



**RUGBY MINING LIMITED**

**UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**For the three months ended May 31, 2014 and 2013**  
**(Expressed in Canadian Dollars)**

**Unaudited – Prepared by Management**

## **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 condensed interim consolidated 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

July 28, 2014

**RUGBY MINING LIMITED**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<b>May 31, 2014</b>	February 28, 2014
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 2,256,449	\$ 2,995,819
Amounts receivable and prepaids	94,122	57,661
	<b>2,350,571</b>	<b>3,053,480</b>
<b>Mineral properties</b> (Note 3)	<b>114,401</b>	108,201
	<b>\$ 2,464,972</b>	<b>\$ 3,161,681</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 40,890	\$ 75,225
Due to related parties (Note 7)	36,682	33,649
	<b>77,572</b>	<b>108,874</b>
<b>Shareholders' Equity</b>		
<b>Share capital</b> (Note 4)	<b>15,238,612</b>	15,238,612
<b>Contributed surplus</b>	<b>5,255,509</b>	5,141,135
<b>Deficit</b>	<b>(18,116,446)</b>	(17,331,168)
<b>Accumulated other comprehensive income</b>	<b>9,725</b>	4,228
	<b>2,387,400</b>	<b>3,052,807</b>
	<b>\$ 2,464,972</b>	<b>\$ 3,161,681</b>

Approved on behalf of the Board:

*Yale Simpson*  
..... Director

*Robert Reynolds*  
..... Director

**RUGBY MINING LIMITED**  
**CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

<b>For the three months ended May 31,</b>	<b>2014</b>		<b>2013</b>	
<b>Income</b>				
Interest income	\$	<b>9,703</b>	\$	13,727
<b>Expenses</b>				
Accounting, audit and professional fees		<b>38,463</b>		18,613
Administrative (Note 5)		<b>173,127</b>		204,570
Amortization		-		2,205
Bank charges		<b>3,205</b>		4,078
Directors' fees (Note 5)		<b>16,343</b>		-
Foreign exchange loss (gain)		<b>5,475</b>		(4,799)
Insurance		<b>10,213</b>		8,879
Mineral property exploration expenditures (Notes 3 and 5)		<b>527,430</b>		467,463
Shareholder communications		<b>9,579</b>		697
Stock exchange and filing fees		<b>5,500</b>		-
Transfer agent		<b>788</b>		837
Travel		<b>4,858</b>		17,007
		<b>794,981</b>		719,550
<b>Loss for the period</b>		<b>785,278</b>		705,823
<b>Other comprehensive loss (income)</b>		<b>(5,497)</b>		7,695
<b>Comprehensive loss for the period</b>	\$	<b>779,781</b>	\$	713,518
<b>Basic and diluted loss per common share from loss for the period</b>	\$	<b>0.02</b>	\$	0.02
<b>Weighted average number of common shares outstanding</b>		<b>46,035,000</b>		46,035,000

**RUGBY MINING LIMITED**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

<b>For the three months ended,</b>	<b>May 31, 2014</b>	<b>May 31, 2013</b>
<b>Operating Activities</b>		
Net loss for the period	\$ (785,278)	\$ (705,823)
Items not requiring an outlay of cash:		
Amortization	-	2,205
Share-based payments (Note 5)	114,374	72,390
Changes in non-cash working capital		
Amounts receivable and prepaids	(36,461)	55,521
Accounts payable and accrued liabilities	(34,335)	12,512
Due to related parties	3,033	(65,521)
<b>Cash flows from operating activities</b>	<b>(738,667)</b>	<b>(628,716)</b>
<b>Investing Activities</b>		
Acquisition of mineral properties	-	(110,523)
<b>Cash flow from investing activities</b>	<b>-</b>	<b>(110,523)</b>
<b>Effect of foreign exchange rate change on cash and cash equivalents</b>	<b>(703)</b>	<b>(7,506)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(739,370)</b>	<b>(746,745)</b>
<b>Cash and cash equivalents - beginning of period</b>	<b>2,995,819</b>	<b>5,102,961</b>
<b>Cash and cash equivalents - end of period</b>	<b>\$ 2,256,449</b>	<b>\$ 4,356,216</b>

**RUGBY MINING LIMITED**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Issued Share Capital		Contributed Surplus	Deficit	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
	Number of Shares	Amount				
<b>Balance at February 29, 2013</b>	<b>46,035,000</b>	<b>\$ 15,238,612</b>	<b>\$ 4,915,837</b>	<b>\$ (15,195,821)</b>	<b>\$ 12,644</b>	<b>\$ 4,971,272</b>
- Share-based payments recognized	-	-	72,390	-	-	72,390
- Other comprehensive loss	-	-	-	-	(7,695)	(7,695)
- Net loss for the period	-	-	-	(705,823)	-	(705,823)
<b>Balance at May 31, 2013</b>	<b>46,035,000</b>	<b>\$ 15,238,612</b>	<b>\$ 4,988,227</b>	<b>\$ (15,901,644)</b>	<b>\$ 4,949</b>	<b>\$ 4,330,144</b>
- Share-based payments recognized	-	-	152,908	-	-	152,908
- Other comprehensive loss	-	-	-	-	(721)	(721)
- Net loss for the period	-	-	-	(1,429,524)	-	(1,429,524)
<b>Balance at February 28, 2014</b>	<b>46,035,000</b>	<b>15,238,612</b>	<b>5,141,135</b>	<b>(17,331,168)</b>	<b>4,228</b>	<b>3,052,807</b>
- Share-based payments recognized	-	-	114,374	-	-	114,374
- Other comprehensive loss	-	-	-	-	5,497	5,497
- Net loss for the period	-	-	-	(785,278)	-	(785,278)
<b>Balance at May 31, 2014</b>	<b>46,035,000</b>	<b>\$ 15,238,612</b>	<b>\$ 5,255,509</b>	<b>\$ (18,116,446)</b>	<b>\$ 9,725</b>	<b>\$ 2,387,400</b>

**RUGBY MINING LIMITED**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTH PERIOD ENDED MAY 31, 2014 AND 2013**  
**(UNAUDITED)**

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**1. Nature of Operations**

Rugby Mining Limited (“Rugby” or the “Company”) is an exploration stage company incorporated under the laws of British Columbia, Canada and together with its subsidiaries, it is engaged in the acquisition and exploration of mineral properties located in Colombia, the Philippines and Australia.

The Company is in the exploration stage with its various mineral properties. The continued operations of the Company is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of such properties, and the profitable production from or disposition of such properties.

The Company has its primary listing on the TSX Venture Exchange (the “TSX-V”). The Company’s head office is located at 1660 - 999 West Hastings Street, Vancouver, BC, Canada, V6C 2W2.

**2. Basis of Preparation**

These condensed interim consolidated financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board applicable to the preparation of the interim financial statements, including International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*. Accordingly, the accounting policies followed by the Company are set out in Note 4 of the audited consolidated financial statements for the year ended February 28, 2014, and have been consistently followed in the preparation of these condensed interim consolidated financial statements. These condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements.

These condensed interim consolidated financial statements were approved and authorized by the Audit Committee of the Board of Directors for issue on July 28, 2014.

**3. Mineral Properties – Acquisition and Exploration Costs**

**a) Acquisition Costs**

	<u>Cobrasco</u>
<i>Cost</i>	
As at February 28, 2013	\$ -
Additions	110,523
Effect of movements in exchange rates	(2,322)
<b>Balance as at February 28, 2014</b>	<b>\$ 108,201</b>
As at March 1, 2014	\$ 108,201
Additions	-
Effect of movements in exchange rates	6,200
<b>Balance as at May 31, 2014</b>	<b>\$ 114,401</b>

**RUGBY MINING LIMITED**  
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**3. Mineral Properties – Acquisition and Exploration Costs (Continued)**

**b) Exploration Costs**

The tables below show the Company's exploration and evaluation expenditures for the three month periods ended May 31, 2014 and 2013.

	Three Months ended May 31, 2014					Total
	Generative & Other*	Cobrasco	Comita	Mabuhay	Great Northern	
Drilling	\$ -	\$ -	\$ -	\$ -	\$ 114,189	\$ 114,189
Field camp	-	-	-	2,835	1,539	4,374
Geological**	30,113	76,143	3,677	548	14,825	125,306
Legal	-	5,345	458	3,125	830	9,758
Office operations	1,712	53,961	998	1,275	495	58,441
Option and cannon fees	-	-	-	-	102,800	102,800
Travel	1,373	38,416	-	5,662	24,152	69,603
Wages and benefits	-	7,346	-	11,585	24,028	42,959
Exploration and evaluation costs	\$ 33,198	\$ 181,211	\$ 5,133	\$ 25,030	\$ 282,858	\$ 527,430
Cumulative exploration and evaluation costs*	\$3,377,591	\$ 845,780	\$2,151,099	\$2,212,315	\$ 282,858	\$8,869,643

\* Cumulative costs do not include previous exploration expenditures incurred at Interceptor

\*\* Includes share based compensation as reflected below:

	Three Months ended May 31, 2014					Total
	Generative & Other*	Cobrasco	Comita	Mabuhay	Great Northern	
Geological	\$ -	\$ 9,884	\$ -	\$ -	\$ -	\$ 9,884
Total	\$ -	\$ 9,884	\$ -	\$ -	\$ -	\$ 9,884

	Three months ended May 31, 2013					Total
	Generative & Other*	Cobrasco	Comita	Mabuhay	Hawkwood	
Consultants	\$ -	\$ 4,421	\$ -	\$ -	\$ -	\$ 4,421
Field camp	1,776	-	-	3,465	-	5,241
Environmental and socialization	21,969	112,166	1,117	-	-	135,252
Geological	56,826	47,089	18,841	23,462	2,083	148,301
IVA	1,349	-	-	-	-	1,349
Legal	-	25,874	8,558	17,415	459	52,306
Office operations	1,061	4,898	5,028	2,245	-	13,232
Option and cannon fees	-	-	16,380	-	11,042	27,422
Travel	11,034	11,182	3,153	7,642	6,764	39,775
Wages and benefits	-	16,807	8,658	14,699	-	40,164
Exploration and evaluation costs	\$ 94,015	\$ 222,437	\$ 61,735	\$ 68,928	\$ 20,348	\$ 467,463
Cumulative exploration and evaluation costs*	\$2,141,316	\$ 222,437	\$2,004,685	\$2,092,969	\$1,070,543	\$7,531,950

\* Cumulative costs do not include previous exploration expenditures incurred at Interceptor



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**3. Mineral Properties – Acquisition and Exploration Costs (Continued)**

Cobrasco Porphyry Copper Gold Project, Colombia

The Cobrasco concession, which is subject to a 1% net smelter royalty (“NSR”), was acquired in April 2013 (See Note 3(a)).

Comita Porphyry Copper Project, Colombia

On October 12, 2010, the Company announced it had entered into an option agreement (the “Comita Agreement”) over Comita, granting the Company the right to earn up to a 60% indirect interest in the project. The Comita Agreement provides that the mineral title at Comita will be transferred to a new Colombian entity (“Newco”) and grants the Company the right to earn an initial 40% interest in Newco upon completion of certain exploration activities and incurring expenditure commitments, with a further option to earn an additional 20% interest, for a total interest of 60% in Newco.

On May 6, 2014, the Company along with the Comita concession holder, amended the Comita Agreement such that the dates to meet the expenditure and drilling requirements have been extended. Under the amended Comita Agreement, the Company can earn the 60% interest in Newco (an effective 60% indirect interest in the Comita project) if it completes the obligations set out in the two options as follows:

Option 1: The Company has until October 20, 2018 to acquire an indirect 40% interest in the Comita project by incurring US\$10.0 million in exploration expenditures which include at least 10,000 m of drilling as follows:

(i) US\$250,000 on or before October 21, 2011, the first anniversary date of the agreement (incurred).

(ii) Thereafter the Company has the option, but not the obligation to incur US\$9.75 million with minimum annual expenditures of US\$250,000 (minimum yearly expenditure requirements have been met to date) until such time as the Comita project is removed from the forestry reserve, following which the minimum annual expenditure increases to US\$1.0 million.

Excess expenditure in any given year may be carried forward to the next year, however such carry forward is limited to US\$1.0 million at the end of Option 1. Upon incurring the expenditures set out above, the Company is required to provide the title holder with notice that it has met the requirements to acquire the initial 40% interest in Newco following which the title holder has 90 days to elect to resume management of the Comita project. In the event that the title holder elects to resume management of the Comita project, a joint venture will be formed and dilution provisions will apply. Should the title holder elect not to resume management of the Comita project, the Company will be granted a second option to acquire a further 20% interest in Newco as set out below:

Option 2: Upon the Company being granted the second option it will have 3 years to acquire an additional 20% interest in Newco for a total 60% indirect interest in the project by incurring an additional US\$15.0 million in expenditures, including 20,000 m of drilling with minimum annual expenditures of US\$1.0 million on or before October 20, 2021.

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**3. Mineral Properties – Acquisition and Exploration Costs (Continued)**

Mabuhay Gold Project, Philippines

On October 5, 2010, the Company announced it had entered into agreements with Pelican Resources Limited (“Pelican”), an ASX listed company, and All-Acacia Resources Inc. (“All-Acacia”), a Philippine company over the Mabuhay project in the Philippines. The agreement with Pelican and its Philippine subsidiary, SunPacific Resources Philippines, Inc. (“SunPacific”), together with the agreement with All-Acacia (collectively, the “Mabuhay Agreement”) grant the Company the right and option (“Mabuhay Option”) to earn an 80% interest in the Mabuhay project. Pursuant to the terms of the Mabuhay Agreement, the Company paid signature fees totaling US\$70,000.

As a result of a Philippine government moratorium on the granting of new Mineral Production Sharing Agreements (“MPSA”) pending legislation enacting a revised revenue sharing scheme, the Company along with All-Acacia signed an amended Mabuhay Agreement (the “Amended Mabuhay Agreement”) to allow for the conversion of the MPSA Application to an Exploration Permit Application (“EPA”) as it is anticipated that an Exploration Permit (“EP”) will be granted by the Philippine government earlier than an MPSA. An EP would allow the Company to conduct drilling at Mabuhay. An EPA was submitted to the government in March 2013 and all future payments as defined in the Amended Mabuhay Agreement have been deferred until the EP is approved by the federal authorities.

Under the Amended Mabuhay Agreement, in order to maintain its option, the Company is required to make staged payments totaling US\$750,000 over three years from the grant date of the EP, incur staged expenditures totaling US\$4.5 million over six years from the grant date of the EP, and complete a pre-feasibility study to earn its interest and exercise its Mabuhay Option.

In the event that the Company exercises the Mabuhay Option, it will be required to make an additional US\$175,000 payment to All-Acacia within 30 days from the grant and registration with the appropriate Mines and Geosciences Bureau Regional Office of the appropriate mineral agreement (MPSA or Financial and Technical Assistance Agreement) on the property, and Pelican will be paid a further US\$5.0 million if commercial production commences at Mabuhay.

Upon the exercise of the Mabuhay Option, All-Acacia and the Company have agreed to form a joint venture with respect to the development of and conduct of mining operations on the property and on each anniversary date thereafter, the Company must pay an additional US\$200,000 to All-Acacia towards All-Acacia’s pro-rata share of expenditures until commencement of production from the Mabuhay project.

The Great Northern Gold Project, Australia

On March 20, 2014 the Company entered into an option agreement with Australian listed company, De Grey Mining Limited over the Great Northern Gold Project (the “GNGP”). The GNGP includes a 714 square km tenement package (the “Tenements”) and is located in the Pilbara region of Western Australia, 60 km south of Port Hedland.

*The Great Northern Gold Project Agreement*

The Agreement grants Rugby an option to earn an 80% interest in the Tenements and an additional option to purchase an 80% interest in a near surface historical resource at Wingina Well.

Pursuant to the GNGP Agreement, Rugby paid De Grey A\$100,000 and will have two options as follows:

- 1) a three year option to acquire an 80% interest in the Tenements by incurring a total of A\$2 million in expenditures with a minimum expenditure commitment of A\$500,000; and
- 2) an option to purchase an 80% interest in the historic near surface resource at Wingina Well for A\$3 million, by paying A\$2 million at any time within 54 months of date of the GNGP Agreement and a further A\$1 million within 30 days of a decision to mine any part of the historic resource at Wingina Well.

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**3. Mineral Properties – Acquisition and Exploration Costs (Continued)**

Hawkwood Property Australia

Pursuant to agreements dated July 10, 2008 and December 2, 2008 between Sunland Properties Limited (“Sunland”) and Rowen Company Limited (“Rowen”) a company controlled by Bryce Roxburgh, a director of the Company, and subsequent amendments dated December 31, 2009, the Company had the option (“Hawkwood Option”) to acquire up to 90% of the issued and outstanding shares of Sunland. Sunland’s wholly owned subsidiary, Rugby Mining Pty. Ltd., owned the Hawkwood property in Queensland Australia.

Under the Hawkwood Option, the Company paid to Rowen a total of A\$225,000 as a non-refundable deposit to repay a portion of a loan advanced to Sunland by Rowen. In addition, pursuant to the amendment dated December 31, 2009, the Company issued 1.5 million common shares with a fair value of \$615,000 to Rowen (issued on June 5, 2010), and was required to incur exploration expenditures totaling A\$1,000,000 (completed).

The Company, having met its expenditure requirement to earn a 60% interest in Hawkwood, entered into an agreement with Eastern Iron for the sale of the project. The Eastern Iron purchase consideration for 100% of Hawkwood was a 2% net smelter royalty (NSR). In order to facilitate the sale of Hawkwood, the Company and Rowen amended the Hawkwood Option such that (i) Rugby’s 60% interest in the project vested without payment of any further consideration, (ii) Rugby would acquire 100% interest in Sunland and (iii) Rugby would hold the NSR as to 1.2% for its own account and 0.8% on behalf of Rowen.

The Company has no further obligations or direct involvement in Hawkwood going forward.

**4. Share Capital**

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:

	May 31, 2014		February 28, 2014	
	Number of Shares	Amount	Number of Shares	Amount
<b>Balance, beginning of period</b>	<b>46,035,000</b>	<b>\$ 15,238,612</b>	46,035,000	\$ 15,238,612
<b>Balance, end of period</b>	<b>46,035,000</b>	<b>\$ 15,238,612</b>	46,035,000	\$ 15,238,612

During the three month period ended May 31, 2014, no common shares were issued.

**5. 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 shares of the Company’s capital stock issuable pursuant to options granted under the Plan, which was approved by shareholders on November 27, 2013, may not exceed 20% of the total number of issued and outstanding shares of the Company on a non-diluted basis. At May 31, 2014 the maximum number of options issuable under the Plan was 9,207,000. Options granted under the Plan may have a maximum term of ten 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 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

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**5. Stock Option Plan (Continued)**

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.

A summary of the changes in share options during the three month period ended May 31, 2014 and the year ended February 28, 2014 are as follows:

	May 31, 2014		February 28, 2014	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Options outstanding, beginning of period	8,555,000	\$ 0.35	6,615,000	\$ 0.43
Forfeited/expired	-	-	(225,000)	0.43
Granted	-	-	2,165,000	0.19
Options outstanding, end of period	8,555,000	\$ 0.35	8,555,000	\$ 0.35*

There were Nil (2013 – Nil) options exercised during the period.

\* During the year ended February 28, 2014 the Company re-priced 425,000 options priced at \$0.50, to an exercise price of \$0.18; 125,000 options priced at \$0.41, to an exercise price of \$0.18; 250,000 options priced at \$0.36 to an exercise price of \$0.18. These re-priced options had a fair value of approximately \$0.04, \$0.03 and \$0.02 per option respectively. The Company recognized an additional \$17,994, \$4,058 and \$5,780 in share-based compensation from the re-pricing of these options respectively.

The following table summarizes information about the stock options outstanding and exercisable at May 31, 2014:

Outstanding Options				Exercisable Options		
Range of Prices (\$)	Number	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	Number	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price
0.01 - 0.49	6,465,000	6.39	\$ 0.30	3,672,500	4.71	\$ 0.35
0.50 - 0.99	2,090,000	1.51	0.50	2,090,000	1.51	0.50
	8,555,000	5.20	\$ 0.35	5,762,500	3.55	\$ 0.40

Share-based compensation recognized on options vesting during the quarter amounting to \$114,374 (2013-\$72,390) has been allocated to contributed surplus. Share-based compensation has been allocated as follows:

Three months ended May 31,	2014	2013
Administrative	\$ 88,147	\$ 72,390
Directors' fees	16,343	-
Mineral property exploration expenditures	9,884	-
Total	\$ 114,374	\$ 72,390

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**6. Warrants**

During the periods ended May 31, 2014 and 2013 no warrants were exercised. At May 31, 2014, the Company had 10,000,000 outstanding warrants (February 28, 2014 – 10,000,000) to acquire common shares. Each warrant currently outstanding is exercisable to acquire common share of the Company until January 22, 2016, at a price of \$0.40 per common share, and at an exercise price of \$0.55 per common share if exercised between January 23, 2015 and January 22, 2016.

**7. Related Party Transactions**

a) During the three month period ended May 31, 2014, a total of \$39,946 (2013 – \$58,470) was paid or accrued for related party transactions with companies controlled by directors or officers of the Company for mineral property exploration costs, administrative support fees, rent and consulting fees. Amounts due to directors or officers of the Company of \$26,632 at May 31, 2014 (February 28, 2014 – \$19,817) are non-interest bearing and are due on demand.

The total of \$39,946 for the three month period ended May 31, 2014 was paid or accrued as follows: \$31,248 (2013 – \$52,083) to Berenvy Pty Ltd., a company controlled by the President & CEO of the Company for consulting fees and \$8,698 (2013 – \$6,387) to Rogo Investments Pty Ltd., a company controlled by a director of the Company for office rental fees which are priced at commercial market prices.

b) During the period, the Company shared costs of certain common expenditures including administrative support, office overhead and travel with Exeter Resource Corporation (“Exeter”).

The Company, along with Exeter, incurs certain expenditures for staff, including the salary of the Chief Financial Officer and exploration expenditures on behalf of each other. The net amount paid or accrued by the Company to Exeter during the three month period ended May 31, 2014 was \$36,921 (2013 – \$111,139). As at May 31, 2014, the Company had amount payable of \$10,050 (February 28, 2014 – \$13,832) to Exeter. The amounts due to Exeter are non-interest bearing and are due on demand.

**8. Executive Compensation**

Key management personnel are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel of the Company include executive officers and the board of directors.

The following compensation has been provided to key management personnel for the three month periods ended May 31, 2014 and 2013:

		<b>2014</b>		2013
Compensation - cash	\$	<b>55,458</b>	\$	70,083
Share-based payments		<b>42,890</b>		6,181
<b>Total</b>	<b>\$</b>	<b>98,348</b>	<b>\$</b>	<b>76,264</b>

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**9. Segmented Information**

The Company's activities are all in the one industry segment of mineral property acquisition, exploration and development. The Company's net assets and net losses by geographic regions are as follows:

<b>May 31, 2014</b>	Canada	Australia	Colombia	Philippines	Total
Cash and cash equivalents	\$ 2,163,225	\$ -	\$ 19,455	\$ 73,769	\$2,256,449
Amounts receivable and prepaids	82,404	-	6,266	5,452	94,122
Mineral properties	-	-	114,401	-	114,401
	2,245,629	-	140,122	79,221	2,464,972
Current Liabilities	(64,566)	-	(11,662)	(1,344)	(77,572)
	\$ 2,181,063	\$ -	\$ 128,460	\$ 77,877	\$2,387,400
<b>Three months ended May 31, 2014</b>					
Mineral property exploration expenditures	\$ -	\$ 282,858	\$ 219,542	\$ 25,030	\$ 527,430
Net loss	\$ 224,294	\$ 282,858	\$ 248,922	\$ 29,204	\$ 785,278

<b>February 28, 2014</b>	Canada	Australia	Colombia	Philippines	Total
Cash and cash equivalents	\$ 2,848,694	\$ -	\$ 44,869	\$ 102,256	\$ 2,995,819
Amounts receivable and prepaids	48,835	-	3,209	5,617	57,661
Mineral Property	-	-	108,201	-	108,201
	2,897,529	-	156,279	107,873	3,161,681
Current Liabilities	(81,729)	-	(26,456)	(689)	(108,874)
	\$ 2,815,800	\$ -	\$ 129,823	\$ 107,184	\$ 3,052,807
<b>Three months ended May 31, 2013</b>					
Mineral property exploration expenditures	\$ -	\$ 20,348	\$ 378,187	\$ 68,928	\$ 467,463
Net loss	\$ 237,090	\$ 20,348	\$ 372,701	\$ 75,684	\$ 705,823