RUGBY MINING LIMITED

FINANCIAL STATEMENTS
(unaudited – prepared by management)

May 31, 2009

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 interim 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 Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Vancouver, Canada

July 27, 2009

RUGBY MINING LIMITED
BALANCE SHEETS

		May 31, 2009		February 28, 2009
ASSETS				
Current				
Cash and cash equivalents	**$**	**678,350**	$	827,939
Interest receivable		**-**		15,198
Goods and Services Tax receivable		**3,801**		9,376
		682,151		852,513

LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	**$**	**77,341**	$	133,414
Shareholders' equity				
Share capital (Note 6)		**984,265**		984,265
Contributed surplus (Note 7)		**66,216**		66,216
Deficit		**(445,671)**		(331,382)
		604,810		719,099
	$	**682,151**	$	852,513

Basis of presentation (Note 2)

Commitment (Note 10)
Subsequent event (Note 11)

The accompanying notes are an integral part of these interim financial statements.

RUGBY MINING LIMITED
STATEMENTS OF OPERATIONS AND DEFICIT

	Three Months Ended May 31, 2009	Three Months Ended May 31, 2008
EXPENSES		
Administrative	$ **18,616**	$ 216
Professional fees	**15,689**	25,234
Bank charges	**380**	115
Project evaluation (Note 5)	**61,644**	-
Stock exchange listing and filing fees	**8,289**	-
Transfer agent	**7,831**	1,412
Shareholder communications	**131**	-
Travel	**1,830**	-
Interest income	**(121)**	(6,487)
Net loss and comprehensive loss for the period	**114,289**	20,490
Deficit, beginning of period	**331,382**	76,581
Deficit, end of period	$ **445,671**	$ 97,071
Basic and diluted loss per share	$ **0.01**	$ 0.01*
Weighted average number of common shares outstanding	**16,000,000**	3,600,000*

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

The accompanying notes are an integral part of these interim financial statements.

RUGBY MINING LIMITED
STATEMENTS OF CASH FLOWS

	Three Months Ended May 31, 2009	Three Months Ended May 31, 2008
Operating Activities		
Net loss for the period	$ (114,289)	$ (20,490)
Changes in non-cash working capital		
Interest receivable	15,198	(4,094)
Goods and Services Tax receivable	5,575	-
Accounts payable and accrued liabilities	(56,073)	(8,218)
Decrease in cash and cash equivalents	(149,589)	(32,802)
Cash and cash equivalents, beginning of the period	827,939	1,000,154
Cash and cash equivalents, end of the period	$ 678,350	$ 967,352
Cash and cash equivalents consist of:		
Cash	$ 678,350	$ 67,352
Cashable GIC's	-	900,000
	$ 678,350	$ 967,352
Cash paid during the period for interest	$ -	$ -
Cash paid during the period for taxes	$ -	$ -

The accompanying notes are an integral part of these interim financial statements.

1. NATURE OF BUSINESS

Rugby Mining Limited (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on January 24, 2007. The Company's common shares were listed and called for trading on the TSX Venture Exchange (the "TSX-V") on August 7, 2007. Following the completion of its qualifying transaction on March 5, 2009, the Company is classified as a "Mineral Exploration and Development" company and continues to acquire and evaluate mineral properties.

2. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. These financial statements do not include any adjustments to the classifications and amounts of assets and liabilities that may be required should the Company be unable to continue in existence.

The preparation of these interim financial statements is based on accounting principles and practices consistent with those used in the preparation of the Company's annual financial statements. Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles has been condensed or omitted. These interim period statements should be read together with the Company's most recent audited financial statements and the accompanying notes. In the opinion of the Company, these unaudited interim financial statements contain all adjustments necessary in order to present a fair statement of the results of the interim period presented.

As at May 31, 2009, the Company has a working capital of $604,810 (February 28, 2009 - $719,099) and a deficit of $445,671 (February 28, 2009 - $331,382). The Company's ability to continue in operation is dependent on its ability to secure additional financing to fund planned exploration and its ongoing administrative expenditures, and while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future.

The Company has relied principally upon the issuance of securities for financing. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. The Company intends to continue relying upon the issuance of securities to finance its future activities but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company, particularly in view of current market conditions.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company have been prepared in accordance with Canadian GAAP. The Company's functional and reporting currency is the Canadian dollar.

(a) Cash and cash equivalents

The Company classifies highly liquid short-term investments that are readily convertible into known amounts of cash and have maturities of 90 days or less from the date of acquisition as cash equivalents.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Income taxes

The Company uses the asset and liability method of accounting for income taxes. Under this method, future income taxes are recognized for the future income tax consequences attributable to differences between financial statement carrying values and their corresponding tax values (temporary differences) and tax loss carry forwards. Future income tax assets and liabilities are measured using enacted or substantively enacted income tax rates expected to apply when the temporary differences are expected to be recovered or settled. The effect on future income tax assets and liabilities of a change in tax rates is included in income in the period in which the change occurs. The amount of future income tax assets recognized, if any, is limited to the amount that, in the opinion of management, is more likely than not to be realized.

(c) Stock-based compensation

The Company accounts for stock-based compensation using a fair value based method with respect to all stock-based payments to directors, employees and non-employees. For directors and employees, the fair value of the options is measured at the date of grant. For non-employees, the fair value of the options is measured on the earlier of the date at which the counterparty performance is complete or the date the performance commitment is reached or the date at which the equity instruments are granted if they are fully vested and non-forfeitable.

(d) Earnings (loss) per share

Basic earnings per share is calculated using the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding. During the three month period ended May 31, 2009, the Company completed its qualifying transaction. Consequently all shares currently subject to escrow will be included for subsequent earnings (loss) per share calculations as the release of such shares will be based on the passage of time.

(e) Use of estimates

The preparation of financial statements in conformity with 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) 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.

Administrative expenditures are expensed as incurred.

(g) Foreign currency transaction

Where applicable, foreign currency transactions and balances are translated into Canadian dollars as follows:

i) Monetary assets and liabilities, at the rate of exchange in effect as at the balance sheet date;
ii) Non-monetary assets and liabilities, at the exchange rates prevailing at the time of the acquisition of assets or assumption of liabilities; and
iii) Expenses, at the rate of exchange at the time of the transaction.

Gains and losses arising from the translation of foreign currency are included in the determination of net loss for the period.

(h) Financial instruments and comprehensive income

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.

Comprehensive income or loss is defined as the change in equity from transactions and other events from sources other than the Company's shareholders. Other comprehensive income or loss refers to items recognized in comprehensive income or loss that are excluded from net income or loss calculated in accordance with Canadian GAAP.

The Company has no items of other comprehensive income in any period presented. Therefore, net loss as presented in the Company's statements of operations equals comprehensive loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) New accounting policies adopted

Effective March 1, 2009 the Company adopted the following guidance issued by the Emerging Issues Committee (EIC) of the Canadian Institute of Chartered Accountants:

Mining exploration costs

In March 2009, the EIC issued EIC-174, "Mining Exploration Costs", which provides guidance on capitalization of exploration costs related to mining properties. It also provides guidance for development and exploration stage entities that cannot estimate future cash flows from its properties in assessing whether impairment in such properties is required. EIC-174 also provides additional discussion on recognition for long-lived assets. EIC-174 is to be applied retrospectively without restatement of prior periods in interim and annual financial statements for periods ending on or after the date of issuance of EIC-174. The adoption of this guidance by the Company in its fair value determinations effective March 1, 2009 has not had any material impact on its financial statements.

(j) Future accounting changes

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canadian GAAP. The IFRS standards will be effective for the Company's interim and annual financial statements relating to fiscal years beginning on March 1, 2011. The effective date will require the restatement, for comparative purposes, of amounts reported by the Company for the year ending February 28, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

4. CAPITAL MANAGEMENT

The Company considers its capital to be all components of shareholders equity. The Company manages its capital structure and makes adjustments to it, based on the funds available, in order to support its activities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of management to sustain future development of the business.

Based upon the Company's stage of development, it is dependent on external financing to fund its activities. In order to carry out the planned operations and pay for administrative costs, the Company will spend its existing working capital and be required to raise additional amounts as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the three month period ended May 31, 2009. The Company is not subject to externally imposed capital requirements.

5. PROJECT EVALUATION

	Three Months ended May 31 2009	2008
Assays	**2,875**	**-**
Consultants and contractors	**980**	**-**
Field camp	**4,082**	**-**
Geological	**53,707**	**-**
	$ 61,644	**-**

The Company has the option to acquire 60% of Sunland by making payments of Australian $200,000 ($162,400) to Rowen to repay a portion of a loan advanced to Sunland by Rowen, incur exploration expenditures of A$3.0 ($2.39) million (including 20,000 metres of bedrock drilling) over 42 months of which A$500,000 ($406,000) is a minimum commitment. In addition, the Company paid A$25,000 ($22,388) to Rowen as a non-refundable deposit.

6. SHARE CAPITAL

(a) Authorized and issued

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

The Company has issued common shares as follows:

	May 31, 2009		February 28, 2009	
	Number of Shares	**Amount**	Number of Shares	Amount
Balance, beginning and end of period/year	**16,000,000**	**$ 984,265**	16,000,000	$ 984,265

(b) Escrow shares

Of the common shares issued, 9,365,000 are currently subject to an escrow agreement and may not be transferred without the consent of the TSX-V. The escrow agreement provides, among other things, that 10% of such shares will be released from escrow upon the completion of a "Qualifying Transaction", as defined in TSX-V Policy 2.4, and that a further 15% of such shares will be released every six months thereafter. During the three month period ended May 31, 2009, 10% of the escrow shares were released upon completion of the Qualifying Transaction.

(c) 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 common shares of the Company's share capital issuable pursuant to options granted under the Plan may not exceed 10% of the total number of issued and outstanding shares of the Company on a non-diluted basis. Options granted under the Plan may have a maximum term of five 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 the 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.

6. SHARE CAPITAL (continued)

The status of options granted under the Plan as of May 31, 2009 and changes during the period then ended is as follows:

	Number of Options	Weighted Average Exercise Price	Expiry Date
Outstanding, beginning and end of period	**950,000**	**$0.15**	**July 24, 2012**
Weighted average remaining contractual life of options		**3.15 years**	

(d) Warrants

At May 31, 2009 and February 28, 2009, the Company had outstanding warrants exercisable to acquire 200,000 shares as follows:

Number	Exercise Price	Expiry Date
200,000	$ 0.10	August 7, 2009

7. CONTRIBUTED SURPLUS

	May 31, 2009	February 28, 2009
Balance, beginning and end of period/year	**$ 66,216**	$ 66,216

8. RELATED PARTY TRANSACTIONS

During the three months ended May 31, 2009 a total of $54,865 (May 31, 2008 - $Nil) was paid or accrued for related party transactions as described below:

(a) Paid or accrued project evaluation expenditures of $39,865 (May 31, 2008 - $Nil) to an officer.

(b) Paid or accrued administrative support fees of $15,000 (May 31, 2008 - $Nil) to a corporation 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.

9. FINANCIAL INSTRUMENTS

The Company classifies its cash and cash equivalents, interest receivable and Goods and Services Tax receivable as held-for-trading; and accounts payable and accrued liabilities as other financial liabilities.

The carrying values of cash and cash equivalents, interest receivable, and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company manages credit risk, in respect of cash and cash equivalents by purchasing highly liquid, short-term investment-grade securities held at a major Canadian financial institution in accordance with the Company's investment policy. The credit risk associated with cash and cash equivalents is minimized substantially by ensuring that these financial assets are placed with major Canadian financial institutions with strong investment-grade ratings by a primary ratings agency.

The Company's concentration of credit risk and maximum exposure thereto is as follows relating to financial assets:

	May 31, 2009	February 28, 2009
Cash	**$ 678,350**	$ 57,939
Cashable GIC's	**-**	770,000
Interest receivable	**-**	15,198
	$ 678,350	$ 843,137

Concentration of credit risk exists as the Company's cash and cash equivalents at May 31, 2009 of $678,350 are held at a single major Canadian financial institution.

(b) Liquidity risk

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 from operations and anticipated investing and financing activities. The Company normally maintains sufficient cash and cash equivalents to meet the Company's business requirements. The Company had cash and cash equivalents at May 31, 2009 in the amount of $678,350 in order to meet short-term business requirements. At May 31, 2009, the Company had current liabilities of $77,341.

9. FINANCIAL INSTRUMENTS (continued)

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk, and other price risk.

i) Interest rate risk

The Company's cash and cash equivalents consist of cash held in bank accounts and cashable GIC's that earn interest at variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of May 31, 2009. Future cash flows from interest income on cash and cash equivalents will be affected by interest rate fluctuations. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity. The Company's sensitivity analysis suggests that a 1% change in interest rates would not have a material effect on interest income.

ii) Foreign currency risk

The Company is exposed to foreign currency risk as monetary financial instruments are denominated in US and Australian currencies. The Company has not entered into any foreign currency contracts to mitigate this risk, as it believes this risk is minimized by the minimal amount of cash held in US currency. The Company's sensitivity analysis suggests that a consistent 5% change in the absolute rate of exchange in all foreign jurisdictions would not have a material impact on these financial statements.

iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign exchange risk. The Company has no financial instruments exposed to such risk.

10. COMMITMENT

The Company is required to pay, A$200,000 ($162,400) to Rowen Company Ltd. within 30 days of the completion of any financing.

11. SUBSEQUENT EVENT

Subsequent to May 31, 2009, the Company completed, a non-brokered private placement consisting of 3,000,000 units ("Units") at $0.20 per Unit for gross proceeds of $600,000. Each Unit will consist of one common share ("Share") and one transferable share purchase warrant ("Warrant"). Each Warrant will be exercisable for an additional Share of the Company for a period of two years from the closing date of July 17, 2009 at a price of $0.30 per Share.