



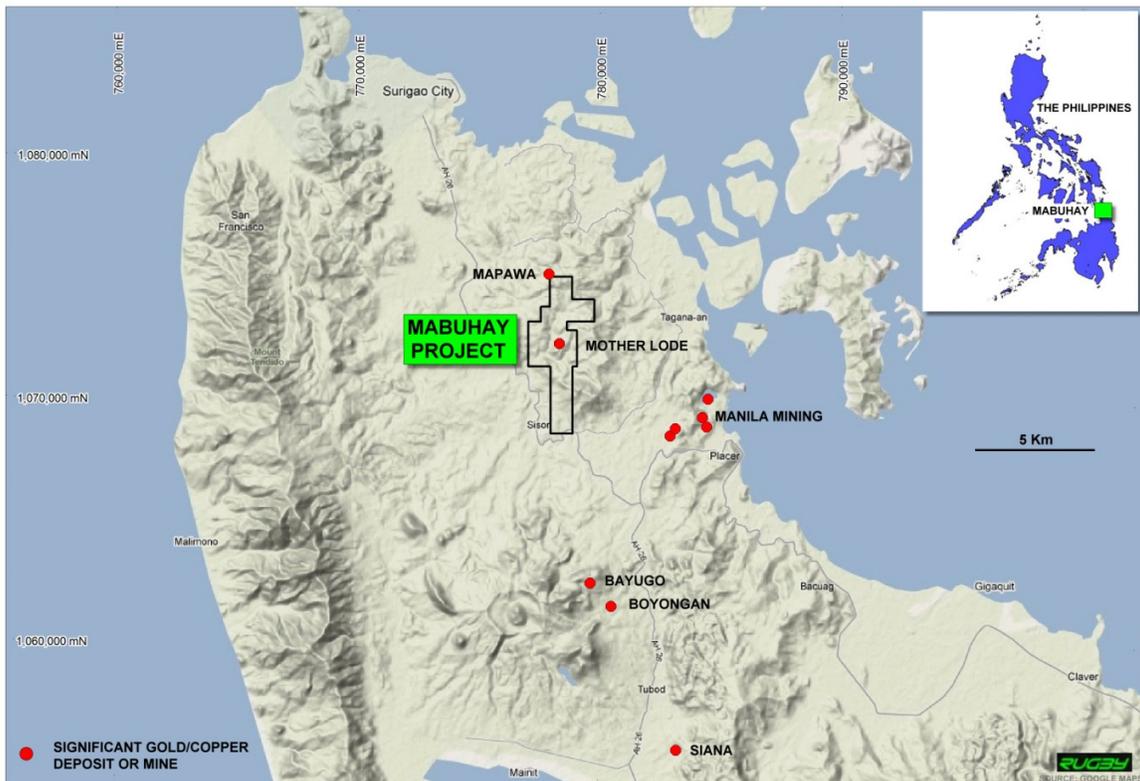
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RUGBY ENTERS INTO AGREEMENT OVER THE MABUHAY GOLD PROJECT

Vancouver, B.C., October 5, 2010 – Rugby Mining Limited (“Rugby” or the “Company”) (TSX-V:RUG) is pleased to report that it has, subject to regulatory and exchange approval, entered into agreements with Pelican Resources Limited, an ASX listed company, and All-Acacia Resources Inc, a Philippine company, over the **Mabuhay Gold project in the Philippines** granting it the right to earn up to an 80% interest in the project.

The Mabuhay Gold project (“Mabuhay” or the “Project”) is located 12 kilometres (“km”) south of Surigao City, the capital city in the province of Surigao del Norte, Philippines. Mabuhay, formerly known as “The Mindanao Mother Lode Mine” (“Mother Lode”) was an epithermal vein style **bonanza-grade gold mine that is estimated to have produced around 500,000 ounces of gold from 1937 through to 1953**. Mother Lode, which was once one of the Philippines’ highest grade gold producers, is located in the centre of the Project’s tenements.

The Project covers an area of 878 hectares (“ha”) comprising a Mineral Production Sharing Agreement application (APSA No. 000029-X) which is currently awaiting approval. A group of pre-existing mining lease contracts covering an aggregate area of 686 ha, which are also included in the agreement, are located within APSA No. 000029-X. These mining lease contracts are currently valid and will allow Rugby to conduct exploration and drilling activities.



Mabuhay is situated within a 15 km radius of numerous multi-million ounce gold and gold/copper porphyry deposits and mines, which include Philex Gold Inc.'s Boyongan and Bayugo gold/copper porphyry deposits, Manila Mining Corporation's previously operating gold/copper mines and Red5 Limited's ("Red5") Siana gold deposit.

Recently, Red5 announced **a new gold/copper porphyry discovery at Mapawa which is positioned directly adjacent to Mabuhay's northern border. Drilling results included a 254m intersection grading 1.2g/t gold and 0.16% copper** (See Red5's press release dated July 12, 2010 for more information).

Paul Joyce, the Company's President and CEO stated **"The Mabuhay Project represents Rugby's first achievement in effecting its stated objective to acquire projects with superior large scale gold and copper potential; further acquisitions will follow.**

"Historical bonanza-grade gold mining at Mabuhay along with nearby world-class deposits and Red5's recent Mapawa discovery is a positive indication that our Project hosts the characteristics of a significant gold-copper porphyry system.

"We believe the Mapawa porphyry discovery is part of a much larger system that we interpret might trend onto our Mabuhay Project. Utilizing Rugby's team of directors and management, with their combined experience of gold/copper porphyry discoveries, we will be able to develop a drill program aimed at identifying another sizeable gold/copper discovery in a region that already boasts numerous outstanding projects.

"Past drilling conducted on the Mabuhay property, which targeted the epithermal vein system at Mother Lode, returned significant results including 15.5m at 5.92g/t gold and 3.9m at 18.11g/t gold. Rugby plans to focus on testing the deep porphyry targets and will start work with an Induced Polarization ("IP") survey over the entire property followed by a drill program, expected to commence in early 2011, to test geophysical anomalies that are defined."

Mining Investment in the Philippines

Mr. Joyce also noted, "the considerable renewed interest in Philippine mining supports our decision to move forward at Mabuhay. It has been estimated that currently identified mineral deposits in the Philippines are collectively worth about US\$1 trillion (Reuters Article: *Philippines hopes for foreign investment in mining* (9/15/2010)) and many believe that the mining industry has only scratched the surface for mineral discoveries in the region.

"Furthermore, Gold Fields CEO, Mr. Nick Holland was recently reported as saying "The Philippines are definitely opening up" referring to Philippine mining policies and foreign investment. Mr. Holland's statement was made following Gold Fields' announcement that they would invest US\$120 million for the option to determine if they should acquire a 60% interest in the Far Southeast gold-copper deposit in Luzon, Philippines. Gold Fields will then need to decide if they will invest an additional US\$340 million to exercise the option for the 60% interest in the project (Mineweb Article: *Gold Fields CEO says Philippines "definitely opening up" to major mining companies* (9/23/2010))."

Agreement terms

The agreement with Pelican Resources Limited ("Pelican") and its Philippine subsidiary, SunPacific Resources Philippines, Inc. ("SunPacific"), together with the agreement with All-Acacia Resources Inc. ("All-Acacia") (the "Agreement") grant Rugby the right and option to earn an 80% interest in the Project. Under the Agreement, Rugby will be required to make staged payments to Pelican and All-Acacia totalling US\$900,000 over three years and incur staged expenditures of US\$6.5 million over six years. In addition, Rugby has paid Pelican a signature fee of US\$20,000. Pelican will be paid a further US\$5 million if commercial production commences at Mabuhay. A pre-feasibility study on the Property must also be completed. Upon the exercise of the Option, All-Acacia and the Company will 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 Property.

John Haggman, the Company's Chief Geologist and a "qualified person" within the definition of that term in NI 43-101, has supervised the preparation of the technical information contained in this news release.

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 are currently being conducted.

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 has secured an option to acquire up to a 90% interest in the Hawkwood project which covers 424 square kilometres of prospective copper-gold and iron tenements situated near Hawkwood in Queensland, Australia.

In January 2010, the Company entered into a joint venture heads of agreement with Eastern Iron Limited ("Eastern Iron") covering certain areas identified as potential iron targets within the Hawkwood property. Eastern Iron has the opportunity to earn up to an 80% interest in these targets after completing and incurring specific drilling and exploration expenditure requirements and conducting a bankable feasibility study.

Eastern Iron's exploration program for the coming months is expected to focus on diamond drilling to provide samples for metallurgical testwork and structural information on the attitude of the magnetite bearing layers.

In the coming months, Rugby plans to undertake further reconnaissance, geochemical sampling, mapping and geophysical modelling to follow up gold and copper targets outside of the area covered by the Eastern Iron agreement at Hawkwood.

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

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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 the Hawkwood and Mabuhay projects, 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, gold 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.

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