RUGBY MINING LIMITED

FINANCIAL STATEMENTS
(unaudited – prepared by management)

November 30, 2009

RUGBY MINING LIMITED

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Vancouver, Canada

January 29, 2010

RUGBY MINING LIMITED
BALANCE SHEETS

		November 30, 2009		February 28, 2009
ASSETS				
Current				
Cash and cash equivalents	$	1,061,189	$	827,939
Interest receivable		-		15,198
Goods and Services Tax receivable		7,790		9,376
	$	1,068,979	$	852,513

		November 30, 2009		February 28, 2009
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	$	94,953	$	133,414
Due to related parties (Note 8)		51,600		-
		146,553		133,414
Shareholders' equity				
Share capital (Note 6)		1,803,610		984,265
Contributed surplus (Note 7)		78,707		66,216
Deficit		(959,891)		(331,382)
		922,426		719,099
	$	1,068,979	$	852,513

Basis of presentation (Note 2)

Commitment (Note 9)

Subsequent events (Note 10)

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

RUGBY MINING LIMITED
STATEMENTS OF OPERATIONS AND DEFICIT

	Three Months ended November 30		Nine Months ended November 30	
	2009	2008	**2009**	2008
EXPENSES				
Administrative	**$ 17,407**	$ 142	**$ 56,272**	$ 1,169
Professional fees	**1,913**	27,539	**21,628**	147,188
Bank charges	**413**	(55)	**1,347**	112
Project evaluation (Note 5)	**97,200**	-	**434,051**	-
Stock based compensation (Note 6)	**78,707**		**78,707**	
Stock exchange listing and filing fees	**(1,100)**	3,500	**11,139**	15,395
Transfer agent	**2,851**	1,545	**15,015**	7,689
Shareholder communications	-	-	**131**	-
Travel	-	-	**10,340**	-
Interest income	-	(4,558)	**(121)**	(17,766)
Net loss and comprehensive loss for the period	**$ 197,391**	$ 28,113	$ **628,509**	$ 153,787
Deficit, beginning of period	**$ 762,500**	$ 202,255	**$ 331,382**	$ 76,581
Deficit, end of period	**$ 959,891**	$ 230,368	**$ 959,891**	$ 230,368
Basic & diluted loss per share	**$ 0.01**	$ 0.01*	**$ 0.03**	$ 0.03*
Weighted average number of common shares outstanding	**19,658,767**	5,600,000*	**18,369,753**	5,600,000*

* prior to the qualifying transaction completion, the calculation of basic and diluted loss per share, and weighted average number of shares outstanding excluded escrow shares.

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

RUGBY MINING LIMITED
STATEMENTS OF CASH FLOWS

	Three Months ended November 30		Nine Months ended November 30	
	2009	2008	**2009**	2008
Operating Activities				
Net loss for the period	**$ (197,391)**	$ (28,113)	**$ (628,509)**	$ (153,787)
Item not requiring an outlay of cash:				
Stock based compensation	**78,707**	-	**78,707**	-
Changes in non-cash working capital				
Interest receivable	**-**	-	**15,199**	(13,656)
Goods and Services Tax receivable	**(879)**	(436)	**1,586**	(2,319)
Accounts payable and accrued liabilities	**55,093**	(38,208)	**13,138**	24,406
	(64,470)	(66,757)	**(519,879)**	(145,356)
Financing Activities				
Issue of share capital for cash (Note 6)	**142,500**	-	**762,500**	-
Share issue costs	**-**	-	**(9,371)**	-
	142,500	-	**753,129**	-
Net increase (decrease) in cash and cash equivalents	**78,030**	(66,757)	**233,250**	(145,356)
Cash and cash equivalents - beginning of period	**983,159**	921,555	**827,939**	1,000,154
Cash and cash equivalents - end of period	**$ 1,061,189**	$ 854,798	**$ 1,061,189**	$ 854,798
Cash and cash equivalents consist of:				
Cash	**1,061,189**	54,798	**1,061,189**	54,798
Cashable GIC's	**-**	800,000	**-**	800,000
Cash paid during the period for interest	**$ -**	$ -	**$ -**	$ -
Cash paid during the period for income taxes	**$ -**	$ -	**$ -**	$ -

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

1. NATURE OF BUSINESS

Rugby Mining Limited (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on January 24, 2007. The Company's common shares were listed and called for trading on the TSX Venture Exchange (the "TSX-V") on August 7, 2007. Following the completion of its qualifying transaction on March 5, 2009, the Company is classified as a "Mineral Exploration and Development" company and continues to acquire and evaluate mineral properties.

2. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. These financial statements do not include any adjustments to the classifications and amounts of assets and liabilities that may be required should the Company be unable to continue in existence.

The preparation of these interim financial statements is based on accounting principles and practices consistent with those used in the preparation of the Company's annual financial statements. Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles has been condensed or omitted. These interim period statements should be read together with the Company's most recent audited financial statements and the accompanying notes. In the opinion of the Company, these unaudited interim financial statements contain all adjustments necessary in order to present a fair statement of the results of the interim period presented.

As at November 30, 2009, the Company had working capital of $922,426 (February 28, 2009 - $719,099) and a deficit of $959,891 (February 28, 2009 - $331,382). The Company's ability to continue in operation is dependent on its ability to secure additional financing to fund planned exploration and its ongoing administrative expenditures, and while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future.

The Company has relied principally upon the issuance of securities for financing. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. The Company intends to continue relying upon the issuance of securities to finance its future activities but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company, particularly in view of current market conditions.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company have been prepared in accordance with Canadian GAAP. The Company's functional and reporting currency is the Canadian dollar.

(a) Cash and cash equivalents

The Company classifies highly liquid short-term investments that are readily convertible into known amounts of cash and have maturities of 90 days or less from the date of acquisition as cash equivalents.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Income taxes

The Company uses the asset and liability method of accounting for income taxes. Under this method, future income taxes are recognized for the future income tax consequences attributable to differences between financial statement carrying values and their corresponding tax values (temporary differences) and tax loss carry forwards. Future income tax assets and liabilities are measured using enacted or substantively enacted income tax rates expected to apply when the temporary differences are expected to be recovered or settled. The effect on future income tax assets and liabilities of a change in tax rates is included in income in the period in which the change occurs. The amount of future income tax assets recognized, if any, is limited to the amount that, in the opinion of management, is more likely than not to be realized.

(c) Stock-based compensation

The Company accounts for stock-based compensation using a fair value based method with respect to all stock-based payments to directors, employees and non-employees. For directors and employees, the fair value of the options is measured at the date of grant. For non-employees, the fair value of the options is measured on the earlier of the date at which the counterparty performance is complete or the date the performance commitment is reached or the date at which the equity instruments are granted if they are fully vested and non-forfeitable.

(d) Earnings (loss) per share

Basic earnings per share is calculated using the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding. During the nine month period ended November 30, 2009, the Company completed its qualifying transaction. Consequently all shares currently subject to escrow will be included for subsequent earnings (loss) per share calculations as the release of such shares is based on the passage of time.

(e) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of estimates include accrued liabilities, the determination of the assumptions used in the calculation of stock-based compensation expense and the valuation allowance for future income tax assets. Actual results could differ from those estimates used in the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Mineral property interests

Exploration expenditures and option payments incurred prior to the determination of the feasibility of mining operations and the decision to commence development are charged to operations as incurred.

Pre-development costs incurred prior to a development decision and the receipt of all necessary permits and licenses for sustained mining operations are charged to operations as incurred.

Development expenditures incurred subsequent to the commencement of commercial production to increase productive capacity or to extend the life of existing production will be capitalized under mine development costs.

Administrative expenditures are expensed as incurred.

(g) Foreign currency transaction

Where applicable, foreign currency transactions and balances are translated into Canadian dollars as follows:

i) Monetary assets and liabilities, at the rate of exchange in effect as at the balance sheet date;
ii) Non-monetary assets and liabilities, at the exchange rates prevailing at the time of the acquisition of assets or assumption of liabilities; and
iii) Expenses, at the rate of exchange at the time of the transaction.

Gains and losses arising from the translation of foreign currency are included in the determination of net loss for the period.

(h) Financial instruments and comprehensive income

Financial instruments are classified into one of five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments are measured in the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities, which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is no longer recognized or impaired, at which time the amounts would be recorded in net income.

Transaction costs that are directly attributable to the acquisition or issue of financial instruments that are classified as other than held-for-trading, which are expensed as incurred, are included in the initial carrying value.

Comprehensive income or loss is defined as the change in equity from transactions and other events from sources other than the Company's shareholders. Other comprehensive income or loss refers to items recognized in comprehensive income or loss that are excluded from net income or loss calculated in accordance with Canadian GAAP.

The Company has no items of other comprehensive income in any period presented. Therefore, net loss as presented in the Company's statements of operations equals comprehensive loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) New accounting policies adopted

Capital stock

Proceeds from the issue of units is allocated between common shares and share purchase warrants on a residual value basis, wherein the fair value of the common shares is based on the market value on the date of the announcement of the placement and the balance, if any, is allocated to the attached warrants. Share issue costs are netted against share proceeds.

Effective March 1, 2009 the Company adopted the following guidance issued by the Emerging Issues Committee (EIC) of the Canadian Institute of Chartered Accountants:

Mining exploration costs

In March 2009, the CICA issued EIC-174, “Mining Exploration Costs”. This EIC provides guidance on accounting for and impairment of exploration costs. The Company adopted this EIC effective March 1, 2009. As the Company’s policy is to expense early stage exploration expenditures, the application of this EIC does not have an impact on the financial statements.

4. CAPITAL MANAGEMENT

The Company considers its capital to include all components of shareholders equity. The Company manages its capital structure and makes adjustments to it, based on funds available, in order to support its activities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of management to sustain future development of the business.

Based upon the Company’s stage of development, it is dependent on external financing to fund its activities. In order to carry out the planned operations and pay for administrative costs, the Company will utilize its existing working capital and be required to raise additional amounts as needed.

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

There were no changes in the Company's approach to capital management during the nine month period ended November 30, 2009. The Company is not subject to externally imposed capital requirements.

5. PROJECT EVALUATION

	Three Months ended November 30		Nine Months ended November 30	
	2009	**2008**	**2009**	**2008**
Assays	**$ 650**	**-**	**$ 7,334**	**-**
Consultants and contractors	**-**	**-**	**28,048**	**-**
Field camp	**4,428**	**-**	**20,397**	**-**
Geological	**92,122**	**-**	**378,272***	**-**
	$ 97,200	**-**	**$ 434,051**	**-**

* Includes A$200,000 ($183,202) paid to Rowen Company Limited for the re-imbursement of expenditures.

The Company has the option (the "Option") to acquire 60% of Sunland Properties Limited ("Sunland"), which owns the Hawkwood property in Queensland Australia. The Company acquired the Option pursuant to an agreement between Sunland, its subsidiary Rugby Mining Pty Ltd. and Rowen Company Limited ("Rowen") a company controlled by Bryce Roxburgh, a director of the Company. Under the agreement the Company is required to make payments of A$200,000 ($183,202) (paid during the nine month period ended November 30, 2009), to Rowen to repay a portion of a loan advanced to Sunland by Rowen, incur exploration expenditures of A$3.0 ($2.89) million (including 20,000 metres of bedrock drilling) over 42 months of which A$500,000 ($481,915) is a minimum commitment. In addition, the Company paid A$25,000 ($22,388) to Rowen as a non-refundable deposit. See subsequent events note 10. Part of the Hawkwood property is subject to a 2% net smelter royalty payable to Newcrest Operations Limited.

6. SHARE CAPITAL

(a) Authorized and issued

The authorized share capital of the Company is an unlimited number of common shares without par value.

The Company has issued common shares as follows:

	November 30, 2009		February 28, 2009	
	Number of Shares	**Amount**	Number of Shares	Amount
Balance, beginning of year	16,000,000	$ 984,265	16,000,000	$ 984,265
Issued during the period for:				
Cash – equity financing	3,000,000	600,000	-	-
– options exercised	950,000	142,500		
– warrants exercised	200,000	20,000		
Contributed surplus allocated	-	66,216	-	-
Share issue costs	-	(9,371)	-	-
Balance, end of period / year	20,150,000	$ 1,803,610	16,000,000	$ 984,265

In July 2009, the Company completed a non-brokered private placement consisting of 3,000,000 units ("Units") at $0.20 per Unit for gross proceeds of $600,000. Each Unit consists of one common share ("Share") and one transferable share purchase warrant ("Warrant"). Each Warrant is exercisable for an additional Share of the Company for a period of two years from the closing date of July 17, 2009, at a price of $0.30 per Share.

In addition, during the nine months ended November 30, 2009, the Company issued 200,000 shares pursuant to the exercise of warrants at a price of $0.10 per share and issued 950,000 shares pursuant to the exercise of options at a price of $0.15 per share.

6. SHARE CAPITAL (continued)

(b) Escrow shares

Of the common shares issued, 7,812,500 are currently subject to an escrow agreement and may not be transferred without the consent of the TSX-V. The escrow agreement provides, among other things, that 10% of such shares are released from escrow upon the completion of a "Qualifying Transaction", as defined in TSX-V Policy 2.4, and that a further 15% of such shares will be released every six months thereafter. During the nine month period ended November 30, 2009, 10% of the escrow shares were released upon completion of the Qualifying Transaction and 15% additional shares were released according to schedule for a total of 2,587,500 shares released from escrow.

(c) Stock option plan

The Company has adopted an incentive stock option plan (the "Plan"), the essential elements of which are as follows: the aggregate number of common shares of the Company's share capital issuable pursuant to options granted under the Plan may not exceed 10% of the total number of issued and outstanding shares of the Company on a non-diluted basis. Options granted under the Plan may have a maximum term of five years. The exercise price of options granted under the Plan will not be less than the discounted market price of the common shares (defined as the last closing market price of the Company's common shares immediately preceding the grant date, less the maximum discount permitted by the TSX-V), or such other price as may be agreed to by the Company and accepted by the TSX-V. Options granted under the Plan are generally exercisable immediately following the grant; however, certain options may be subject to vesting at times as determined by the directors of the Company and the TSX-V.

The status of options granted under the Plan as of November 30, 2009 and changes during the period then ended is as follows:

	November 30, 2009			February 28, 2009		
	Number of Options	**Weighted Average Exercise Price**	**Expiry Date**	Number of Options	Weighted Average Exercise Price	Expiry Date
Outstanding, beginning of period	**950,000**	**$ 0.15**	**July 24, 2012**	950,000	$0.15	July 24, 2012
Granted	**1,125,000**	**$ 0.30**	**October 9, 2014**	-	-	
	410,000	**$ 0.30**	**October 10, 2014**	-	-	
Exercised during the period	**(950,000)**	**$ 0.15**		-	-	
Balance at end of period	**1,535,000**	**$ 0.30**		950,000	$0.15	
Weighted average remaining contractual life of options		**4.86 years**				

Stock-based Compensation

The fair values of options vested during the three months ended September 30, 2009 was estimated at the grant date, using the Black-Scholes option pricing model with the following weighted average assumptions:

Expected annual volatility	125.0%
Risk-free interest rate	1.65%
Expected life	2.5 years
Expected dividend yield	0.0%

Stock-based compensation recognized on stock options exercised during the quarter, totalling $66,216 was allocated from contributed surplus. Total stock-based compensation recognized on options granted or vesting totalled $78,707 for the quarter.

6. SHARE CAPITAL (continued)

(d) Warrants

At November 30, 2009, the Company had outstanding warrants exercisable to acquire 3,000,000 shares as follows:

Number	Exercise Price		Expiry Date
3,000,000	$	0.30	July 17, 2011

At February 28, 2009, the Company had outstanding warrants exercisable to acquire 200,000 shares as follows:

Number	Exercise Price		Expiry Date
200,000	$	0.10	August 7, 2009

* These warrants were exercised during the period ended August 31, 2009, see note 6(a)

7. CONTRIBUTED SURPLUS

		November 30, 2009		February 28, 2009
Balance, beginning of year	**$**	**66,216**	$	66,216
Contributed surplus allocated		**(66,216)**		**-**
Stock based compensation		**78,707**		
Balance, end of period / year	**$**	**78,707**	$	66,216

8. RELATED PARTY TRANSACTIONS

Amounts due to related parties of $51,600 at November 30, 2009 (February 28, 2009 - $Nil) is for administrative support fees, management, consulting and exploration fees, and for expenses incurred while conducting the Company's business.

During the nine months ended November 30, 2009 a total of $134,512 (November 30, 2008 - $Nil) was paid or accrued for related party transactions as described below:

(a) Paid or accrued project evaluation expenditures of $89,512 (November 30, 2008 - $Nil) to an officer.

(b) Paid or accrued administrative support fees of $45,000 (November 30, 2008 - $Nil) to a corporation with common directors.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

9. COMMITMENT

Under the terms of the Option, the Company has a minimum commitment to incur A$500,000 ($481,915) of exploration expenditures on the Hawkwood property. To date the Company has incurred A$241,769 ($250,849).

10. SUBSEQUENT EVENTS

On January 7, 2010, Rugby announced that subject to regulatory acceptance, it had entered into an agreement (the "Revised Option") with Rowen to earn up to 90% interest in Sunland which owns the Hawkwood project. Previously it had the right to earn up to a 60% interest in Sunland (see note 5). The Revised Option provides for the issuance of 1.5 million shares of the Company to Rowen in exchange for a reduction in the expenditures required to earn the initial 60% interest in Sunland from A$3 million to A$1 million, extends the time required to spend such amount to December 31, 2013 and grants the Company the right to acquire up to a 90% interest in Sunland, up from the original 60%. In order to exercise the Revised Option to acquire the 90% interest in Sunland, the Company is required to incur total exploration expenditures of A$4 million by 2017 and issue an additional 3 million shares of the Company to Rowen.

On January 20, 2010, Rugby announced that it had entered into a Joint Venture Heads of Agreement (the "Agreement") with Eastern Iron Limited ("Eastern Iron") and Sunland subsidiary, Rugby Mining Pty Ltd. with respect to certain portions of exploration permit 15289 and exploration permit application 17099 (the "Exploration Area") which comprises a part of the Company's Hawkwood Project. Under the terms of the Agreement, Eastern Iron can earn a 50% interest in the Exploration Area by funding an A$200,000 work program within the first 12 months and thereafter incurring an additional A$500,000 in exploration expenditures within the following 2 years. Eastern Iron can increase its interest in the Exploration Area to 80% by incurring an additional A$3.6 million in expenditures and completing a bankable feasibility study within the following 5 years. Exploration permit 15289 is subject to a 2% net smelter royalty held by Newcrest Operations Limited. The Agreement is subject to the consent of Newcrest and regulatory approval.