RUGBY MINING LIMITED

Management's Discussion and Analysis

February 28, 2010

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Management's Discussion and Analysis
For the year ended February 28, 2010

This Management's Discussion and Analysis ("MD&A") of Rugby Mining Limited ("Rugby" or the "Company") is dated June 26, 2010 and provides analysis of Rugby's audited financial results for the year ended February 28, 2010. At June 26, 2010, the Company had 21,695,000 shares outstanding.

The following information should be read in conjunction with, the Company's audited financial statements and related notes for the year ended February 28, 2010 and the Company's Information Circular dated June 17, 2010. The audited financial statements have been prepared in accordance with generally accepted accounting principles in Canada ("Canadian GAAP").

All amounts are expressed in Canadian dollars unless otherwise noted. All documents noted above and any additional information relating to the Company, are available for viewing on SEDAR at www.sedar.com and/or the Company's website at www.rugbymining.com.

Forward-Looking Statements

Certain statements contained in this MD&A constitute forward-looking statements. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements. Based on current available information, the Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that those expectations will prove to be correct. The forward-looking statements in this MD&A are expressly qualified by this statement, and readers are advised not to place undue reliance on the forward-looking statements.

Description of Business

The Company is an emerging mineral resource company exploring for gold, silver and base metals.

The Company was incorporated on January 24, 2007. The Company's most recently completed financial year end was February 28, 2010. The results of the most recent year are set out in the Company's audited financial statements for the year ended February 28, 2010 and discussed below.

The Company began the fiscal year with 16,000,000 shares outstanding and ended the fiscal year with 20,195,000 shares outstanding.

The Company entered into a share option agreement (the "Agreement") dated December 2, 2008, with Rowen Company Ltd. ("Rowen") for the option to acquire 60% of Sunland Properties Limited ("Sunland"). Sunland's wholly owned subsidiary, Rugby Mining Pty Limited, owns or controls certain mineral tenements located near Hawkwood in Queensland, Australia.

The Agreement provided that, subject to shareholder approval and Toronto Venture Exchange ("TSX-V") acceptance of the Qualifying Transaction, the Company would have the option to acquire 60% of Sunland by making payments of A$200,000 ($187,580) (paid) to Rowen to repay a portion of the loan advanced to Sunland, incur exploration expenditures of A$3.0 ($2.81) million (including 20,000 metres of bedrock drilling) over 42 months of which A$500,000 ($468,950) is a minimum commitment. In addition, the Company paid A$25,000 ($22,388) to Rowen as a non-refundable deposit.

Rowen is controlled by Bryce Roxburgh, a director of Rugby, as a result this is a related party transaction.

On March 5, 2009 the TSX-V accepted for filing the Company's Qualifying Transaction ("QT"), as described above. As a result, effective on March 6, 2009, the trading symbol for the Company changed from CLY.P to RUG, it ceased to be a Capital Pool Company and is now classified as a "Mineral Exploration and Development" company.

On January 7, 2010, the Company announced that subject to regulatory acceptance (which has been obtained), it had entered into an agreement (the "Revised Option") with Rowen to earn up to 90% interest in Sunland. The Revised Option provides for the issuance of 1.5 million shares of the Company to Rowen in exchange for a reduction in the expenditures required to earn the initial 60% interest in Sunland from A$3.0 ($2.81) million to A$1.0 ($937,900) million, extends the time required to spend such amount to December 31, 2013 and grants the Company the right to acquire up to a 90% interest in Sunland, up from the original 60%. In order to exercise the Revised Option to acquire the 90% interest in Sunland, the Company is required to incur total exploration expenditures of A$4.0 ($3.75) million by 2017 and issue an additional 3 million shares of the Company to Rowen.

On January 20, 2010, Rugby announced that it had entered into a Joint Venture Heads of Agreement (the "Agreement") with Eastern Iron Limited ("Eastern Iron") and Sunland subsidiary, Rugby Mining Pty Ltd. with respect to certain portions of exploration permit 15289 and exploration permit application 17099 (the "Exploration Area") which 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 A$200,000 ($187,580) work program within the first 12 months and thereafter incurring an additional A$500,000 ($468,950) in exploration expenditures within the following 2 years. Eastern Iron can increase its interest in the Exploration Area to 80% by incurring an additional A$3.6 ($3.38) million 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.

Selected Annual Information

The following selected financial data with respect to the Company's financial condition and results of operations has been derived from the audited financial statements of the Company for the years ended February 28, 2010 and February 28, 2009, which have been prepared in accordance with Canadian GAAP. The selected financial data should be read in conjunction with those financial statements and the notes thereto.

		Year ended February 28, 2010		Year ended February 28, 2009
Interest income, net	$	121	$	19,905
Net loss	$	1,474,604	$	254,801
Loss per share	$	0.08	$	0.05*
Total Assets	$	966,503	$	852,513
Total Liabilities	$	143,644	$	133,414
Number of shares issued and outstanding		20,195,000		16,000,000

* prior to the qualifying transaction completion, the calculation of basic and diluted loss per share excluded escrow shares.

Results of Operations for the year ended February 28, 2010

The Company recorded a net loss for the year of $1,474,604 which is the result of net interest income earned of $121 less administrative expenses (which includes general administrative costs, bank charges, transfer agent filing fees) of $91,215, stock-based compensation of $196,735, shareholder communications and travel of $10,471, project evaluation of $1,092,397 (includes $615,000 being the fair value of the shares issued to Rowen pursuant to the Revised Option), professional fees of $55,043 and stock exchange listing and filing fees of $28,864. As shown below the majority of these expenses were incurred in the second, third and fourth quarters of the year and reflect the Company's efforts related to their obligations under the option agreements.

Summary of Quarterly Results

	2010				2009			
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Interest income	$ -	$ -	$ -	$ 121	$ 2,139	$ 4,558	$ 6,721	$ 6,487
Administrative expenses	18,581	20,671	33,777	28,657	10,703	142	811	216
Professional fees	33,415	1,913	4,026(1)	15,689(1)	45,569(1)	27,539	69,415	25,234
Project evaluation costs	658,346(3)	97,200	275,207(2)	61,644	50,266	-	-	-

(1) Professional fees are substantially related to costs associated with completing a QT.
(2) Includes A$200,000 ($183,202) paid to Rowen for re-imbursement of expenditures.
(3) Includes $615,000 being the fair market value of 1.5 million shares issuable to Rowen in connection with the Revised Option.

The results above reflect the Company's focus on the evaluation of mineral properties or acquisition of assets for its QT, and costs associated with completing the QT.

Financial Condition, Liquidity and Capital Resources

As at February 28, 2010 the Company had cash resources of $955,959 and working capital of $822,859. The Company believes that its cash resources are sufficient to meet its currently planned expenditures. Should the Company enter into additional property acquisition agreements or increase its activities at its Hawkwood project, it will be required to raise additional capital.

The Company's source of working capital to date has been from the sale of its common shares. Under the current economic environment, access to the capital markets to obtain equity financing is very uncertain, and consequently future equity financing may not be readily accessible to the Company.

Contractual Obligations

Other than the obligations noted above related to the agreement with Rowen for the QT, the Company has no material contractual obligations at February 28, 2010.

Related Party Transactions

During the year ended February 28, 2010, related party transactions not otherwise disclosed in this MD&A are as follows:

(a) Paid or accrued project evaluation costs of $117,525 (2009 - $28,336) to a Company controlled by the Chief Executive Officer of the Company; and

(b) Paid or accrued administrative costs of $60,000 (2009 - $Nil) to a company with common directors.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Financial Instruments

The Company's financial instruments consist of cash, accounts and Goods and Services Tax receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency, or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

Risks and Uncertainties

The Hawkwood property in which the Company has an option to acquire an interest, is in the exploration stage only. The securities of the Company should be considered a highly speculative investment due to the high risk nature of the Company's business, which is the acquisition, financing, exploration and development of mining properties. The following risk factors, which are not exclusive, could materially affect the Company's business, financial condition or results of operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Stage of Development
The Company was incorporated in 2007, has no history of operations and received no revenues other than interest revenue. The Company is subject to many risks common to such enterprises including under-capitalization and limitations with respect to personnel, and other resources. There is no assurance that the Company will be successful in achieving a return on shareholders' investment.

Capital Requirements
The mineral exploration industry requires significant financial resources, and there is no assurance that future capital will be available to generate the funds required to continue the Company's business development which could result in the loss of the Property.

If the Company needs to raise additional capital through equity, existing shareholders will experience dilution in the net tangible book value per share.

Political and Economic Changes
Currently the Company holds mineral interests in Australia but is evaluating opportunities in other jurisdictions consequently, the Company's mineral exploration activities may be affected by changes in political and economic conditions, government regulations relating to the mineral exploration industry and foreign investment therein. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business.

Uninsurable Risks
The Company may become subject to liability for cave-ins, pollution or other hazards against which it cannot insure or against which it may elect not to insure because of high premium costs or for other reasons. The payment of any such liabilities would reduce the funds available for exploration activities. Payment of liabilities for which the Company does not carry insurance may have a material adverse effect on the financial position of the Company.

Foreign Currency
As a result of its numeral property interests being located in Australia, the Company has operations in Australia and its expenses will be incurred in Australian Dollars. The Company may also acquire projects in other jurisdictions. This renders the Company subject to foreign currency fluctuations which may materially change the Company's financial position and results.

Reliance on Management
The Company carries on business in the mineral exploration industry, which involves a substantial degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Shareholders must rely on the ability, expertise, judgment, direction and integrity of the management of the Company. The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a material adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business.

Exploration and Development Risks
Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

If the Company loses or abandons its interest in its properties, there is no assurance that it will be able to acquire another mineral property of merit or that such a proposed transaction would be approved by the TSX-V. There is also no guarantee that the TSX-V will approve the proposed transaction of any additional properties by the Company, whether by way of option or otherwise, should the Company wish to acquire any additional properties.

The Company's mineral property is in the exploration stage only and is without a known body of commercial ore. Development of any mineral property would follow only if favourable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

Permits and Licenses

The future operations of the Company may require permits from various governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that the Company will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on the Company's properties.

Environmental Legislation

Environmental laws and regulations may affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be withdrawn temporarily where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or non-compliance with environmental laws or regulations. In all major developments, the Company generally relies on recognized designers and development contractors from which the Company will, in the first instance, seek indemnities. The Company intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards. There is a risk that environmental laws and regulations may become more onerous, making the Company's operations more expensive.

No Assurance of Title

Although Rugby Pty. Limited is the registered holder of EPM 14206 and EPM 15289 (the "Property"), the Property has not been legally surveyed. The Property could be subject to prior unregistered agreements, transfers or claims and title may be affected by undetected defects. The Company is satisfied, however, that evidence of title to the mineral properties is adequate and acceptable by prevailing industry standards with respect to the current stage of exploration on the Property. Currently a renewal application for EPM 14206 is in process and a renewal application will be required for EPM 15289. The Company expects that the renewals will be granted however there can be no guarantee that such renewal application will be granted.

Loss of Interest in the Property

The Property is the subject of the Share Option Agreement which requires the Company to make a series of cash payments and to incur exploration and development expenditures in order to exercise the Option and earn its interest in Sunland and the Property. The Company's ability to maintain an interest in Sunland and the Property will be dependent on its ability to raise additional funds by equity financing. Failure to obtain additional financing may result in the Company being unable to make the periodic payments required for the acquisition of a 60% and 90% interest in Sunland and could result in a delay or postponement or further exploration and the partial or total loss of the Company's interest in Sunland and the Property.

Market Prices
The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of precious and base minerals and metals. Factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Company's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices. In addition, currency fluctuations may affect the cash flow which the Company may realize from its operations, since most mineral commodities are sold in a world market in United States dollars.

Competition
The mineral exploration industry is intensely competitive in all its phases. The Company will compete for the proposed transaction of mineral properties, claims, leases and other mineral interests, as well as for the recruitment and retention of qualified employees with many companies possessing greater financial resources and technical facilities than the Company. The competition in the mineral exploration and development business could have an adverse effect on the Company's ability to acquire suitable properties or prospects for mineral exploration in the future.

No Expected Dividends from the Company
The Company has not paid dividends to its shareholders. For the foreseeable future, all of the Company's available funds will be invested to finance its activities and therefore shareholders cannot expect to receive a dividend on the Company's Shares in the foreseeable future.

Conflicts of Interest
Certain of the directors and officers of the Company are engaged in other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The Business Corporations Act ("BCA") provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under the BCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCA.

Volatility of Share Price
Factors such as but not limited to announcements explaining activities and results, quarterly variations in operating results, or new actions by competitors of the Company, as well as market conditions in the mining industry may have a significant impact on the market price of the Common Shares. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operations of particular companies. Share prices for several companies in the mineral exploration industry in particular have experienced wide fluctuations that have been often unrelated to the operations of the companies themselves.

Please also refer to the section under risk factors in the Company's prospectus for the Initial Public Offering which can be found on SEDAR at www.sedar.com.

Critical Accounting Estimates

The Company's significant accounting policies are described in detail in Note 3 of its audited financial statements for the year ended February 28, 2010. The Company considers the following policies to be most critical in understanding its financial results:

Use of estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of estimates include accrued liabilities; the determination of the assumptions used in the calculation of stock-based compensation expense and the valuation allowance for future income tax assets. Actual results could differ from those estimates used in the financial statements.

Financial instruments

Financial instruments are classified into one of five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments are measured in the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities, which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is no longer recognized or impaired, at which time the amounts would be recorded in net income.

Transaction costs that are directly attributable to the acquisition or issue of financial instruments that are classified as other than held-for-trading, which are expensed as incurred, are included in the initial carrying value.

Mineral property interests

Exploration expenditures and option payments incurred prior to the determination of the feasibility of mining operations and the decision to commence development are charged to operations as incurred.

Pre-development costs incurred prior to a development decision and the receipt of all necessary permits and licenses for sustained mining operations are charged to operations as incurred.

Development expenditures incurred subsequent to the commencement of commercial production to increase productive capacity or to extend the life of existing production will be capitalized under mine development costs.

New Accounting Policies Adopted

Capital Stock

Proceeds from the issue of units is allocated between common shares and share purchase warrants on a residual value basis, wherein the fair value of the common shares is based on the market value on the date of the announcement of the placement and the balance, if any, is allocated to the attached warrants. Share issue costs are netted against share proceeds.

Future changes in accounting standards:

(a) International Financial Reporting Standards ("IFRS")

In 2008, the Canadian Accounting Standards Board ("AcSB") confirmed that the transition to IFRS from Canadian GAAP will be effective for fiscal years beginning on or after January 1, 2011 for publicly accountable enterprises. The Company will therefore be required to present IFRS financial statements for its May 31, 2011 interim financial statements and for the year ended February 28, 2012. The effective date will require the restatement for comparative purposes of amounts reported by the Company for the interim periods and for the year ending February 28, 2011 and earlier where applicable.

Management is currently working through planed IFRS transition stages. The first stage is for management and the accounting department to be introduced to IFRS. Thus far, activities in the introduction stage have included participation in IFRS workshops run by various experts including large accounting and auditing firms. The Company has also purchased an IFRS handbook and transition textbooks. Third party IFRS consultants have also been identified to aid in the process, including a stock-based compensation management and valuation program. Currently, a number of IFRS transition companies and service providers are offering programs to aid companies, similar to Exeter, in the transition to IFRS, and management is in the process of reviewing a number of potential providers and their associated costs. These consultants have programs that are all encompassing and would provide management with project management advice on such key topics as general IFRS accounting policy differences, information technology requirements, disclosure and internal control differences.

(b) Business Combinations

In January 2009, the CICA issued Handbook Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements", and Section 1602, "Non-Controlling Interests". These sections replace the former Handbook Section 1581, "Business Combinations", and Section 1600, "Consolidated Financial Statements", and establish a new section for accounting for a non-controlling interest in a subsidiary.

Sections 1582 and 1602 will require net assets, non-controlling interests and goodwill acquired in a business combination to be recorded at fair value and non-controlling interests will be reported as a component of equity. In addition, the definition of a business is expanded and is described as an integrated set of activities and assets that are capable of being managed to provide a return to investors or economic benefits to owners. Acquisition costs are not part of the consideration and are to be expensed when incurred. Section 1601 establishes standards for the preparation of financial statements.

These new sections apply to interim and annual financial statements relating to the Company's fiscal years beginning on or after March 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year. All three sections must be adopted concurrently.

Management's Responsibility and Oversight

Management is responsible for reviewing the contents of this document along with the financial statements to ensure the reliability and timeliness of the Company's disclosure while providing another level of review for accuracy and oversight.

Internal Controls and Procedures over Financial Reporting

Management is responsible for the design of the Company's internal control over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. It should be noted that a control system, no matter how well conceived or operated, can only provide reasonable assurance, not absolute assurance, that the objectives of the control system are met.

Disclosure Controls and Procedures and Internal Control Over Financial Reporting

Management has evaluated the effectiveness of the Company's disclosure controls and procedures as at February 28, 2010 and has concluded, based on its evaluation, that these controls and procedures provide reasonable assurance that material information relating to the Company is made known to management and disclosed in accordance with applicable securities regulations.

Investor Relations

At this time Company has no formal investor relations program in place.

Additional Information

As at June 26, 2010 the Company had 21,695,000 common shares issued and outstanding, of which 6,260,000 are held in escrow, and had outstanding options and warrants as follows:

	Number	Exercise Price	Expiry
Options:	1,125,000	$0.30	October 9, 2014
	410,000	$0.30	October 10, 2014
Warrants:	2,955,000	$0.30	July 17, 2011

Directors and Officers

Directors:	Officers:
Paul Joyce	Paul Joyce, President and CEO
Bryce Roxburgh	Darcy Daubaras, CFO
Yale Simpson	
Robert Reynolds	
Cecil Bond	

Contact Person

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