



For Immediate Release: NR15-02

RUGBY OPTIONS NEVADA GOLD-SILVER PROJECT

Vancouver, B.C., August 17, 2015 – Rugby Mining Limited (“Rugby” or the “Company”) (TSX-V: RUG) is pleased to report that it has, subject to regulatory and TSX Venture Exchange approval, entered into an Option Agreement (the “Agreement”) to acquire a 100% interest in the Jessup Gold-Silver Project, Nevada (“Jessup”).

Jessup, situated 100 kilometres northeast of Reno, is located within the highly favourable mining jurisdiction of Nevada, and is comprised of approximately 10 square kilometres of mining claims ([Click here for Figure 1](#)). The Jessup deposit is a volcanic hosted, low sulphidation gold-silver epithermal system with an existing historical National Instrument 43-101 (“NI 43-101”) measured and indicated Mineral Resource* containing 300,000 oz of gold and 5,090,000 oz of silver ([Click here for Table 1](#)).

**The Company will be required to conduct further assessment of previous drilling and new resource modelling to confirm the details of the Jessup Project NI 43-101 Technical Report as written by Scott. E Wilson for Rye Patch Gold Corp., July 16, 2009. The Company believes the data is suitable to report in this news release for informational reference only.*

Rugby’s President and CEO, Paul Joyce stated “We are excited to explore Jessup, a project located in a mining district that hosts excellent infrastructure and which management considers highly prospective. Given the downturn in the resource market, we have been able to secure Jessup with very favourable terms. Our exploration focus will be to search for new discoveries of high grade gold-silver mineralisation to complement the historical, potentially open pit resource at Jessup.”

Previous exploration at Jessup comprised 335 drill holes and 36 trenches for a total of 37,726 metres (“m”) with most holes drilled to define the historical oxide mineral resource. However, the historical drilling is considered too shallow or not systematic enough to confirm the geological controls to the high grade gold-silver mineralisation intersected in a number of drill holes such as JP06-50C which intersected 1.5 m of 50.6 g/t gold and 926 g/t silver from a depth of 19.8 m. These higher grade intersections are potentially the structurally controlled steeply dipping feeder zones to the relatively flat lying historical oxide gold-silver resource. Significant drill intersections are shown in Table 2 ([Click here for Table 2](#)), however complete silver assays are not available for all intervals.

Metallurgical cyanide leach tests previously conducted on the oxide material averaged 84% gold recovery and indicated that the oxide mineralisation may be suitable for heap leach extraction. Limited cyanide testwork on the unoxidised material achieved a maximum of 47% gold recovery and is unlikely to be amenable to cyanide heap leach processes. Further metallurgical testwork is required on this unoxidised material.

Agreement Terms:

The Agreement allows for a 45 day diligence period to permit legal and tenure diligence on the project. Following this diligence period, Rugby will have an initial three (3) year option (the “Option”) to acquire a 100% interest in the Jessup Project by:

- (i) making equal annual cash payments totalling US\$90,000;
- (ii) incurring annual exploration expenditures of US\$50,000, US\$75,000 and US\$100,000 respectively over the three years; and

- (iii) prior to the end of the third year, at Rugby's election, pay US\$800,000 to exercise the Option. The Concession holder will retain a 0.8% Net Smelter Royalty interest (the "NSR") in Jessup upon the exercise of the Option.

Rugby may extend the Option exercise period for a further three years by paying US\$100,000 annually as an advance NSR payment ("Advance Royalty Payments").

Rugby has the option to purchase part or all of the NSR at any time before December 31, 2028 for US\$100,000 per 0.1% increment (total US\$800,000 for 0.8%), less any Advance Royalty Payments paid to the concession holder. Upon purchase of the NSR Rugby will pay an underlying 1.6% net royalty from production pursuant to prior underlying property agreements.

Project Update

The Company's permit application over large project areas to allow for drilling at its prospective Cobrasco project in Colombia has been unsuccessful to date. Following recent advice from local consultants, the Company plans to amend its permit application to smaller areas over specific drill sites.

Permitting in the Philippines has slowed ahead of an upcoming Federal Election, and the Mabuhay Project Exploration Permit Application, although at an advanced stage, is awaiting approval.

The Company has commenced metallurgical testwork and recently completed a regional geochemical survey to identify new drill targets at its Great Northern Project in Australia.

Bryce Roxburgh, a director and Chairman of Rugby, and a "qualified person" ("QP") within the definition of that term in National Instrument 43-101, Standards of Disclosure for Mineral Projects, has recently inspected the Jessup property and verified the technical information that forms the basis for this news release.

About Rugby

Rugby is an emerging mineral resource company focussed on a portfolio of projects having considerable potential for significant mineral discoveries. Rugby benefits from the experience of its directors and management, a team that has either been directly responsible for world-class mineral discoveries or have been part of the management teams responsible for such discoveries.

Cobrasco and Comita Projects, Colombia: Rugby owns 100% of the Cobrasco project, subject to a 1% NSR and has an option to earn up to 60% of the adjacent Comita project in western Colombia. Both projects host undrilled large scale porphyry copper-molybdenum-gold targets which were recognised during a joint German-Colombian government sponsored exploration program conducted in the mid-1980's. No systematic exploration or drilling has been conducted since that time. A permit necessary to commence drilling at Cobrasco is still outstanding. The Company has filed an application for temporary suspension of the concessions on both projects. Suspending mineral concessions is a common practice in Colombia and can be lifted once the Company is in a position to initiate drilling. Suspending mineral concessions preserves the time period allocated by the mining code for exploration.

The Great Northern Gold Project, Australia: Rugby has an option to earn an 80% interest in a 714 square kilometre tenement package (the "Tenements") and an additional option to purchase an 80% interest in a near surface historical resource at Wingina (together with the Tenements, the "Great Northern Gold Project").

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. An application for an Exploration Permit ("EP") is currently awaiting approval. In common with almost all other mining permits in the Philippines, the delay has been considerable. To minimise expenditures, the project will remain under care and maintenance until the EP is granted.

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

RUGBY MINING LIMITED

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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 its projects including the filing of drilling permit applications, the expectations for approval of permits required for exploration and or drilling, timing of drilling programs, high grade potential at the Great Northern Gold Project and the Jessup Project, potential for mineral discoveries on its projects and drilling costs 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 and gold; 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 properties in the Philippines and in the sometimes ambiguous conveyancing characteristic of many resource properties, currency risks associated with foreign operations, the timing of 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, 2015 filed with the Canadian Securities Administrators and available at 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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