



**RUGBY MINING LIMITED**

**UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**For the nine months ended November 30, 2015 and 2014**  
**(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 Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Vancouver, Canada

January 25, 2016

**RUGBY MINING LIMITED**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**(UNAUDITED)**

	<b>November 30, 2015</b>	February 28, 2015 (Audited)
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 679,443	\$ 775,297
Amounts receivable and prepaids	26,648	20,344
	<b>706,091</b>	795,641
<b>Mineral properties</b> (Note 3)	<b>84,800</b>	100,000
	<b>\$ 790,891</b>	\$ 895,641
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 47,868	\$ 69,887
Due to related parties (Note 7)	157,489	20,452
	<b>205,357</b>	90,339
<b>Shareholders' Equity</b>		
<b>Share capital</b> (Note 4)	<b>15,907,362</b>	15,238,612
<b>Contributed surplus</b>	<b>5,545,031</b>	5,455,799
<b>Deficit</b>	<b>(20,808,084)</b>	(19,857,596)
<b>Accumulated other comprehensive loss</b>	<b>(58,775)</b>	(31,513)
	<b>585,534</b>	805,302
	<b>\$ 790,891</b>	\$ 895,641

**Basis of preparation** (Note 2)  
**Subsequent events** (Note 10)

Approved on behalf of the Board:

*Robert Reynolds*  
..... Director

*Yale Simpson*  
..... Director

**RUGBY MINING LIMITED**  
**CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
**(UNAUDITED)**

	Three Months ended		Nine Months ended	
	November 30,		November 30,	
	2015	2014	2015	2014
<b>Income</b>				
Interest income	\$ 1,376	\$ 5,903	\$ 4,391	\$ 22,755
<b>Expenses</b>				
Accounting, audit and professional fees	21,682	30,487	81,183	115,206
Administrative (Note 5)	140,211	149,874	300,102	545,709
Bank charges	1,185	2,650	4,576	8,106
Directors' fees (Note 5)	18,801	8,303	26,156	39,434
Foreign exchange loss	553	3,807	(326)	17,170
Insurance	8,612	9,350	26,518	28,638
Project evaluation (Notes 3 and 5)	81,579	483,646	497,782	1,323,748
Shareholder communications	4,716	3,100	5,520	15,672
Stock exchange and filing fees	5,205	-	9,548	10,343
Transfer agent	1,189	1,442	2,570	2,876
Travel	1,250	-	1,250	19,459
	<b>284,983</b>	<b>692,659</b>	<b>954,879</b>	<b>2,126,361</b>
<b>Net loss for the period</b>	<b>283,607</b>	<b>686,756</b>	<b>950,488</b>	<b>2,103,606</b>
<b>Other comprehensive loss</b>	<b>6,194</b>	<b>27,491</b>	<b>27,262</b>	<b>15,997</b>
<b>Comprehensive loss for the period</b>	<b>\$ 289,801</b>	<b>\$ 714,247</b>	<b>\$ 977,750</b>	<b>\$ 2,119,603</b>
<b>Basic &amp; diluted loss per common share from loss for the period</b>	<b>\$ 0.01</b>	<b>0.02</b>	<b>\$ 0.02</b>	<b>\$ 0.05</b>
<b>Weighted average number of common shares outstanding</b>	<b>50,274,835</b>	<b>46,035,000</b>	<b>47,438,000</b>	<b>46,035,000</b>

**RUGBY MINING LIMITED**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

<b>For the nine months ended,</b>	<b>November 30, 2015</b>	<b>November 30, 2014</b>
<b>Operating Activities</b>		
Net loss for the period	\$ (950,488)	\$ (2,103,606)
Items not requiring an outlay of cash:		
Share based payments (Note 5)	89,232	274,530
	<b>(861,256)</b>	<b>(1,829,076)</b>
Changes in non-cash working capital		
Amounts receivable and prepaids	(6,304)	27,328
Accounts payable and accrued liabilities	(22,019)	(19,442)
Due to related parties	137,037	(3,029)
<b>Cash flows from operating activities</b>	<b>(752,542)</b>	<b>(1,824,219)</b>
<b>Financing Activities</b>		
Shares issued for cash	671,000	-
Share issue costs	(2,250)	-
<b>Cash flows from financing activities</b>	<b>668,750</b>	<b>-</b>
Effect of foreign exchange rate change on cash	(12,062)	(10,796)
<b>Net decrease in cash and cash equivalents</b>	<b>(95,854)</b>	<b>(1,835,015)</b>
<b>Cash and cash equivalents - beginning of period</b>	<b>775,297</b>	<b>2,995,819</b>
<b>Cash and cash equivalents - end of period</b>	<b>\$ 679,443</b>	<b>\$ 1,160,804</b>

**RUGBY MINING LIMITED**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**(UNAUDITED)**

	Issued Share Capital		Contributed Surplus	Deficit	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
	Number of Shares	Amount				
<b>Balance at February 28, 2014</b>	46,035,000	\$ 15,238,612	\$ 5,141,135	\$ (17,331,168)	\$ 4,228	\$ 3,052,807
- Share-based payments recognized	-	-	274,530	-	-	274,530
- Other comprehensive loss	-	-	-	-	(15,997)	(15,997)
- Net loss for the period	-	-	-	(2,103,606)	-	(2,103,606)
<b>Balance at November 30, 2014</b>	46,035,000	\$ 15,238,612	\$ 5,415,665	\$ (19,434,774)	\$ (11,769)	\$ 1,207,734
- Share-based payments recognized	-	-	40,134	-	-	40,134
- Other comprehensive loss	-	-	-	-	(19,744)	(19,744)
- Net loss for the period	-	-	-	(422,822)	-	(422,822)
<b>Balance at February 28, 2015</b>	<b>46,035,000</b>	<b>\$ 15,238,612</b>	<b>5,455,799</b>	<b>(19,857,596)</b>	<b>(31,513)</b>	<b>805,302</b>
- Equity Financing	8,387,500	671,000	-	-	-	671,000
- Share issue costs	-	(2,250)	-	-	-	(2,250)
- Share-based payments recognized	-	-	89,232	-	-	89,232
- Other comprehensive loss	-	-	-	-	(27,262)	(27,262)
- Net loss for the period	-	-	-	(950,488)	-	(950,488)
<b>Balance at November 30, 2015</b>	<b>54,422,500</b>	<b>15,907,362</b>	<b>5,545,031</b>	<b>(20,808,084)</b>	<b>(58,775)</b>	<b>585,534</b>

**RUGBY MINING LIMITED**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTH PERIOD ENDED NOVEMBER 30, 2015 AND 2014**  
**(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 Australia, Colombia, the United States, and the Philippines.

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 Toronto Stock Exchange Venture (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, 2015, 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 January 25, 2016.

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

**a) Acquisition Costs**

	<u>Cobrasco</u>
<i>Cost</i>	
As at February 28, 2014	\$ 108,201
Additions	-
Effect of movements in exchange rates	(8,201)
<b>Balance as at February 28, 2015</b>	<b>\$ 100,000</b>
As at March 1, 2015	\$ 100,000
Additions	-
Effect of movements in exchange rates	(15,200)
<b>Balance as at November 30, 2015</b>	<b>\$ 84,800</b>

**RUGBY MINING LIMITED**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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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 nine month periods ended November 30, 2015 and 2014.

	Nine Months ended November 30, 2015							Total
	Generative & Other	Cobrasco	Comita	Mabuhay	Great Northern		Jessup	
Assays	\$ -	\$ -	\$ -	\$ -	\$ 12,709	\$ -	\$ -	\$ 12,709
Field camp	-	-	-	11,480	50,420	-	-	61,900
Geological*	49,579	60,837	14,023	-	23,299	13,162	-	160,900
Legal	-	42,137	534	8,522	4,251	-	-	55,444
Office operations	-	51,299	-	4,160	31,909	-	-	87,368
Travel	-	14,676	-	11,930	20,382	1,714	-	48,702
Wages and benefits	-	14,687	-	41,735	14,337	-	-	70,759
Exploration and evaluation costs	\$ 49,579	\$ 183,636	\$ 14,557	\$ 77,827	\$ 157,307	\$ 14,876	\$ -	\$ 497,782
Cumulative exploration and evaluation costs	\$ 3,511,435	\$ 1,330,988	\$ 2,221,842	\$ 2,369,847	\$ 907,741	\$ 14,876	\$ -	\$ 10,356,729

\* Includes share based compensation as reflected below:

	Nine Months ended November 30, 2015							Total
	Generative & Other	Cobrasco	Comita	Mabuhay	Great Northern		Jessup	
Geological	\$ -	\$ 5,485	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,485
Total	\$ -	\$ 5,485	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,485

	Nine Months ended November 30, 2014							Total
	Generative & Other*	Cobrasco	Comita	Mabuhay	Great Northern		Jessup	
Assays	\$ -	\$ 15,412	\$ -	\$ -	\$ 6,548	\$ -	\$ -	\$ 21,960
Drilling	-	-	-	-	263,715	-	-	263,715
Field camp	-	8,060	-	9,873	4,299	-	-	22,232
Geological*	61,589	146,021	27,927	548	145,626	-	-	432,095
Legal	-	17,040	486	9,448	5,061	-	-	32,035
Office operations	1,712	114,717	1,107	4,058	1,245	-	-	122,839
Option and cannon fees	-	33,573	16,811	-	172,035	-	-	172,035
Travel	19,120	51,598	2,752	61,671	-	-	-	135,141
Wages and benefits	-	40,032	-	33,428	48,236	-	-	121,696
Exploration and evaluation costs	\$ 82,421	\$ 426,453	\$ 49,083	\$ 119,026	\$ 646,765	\$ -	\$ -	\$ 1,323,748
Cumulative exploration and evaluation costs	\$ 3,426,814	\$ 1,091,022	\$ 2,195,049	\$ 2,306,311	\$ 646,765	\$ -	\$ -	\$ 9,665,961

\* Includes share based compensation as reflected below:

	Nine Months ended November 30, 2014							Total
	Generative & Other	Cobrasco	Comita	Mabuhay	Great Northern		Jessup	
Geological	\$ -	\$ 25,286	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,286
Total	\$ -	\$ 25,286	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,286



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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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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 over Comita (the “Comita Agreement”), 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)**

The Jessup Gold-Silver Project, Nevada, USA

On August 17, 2015 the Company entered into an option agreement with a private U.S. company over the Jessup Gold-Silver Project (“Jessup”). Jessup is situated 100 kilometers northeast of Reno Nevada.

The Jessup Agreement, which is subject to Rugby completing a due diligence program, grants Rugby a three year option, to earn an 100% interest in Jessup by:

- (i) making annual cash payments totalling US\$90,000 over the three years;
- (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.

An additional underlying 1.6% NSR pursuant to prior underlying property agreements is owned by another third party over Jessup.

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\$250,000 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 pay an aggregate of US\$500,000 over three years to SunPacific. The Company will also pay Pelican a further US\$5.0 million if commercial production commences at Mabuhay.

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

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 is located in the Pilbara region of Western Australia, south of Port Hedland.

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 (minimum requirement completed); 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.

**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:

	November 30, 2015		February 28, 2015	
	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
Issued during the year for:				
Cash – equity financing	<b>8,387,500</b>	<b>671,000</b>	-	-
Share issue costs	-	<b>(2,250)</b>	-	-
<b>Balance, end of period</b>	<b>54,422,500</b>	<b>\$ 15,907,362</b>	46,035,000	\$ 15,238,612

In October 2015, the Company completed a non-brokered private placement financing consisting of 8,387,500 units (the “Units”) at a price of \$0.08 per Unit for gross proceeds of \$671,000. Each Unit consisted of one (1) common share, and one (1) common share purchase warrant. Each share purchase warrant (“Warrant”) entitles the holder thereof to purchase one (1) additional common share of the Company for a period of five (5) years, at an exercise price of \$0.10 if exercised during the first year and thereafter; until exercised, the Warrant will increase in exercise price each year on the anniversary date of the closing by \$0.01 to a maximum price of \$0.14 in year five (5). The Company paid \$2,250 as finder’s fees in connection with a portion of the financing and was charged to share capital.

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**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 26, 2015, may not exceed 20% of the total number of issued and outstanding shares of the Company on a non-diluted basis. At November 30, 2015 the maximum number of options issuable under the Plan was 10,884,000. 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 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 nine month period ended November 30, 2015 and the year ended February 28, 2015 are as follows:

	November 30, 2015		February 28, 2015	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Options outstanding, beginning of period	8,410,000	\$ 0.35	8,555,000	\$ 0.35
Forfeited/ expired/ cancelled	(1,725,000)	0.39	(145,000)	0.29
Granted	2,005,000	0.10	-	-
Options outstanding, end of period	8,440,000	\$ 0.20*	8,410,000	\$ 0.35

There were Nil (2015 – Nil) options exercised during the period.

\* During the nine months ended November 30, 2015 the Company re-priced 1,035,000 options priced at \$0.41, to an exercise price of \$0.10; 1,110,000 options priced at \$0.36, to an exercise price of \$0.10; 190,000 options priced at \$0.30 to an exercise price of \$0.10; and 1,950,000 options priced at \$0.18 to an exercise price of \$0.10. The Company recognized an additional \$13,909 in share-based compensation related to fully vested options from the stock options re-pricing.

The following table summarizes information about the stock options outstanding and exercisable at November 30, 2015:

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 - 0.24	6,415,000	6.45	\$ 0.10	4,073,750	6.56	\$ 0.11	
0.25 – 0.49	585,000	0.02	0.41	585,000	0.02	0.41	
0.50 - 0.99	1,440,000	0.18	0.50	1,440,000	0.18	0.50	
	8,440,000	4.93	\$ 0.20	6,098,750	4.43	\$ 0.23	

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

Share-based compensation recognized on options vesting during the period amounting to \$89,232 (2014- \$274,530) has been allocated to contributed surplus. Share-based compensation has been allocated as follows:

	Three months ended November 30,		Nine months ended November 30,	
	2015	2014	2015	2014
Administrative	\$ 30,297	\$ 51,318	\$ 57,591	\$ 209,810
Directors' fees	18,801	8,303	26,156	39,434
Mineral property exploration expenditures	-	6,120	5,485	25,286
<b>Total</b>	<b>\$ 49,098</b>	<b>\$ 65,741</b>	<b>\$ 89,232</b>	<b>\$ 274,530</b>

**6. Warrants**

During the periods ended November 30, 2015 and 2014 no warrants were exercised. At November 30, 2015, the Company had 18,387,500 outstanding warrants (February 28, 2014 – 10,000,000) to acquire common shares. 10,000,000 of the warrants exercisable to acquire a common share of the Company at a price of \$0.55 per common share expired unexercised on January 22, 2016, see Subsequent Events Note 10 below. 8,387,500 warrants are exercisable until October 15, 2020, at an exercise price of \$0.10 if exercised before October 16, 2016 and thereafter; until exercised, the exercise price will increase each year on October 16 by \$0.01 to a maximum price of \$0.14 on October 16, 2019.

**7. Related Party Transactions**

- a) During the nine month period ended November 30, 2015, a total of \$214,652 (2014 –\$237,714) 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 \$143,328 at November 30, 2015 (February 28, 2015 – \$10,416) are non-interest bearing and are due on demand. Consulting fees payable to Berenvy and Rowen are, by agreement, being accrued in order to conserve cash resources.

The total of \$214,652 for the nine month period ended November 30, 2015 was paid or accrued as follows \$93,744 (2014 – \$93,744) to Berenvy Pty Ltd. (“Berenvy”), a company controlled by the President & CEO of the Company for consulting fees, \$90,000 (2014- \$110,000) to Rowen Company Limited (“Rowen”), a company controlled by the Chairman of the Company for consulting fees and \$30,908 (2014 –\$33,970) 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 nine month period ended November 30, 2015 was \$73,192 (2014 –\$97,451). As at November 30, 2015, the Company had amount payable of \$14,161 (February 28, 2015 – \$10,036) to Exeter. The amounts due to Exeter are non-interest bearing and are due on demand.

**RUGBY MINING LIMITED**  
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**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 and nine month periods ended November 30, 2015 and 2014:

	Three months ended November 30,		Nine months ended November 30,	
	2015	2014	2015	2014
Compensation	\$ 80,810	\$ 84,026	\$ 251,915	\$ 274,439
Share-based payments	12,546	22,286	29,095	102,156
<b>Total</b>	<b>\$ 93,356</b>	<b>\$ 108,534</b>	<b>\$ 281,010</b>	<b>\$ 378,817</b>

**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>November 30, 2015</b>	Canada	Australia	Colombia	Philippines	USA	Total
Cash and cash equivalents	593,261	44,356	24,336	17,490	-	679,443
Amounts receivable and prepaids	23,196	2,211	1,241	-	-	26,648
Mineral properties	-	-	84,800	-	-	84,800
	616,457	46,567	110,377	17,490	-	790,891
Current Liabilities	174,843	25,283	5,231	-	-	205,357
	441,614	21,284	105,146	17,490	-	585,534

**Nine months ended November 30, 2015**

Mineral property exploration expenditures	-	188,082	216,997	77,827	14,876	497,782
Net loss	440,723	188,082	233,112	88,571	14,876	950,488

**February 28, 2015**

	Canada	Australia	Colombia	Philippines	Total
Cash and cash equivalents	\$ 666,121	\$ 31,526	\$ 36,598	\$ 41,052	\$ 775,297
Amounts receivable and prepaids	10,360	780	2,963	6,241	20,344
Mineral Property	-	-	100,000	-	100,000
	676,481	32,306	139,561	47,293	895,641
Current Liabilities	74,350	-	15,153	836	90,339
	\$ 602,131	\$ 32,306	\$ 124,408	\$ 46,457	\$ 805,302

**Nine months ended November 30, 2014**

Mineral property exploration expenditures	\$ -	\$ 729,186	\$ 475,536	\$ 119,026	\$ 1,323,748
Net loss	\$ 685,582	\$ 729,186	\$ 556,492	\$ 132,346	\$ 2,103,606

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**10. Subsequent Events**

- a) In December 2015, an aggregate of 1,450,000 stock options expired unexercised as follows: 740,000 stock options priced at \$0.50; 585,000 stock options priced at \$0.41; and 125,000 priced at \$0.18.

In December 2015, the Company granted an aggregate of 800,000 incentive stock options at an exercise price of \$0.08 to directors and officers of the Company. Concurrently, the Company granted an aggregate of 620,000 incentive stock options at an exercise price of \$0.08 to employees and consultants. All options granted expire in 5 years.

- b) On January 22, 2016 10,000,000 warrants exercisable to acquire a common share of the Company at a price of \$0.55 per common share expired unexercised.