Management's Discussion and Analysis

November 30, 2015

Rugby Mining Limited

Management's Discussion and Analysis
For the nine months ended November 30, 2015

January 28, 2016

In this document: (i) unless the content otherwise requires, references to "our", "we", "us", "its", "the Company" or "Rugby" mean Rugby Mining Limited and its subsidiaries; (ii) information is provided as of November 30, 2015, unless otherwise stated; and (iii) "$" refers to Canadian Dollars, "US$" refers to US dollars and "A$" refers to Australian dollars.

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

These forward-looking statements, principally under the heading "Outlook", but also elsewhere in this document include estimates, forecasts and statements as to the Company's belief with respect to, among other things, the timing of drilling, timing for receipt of permits, the potential for the success of its exploration programs and the quality of its exploration results, the Company's ability to continue to access the capital necessary to allow it to perform its obligations under its option and earn-in agreements with respect to its Great Northern Gold Project, Jessup, Mabuhay and Comita properties, the Company's ability to mitigate foreign exchange risk, the ability of the Company to respond to market fluctuations and government regulations and the ability of the Company to demonstrate that a commercially viable mineral deposit exists on its various projects.

Certain statements contained in this MD&A constitute forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward looking statements. While the Company has based these forward-looking statements on its expectations about future events as at the date that this document was prepared, the statements are not a guarantee of the Company's future performance and are subject to risks, uncertainties, assumptions and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. Such factors and assumptions include, amongst others, the effects of general economic conditions, changing foreign exchange rates and actions by government authorities, uncertainties associated with negotiations, misjudgments in the course of preparing forward looking statements. In addition, there are also known and unknown risk factors which may cause actual events or results to differ from those expressed or implied by the forward looking statements, including, without limitation:

- risks related to the Company's lack of revenues from operations and its ability to maintain and raise sufficient cash resources to fund ongoing administrative requirements, expected exploration programs and possible future mining operations;

- risks related to the Company's history of losses, which are likely to continue to occur in the future;

- risks related to the ongoing financial and economic uncertainties in the United States and Europe and the Company's ability to raise capital in the future to fund its operations;

- risks related to operating within foreign currency regulations in Australia, the United States, Colombia and the Philippines and the enactment or enforcement of additional restrictions;

- changes in the market price of gold, silver, copper and other minerals which in the past have fluctuated widely and which could affect the Company's ability to finance its ongoing activities as well as the profitability of possible future operations and financial condition;

- risks related to currency fluctuations;

- uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits;

- risks related to the dangers of mineral exploration, including conditions or events beyond the Company's control;

- uncertainty in the Company's ability to obtain and maintain certain permits necessary for current and anticipated operations;

- risks related to the Company being subject to environmental laws and regulations which may increase the costs of doing business and/or restrict activities;

- risks related to land reclamation requirements which may be burdensome;

- risks over the uncertainty in the Company's ability to attract and maintain qualified management and other personnel to meet the needs of anticipated growth and risks relating to its ability to manage growth effectively;

- risks related to the Company's mineral properties being subject to prior unregistered agreements, transfers, or claims and other defects in title as well as risks associated with the foreign ownership of mineral properties in jurisdictions such as the United States, Australia, Colombia and the Philippines which may affect the Company's ability to continue exploration and development activities;

- risks related to increased competition that could adversely affect the Company's ability to attract necessary capital funding or acquire suitable properties for mineral exploration in the future;

- risks related to officers and directors becoming associated with other natural resource companies which may give rise to conflicts of interests;

- the volatility of the Company's common share price and volume;

- tax consequences to Canadian shareholders and United States shareholders;

- risks relating to potential claims by indigenous people over the Company's mineral properties;

- risks related to the Company not being able to complete a Consulta Previa to allow access to Comita and/or not being able to meet the drilling and/or expenditure requirements under the option agreement resulting in the loss of the property;

- risks related to working in jurisdictions where there is a history of political instability and social unrest;

- risks related to working in jurisdictions where there is a potential or history of inflation making it difficult or economically infeasible to hire or retain necessary workers or contractors or obtain goods or services necessary to operate effectively; and

- risks related to not being able to secure permits required to conduct drilling at Cobrasco.

The above is not an exhaustive list of the factors that may affect forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described further in this MD&A. 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 the forward looking statements. Although the Company has attempted to identify important risk factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other risk factors that cause actions, events or results not to be as anticipated, estimated or intended. Forward looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made, and the Company undertakes no obligation to update forward looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by law. Investors are cautioned against attributing undue certainty to forward looking statements.

All statements are made as of the date of this MD&A and the Company is under no obligation to update or alter any forward-looking statements except as required under applicable securities laws.

Description of Business and Going Concern

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

The Company was incorporated on January 24, 2007. 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.

The results of the most recently completed financial year are set out in the Company's audited consolidated financial statements for the year ended February 28, 2015.

The Company began the period with 46,035,000 common shares outstanding and ended the period with 54,422,500 common shares outstanding.

On October 15, 2015, the Company closed a non-brokered private placement financing issuing 8,387,500 units at a price of $0.08 per unit for gross proceeds of $671,000. Each unit consists of one common share, and one common share purchase warrant (the "Warrant"). Each Warrant entitles the holder thereof to purchase one additional common share of the Company until October 15, 2020, 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 October 16 by $0.01 to a maximum price of $0.14 in year five.

Going Concern

The period ended November 30, 2015 unaudited consolidated financial statements were prepared using International Financial Reporting Standards ("IFRS") that are applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

Several adverse conditions cast significant doubt upon the validity of this assumption. Consistent with other entities in the exploration stage, the Company has incurred operating losses since inception, has no source of revenue, is unable to self-finance operations, and has significant cash requirements to meet its overhead and continue its exploration activities. The continued operations of the Company and its ability to continue as a going concern is dependent upon its ability to raise funds primarily through the issuance of shares or obtain alternative financing, which it has been successful in doing so in the past. In addition, if the Company is to advance or develop its projects, it will be necessary to obtain additional financing. As the outcome of these matters cannot be predicted at this time, if the Company is unable to obtain additional financing, management may be required to curtail certain expenses.

If the going concern assumption was not appropriate for the preparation of the consolidated financial statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the balance sheet classifications used, and such adjustments would be material.

Projects

Cobrasco Porphyry Copper Project, Colombia

The Cobrasco Porphyry Copper Project ("Cobrasco") is 100% owned by Rugby was purchased in April 2013 and is located 100 kilometres ("km") southwest of Medellin in the Choco Region of Colombia.

The concession covers 3,000 hectares ("ha") and is located to the immediate north and south of the Comita concession currently under option to Rugby. The project is subject to a 1% net smelter royalty ("NSR").

The area's geological potential was first recognized during the 1980's by a German government ("BGR") reconnaissance exploration program which identified extensive and strongly anomalous copper stream sediment geochemistry which defined outcropping copper porphyry style mineralization.

Cobrasco is situated within undulating terrain with elevation ranging up to 900 metres ("m"). Mineralization is hosted by a sequence of felsic tuffs, proximal to and immediately west of the contact with a number of syenite to monzonite intrusives. Previous exploration by the BGR indicates potential for an enriched supergene blanket containing chalcocite after bornite, cuprite, malachite and native copper. Molybdenite was also observed. Alteration appears similar to other large porphyry copper systems where primary magnetite is replaced by hematite (martitization). Mineralized outcrops of stockwork quartz-bornite veining occur within the property. To date, no systematic modern exploration or drilling has been conducted on the property.

Significantly, the Company has completed a Consulta Previa ("CP") agreement with the local Cocomacia communities which provides exploration access to the Cobrasco concession area for a period of ten years. The agreement is broadly based and provides for economic assistance to the local community as well as social development programs. The CP consultation process was carried out by the Company, Cocomacia and local community leaders under the supervision of the Colombian Ministry of the Interior. This is the first successful mineral exploration CP to be carried out in Choco Province.

Comita Porphyry Copper Project, Colombia

The Comita Porphyry Copper Project ("Comita") is located directly adjacent to Rugby's Cobrasco concession.

In 2011, Rugby completed a low level aeromagnetic survey which produced information that will be used in the planning of future drill programs. An exploration program at Comita is awaiting the commencement and successful completion of a CP allowing access to the area.

The Comita Agreement

On October 12, 2010, the Company announced it had entered into an option agreement (the "Comita Agreement") over Comita, 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 title 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. In addition, the Company has the option, under the Comita Agreement, to utilize past excess expenditure, which is sufficient to meet its minimum expenditure commitment for the current year) 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.

<u>The Jessup Gold-Silver Project, Nevada, USA</u>

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 km northeast of Reno Nevada.

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

i) making annual cash payments totaling 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.

<u>Mabuhay Gold Project, Philippines</u>

The Mabuhay Gold project ("Mabuhay") is located 12 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 center of the project's tenements.

The Mabuhay Agreement

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 date of the EP grant, 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 Mines and Geosciences Bureau Regional Office of the appropriate mineral agreement (MPSA or a 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

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 includes a 714 square km tenement package (the “Tenements”) and is located in the Pilbara region of Western Australia, 60 km south of Port Hedland. The region is home to a massive industrial base associated with oil, natural gas, iron ore extraction and the Telfer gold mine operation. Infrastructure includes an international airport, seaport, railways, highways and gas pipelines.

Previous exploration within the project area includes geophysical and geochemical surveys, geological mapping and drill programs comprising 4,171 drill holes for 224,442 m. Most of the holes were shallow and were used for geochemical sampling below extensive areas of thin cover. This exploration has provided a large technical data base that will assist in the development of new drill targets.

The Great Northern Gold Project Agreement

The GNGP 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 expenditure commitment completed); and

2. an option to purchase an 80% interest in the historic near surface resource (not completed to NI 43-101 standards) at Wingina Well for A$3 million, by paying A$2 million at any time within 54 months of date of the GNGP Agreement (March, 20 2014) and a further A$1 million within 30 days of a decision to mine any part of the historic resource at Wingina Well.

Selected Information

The Company’s unaudited condensed interim consolidated financial statements for the third quarter ended November 30, 2015 (the “Interim Financial Statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as applicable to interim financial reports including IAS 34 “Interim Financial Reporting”. The following selected information is taken from the Interim Financial Statements.

Third quarter ended November 30, 2015

The Company ended its third quarter ended November 30, 2015 with $679,443 in cash and cash equivalents, incurred $497,782 on mineral property exploration costs. On October 15, 2015 the Company closed its Private Placement issuing 8,387,500 units at a price of $0.08 per unit for gross proceeds of $671,000. Share-based compensation expense of $89,232 was incurred due to recognizing the expense associated with the granting of options in October 2015 and the repricing and vesting of certain options granted in previous years.

Three months ended November 30, 2015 compared to the three months ended November 30, 2014

For the three months ended November 30, 2015, the Company recorded a loss of $283,607 ($0.01 per share) compared to a loss for the same period in 2014 of $686,756 ($0.02 per share). Losses are significantly lower than 2014 as Company acquired the GNG project in 2014 and conducted exploration activities including drilling at a cost of $263,715 during the three months ended November 30, 2014. In 2014, the Company also conducted a site visit and completed diligence work for its Cobrasco project. Minimal exploration work was conducted in 2015 as the Company awaits the approval of certain permits required to conduct drilling.

Nine months ended November 30, 2015 compared to the nine months ended November 30, 2014

Following the closing of the Private Placement on October 15 , 2015 where the Company raised gross proceeds of $671,000, at November 30, 2015, the Company had $679,443 in cash and cash equivalents compared to the amount of $1,160,804 that was held at November 30, 2014. Cash used for operating activities during the nine month period ended November 30 2015 declined by $1,071,677 compared to the nine month period ended November 30 2014 mainly due to the Company reducing expenditures to conserve cash resources due to market conditions and while it waits for permits to advance the Cobrasco project. The decrease mainly relates to the Company utilizing its cash resources to fund project exploration at the GNG project, Cobrasco and general administrative requirements.

The Company currently has no revenue generating activities other than interest income. Interest income of $4,391 was recognized for the nine months ended November 30, 2015 compared to $22,755 for the same period in 2014. The decrease in 2015 was due to a lower bank balance in the period.

Significant variance:

- Project Evaluation Expenditures: $497,782 (2014 - $1,323,748), the decrease is largely attributable to the higher level of exploration activity, including drilling, on its GNG Project, its site visit and diligence work at Cobrasco during the nine months ended November 30, 2014 compared lower activity levels during the period ended November 30, 2015.

The following is a summary of quarterly results taken from the Company's condensed interim consolidated financial statements:

Nine month period ended November 30,		**2015**		2014
Interest income	$	**4,391**	$	22,755
Mineral property exploration expenditures	$	**497,782**	$	1,323,748
Share-based compensation	$	**89,232****	$	274,530**
Net loss	$	**950,488**	$	2,103,606
Basic and diluted loss per common share	$	**0.02**	$	0.05
Number of shares outstanding		**54,422,500**		46,035,000

** share-based compensation costs have been allocated to administrative, directors' fees, and mineral property exploration expenditures.

As at		November 30, 2015		February 28, 2015
Total assets	$	790,891	$	895,641
Total liabilities	$	205,357	$	90,339
Shareholders' equity	$	585,534	$	805,302
Deficit	$	(20,808,084)	$	(19,857,596)

The following selected financial information is a summary of the eight most recently completed quarters up to November 30, 2015.

<u>Summary of Quarterly Results</u>

	2016			2015				2014
	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter
Total Revenues	-	-	-	-	-	-	-	-
Loss for the period ($)	283,607	275,481	391,400	422,822	686,756	631,572	785,278	517,780
Basic and diluted loss per common share for the period	$0.01	$0.01	$0.02	$0.01	$0.01	$0.01	$0.02	$0.01

The trend represented in the "Summary of Quarterly Results" is the overall reduction in quarterly losses starting in the 1st quarter of 2015. A reduction in overall expenditure and exploration activity has continued to occur in order to preserve cash during a difficult economic environment. Also exploration activity in the past few quarters has been reduced as the Company awaits the approval of certain permits required for exploration and drilling.

<u>**Financial Condition, Liquidity and Capital Resources** (please refer also to *Description of Business and Going Concern* section above)</u>

As at November 30, 2015 the Company had cash resources of $679,443. On October 15th, 2015, the Company closed its Private Placement raising gross proceeds of $671,000. However, upon receipt of necessary government approvals to commence drilling at Cobrasco, Comita or Mabuhay, or to complete required expenditure commitments at GNGP, Comita and Jessup to earn its interest in the projects, the Company will be required to raise additional funds. In addition should the Company acquire new projects it will be required to raise funds to meet any expenditure and/or option payment obligations. The Company will continue to utilize its cash resources to fund project exploration and administrative requirements. Aside from cash, the Company has no material liquid assets. There is no assurance that the Company will be able to raise necessary funds through capital raisings in the future, and to maintain its treasury in these times of difficult access to risk funding, the Company is continuing its efforts to reduce corporate overheads.

Management evaluates and adjusts its planned level of activities to ensure that adequate levels of working capital are maintained. The future availability of funding will affect the planned activity levels at the Company's projects and expenditures will be adjusted to match available funding.

The Company has no loans or bank debt and there are no restrictions on the use of its cash resources. The Company has not issued any dividends and management does not expect this will change in the near future.

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. However, consulting fees payable to Berenvy and Rowen are, by agreement, currently 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., a company controlled by the President & CEO of the

Company for consulting fees, $90,000 (2014- $110,000) to Rowen Company Limited, 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.

Outlook

Rugby has five mineral exploration projects in its portfolio. These projects, which include Cobrasco, Comita, Jessup, GNG and Mabuhay, are all at various stages of the exploration process.

On October 15, 2015 the Company closed its Private Placement issuing 8,387,500 units at a price of $0.08 per unit for gross proceeds of $671,000.

Proceeds from the Private Placement will be used to fund on-going exploration on its Projects and for corporate and administrative purposes.

The Cobrasco Project, Colombia
A permit application, necessary for drilling, is currently in progress however the timing of the permit approval is uncertain. Rugby has been in talks with various drilling companies in Colombia so that it can prepare for an exploration program upon necessary permits being issued.

The Comita Project, Colombia
The Company continues to maintain open communication with local community leaders and continues to maintain its community relations program. Similar to the Cobrasco Project, the Company must first negotiate a successful Consulta Previa with the local communities, followed by the submittal of a permit application necessary for drilling.

The Jessup Project, Nevada
Rugby is currently completing a legal review of the tenement status at Jessup and reviewing historical information including previous drilling data as part of its due diligence program prior to proceeding with the option. Upon completion of the due diligence program the Company expects to commence planning future exploration work.

The Great Northern Project, Australia
Rugby conducted a diamond drilling program at the Wingina Prospect in late 2014 and released the drill results in early 2015. The Company is now re-evaluating the property to establish other targets with an objective to identify the possible existence of shallow oxide and underlying high grade deposits to supplement the historical (non-NI 43-101 compliant) Wingina gold resource.

The Mabuhay Project, Philippines
The Company amended its option agreement with the Mabuhay vendor to allow for the conversion of a MPSA Application to an EPA. An application for an EP is currently awaiting approval. Unfortunately, in common with almost all other mining permits in the Philippines, the delay has been considerable. To minimise expenditures, the project will remain under care and maintenance until the EP is granted.

Financial Instruments

(a) Fair Value

The carrying amount of amounts receivable, accounts payable and due to related parties approximates fair value due to the short term of these financial instruments.

(b) Financial Risk Management

The Company's activities potentially expose it to a variety of financial risks, including credit risk, foreign exchange currency risk, liquidity and interest rate risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and amounts receivable. The Company deposits the majority of its cash with high credit quality financial institutions in Canada and holds balances in banks in Colombia and the Philippines as required to meet current expenditures. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk.

Currency risk

The Company operates in Canada, Colombia, the United States, the Philippines, and Australia and it is therefore exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

The Company's cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities are denominated in several currencies (mainly Canadian Dollars, US Dollars, Australian Dollars, Colombian Peso and Philippine Pesos) and are therefore subject to fluctuation against the Canadian Dollar. Such foreign currency balances, which are held in the Company's Colombian, Australian and Philippine subsidiaries, are subject to fluctuations against the Australian Dollar, Colombian Peso, and Philippine Peso respectively.

The Canadian parent company had the following balances in foreign currency as at November 30, 2015 and February 28, 2015:

November 30, 2015

	US Dollars
Cash	4,148
Accounts payable	1,096
Net balance	3,052
Equivalent in Canadian Dollars	4,435
Rate to convert to $1.00 CDN	1.4531

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	US Dollars
Cash	642
Accounts payable	(822)
Net balance	(180)
Equivalent in Canadian Dollars	(225)
Rate to convert to $1.00 CDN	1.2508

Based on the above net exposures as at November 30, 2015, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the US dollar against the Canadian dollar would result in an increase/decrease of $443 (February 28, 2015 - $18) in the Company's net loss.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's interest rate risk mainly arises from the interest rate impact on the cash and cash equivalents. Cash and cash equivalents earn interest based on current market interest rates

Based on the amount of cash and cash equivalents held at November 30, 2015, and assuming that all other variables remain constant, a 0.5% change in the applicable interest rate would result in an increase/decrease of $114 (February 28, 2015 - $3,817) in the interest earned by the Company per annum.

Liquidity risk (please refer also to *Description of Business and Going Concern* section above)

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company had cash at November 30, 2015 in the amount of $679,443 (February 28, 2014 - $775,297) in order to meet short-term business requirements. At November 30, 2015, the Company had current liabilities of $205,357 (February 28, 2015 - $90,339) which are due on demand or within 30 days.

Proposed Transactions

The Company continues to investigate new opportunities. Should the Company enter into agreements in the future on new properties, it may be required to make cash payments and complete work expenditure commitments under those agreements.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Critical Accounting Estimates and Policies

The Company's accounting policies are discussed in detail in the audited Consolidated Financial Statements for the year ended February 28, 2015, however, accounting policies require the application of management's judgement in respect of the following relevant matters:

(i) use of estimates – the preparation of financial statements in conformity with IFRS 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 share-based compensation expense and the valuation allowance for future income tax assets. Actual results could differ from those estimates used in the financial statements.

(ii) share-based compensation – the Company provides compensation benefits to its employees, directors, officers and consultants through a stock-based compensation plan. The fair value of each option award is estimated on the date of the grant using the Black-Scholes option pricing model. Expected volatility is based on historical volatility of the stock. The Company utilizes historical data to estimate the expected option term for input into the valuation model. The risk-free rate for the expected term of the applicable option is based on the Government of Canada yield curve in effect at the time of the grant.

Actual results may differ materially from those estimates based on these assumptions.

New Standards and Interpretations Not Yet Adopted

The IASB has issued IFRS 9 – Financial Instrument ("IFRS 9") which intends to replace IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39") in its entirety with three main phases. IFRS 9 will be the new standard for the financial reporting of financial instruments. The IASB tentatively decided to defer the mandatory effective date until January 1, 2018 with earlier adoption still permitted. The Company will evaluate the impact the final standard will have on its consolidated financial statements based on the characteristics of its financial instruments at the time of adoption.

Risks and Uncertainties

General

The Company is engaged in the acquisition, exploration and, if warranted, development of mineral resource properties. The Company does not produce, develop or sell any mineral products at this time. All of the Company's properties are in the exploration stage and consequently do not generate any operating income or cash flow from operations. The Company has relied on equity capital to finance its activities in the past and will continue to do so for the foreseeable future.

Business Cycles

The mineral exploration business is affected by fluctuations in commodity price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles. Although the Company does not have producing mining operations, its ability to finance its mineral exploration programs is related and sensitive to the market prices of gold, silver and other precious metals. Metal prices fluctuate widely and are affected by numerous factors such as global supply, demand, inflation, exchange rates, interest rates, forward selling by producers, central bank sales and purchases, production, global or regional political, economic or financial situations and other factors beyond the control of the Company.

Risk Factors

The activities of the Company are speculative due to the high risk nature of its business which is the acquisition, financing, exploration and development of mineral exploration properties. The following risk factors, which are not exhaustive, 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. These risks include but are not limited to the following:

We have no operating history.

Although all persons who will be involved in the management of the Company have had long experience in their respective fields of specialization, we have no operating history upon which prospective investors can evaluate our performance.

We are subject to substantial environmental requirements which could cause a restriction or suspension of our operations.

The Company is subject to substantial environmental requirements which could cause a restriction or suspension of certain operations. The current and anticipated future operations and exploration activities of the Company in Colombia, Philippines and Australia require permits from various governmental authorities and such operations and exploration activities are and will be governed by Federal, Provincial and local laws and regulations governing various elements of the mining industry including, without limitation, land use, the protection of the environment, prospecting, development, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, and other matters. It is the Company's intention to ensure that the environmental impact on areas where it operates is mitigated by restoration and rehabilitation of affected areas. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or other remedial actions.

We operate in the resource industry, which is highly speculative, and has certain inherent exploration risks which could have a negative effect on our operations.

The exploration and development of mineral deposits involves significant risks which even with careful evaluation, experience and knowledge may not, in some cases, be fully mitigated. The commercial viability of any mineral deposit depends on many factors, not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure. Government regulation, foreign exchange controls, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations all have an impact on the economic viability of a mineral deposit. Other potential impacts could include the location of the mineral deposit and if it is found in remote or harsh climates. These unique environments could limit or reduce production possibilities or if conditions are right for potential natural disasters, including but not limited to volcanoes, earthquakes, tornados and other severe weather, could negatively impact facilities, equipment and the safety of its workers dramatically.

Properties held under option

Certain of our mineral exploration properties are currently held under option. We have no ownership interest in these properties until we meet, where applicable, all required property expenditures, cash payments, and common share issuances. If we are unable to fulfill the requirements of these option agreements, it is likely that we would be considered in default of the agreements and the option agreements could be terminated resulting in the complete loss of all expenditures and required option payments made on the properties to that date.

No known mineral resource or reserves

The Company is in the process of exploring for mineral deposits and has no known mineral resources or reserves and, if found, such mineral resources or resources may not prove to be economic, which would have a negative effect on the Company's operations and valuation. The Company has no production of minerals and its properties are all currently at the exploration stage. There is no assurance that a commercially viable mineral deposit exists on any of the Company's properties, and substantial additional work will be required in order to determine the presence of any such deposit. Some of the areas in which the Company is exploring for minerals have little or no infrastructure including roads, power or water and the cost of conducting exploration in such environments are correspondingly increased.

Laws and regulations

In certain countries, the ownership of mining rights is limited or is subject to interpretation of various laws including restrictions on foreign ownership of mineral tenures in the Philippines. In the event of such interpretation being found to be different, it could negatively affect the Company's ability to secure or retain ownership of mineral properties.

The Company's mineral exploration is, and any development activities will be, subject to various Colombian, U.S., Philippine and Australian laws governing exploration, development, production, taxes, labour standards and occupational health, mine safety, environmental protection, toxic substances, land use, water use and other matters. Some of the mineral properties which the Company is exploring are located within forest reserves or adjacent to designated parks and special permits are required in order for it to commence exploration activities which can affect the environment within such areas. The availability of such permits has not yet been fully established by the Company. Exploration generally requires one form of permit while development and production operations require additional permits. There can be no assurance that all permits which we may require for future exploration or possible future development will be obtainable at all or on reasonable terms. In addition, future changes in applicable laws or regulations could result in changes in legal requirements or in the terms of existing permits applicable to us or our properties. This could have a negative effect on our exploration activities or our ability to develop our properties.

As we are presently at the early exploration stage with all of our properties, the disturbance of the environment is limited and the costs of complying with environmental regulations are minimal. However, if operations result in negative effects upon the environment, government agencies will likely require us to provide remedial actions to correct the negative effects.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory authorities curtailing the Company's operations or requiring corrective measures, any of which could result in the Company incurring substantial expenditures. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development.

Access to capital

We have limited financial resources and no operating cash flow. The Company expects to incur net cash outlays until such time, if ever, as its properties enter into commercial production and generate sufficient revenues to fund continuing operations. The development of mining operations would require the commitment of substantial resources for operating expenses and capital expenditures, which are likely to increase in subsequent years as needed consultants, personnel, materials and equipment associated with advancing exploration, development and commercial production of our properties are added.

The amounts and timing of expenditures incurred by the Company will depend on the progress and success of ongoing exploration, the results of consultants' analysis and recommendations, the rate at which operating losses are incurred, the acquisition of additional properties, and other factors, many of which are beyond the Company's control. The sources of financing the Company may use for these purposes include public or private offerings of equity or debt. In addition, the Company may enter into strategic alliance, sell certain of its assets or utilize a combination of all of these alternatives. There can be no assurance that financing will be available on acceptable terms, or at all.

Recent global market events and conditions including disruptions in the Canadian, United States, European and other international credit markets and other financial systems may, among other things, impede the Company's access to capital or increase the cost of capital, both of which could have an adverse effect on the Company's ability to fund its operating, exploration and other requirements. These unprecedented disruptions in the credit and financial markets have had a significant material adverse impact on a number of financial institutions and have limited access to capital and credit for many companies. The Company may not be able to access capital on acceptable terms to the Company, or at all. If we are unable to obtain sufficient financing in the future, we might have to dramatically slow exploration efforts and/or lose control of our projects. If equity financings are required, then such financings could result in significant dilution to existing or prospective shareholders.

Political and economic uncertainties

The Company's property interests and exploration activities are carried out in foreign countries, principally Colombia, the Philippines, and Australia. Accordingly, the Company's activities are subject to political, economic and other uncertainties, including the risk of expropriation, nationalization, the rights of indigenous peoples and local communities, renegotiation or nullification of existing contracts, mining licenses and permits or other agreements, changes in laws or taxation policies, currency exchange restrictions and fluctuations, changing political conditions and international monetary fluctuations. Future government actions concerning the economy, taxation, or the operation and regulation of nationally important resources and facilities such as mineral resources and mines, could have a significant effect on us. Any changes in regulations or shifts in political attitudes are beyond our control and may adversely affect our business. Exploration may be affected in varying degrees by government regulations with respect to restrictions on foreign ownership of mineral resources, future exploitation and production, price controls, export controls, foreign exchange controls, income and/or mining royalties and taxes, expropriation of property, environmental legislation and mine and/or site safety. No assurances can be given that our plans and operations will not be adversely affected by future developments in the countries in which our company operates. The Company does not maintain political risk insurance.

Some of the Company's properties are located in countries which have experienced difficult personal security environments where some acts of kidnapping, terrorism and extortion have been reported. The cost of operating in such environments is increased by the need for site and personnel security and support.

Title to properties

In certain countries, the ownership of mining rights and, in particular, foreign ownership, is limited or is subject to interpretation of various laws. In the event of such interpretation being found to be different, it could negatively affect the Company's ability to retain or secure ownership of mineral properties.

Although the Company believes it has exercised commercially reasonable due diligence with respect to determining title to properties it owns, controls or has the right to acquire by option, there is no guarantee that title to such properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unrecorded agreements or transfers or native land claims and title may be affected by undetected defects. There may be valid challenges to the title of the Company's properties, which, if successful, could impair development and/or operations. In addition, mineral properties may be leased and may be subject to defects in title. Only a preliminary legal survey of the boundaries of some of our properties has been done and, therefore, in accordance with the laws of the jurisdictions in which these properties are situated, their existence and area could be in doubt. If title is disputed, we will have to defend our ownership through the courts. In the event of an adverse judgment, we would lose our property rights.

The natural resource industry is highly competitive

We compete with other exploration resource companies which have similar operations, and many competitors have operations, financial resources and industry experience greater than ours. This may place us at a disadvantage in acquiring, exploring and developing properties. These other companies could outbid us for potential projects or produce minerals at lower costs which would have a negative effect on our operations.

Dependence on key personnel

We depend on the business and technical expertise of our management and key personnel, including Paul Joyce, the President and Chief Executive Officer. It is unlikely that this dependence will decrease in the near term. As our operations expand, additional general management resources will be required. We may not be able to attract and retain additional qualified personnel and this would have a negative effect on our operations. We have entered into a formal services agreement with Paul Joyce, our President and Chief Executive Officer. We maintain no “key man” life insurance on any members of our management or directors.

Conflicts of interest

Certain of our directors and officers are also directors and/or officers and/or shareholders of other natural resource companies. While we are engaged in the business of exploring for and, if appropriate, exploiting mineral properties, such associations may give rise to conflicts of interest from time to time. Our directors are required by law to act honestly and in good faith with a view to uphold the best interests of the Company and to disclose any interest that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of our board of directors, any director in a conflict must disclose his interest and abstain from voting on the matter. In determining whether or not we will participate in any project or opportunity, our directors will primarily consider the degree of risk to which we may be exposed and our financial position at the time.

The market for our common shares is subject to volume and price volatility which could negatively affect a shareholder’s ability to buy or sell our common shares.

The market for our common shares may be highly volatile for reasons both related to our performance or events pertaining to the industry (i.e. mineral price fluctuation/high production costs/accidents) as well as factors unrelated to us or our industry such as economic recessions and changes to legislation in the countries in which we operate. In particular, market demand for products incorporating minerals in their manufacture fluctuates from one business cycle to the next, resulting in changes in demand for the mineral and an attendant change in the price for the mineral. Since our listing on the TSX Venture Exchange, the price of our common shares has fluctuated between $0.035 and $1.98. Our common shares can be expected to be subject to volatility in both price and volume arising from market expectations, announcements and press releases regarding our business, and changes in estimates and evaluations by securities analysts or other events or factors. In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly small-capitalization companies such as the Company, have experienced wide fluctuations that have not necessarily been related to the operations, performances, underlying asset values, or prospects of such companies. For these reasons, our common shares can also be subject to volatility resulting from purely market forces over which we will have no control such as that experienced recently resulting from the on-going credit crisis centered in the United States and Europe. Further, despite the existence of a market for trading our common shares in Canada, our shareholders may be unable to sell significant quantities of our common shares in the public trading markets without a significant reduction in the price of the stock.

Management’s Responsibility for the Financial Statements

The Audit Committee is responsible for reviewing the contents of this document along with the unaudited Interim Financial Statements to ensure the reliability and timeliness of the Company’s disclosure while providing another level of review for accuracy and oversight. There have been no changes in the Company’s disclosure controls and procedures during the nine months ended November 30, 2015.

Additional Information

As at January 27, 2016 the Company had 54,422,500 common shares issued and outstanding, 8,410,000 outstanding stock options with a weighted average exercise price of $0.12, and had 8,387,500 outstanding warrants as follows: 8,387,500 warrants at an exercise price of $0.10 if exercised on or before October 15, 2016 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.

Directors and Officers

Directors:	Officers:
Paul Joyce	Paul Joyce, President and CEO
Bryce Roxburgh	Jonathan Hermanson, CFO
Yale Simpson	
Robert Reynolds	

Contact Person

Jonathan Hermanson
Telephone: (604) 688-4941
Facsimile: (604) 688-9532

Additional information regarding the Company is available on SEDAR at www.sedar.com.