



RUGBY MINING LIMITED

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the nine months ended November 30, 2016 and 2015
(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, 2017

RUGBY MINING LIMITED
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(UNAUDITED)

	November 30, 2016	February 29, 2016 (Audited)
Assets		
Current		
Cash and cash equivalents	\$ 2,115,709	\$ 505,854
Amounts receivable and prepaids	140,270	22,043
	2,255,979	527,897
Mineral properties (Note 3)	153,475	81,400
	\$ 2,409,454	\$ 609,297
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 163,346	\$ 116,935
Due to related parties (Notes 7 and 10)	155,309	233,466
	318,655	350,401
Shareholders' Equity		
Share capital (Note 4)	18,627,592	15,907,362
Contributed surplus	5,876,446	5,607,930
Deficit	(22,339,861)	(21,190,296)
Accumulated other comprehensive loss	(73,378)	(66,100)
	2,090,799	258,896
	\$ 2,409,454	\$ 609,297

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

Approved on behalf of the Board:

Bryce Roxburgh
..... 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,	
	2016	2015	2016	2015
Income				
Interest income	\$ 6,052	\$ 1,376	\$ 11,342	\$ 4,391
Expenses				
Accounting, audit and professional fees	26,941	21,682	80,253	81,183
Administrative (Note 5)	206,477	140,211	506,537	300,102
Bank charges	2,581	1,185	5,620	4,576
Directors' fees (Note 5)	40,991	18,801	126,944	26,156
Foreign exchange (gain) or loss	1,204	553	(2,488)	(326)
Insurance	7,852	8,612	24,842	26,518
Project evaluation (Notes 3 and 5)	222,508	81,579	362,396	497,782
Shareholder communications	1,026	4,716	6,066	5,520
Stock exchange and filing fees	1,150	5,205	19,287	9,548
Transfer agent	2,496	1,189	5,487	2,570
Travel	11,576	1,250	25,963	1,250
	524,802	284,983	1,160,907	954,879
Net loss for the period	518,750	283,607	1,149,565	950,488
Other comprehensive (gain) or loss	(10,410)	6,194	7,278	27,262
Comprehensive loss for the period	\$ 508,340	\$ 289,801	\$ 1,156,843	\$ 977,750
Basic & diluted loss per common share from loss for the period	\$ 0.01	0.01	\$ 0.02	\$ 0.02
Weighted average number of common shares outstanding	63,876,944	50,274,835	58,743,303	47,438,000

RUGBY MINING LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

For the nine months ended,	November 30, 2016	November 30, 2015
Operating Activities		
Net loss for the period	\$ (1,149,565)	\$ (950,488)
Items not requiring an outlay of cash:		
Share based payments (Note 5)	268,516	89,232
	(881,049)	(861,256)
Changes in non-cash working capital		
Amounts receivable and prepaids	(63,182)	(6,304)
Accounts payable and accrued liabilities	(5,114)	(22,019)
Due to related parties	(78,157)	137,037
Cash used in operating activities	(1,027,502)	(752,542)
Investing Activity		
Mineral property acquisition costs	\$ (66,075)	\$ -
Cash used in investing activity	(66,075)	-
Financing Activities		
Shares issued for cash	2,770,000	671,000
Share issue costs	(49,770)	(2,250)
Cash flows from financing activities	2,720,230	668,750
Effect of foreign exchange rate change on cash	(16,798)	(12,062)
Net increase (decrease) in cash and cash equivalents	1,609,855	(95,854)
Cash and cash equivalents - beginning of period	505,854	775,297
Cash and cash equivalents - end of period	\$ 2,115,709	\$ 679,443

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				
Balance at February 28, 2014	46,035,000	\$ 15,238,612	\$ 5,455,799	\$ (19,857,596)	\$ (31,513)	\$ 805,302
- 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)
Balance at November 30, 2015	54,422,500	\$ 15,907,362	\$ 5,545,031	\$ (20,808,084)	\$ (58,775)	\$ 585,534
- Share-based payments recognized	-	-	62,899	-	-	62,899
- Other comprehensive loss	-	-	-	-	(7,325)	(7,325)
- Net loss for the period	-	-	-	(382,212)	-	(382,212)
Balance at February 29, 2016	54,422,500	\$ 15,907,362	\$ 5,607,930	\$ (21,190,296)	\$ (66,100)	\$ 258,896
- Equity Financing	9,000,000	2,700,000	-	-	-	2,700,000
- Warrants exercised	700,000	70,000	-	-	-	70,000
- Share issue costs	-	(49,770)	-	-	-	(49,770)
- Share-based payments recognized	-	-	268,516	-	-	268,516
- Other comprehensive loss	-	-	-	-	(7,278)	(7,278)
- Net loss for the period	-	-	-	(1,149,565)	-	(1,149,565)
Balance at November 30, 2016	64,122,500	\$ 18,627,592	\$ 5,876,446	\$ (22,339,861)	\$ (73,378)	\$ 2,090,799

RUGBY MINING LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED NOVEMBER 30, 2016 AND 2015
(UNAUDITED)

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, 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 TSX Venture Exchange (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 29, 2016, 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, 2017.

3. Mineral Properties – Acquisition and Exploration Costs

a) Acquisition Costs – Colombia Properties

<i>Cost</i>	
As at February 28, 2015	\$ 100,000
Additions	-
Effect of movements in exchange rates	(18,600)
Balance as at February 29, 2016	\$ 81,400
As at March 1, 2016	\$ 81,400
Additions	66,075
Effect of movements in exchange rates	6,000
Balance as at November 30, 2016	\$ 153,475

RUGBY MINING LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED NOVEMBER 30, 2016 AND 2015
(UNAUDITED)

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, 2016 and 2015.

Nine Months ended November 30, 2016

	Generative & Other	Cobrasco	Comita	Mabuhay	Colombia Gold and El Poma	Total
Assays	\$ 1,226	\$ -	\$ -	\$ -	\$ -	\$ 1,226
Field camp	60,164	19,011	-	4,334	26,613	110,122
Geological*	36,911	25,410	29,542	3,199	139,826	234,888
Legal	1,855	4,270	1,614	5,422	2,162	15,323
Office operations	9,173	981	216	229	9,070	19,669
Travel	50,236	15,713	193	12,128	28,688	106,958
Wages and benefits	803	-	1,146	16,462	-	18,411
Government refunds	(144,201)	-	-	-	-	(144,201)
Exploration and evaluation costs	\$ 16,167	\$ 65,385	\$ 32,711	\$ 41,774	\$ 206,359	\$ 362,396

* Includes share based compensation as reflected below:

Nine Months ended November 30, 2016

	Generative & Other	Cobrasco	Comita	Mabuhay	Colombia Gold and El Poma	Total
Geological	\$ -	\$ -	\$ -	\$ -	\$ 19,387	\$ 19,387
Total	\$ -	\$ -	\$ -	\$ -	\$ 19,387	\$ 19,387

Nine Months ended November 30, 2015

	Generative & Other	Cobrasco	Comita	Mabuhay	Great Northern	Total
Assays	\$ -	\$ -	\$ -	\$ -	\$ 12,709	\$ 12,709
Field camp	-	-	-	11,480	50,420	61,900
Geological*	62,741	60,837	14,023	-	23,299	160,900
Legal	-	42,137	534	8,522	4,251	55,444
Office operations	-	51,299	-	4,160	31,909	87,368
Travel	1,714	14,676	-	11,930	20,382	48,702
Wages and benefits	-	14,687	-	41,735	14,337	70,759
Exploration and evaluation costs	\$ 64,455	\$ 183,636	\$ 14,557	\$ 77,827	\$ 157,307	\$ 497,782

* Includes share based compensation as reflected below:

Nine Months ended November 30, 2016

	Generative & Other	Cobrasco	Comita	Mabuhay	Great Northern	Total
Geological	\$ -	\$ 5,485	\$ -	\$ -	\$ -	\$ 5,485
Total	\$ -	\$ 5,485	\$ -	\$ -	\$ -	\$ 5,485

RUGBY MINING LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED NOVEMBER 30, 2016 AND 2015
(UNAUDITED)

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.

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.

RUGBY MINING LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED NOVEMBER 30, 2016 AND 2015
(UNAUDITED)

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

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 (EP not yet granted), 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 was required to pay Pelican a further US\$5.0 million (the “Royalty Interest”) if commercial production commenced at Mabuhay. In April 2016, the Company purchased all of Pelican’s residual Royalty Interest in Mabuhay for A\$10,000 and consequently, Pelican has no remaining interest in Mabuhay.

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 El Poma Project and Regional Applications, Colombia

On June 1, 2016, Rugby announced that it had acquired an extensive portfolio of both granted exploration concessions and applications covering approximately 845 square kilometres in Colombia together with an extensive geological database.

Under the terms of the agreement, Rugby acquired 100% of the rights to the portfolio of mineral properties and geological database for nominal cash consideration. No residual rights to the Colombian properties or database were retained by the former owners.

The Otways Project, Australia

On June 1, 2016, Rugby announced that it had acquired, for a nominal cash consideration plus a 2% NSR, two mineral property concession applications which cover prospective areas for copper and gold mineralization in the NW of Western Australia. The Otways concession applications consists of two contiguous mineral property concession applications covering 118 square kilometres. The applications are expected to be granted within the next 12 months.

RUGBY MINING LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED NOVEMBER 30, 2016 AND 2015
(UNAUDITED)

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

The San Antonio Gold Project, Colombia

On October 19, 2016 the Company announced that it had entered into an option agreement with a private Colombian company to earn a 100% interest, subject to a 1% NSR in the San Antonio Gold Project in Colombia (“San Antonio”). San Antonio is situated approximately 80km south of Medellin in the Mid-Cauca Gold District.

Pursuant to the option agreement over San Antonio, following completion of a 60 day due diligence period, the Company paid an initial option payment of US\$20,000. In order to maintain its option, the Company is required to make the following payments:

- (i) US\$20,000 by June 9, 2017;
- (ii) US\$40,000 by December 9, 2017;
- (iii) US\$80,000 by December 9, 2018;
- (iv) US\$140,000 by December 9, 2019;
- (v) US\$200,000 by December 9, 2020;
- (vi) A final payment of \$250,000 by December 9, 2021 for an aggregate of US\$750,000 to exercise the option and earn 90% of San Antonio.

Rugby will then have an additional option to acquire the remaining 10% interest in San Antonio by paying US\$1,000,000 in staged payments over two years for a total 100% interest. Rugby also has a right of first refusal to purchase the vendor’s 1% NSR interest.

4. Share Capital

Authorized and issued

The authorized share capital of the Company is an unlimited number of common shares without par value.

During the period ended November 30, 2016, on July 26, 2016, the Company closed a non-brokered Private Placement offering and issued 9,000,000 units (the “Units”) at a price of \$0.30 per Unit for gross proceeds of \$2,700,000. Each Unit consists of one (1) common share and one half (0.5) common share purchase warrant (a “Half Warrant”). Each full warrant (two (2) Half Warrants together) will entitle the holder thereof to purchase one (1) additional common share of the Company for a period of two (2) years from the date of the close at an exercise price of \$0.45 during the first year and \$0.60 in the second year. The Company paid \$49,770 as finder’s fees in connection with a portion of the financing which was charged to share capital.

During the period ended November 30, 2016, the Company issued 700,000 common shares upon the exercise of warrants at \$0.10 per share.

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 24, 2016, may not exceed 20% of the total number of issued and outstanding shares of the Company on a non-diluted basis. At November 30, 2016 the maximum number of options issuable under the Plan was 12,784,500. 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.

RUGBY MINING LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED NOVEMBER 30, 2016 AND 2015
(UNAUDITED)

5. Stock Option Plan (Continued)

A summary of the changes in share options during the nine month period ended November 30, 2016 and the year ended February 29, 2016 are as follows:

	November 30, 2016		February 29, 2016	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Options outstanding, beginning of period	7,925,000	\$ 0.12	8,410,000	\$ 0.35
Forfeited/expired	(400,000)	0.50	(3,910,000)	0.39
Granted	1,950,000	0.27	3,425,000	0.09
Options outstanding, end of period	9,475,000	\$ 0.13	7,925,000	\$ 0.12*

During the nine months ended November 30, 2016, the Company granted 1,950,000 options with a weighted average exercise price of \$0.27 with a total fair value of \$438,068 calculated using the Black-Scholes Option Pricing Model using the following assumptions: weighted average expected life of options: 5 years; weighted average volatility: 131%; weighted average annual rate of dividends: 0%; and weighted average risk-free rate: 0.66%.

* During the year ended February 29, 2016, 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 \$17,268 in share-based compensation related to vested options from the stock options re-pricing.

The following table summarizes information about the stock options outstanding and exercisable at November 30, 2016:

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 - 0.09	1,870,000	4.11	\$ 0.08	933,750	4.12	\$ 0.08
0.10 - 0.24	6,105,000	5.56	0.10	4,878,750	6.10	0.10
0.25 - 0.50	1,500,000	4.60	0.34	287,500	4.63	0.35
	9,475,000	5.12	\$ 0.13	6,100,000	5.66	\$ 0.11

Share-based compensation recognized during the three and nine months ended November 30 included in contributed surplus has been allocated as follows:

	Three months ended November 30, 2016		Nine months ended November 30, 2015	
	2016	2015	2016	2015
Administrative	\$ 40,275	\$ 30,297	\$ 122,185	\$ 57,591
Directors' fees	40,992	18,801	126,944	26,156
Mineral property exploration expenditures	19,387	-	19,387	5,485
Total	\$ 100,654	\$ 49,098	\$ 268,516	\$ 89,232

RUGBY MINING LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED NOVEMBER 30, 2016 AND 2015
(UNAUDITED)

6. Warrants

During the nine month period ended November 30, 2016, 700,000 warrants priced at \$0.10 were exercised for proceeds of \$70,000.

At November 30, 2016, the Company had an aggregate of 12,187,500 outstanding warrants (2015 – 10,000,000) to acquire common shares as follows:

- i. 7,687,500 warrants at an exercise price of \$0.11 until October 15, 2017 and thereafter, until exercised, the warrant will increase in exercise price each year on October 15 by \$0.01 to a maximum price of \$0.14 until expiry on October 15, 2020; and
- ii. 4,500,000 warrants expiring on July 26, 2018 exercisable at \$0.45 per share if exercised before July 26, 2017 and at \$0.60 per share thereafter until they expire.

7. Related Party Transactions

- a) During the nine month period ended November 30, 2016, a total of \$205,401 (2015 – \$214,652) 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 \$140,416 at November 30, 2016 (February 28, 2015 – \$204,576) are non-interest bearing and are due on demand.

The total of \$205,401 for the nine month period ended November 30, 2016 was paid or accrued as follows \$93,744 (2015 – \$93,744) to Berenvy Pty Ltd. (“Berenvy”), a company controlled by the President & CEO of the Company for consulting fees, \$80,000 (2015- \$90,000) to Rowen Company Limited (“Rowen”), a company controlled by the Chairman of the Company for consulting fees and \$31,657 (2015 – \$30,908) 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, 2016 was \$61,564 (2014 – \$73,192). As at November 30, 2016, the Company had amount payable of \$14,893 (February 28, 2015 – \$28,890) to Exeter. The amounts due to Exeter are non-interest bearing and are due on demand.

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, 2016 and 2015:

	Three months ended November 30,		Nine months ended November 30,	
	2016	2015	2016	2015
Compensation	\$ 72,555	\$ 80,810	\$ 228,515	\$ 251,915
Share-based payments	45,377	12,546	141,422	29,095
Total	\$ 117,932	\$ 93,356	\$ 369,937	\$ 281,010

RUGBY MINING LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED NOVEMBER 30, 2016 AND 2015
(UNAUDITED)

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:

November 30, 2016	Canada	Australia	Colombia	Philippines	Total
Cash and cash equivalents	\$ 1,802,472	\$ 55,969	\$ 206,355	\$ 50,913	\$ 2,115,709
Amounts receivable and prepaids	27,707	1,787	110,776	-	140,270
Mineral properties	-	-	153,475	-	153,475
	1,830,179	57,756	470,606	50,913	2,409,454
Current Liabilities	202,024	669	115,345	617	318,655
	\$ 1,628,155	\$ 57,087	\$ 355,261	\$ 50,296	\$ 2,090,799
Nine months ended November 30, 2016					
Mineral property exploration expenditures	\$ -	\$ (22,039)	\$ 342,661	\$ 41,774	\$ 362,396
Net loss	\$ 620,662	\$ 24,605	\$ 462,211	\$ 42,087	\$ 1,149,565

February 29, 2016	Canada	Australia	Colombia	Philippines	Total
Cash and cash equivalents	\$ 405,026	\$ 61,957	\$ 21,162	\$ 17,709	\$ 505,854
Amounts receivable and prepaids	18,305	2,949	789	-	22,043
Mineral properties	-	-	81,400	-	81,400
	423,331	64,906	103,351	17,709	609,297
Current Liabilities	298,057	41,832	7,998	2,514	350,401
	\$ 125,274	\$ 23,074	\$ 95,353	\$ 15,195	\$ 258,896
Year Ended February 29, 2016					
Mineral property exploration expenditures	\$ -	\$ 231,447	\$ 293,361	\$ 100,512	\$ 625,320
Net loss	\$ 673,836	\$ 213,882	\$ 333,802	\$ 111,180	\$ 1,332,700

10. Subsequent Events

On December 14, 2016 the Company settled an outstanding debt for management services provided by Rowen Company Limited, a company controlled by Bryce Roxburgh, the Chairman of the Company by the issuance of 433,333 common shares at a deemed price of \$0.30 per common share to settle a debt in the amount of \$130,000 (see note 7).