Program are to:

- Complete the structural geology analysis of the F2 Gold Deposit;
- Potentially grow and improve the classification of the existing mineral resources;
- Deliver an updated NI 43-101 Minerals Resource Estimate in the second half of 2018;

- Complete an additional 14,000 m of drilling which includes 10,000 m of infill and step-out drilling from the 305-, 610-, and 685-m levels and 4,000 m of bazooka drilling within developed test stopes to better define the extent of the mineralization in the stoping blocks and shapes; and

- Commence underground development and test mining on a number of stopes. The Company is planting to test mine an initial 15,000 to 25,000 tonnes of mineralized material from these test stopes in order to test various mining methods, gather geological data to help validate a potentially new geological model and resource estimate; and to collect cost data that would be beneficial for a potential feasibility study on the Phoenix Gold Project.

On February 26, 2018 the Company closed a bought deal private placement for aggregate gross proceeds to the Company of $10.9 million (see Subsequent Events below). As of March 21, 2018, the Company has cash and cash equivalents and short term-investments of $27.4 million.

In a press release dated March 12, 2018, the Company issued the Preliminary Structural Interpretation of the F2 Gold Deposit. The key takeaways from the Preliminary Structural Interpretation were:

- The primary structural controls on the gold mineralization at the F2 Gold Deposit are the dextral Riedel vein system within the HiTi Basalt Units (the main host rock) and the Felsic Intrusive Units (to a lesser extent);

- Elevated gold grades appear to be spatially associated with the R' veins within the Riedel vein system and the multiple Quartz Breccia Zones, which share the same geometry as the R' veins;

- The Preliminary Structural Interpretation appears to show more continuity of gold mineralization within the HiTi Basalt Units compared to the 2016 structural interpretation, with the main difference being the identification of the Riedel vein system;

- In the 2016 structural interpretation, the discrete D2 east-west shear zones (previously termed as the "**D2 structures**") were interpreted as the main controls of high-grade gold mineralization at the F2 Gold Deposit. In the Preliminary Structural Interpretation, however, these discrete D2 east-west share zones appear to be localized, discontinuous, and not seen as having significant controls on the gold mineralization at the deposit; and

- The Preliminary Structural Interpretation has simplified and improved future modelling and allows for the evaluation of bulk mining methods.

The Preliminary Structural Interpretation has not been finalized; it will continue to be refined, enhanced, and supported with data and observations collected from the 2018 Exploration Program, prior to potentially serving as the basis of an updated geological model and Mineral Resource Estimate.

The Phoenix Gold Project

The Company is currently undertaking a drilling, underground development and test mining program in 2018 following the completion of care and maintenance and cleanup activities and an exploration program in 2017.

On February 25, 2016, the Company filed a technical report for the Phoenix Gold Project, including the F2 Gold Deposit, in accordance with the requirements of National Instrument 43-101 Standards of Disclosure for Mineral Projects (the "**Technical Report**"). The Technical Report, dated effective January 11, 2016, was prepared by SRK which is a consulting firm independent of Rubicon. The Technical Report was filed pursuant to the press release of Rubicon dated January 11, 2016 announcing the results of an updated mineral resource statement for the F2 Gold Deposit. A copy of the Technical Report can be viewed online under Rubicon's profile at www.sedar.com and on the Company's website at www.rubiconminerals.com.

Subsequent Events

On February 12, 2018, the Company received $0.5 million as a result of the settlement of an agreement relating to operations at the Company’s Phoenix Gold Project. These settlement funds will be recorded as received in the first quarter of 2018. This amount is not expected to be a recurring item.

On February 26, 2018 the Company closed a bought deal private placement financing of 7,122,034 common shares on a “flow-through” basis under the *Income Tax Act (Canada)* at a price of $1.53 per flow-through share for aggregate gross proceeds to the Company of $10.9 million. The gross proceeds from the offering will be used to incur eligible Canadian Exploration Expenses.

ABORIGINAL CONSULTATIONS

Consultations are ongoing with local First Nation and Métis communities and the Company continues to honour its exploration agreements with the local first nations.

RED LAKE PROPERTIES

In addition to the Phoenix Gold Property the Company holds approximately 280-square kilometers of mineral claims in the Red Lake area which were acquired for their high geological potential to host gold mineralization. The Company is currently evaluating exploration opportunities to best utilize the potential of the additional mineral claims in the Red Lake area.

OTHER ONTARIO PROPERTIES

On August 4, 2017, Rubicon sold three non-core mining claims (384 hectares) located in the Birch-Uchi Greenstone Belt (approximately 100 km east of Red Lake, Ontario) to Argo Gold Inc. (“**Argo**”). In exchange, the Company received 500,000 common shares of Argo and retained an ongoing 2% net smelter royalty.

UNITED STATES PROPERTIES

Nevada and Utah Properties in the Long Canyon Gold District

Rubicon controls approximately 900-square kilometers of variable fee simple mineral property interests in the emerging Long Canyon gold district that straddles the Nevada-Utah border in the United States. The Company is currently exploring strategic alternatives to best utilize the potential of the additional mineral claims in the Long Canyon gold district.

CORPORATE DEVELOPMENTS

On March 3, 2017, the Company closed a $10.0 million bought deal private placement financing of 3,895,000 common shares on a flow-through basis under the *Income Tax Act (Canada)* at a price of $2.57 per flow-through share. The gross proceeds from the offering are being used to incur eligible Canadian Exploration Expenses.

On November 8, 2017, Rubicon common shares began trading on the OTCQX, which improves liquidity and facilitates access to the U.S. markets for current and prospective Rubicon shareholders.

On November 29, 2017, the Company acquired a 40% interest in the McCuaig Property ("**McCuaig**") in Red Lake, Ontario for 500,000 common shares of Rubicon. As a result of this transaction, the Company has a 100% consolidated interest in McCuaig and the joint venture agreement between the parties involved was terminated.

QUALIFIED PERSONS AND QUALITY ASSURANCE

The drill core assays, for work related to the existing Technical Report for the Phoenix Gold Project, were conducted on sawn NQ-sized half core sections. The saw blade is routinely cleaned between samples when visible gold is noted during logging and sampling of the drill core. All assays were conducted by SGS Minerals Services using standard fire assay on a 50-gram (1 assay ton) sample with AA finish or using gravimetric finish for values over 10.0 g/t Au. Standards, blanks and check assays were included at regular intervals in each sample batch. Umpire laboratory check assays on approximately 5% of samples are carried out by ALS Minerals or Accurassay Laboratories, third party independent laboratories. Gold standards were prepared by CDN Resource Laboratories Ltd.

The content relating to the Technical Report for the Phoenix Gold Project has been read and approved by SRK staff including Dr. Jean-François Ravenelle, P.Geo (APGO#2159). The resource estimation work was completed by Sébastien Bernier, P.Geo (APGO#1847) and Dr. Oy Leuangthong, P.Eng (PEO#90563867) under the supervision of Glen Cole, P.Geo (APGO #1416). By virtue of their education, membership to a recognized professional association and relevant work experience Mr. Sébastien Bernier, Dr. Leuangthong, Dr. Ravenelle and Mr. Cole are all independent Qualified Persons as defined by NI 43-101.

Underground drilling from the Company's 2017 and 2018 Exploration Programs was conducted by Boart Longyear Drilling of Haileybury, Ontario and was supervised by the Rubicon exploration team. Oriented core drilling was performed using the Boart Longyear TruCore™ orientation system. All assays reported are uncut unless otherwise stated. All samples reported herein were performed by SGS Mineral Services of Red Lake, Ontario. All NQ core assays reported were obtained by fire assay with AA-finish or using gravimetric finish for values over 10.0 g/t Au.

Intercepts cited do not necessarily represent true widths, unless otherwise noted, however drilling is generally intersecting interpreted mineralized zones at a high angle. True width determinations are estimated at 65-80% of the core length intervals for the 305-metre level drilling, and estimated at 75-95% of the core length for the 610- and 685-metre level drilling. Rubicon's quality control checks include insertion of blanks, certified reference standards and blind duplicates to ensure laboratory accuracy and precision.

Phoenix Gold Project current activities, including exploration and environmental procedures, are approved by, and except with respect to the third party prepared Technical report, any operating technical data disclosed in this MD&A has been approved by, and the technical operating disclosures in this MD&A, have been approved by George Ogilvie, P.Eng., President and Chief Executive Officer, a Qualified Person as defined in NI 43-101.

RISKS AND UNCERTAINTIES

Like all mineral exploration and development companies, Rubicon also continues to be subject to ongoing risk factors and uncertainties, among others, include political risks, title risks, commodity prices, exchange rate risks, permitting risks, operating and environmental hazards encountered in the exploration, development and mining business and changing laws and public policies. These risk factors are more fully described in the Company's Annual Information Form ("**AIF**"), dated March 21, 2018, for the year ended December 31, 2017, on file at www.sedar.com.

SELECTED ANNUAL INFORMATION

Information presented below is extracted from the Company's Audited Financial Statements.

Fiscal year ended	2017	2016	2015
In Canadian dollars, in thousands except per share data	$	$	$
Interest and miscellaneous income (expense)	1,085	(5,765)	(12,321)
Loss on sale of investments	NIL	NIL	(24)
Net income (loss)	(17,113)	112,811	(355,816)
Basic income (loss) per share	(0.30)	28.33	(148.64)
Diluted income (loss) per share	(0.30)	27.87	(148.64)
Total assets	47,564	53,099	65,568
Total long-term financial liabilities	19,499	19,490	7,841
Cash dividends	Nil	Nil	Nil

OPERATING RESULTS

Year ended December 31, 2017 compared to the year ended December 31, 2016

For the year ended December 31, 2017 the Company had a net loss and comprehensive loss of $17.1 million and a net loss per share of $0.30 compared to a net income and comprehensive income of $112.8 million and a net income per share of $28.33 for the year ended December 31, 2016, a variance of $129.9 million.

Significant factors in changes in line items were as follows:

- Exploration and evaluation expenditures increased by $11.5 million primarily due the commencement of drilling, exploration, care and maintenance and cleanup work programs at the Phoenix Gold Project;

- General and administrative expenditures decreased by $0.4 million primarily due to a lower corporate head-count, lower corporate office and related costs, and lower professional fees as the Company's expenditures focused on the Phoenix Gold Project,

- Share based compensation decreased by $1.5 million primarily due to lower outstanding equity instruments in 2017 versus 2016 as a result of the cancellation of certain equity instruments as part of a concluded corporate restructuring activity in 2016;

- Depreciation increased by $0.5 million due to increased activity at the Phoenix Gold Project and increased usage of equipment and surface infrastructure assets;

- Restructuring fees decreased $3.1 million due to conclusion of corporate restructuring activities in 2016;

- Interest and other income increased by $6.9 million primarily due to $2.0 million received as a result of the settlement of an agreement relating to operations at the Company's Phoenix Gold Project;

- Net gains from foreign exchange losses, gains on restructuring and gains on financial instruments on restructuring decreased by $131.2 million primarily due to the conclusion of corporate restructuring activities in 2016 which resulted in the extinguishment of primarily USD denominated financial instruments;

- Deferred income tax recovery increased by $1.3 million primarily due to the Company using proceeds from a $10.0 million bought deal private placement financing (see above) on Canadian Exploration Expenses.

FOURTH QUARTER

For the three month period ended December 31, 2017, the Company had a net loss and comprehensive loss of $7.6 million and a net loss per share of $0.13 compared to a net income and comprehensive income of $114.7 million and a net income per share of $12.96 for the three months ending December 31, 2016, a decrease in income of $122.3 million.

Significant factors in changes in line items were as follows:

- Exploration and evaluation expenditures increased by $3.9 million primarily due the commencement of drilling, exploration, care and maintenance and cleanup work programs at the Phoenix Gold Project;

- Share based compensation decreased by $1.8 million primarily due to lower outstanding equity instruments in 2017 versus 2016 as a result of the cancellation of certain equity instruments as part of a concluded corporate restructuring activity in 2016;

- Restructuring fees decreased $3.1 million primarily due to conclusion of corporate restructuring activities in 2016;

- Foreign exchange losses, gains on restructuring and gains on financial instruments on restructuring decreased by $122.4 million primarily due to the conclusion of corporate restructuring activities in 2016 which resulted in the extinguishment of primarily USD denominated financial instruments;

SUMMARY OF QUARTERLY RESULTS

The following results are based on the unaudited condensed consolidated interim financial statements (In Canadian dollars, in thousands except for per share data).

	2017 Fourth Quarter	2017 Third Quarter	2017 Second Quarter	2017 First Quarter	2016 Fourth Quarter	2016 Third Quarter	2016 Second Quarter	2016 First Quarter
	$	$	$	$	$	$	$	$
Interest and other income (expense)	(364)	1,830	(192)	(189)	(1,044)	(1,695)	(1,520)	(1,505)
Net income (loss)	(7,576)	(2,435)	(4,217)	(2,885)	114,690	(6,172)	(4,195)	8,489
Basic and fully diluted net income (loss) per share	(0.13)	(0.04)	(0.07)	(0.05)	12.96	(2.53)	(1.72)	3.48

Historically, quarterly earnings volatility has increased due to a gain on restructuring and financial liability, impairment of property, plant and equipment, and exploration and evaluation expenditures on the Phoenix Gold Project. Other factors generally causing significant variations in results between quarters include share-based compensation, exploration and evaluation expenditures, fair value adjustments on the former Gold Stream Facility and Warrant Liability, which were settled in Q4'2016, foreign exchange gains and losses, gain or loss on sale of investments and mineral property option payments received in excess of property costs. See operating results, above, for discussion of movement in net income (loss) and comprehensive income (loss) for the year ended December 31, 2017 as compared to December 31, 2016.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

The Company had working capital (see definition below in Non-GAAP Performance Measures) of $20.0 million at December 31, 2017 compared to working capital of $23.2 million at December 31, 2016. Working capital decreased in the current period by $3.2 million, primarily due to cash outflows on operating activities (see below in Cash Flows in Operating Activities) partially off-set by the completion of a $10.0 million bought deal private placement financing (see above in Corporate Developments).

On February 26, 2018, the Company completed a $10.9 million bought deal private placement financing (see Subsequent Events above).

CASH FLOWS

Year ended December 31, 2017 compared to the year ended December 31, 2016

For the year ended December 31, 2017, the Company had net cash outflows of $19.4 million compared to net cash inflows of $1.8 million in the year ended December 31, 2016, a decrease of $21.2 million. The change is primarily attributed to a cash outflow to short-term investments, higher cash outlays on operating activities, and lower proceeds from financing activities.

Operating Activities

Net cash used in operating activities was $12.8 million for the year ended December 31, 2017 compared with net cash used in operating activities of $19.9 million for the year ended December 31, 2016, representing a decrease of net cash outflows from operating activities of $7.1 million. The decrease in cash used in operating activities is primarily attributed to lower expenditures on corporate costs and professional fees, partially offset by an increase in exploration expenditures.

Investing Activities

Cash used in investing activities was $14.8 million for the year ended December 31, 2017 compared with cash generated from investing activities of $1.3 million for the year ended December 31, 2016, a decrease of $16.1 million between periods. The change is primarily attributed to deployment of cash to an increase in short-term investments and lower proceeds from previously classified restricted cash.

Financing Activities

Cash generated in financing activities was $8.4 million for the year ended December 31, 2017 compared with cash generated in financing activities of $20.9 million for the year ended December 31, 2016, a difference of $12.5 million. The change is primarily attributed to lower proceeds from financing, a repayment of a loan facility in the previous period, and continued payment of finance lease obligations.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements, other than operating lease commitments, as described in Note 22 to the Financial Statements.

PROVISION FOR CLOSURE AND RECLAMATION

The Company has an obligation to close and rehabilitate the Phoenix Gold Project site upon its abandonment.

The provision for closure and reclamation as at December 31, 2017 is $7.7 million (December 31, 2016 - $7.7 million).

As of December 31, 2017, the Company has insurance products with coverage in excess of the current $7.7 million liability estimate for closure and reclamation. The insurance products are guaranteed through to April 2021 contingent on the Company making the related premium payments over this period.

COMMITMENTS AND CAPITAL LEASE OBLIGATIONS

Other than the liabilities recorded on the balance sheet as at December 31, 2017, the Company has the following contractual, capital and operating lease and rental commitments (in Canadian dollars, in thousands):

	Payments due by period				
Contractual Obligations	***Total***	***Less than 1 year***	***1-2 Years***	***3-5 years***	***More than 5 years***
Lease and Rental Obligations	$972	$264	$460	$248	$ nil
TOTAL	$972	$264	$460	$248	$ nil

The Company is required to make certain cash payments and incur exploration costs to maintain its mineral properties in good standing. These payments and costs are at the Company's discretion and are based upon available financial resources and the exploration merits of the mineral properties which are evaluated on a periodic basis.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The Company's accounting policies are described in detail in Note 2 of the December 31, 2017 annual consolidated financial statements. The Company considers the following judgments and estimates to be most critical in understanding its financial results:

Significant accounting judgments and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts and the valuation of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period reported. Management uses its best estimates for these purposes, based on assumptions that it believes reflect the most probable set of economic conditions and planned courses of action. While actual results could differ materially from these estimates, and other than as described below in impairment of non-current non-financial assets, no specific sources of estimation uncertainty have been identified by management that are believed to have a significant risk of resulting in a material adjustment within the next financial year to the carrying amount of the Company's assets and liabilities as recorded at December 31, 2017.

The most significant judgments and estimates made by management in preparing the Company's consolidated financial statements are described as follows:

Impairment of non-current non-financial assets

The Company reviews and evaluates the carrying value of each of its non-current non-financial assets for impairment when events or changes in circumstances indicate that the carrying amounts of the related asset may not be recoverable. The identification of such events or changes and the performance of the assessment requires significant judgment. Furthermore, management's estimates of many of the factors relevant to completing this assessment, including commodity prices, foreign currency exchange rates, mineral resources, and operating, capital and reclamation costs, are subject to risks and uncertainties that may further affect the determination of the recoverability of the carrying amounts of its non-current non-financial assets.
At each reporting period, management reviews property plant and equipment for indicators of impairment. If any such indicator exists, the recoverable amount of the asset is estimated to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties.

Fair value of mineral assets is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, using a post-tax discount rate. Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and from its ultimate disposal, using a pre-tax discount rate.

If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for that period.

Impairment is normally assessed at the level of cash-generating units ("CGUs"), which are identified as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets.

Non-financial assets other than goodwill that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed. When a reversal of a previous impairment is recorded, the reversal amount is adjusted for depreciation that would have been recorded had the impairment not taken place.

The determination of fair value and value in use requires management to make estimates and assumptions about expected production and sales volumes, gold prices, mine plan estimates, operating costs, mine closure and restoration costs, future capital expenditures and appropriate discount rates for future cash flows. The estimates and assumptions are subject to risk and uncertainty, and as such there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired or the impairment charge reduced with the impact recorded in the statement of income.

As at December 31, 2017, management's impairment assessment did not result in the identification of any impairment indicators or identification of impairment reversals.

Flow-through Shares

Periodically, the Company finances a portion of its exploration and development activities through the issuance of flow-through common shares whereby the tax benefits of the eligible resource expenditures incurred are renounced to investors in accordance with tax legislation. The proceeds from issuing flow-through shares are allocated between the offering of shares and the sale of tax benefits. The allocation is based on the difference ("premium") between the fair value of the Company's existing shares and the amount the investor pays for the actual flow-through shares. A liability is recognized for the premium and is reversed and recognized as an income tax recovery as the related resource expenditures are incurred and the tax effect of the temporary differences is recorded. The net difference between the liability and the value of the tax assets renounced is reported as deferred tax expense.

Significant judgment is required in determining the provision for income taxes, due to the complexity of legislation, including the judgments around the use of flow-through share financing. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The Company identified no significant accounting standards and amendments to be adopted effective January 1, 2017.

The Company has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but are only effective for accounting periods beginning on or after January 1, 2017 or later periods.

Effective for accounting periods beginning on or after January 1, 2018:

IFRS 15, "Revenue from Contracts with Customers"

In May 2014, the IASB and the Financial Accounting Standards Board ("FASB") completed its joint project to clarify the principles for recognizing revenue and to develop a common revenue standard for IFRS and United States Generally Accepted.

Accounting Principles ("US GAAP"). As a result of the joint project, the IASB issued IFRS 15, Revenue from Contracts with Customers ("IFRS 15"). IFRS 15 establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

IFRS 15 is for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company has developed a plan and assessed that there will not be any material impact of the adoption of this standard.

IFRS 9, "Financial Instruments"

The IASB issued its completed version of IFRS 9, Financial Instruments ("IFRS 9") in July 2014. The completed standard provides revised guidance on the classification and measurement of financial assets. It also introduces a new expected credit loss model for calculating impairment for financial assets. The new hedging guidance that was issued in November 2013 is incorporated into this new final standard.

The final version of IFRS 9 will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 introduces a single expected credit loss impairment model, which is based on changes in credit quality since initial recognition. The adoption of the expected credit loss impairment model will not have a significant impact on the Company's financial statements. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, but is available for early adoption. The Company plans to adopt the standard beginning January 1, 2018.

On transition, investments classified as available-for-sale will be re-designated fair-value through profit and loss financial instruments. Associated revaluation adjustments will be recorded in the statement of earnings instead of through other comprehensive income. The Company expects that there will be an adjustment to opening deficit and accumulated other comprehensive loss on transition for cumulative gains/losses on these instruments of $17.

IFRS 16, "Leases"

In January 2016, the IASB issued IFRS 16 Leases, which requires lessees to recognize assets and liabilities for most leases. Application of the standard is mandatory for annual reporting periods beginning on or after January 1, 2019, with earlier application permitted, provided the new revenue standard, IFRS 15 Revenue from Contracts with Customers, has been applied or is applied at the same date as IFRS 16. The Company has not evaluated the impact of adopting this standard.

OUTSTANDING SHARE DATA

As at March 21, 2018, the Company had the following outstanding**:**

Common shares issued and outstanding	65,853,092
Stock options(1)	4,199,703
Fully diluted share capital	70,052,795

(1)Each stock option entitles the holder to one common share.

NON-GAAP PERFORMANCE MEASURES

The Company uses the working capital performance measure in its analysis. This performance measure has no meaning within generally accepted accounting principles under IFRS and, therefore, amounts presented may not be comparable to similar data presented by other companies. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Working Capital

Working capital is a performance measure used by the Company to assess its financial position. Working capital is defined as current assets less current liabilities and can be reconciled as follows:

(in Canadian dollars, in thousands)	**December 31, 2017**	**December 31, 2016**
Current Assets	$ 22,805	$ 25,408
Less: Current Liabilities	(2,787)	(2,229)
Working Capital	$ 20,018	$ 23,179

MANAGEMENT'S REPORT ON INTERNAL CONTROLS

Disclosure controls and procedures

Disclosure controls and procedures ("**DCP**") have been designed to provide reasonable assurance that all material information related to the Company is identified and communicated on a timely basis. Management of the Company, under supervision of the President and Chief Executive Officer and the Chief Financial Officer, is responsible for the design and operation of disclosure controls and procedures and has evaluated the effectiveness of the Company's DCP and has concluded that they were effective as at December 31, 2017.

Internal control over financial reporting

The Company's internal control over financial reporting ("**ICFR**") is designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with IFRS. However, due to inherent limitations, internal control over financial reporting may not prevent or detect all misstatements and fraud.

Control Framework

Management has used the Internal Control – Integrated Framework (2013 Framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission ('COSO') in order to assess the effectiveness of the Company's internal control over financial reporting.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have been no changes in the Company's internal control over financial reporting during the year ended December 31, 2017 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

ADDITIONAL INFORMATION

Additional information on the Company, including the AIF and other public filings, are available on SEDAR at www.sedar.com.

FORWARD-LOOKING STATEMENTS

This MD&A contains statements that constitute “forward-looking statements” and “forward looking information” (collectively, “forward-looking statements”) within the meaning of applicable Canadian and United States securities legislation. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “believes”, “intends”, “may”, “will”, “should”, “plans”, “anticipates”, “potential”, “expects”, “estimates”, “forecasts”, “budget”, “likely”, “goal” and similar expressions or statements that certain actions, events or results may or may not be achieved or occur in the future. In some cases, forward-looking information may be stated in the present tense, such as in respect of current matters that may be continuing, or that may have a future impact or effect. Forward-looking statements reflect our current expectations and assumptions, and are subject to a number of known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking statements.

Forward-looking statements include, but are not limited to statements regarding the potential for future exploration success at the Company and the Phoenix Gold Project; the anticipated use of proceeds of the $10.0 million bought deal private placement financing received in February 2018; the ability to identify new mineral resources and convert mineral resources into mineral reserves; the impact of estimation methodologies on mine and production planning; the ability to generate cash flows that exceed requirements; the timing and amount of capital expenditures and costs; the development of new mineral deposits; Rubicon’s ability to meet current debt obligations or to complete future financings to raise additional capital as needed; expected ore grades, recovery rates and through-put; the ability of Rubicon to comply with environmental safety and other regulatory requirements as well as Rubicon’s policies in respect thereof; expected or proposed exploration and development activities, and the expected costs thereof; expectations regarding currency fluctuations; future prices of precious and base metals; and the ability of Rubicon to comply with or obtain government approvals or permits in connection with the continued operation and exploration of its properties.

Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and represent management’s best judgment based on facts and assumptions that management considers reasonable. If such opinions and estimates prove to be incorrect, actual and future results may be materially different than expressed in the forward-looking statements. The material assumptions upon which such forward-looking statements are based include, among others, that: the demand for gold and base metal deposits will develop as anticipated; the price of gold will remain at or attain levels that would render the Phoenix Gold Project potentially economic; that any proposed operating and capital plans will not be disrupted by operational issues, title issues, loss of permits, environmental concerns, power supply, labour disturbances, financing requirements or adverse weather conditions; Rubicon will continue to have the ability to attract and retain skilled staff; and there are no material unanticipated variations in the cost of energy or supplies.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Rubicon to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others: gold price fluctuations; possible variations in mineralization, grade or recovery or throughput rates; uncertainty of mineral resources, inability to realize exploration potential, mineral grades and mineral recovery estimates; actual results of current exploration activities; actual results of reclamation activities; uncertainty of future operations, delays in completion of exploration plans for any reason including insufficient capital, delays in permitting, and labour issues; conclusions of future economic or geological evaluations; changes in project parameters as plans continue to be refined; failure of equipment or processes to operate as anticipated; accidents and other risks of the mining industry; delays and other risks related to operations; timing and receipt of regulatory approvals; the ability of Rubicon and other relevant parties to satisfy regulatory requirements; the ability of Rubicon to comply with its obligations under material agreements including financing agreements; the availability of financing for proposed programs and working capital requirements on reasonable terms; the ability of third-party service providers to deliver services on reasonable terms and in a timely manner; risks associated with the ability to retain key executives and key operating personnel; cost of environmental expenditures and potential environmental liabilities; dissatisfaction or disputes with local communities or First Nations or Aboriginal Communities; failure of plant, equipment or processes to operate as anticipated; cost of supplies; market conditions and general business, economic, competitive, political and social conditions.

Forward-looking statements contained herein are made as of the date of this MD&A and Rubicon disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws. Readers are advised to carefully review and consider the risk factors identified in this MD&A under the heading “Risk Factors” for a discussion of the factors that could cause Rubicon’s actual results, performance and achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking statements. Readers are further cautioned that the foregoing list of assumptions and risk factors is not exhaustive and it is recommended that prospective investors consult the more complete discussion of Rubicon’s business, financial condition and prospects that is included in this MD&A. The forward-looking statements contained herein are expressly qualified by this cautionary statement

Cautionary Note to U.S. Readers Regarding Estimates of Indicated and Inferred Resources

This MD&A uses the terms “measured” and “indicated” mineral resources and “inferred” mineral resources. The Company advises U.S. investors that while these terms are recognized and required by Canadian securities administrators, they are not recognized by the SEC. The estimation of “measured”, “indicated” and “inferred” mineral resources involves greater uncertainty as to their existence and economic feasibility than the estimation of proven and probable reserves. The estimation of “inferred” resources involves far greater uncertainty as to their existence and economic viability than the estimation of other categories of resources. It cannot be assumed that all or any part of a “measured”, “indicated” or “inferred” mineral resource will ever be upgraded to a higher category.

Under Canadian rules, estimates of “inferred mineral resources” may not form the basis of feasibility studies, pre-feasibility studies or other economic studies, except in prescribed cases, such as in a preliminary economic assessment under certain circumstances. The SEC normally only permits issuers to report mineralization that does not constitute “reserves” as in-place tonnage and grade without reference to unit measures. Under U.S. standards, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. U.S. investors are cautioned not to assume that any part or all of a “measured”, “indicated” or “inferred” mineral resource exists or is economically or legally mineable. Information concerning descriptions of mineralization and resources contained herein may not be comparable to information made public by U.S. companies subject to the reporting and disclosure requirements of the SEC.

Mineral Resources

Mineral resources that are not mineral reserves do not have demonstrated economic viability. The estimation of mineral resources is inherently uncertain, involves subjective judgement about many relevant factors and may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category. The accuracy of any such estimates is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation, which may prove to be unreliable and depend, to a certain extent, upon the analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate. Mineral resource estimates may have to be re-estimated based on: (i) fluctuations in mineral prices; (ii) results of drilling and development; (iii) results of test stoping and other testing; (iv) metallurgical testing and other studies; (v) proposed mining operations, including dilution; (vi) the evaluation of mine plans subsequent to the date of any estimates; and (vii) the possible failure to receive required permits, approvals and licenses. The mineral resources in this MD&A were reported using Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") Standards.

Qualified Persons

The content of this MD&A has been read and approved by George Ogilvie, P.Eng., President and Chief Executive Officer, a Qualified Person as defined by NI 43-101.

APPROVAL

The Board of Directors has approved the disclosure contained in this MD&A on March 21, 2018.