

RUGBY MINING LIMITED

For Immediate Release: NR 10-02

HAWKWOOD JV – HEADS OF AGREEMENT SIGNED WITH EASTERN IRON

Vancouver, B. C., January 20, 2010 – Rugby Mining Limited (“Rugby” or the “Company”) (TSX-V: RUG) is pleased to announce that it has entered into a Joint Venture Heads of Agreement (the “Agreement”) with Eastern Iron Limited (“Eastern Iron”) (ASX: EFE) and Rugby Mining Pty Ltd. with respect to certain portions of exploration permit 15289 and application 17099 which are considered prospective for iron ore (the “Exploration Area”) and which Exploration Area 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 AUS\$200,000 work program commitment within the first 12 months and thereafter incurring an additional AUS\$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 AUS\$3,600,000 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 (ASX: NCM). The Agreement is subject to the consent of Newcrest and regulatory approval.

Recent exploration activity at Hawkwood

Recent exploration at Rugby’s Hawkwood Project includes a total of 119 bedrock auger holes drilled on 200m x 200m spaced intervals. This auger program has defined a +500 parts per million (“ppm”) (with values of up to 1,850ppm) copper geochemical anomaly over an area of 200 meters (“m”) x 1,200 m.

A reconnaissance program was also conducted to locate outcropping iron mineralization within strongly magnetic anomalies identified from aeromagnetic surveys. A total of 14 rock chip samples of iron mineralization were collected and assays ranged from 24.9% to 52.1% iron.

A soil sampling program was also completed on the Eldorado grid which is located approximately some 15 kilometres to the west. A total of 139 soil samples were collected at 25 m spacing. Assays ranged from less than 1 ppm up to 700 ppm copper.

New opportunities

A number of gold, silver and copper projects in Central and South America have been offered to Rugby. Following an initial rating of these opportunities, field evaluations have been initiated.

About Rugby

Rugby is an emerging mineral resource company exploring for gold, silver and base metals. The experienced management team has a proven track record in the identification, acquisition, exploration and development of international mining projects. Rugby continues to receive offers to participate in more advanced precious metal projects and is currently assessing these opportunities.

Hawkwood

Rugby recently announced that it had entered into a revised option agreement which provides that it can acquire up to a 90% interest in the Hawkwood project. The Hawkwood project covers 520 square kilometres of prospective copper-gold and iron tenements and is situated near Hawkwood in Queensland, Australia. In the coming months, Rugby will undertake further reconnaissance, geochemical sampling, mapping and geophysical modelling to follow up the gold and copper targets generated at Hawkwood.

For additional information you are invited to visit the Rugby Mining Limited website at www.rugbymining.com

RUGBY MINING LIMITED

Paul Joyce
President and CEO

For further information, please contact:

P. Joyce, President or Cecil Bond, Director
Tel: 604.688.4941 Fax: 604.688.9532
Toll-free: 1.888.688.4941

Suite 1260, 999 West Hastings St.
Vancouver, BC Canada V6C 2W2
info@rugbymining.com

CAUTIONARY STATEMENT

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 the Hawkwood Project, 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, platinum, palladium 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 mining properties in good standing; political risk that a future government will change environmental regulations, taxes or mineral royalties in a manner that could have an adverse effect on the Company's financial condition and impair its ability to 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 sometimes ambiguous conveyancing characteristic of many resource properties, currency risks associated with foreign operations and other risks and uncertainties, including those described in each management discussion and analysis. 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.

NEITHER TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.