



**For Immediate Release: NR 12-1**

## **DRILLING AND EXPLORATION UPDATE**

**Vancouver, B.C., May 24, 2012 – Rugby Mining Limited (“Rugby” or the “Company”)** (TSX-V:RUG) wishes to update the market on recent exploration activities at its Philippine, Colombian and Argentine projects.

Rugby is cognisant of market conditions and plans to maintain a cash reserve (currently CAN \$3.2 million) sufficient to remain active and competitive. The potentially high grade Mabuhay gold project and the very promising Comita copper porphyry project remain as priority opportunities for the Company. Drilling is likely to begin in the near future on the Rio Chico gold-platinum-palladium-copper project in Argentina. The target is shallow and can be tested quickly and inexpensively.

### **Mabuhay Gold Project, Philippines**

The Mabuhay project in Surigao Province comprises the Motherlode high grade epithermal gold target and a gold-copper porphyry target at depth. The Company is awaiting a routine MPSA application approval, the timing of which is beyond the Company's control. The expectation is an approval before year end.

The Company remains very enthusiastic about the potential of the project and is frustrated at the administrative delay. Almost no new titles have been granted during the past year while the exploration industry awaits a new Executive Order for the Mining Industry. The Motherlode drilling program is planned to commence shortly after the MPSA application approval.

### **Comita Copper Porphyry Project, Colombia**

The Comita project covers a copper porphyry system situated in the western cordillera of Colombia. The Company continues to work through the administrative process necessary to conduct drilling and is advancing the community socialisation and baseline environmental programs. Prior to drilling, the Company is required to conduct a Consulta Previa (“CP”) with the community and obtain a forestry extraction permit. A CP is a government supervised agreement between a company and the community that forms a basis for exploration and development work. Certain activities related to the CP and the forestry extraction permit application have commenced. It is anticipated that exploration should be able to commence later in 2012.

Rugby recently acquired additional data from historical geological reconnaissance work. These data show well defined geochemical anomalies that are co-incident with magnetic “lows” defined in Rugby's 2011 airborne magnetic survey. This signature is typical for many porphyry projects on a global basis. There is no record of previous drilling on this prospective target area.

### **Rio Chico Gold-Platinum-Palladium-Copper Project, Argentina**

The Rio Chico project is an undrilled gold-platinum-palladium-copper (“PGM”) target situated in Catamarca Province, Argentina. Drill pad and access road construction have commenced in preparation for a shallow drilling program to test a multi-element PGM geochemical anomaly over a 500 metre (“m”) strike length.

Within the anomaly are previously reported rock-chip sample assays as follows:

- 0.1% copper, 1.3 g/t gold, 9.6 g/t platinum, 4.9 g/t palladium
- 1.8% copper, 0.3 g/t gold, 0.9 g/t platinum, 1.2 g/t palladium
- 1.5% copper, 0.2 g/t gold, 1.8 g/t platinum, 2.8 g/t palladium

Once a suitable drill contractor is selected the commencement of the drilling will be announced on the Company's website.

## Interceptor Copper-Gold Project, Argentina

The Interceptor project is a large-scale copper-gold porphyry target situated in Catamarca Province, Argentina. The Company planned a 2,000 m drilling program to delineate the nature and extent of the target, but due to difficult drilling conditions and equipment limitations only 1,033 m of the planned program was completed.

One of the three drill holes, IND-01, successfully reached the target depth and intersected a wide zone of porphyry style mineralisation. The porphyry interval assayed 126 m at 0.24% copper and 116 ppm molybdenum, commencing at a down-hole depth of 29 m. Significant drill assays are shown on Table 1 below.

Drill holes IND-02 and IND-03, which were designed to test deeper geophysical anomalies, were abandoned in fault zones before reaching the target depth. Rugby halted the program and the drill rig was demobilised as it was unable to satisfactorily test the geophysical targets.

Interceptor will require future drilling to delineate the true potential of the project. The Company will defer that drilling to conserve cash for its higher priority projects. All drill-hole details are shown on Table 2 below.

**Table 1. Significant Results for the Interceptor Project Drilling**

Mineralised Intercepts						
HOLE	FROM	TO	WIDTH	Copper	Gold	Molybdenum
	m	m	m	%	ppm	ppm
IND-01	29	155	126	0.24	0.05	116
Includes	35	65	30	0.44	0.05	100

**Table 2. Drill Hole Survey Data**

HOLE	EAST	NORTH	AZIMUTH	DOWN DIP	DEPTH M	REMARKS
IND-01	569800	6937450	90	-60	337.9	Terminated due to high water flow
IND-02	569500	6937450	90	-65	414.0	Abandoned before target depth
IND-03	570025	6937500	90	-50	281.4	Abandoned before target depth

Datum: WGS84 zone 19S

### Quality Control and Assurance

Assay results presented above are preliminary with no cutting of high grades. All diamond drill core samples are split on regular 2 metre intervals or on geological contacts and represent sawn half core. Samples were prepared at the ALS Minerals ("ALS") and assayed at ALS, a registered (or pending registration) ISO-9001:2008 certified laboratory. ALS is independent of Rugby.

Standard and blank samples are used throughout the sample sequence as checks for the diamond drilling reported in this release.

Paul Joyce, a "qualified person" ("QP") within the definition of that term in National Instrument 43-101, Standards of Disclosure for Mineral Projects, has supervised the preparation of the technical information that forms the basis for this news release.

### About Rugby

Management has a successful record in the identification, acquisition, exploration and development of international mining projects. The Company treasury is CAN \$3.2 million.

**Mabuhay Project, Philippines:** The Company holds an option to acquire up to 80% of the Mabuhay project in Surigao Province. The Company considers the project to have excellent potential for the discovery of both epithermal gold deposits and gold-copper porphyry systems.

**Comita Project, Colombia:** Rugby holds an option to earn up to 60% of Comita, an undrilled large scale porphyry copper-gold project in the western cordillera of Colombia. The project was recognised during a joint German-Colombian government sponsored exploration program over 20 years ago. No systematic exploration has been conducted since that time.

**Interceptor Project, Argentina:** The Company holds an option to acquire 100% of the Interceptor copper-gold project in “mining friendly” Catamarca Province. The property is near the Maricunga gold belt in Chile, an established mining district that hosts both producing gold mines and advanced stage porphyry-type projects.

**Hawkwood Project, Australia:** Rugby holds an option to acquire 90% of the Hawkwood project in Queensland. The property, covering 427 km<sup>2</sup> is prospective for gold, copper-gold and iron deposits. In January 2010, the Company entered into an agreement with Eastern Iron Limited wherein that company can earn an 80% interest in iron ore targets in the project area. To date Eastern Iron has conducted several programs, including geophysical surveys and drilling.

For additional information you are invited to visit the Rugby Mining Limited website at [www.rugbymining.com](http://www.rugbymining.com)

## **RUGBY MINING LIMITED**

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Certain of the statements made and information contained herein is “forward-looking information” within the meaning of the British Columbia, Alberta and Ontario Securities Acts. This includes statements concerning the Company’s plans at its projects, which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, the effect on prices of major mineral commodities such as copper, gold and iron by factors beyond the control of the Company; events which cannot be accurately predicted such as political and economic instability, terrorism, environmental factors and changes in government regulations and taxes; the shortage of personnel with the requisite knowledge and skills to design and execute exploration programs; difficulties in arranging contracts for drilling and other exploration services; the Company’s dependency on equity market financings to fund its exploration programs and maintain its mineral exploration properties in good standing; political risk that a government will change, interpret or enforce mineral tenure, environmental regulations, taxes or mineral royalties in a manner that could have an adverse effect on the Company’s assets or financial condition and impair its ability to advance its mineral exploration projects or raise further funds for exploration; risks associated with title to resource properties due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the interpretation of laws regarding ownership of mineral tenures in the Philippines and in the sometimes ambiguous conveyancing characteristic of many resource properties, currency risks associated with foreign operations, the timing for obtaining permits to conduct exploration activities, the ability to conclude agreements with local communities and other risks and uncertainties, including those described in each of the Company’s management discussion and analysis including those contained in its year-end financial statements for the year ended February 28, 2011 filed with the Canadian Securities Administrators and available at [www.sedar.com](http://www.sedar.com). In addition, forward-looking information is based on various assumptions including, without limitation, assumptions associated with exploration results and costs and the availability of materials and skilled labour. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or otherwise.

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