



RUGBY MINING LIMITED

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended August 31, 2013 and 2012
(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 Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Vancouver, Canada

October 30, 2013

RUGBY MINING LIMITED
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		August 31, 2013	February 28, 2013
Assets			
Current			
Cash and cash equivalents		\$ 3,833,617	\$ 5,102,961
Accounts receivable and prepaids		37,699	35,277
Exploration advances		44,071	89,470
		3,915,387	5,227,708
Property and equipment	(Note 4)	26,347	30,756
Mineral properties	(Note 3)	110,523	-
		\$ 4,052,257	\$ 5,258,464
Liabilities			
Current			
Accounts payable and accrued liabilities		\$ 102,536	\$ 126,869
Due to related parties	(Note 8)	78,727	160,323
		181,263	287,192
Shareholders' Equity			
Share capital	(Note 5)	15,238,612	15,238,612
Contributed surplus		5,013,602	4,915,837
Deficit		(16,380,653)	(15,195,821)
Accumulated other comprehensive (loss) income		(567)	12,644
		3,870,994	4,971,272
		\$ 4,052,257	\$ 5,258,464

Basis of presentation (Note 2)

Approved on behalf of the Board:

“Paul Joyce”
..... Director

“Robert Reynolds”
..... Director

RUGBY MINING LIMITED
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

	Three Months ended August 31,		Six Months ended August 31,	
	2013	2012	2013	2012
Income				
Interest income	\$ 12,332	\$ 7,817	\$ 26,059	\$ 17,651
Expenses				
Accounting, audit and professional fees	34,030	42,274	52,643	60,004
Administrative (Note 6)	116,616	141,725	321,186	295,744
Amortization	2,204	2,741	4,409	5,485
Bank charges	2,222	1,356	6,300	7,267
Directors' fees (Note 6)	-	7,702	-	37,793
Foreign exchange (gain)	(988)	(648)	(5,787)	(3,015)
Insurance	9,075	8,696	17,954	15,405
Project evaluation (Notes 3 and 6)	308,988	360,002	776,451	1,017,829
Shareholder communications	6,903	611	7,600	2,109
Stock exchange and filing fees	5,015	-	5,015	-
Transfer agent	704	710	1,541	2,043
Travel	6,572	698	23,579	21,426
	491,341	565,867	1,210,891	1,462,090
Net loss for the period	479,009	558,050	1,184,832	1,444,439
Other comprehensive loss	5,516	10,171	13,211	5,532
Comprehensive loss for the period	\$ 484,525	\$ 568,221	\$ 1,198,043	\$ 1,449,971
Basic & diluted loss per common share from loss for the period	\$ 0.01	\$ 0.02	\$ 0.03	\$ 0.04
Weighted average number of common shares outstanding	46,035,000	34,700,000	46,035,000	34,700,000

RUGBY MINING LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six months ended,	August 31, 2013	August 31, 2012
Operating Activities		
Net loss for the period	\$ (1,184,832)	\$ (1,444,439)
Items not requiring an outlay of cash:		
Amortization (Note 4)	4,409	5,485
Share based payments (Note 6)	97,765	169,638
	(1,082,658)	(1,269,316)
Changes in non-cash working capital		
Prepaid expenses and other receivables	39,378	60,109
Due from related party	-	6,415
Accounts payable and accrued liabilities	(21,972)	(299,826)
Due to related parties	(81,596)	(9,407)
Cash flows from operating activities	(1,146,848)	(1,512,025)
Investing Activities		
Acquisition of property and equipment	(110,523)	-
Cash flows from investing activities	(110,523)	-
Effect of foreign exchange rate change on cash	(11,973)	(8,521)
Net decrease in cash and cash equivalents	(1,269,344)	(1,520,546)
Cash and cash equivalents - beginning of period	5,102,961	4,326,222
Cash and cash equivalents - end of period	\$ 3,833,617	\$ 2,805,676

RUGBY MINING LIMITED
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Issued Share Capital		Contributed Surplus	Deficit	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
	Number of Shares	Amount				
Balance at February 29, 2012	34,700,000	\$ 11,617,706	\$ 4,217,715	\$ (11,747,942)	\$ 9,351	\$ 4,096,830
<i>Activity during the period:</i>						
- Share-based payments recognized	-	-	169,638	-	-	169,638
- Other comprehensive loss	-	-	-	-	(5,532)	(5,532)
- Net loss for the period	-	-	-	(1,444,439)	-	(1,444,439)
Balance at August 31, 2012	34,700,000	\$ 11,617,706	\$ 4,387,353	\$ (13,192,381)	\$ 3,819	\$ 2,816,497
<i>Activity during the period:</i>						
- Equity financing net of share issue costs	10,000,000	2,946,643	-	-	-	2,946,643
- Exercise of options	1,335,000	400,500	-	-	-	400,500
- Contributed surplus allocated on exercise of options	-	273,763	(273,763)	-	-	-
- Share-based payments recognized	-	-	802,247	-	-	802,247
- Other comprehensive income	-	-	-	-	8,825	8,825
- Net loss for the period	-	-	-	(2,003,440)	-	(2,003,440)
Balance at February 28, 2013	46,035,000	\$ 15,238,612	\$ 4,915,837	\$ (15,195,821)	\$ 12,644	\$ 4,971,272
<i>Activity during the period:</i>						
- Share-based payments recognized	-	-	97,765	-	-	97,765
- Other comprehensive loss	-	-	-	-	(13,211)	(13,211)
- Net loss for the period	-	-	-	(1,184,832)	-	(1,184,832)
Balance at August 31, 2013	46,035,000	\$ 15,238,612	\$ 5,013,602	\$ (16,380,653)	\$ (567)	\$ 3,870,994

RUGBY MINING LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED AUGUST 31, 2013 AND 2012
(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 Colombia, the Philippines and Australia.

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 Toronto Stock Exchange Venture (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 28, 2013, 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 October 29, 2013.

3. Mineral Properties – Acquisition and Exploration Costs

a) Acquisition Costs

	Acquisition Cost		August 31, 2013 Total	February 28, 2013
Cobrasco	\$	110,523	\$ 110,523	\$ -
Balance, end of period	\$	110,523	\$ 110,523	\$ -

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

b) Exploration Costs

The tables below show the Company's exploration and evaluation expenditures for the six month periods ended August 31, 2013 and 2012.

Six months ended August 31, 2013						
	Generative & Other	Cobrasco	Comita	Mabuhay	Hawkwood	Total
Field camp	\$ 1,735	\$ -	\$ -	\$ 8,154	\$ 21	\$ 9,910
Environmental and socialization	21,871	124,183	-	-	-	146,054
Geological	79,398	144,905	37,391	31,854	6,250	299,798
IVA	2,454	-	-	-	-	2,454
Legal	9,235	59,423	10,651	22,386	595	102,290
Office operations	1,513	26,270	9,899	4,101	-	41,783
Option and cannon fees	15,870	-	16,123	-	11,042	43,035
Travel	16,519	17,250	5,818	12,775	12,417	64,779
Wages and benefits	-	25,853	13,318	27,177	-	66,348
Exploration and evaluation costs	\$ 148,595	\$ 397,884	\$ 93,200	\$ 106,447	\$ 30,325	\$ 776,451
Cumulative exploration and evaluation costs	\$4,047,358	\$ 397,884	\$2,036,150	\$2,130,487	\$1,080,520	\$9,692,978

Six months ended August 31, 2012						
	Generative & Other	Comita	Mabuhay	Hawkwood	Interceptor*	Total
Assays	\$ 5,975	\$ -	\$ -	\$ -	\$ 7,473	\$ 13,448
Drilling	30,904	-	-	-	80,069	110,973
Field camp	17,810	-	13,301	9,582	8,057	48,750
Geological***	142,328	125,443	29,360	2,321	67,050	366,502
IVA	-	-	-	-	27,186	27,186
Legal	23,077	31,128	3,711	2,902	19,414	80,232
Office operations***	-	42,298	4,307	-	43,354	89,959
Option fee**	63,606	-	-	-	-	63,606
Resource development	-	43,455	3,295	-	-	46,750
Travel	30,644	25,016	13,637	-	16,887	86,184
Wages and benefits	-	45,049	39,190	-	-	84,239
Exploration and evaluation costs	\$ 314,344	\$ 312,389	\$ 106,801	\$ 14,805	\$ 269,490	\$ 1,017,829
Cumulative exploration and evaluation costs	\$ 1,706,848	\$ 1,687,960	\$ 1,855,891	\$ 1,034,668	\$ 1,780,074	\$ 8,065,441

* On February 28, 2013 the Company relinquished the Interceptor property.

** Includes US\$50,000 option fee for Zonda. The Zonda Project was relinquished on February 28, 2013.

*** Includes share based compensation as reflected below:

Allocation of Share Based Compensation						
Six months ended August 31, 2012						
	Generative & Other	Comita	Mabuhay	Hawkwood	Interceptor*	Total
Geological	\$ -	\$ -	\$ 18,602	\$ -	\$ -	\$ 18,602
Office operations	-	13,951	-	-	22,817	36,768
Total	\$ -	\$ 13,951	\$ 18,602	\$ -	\$ 22,817	\$ 55,370

* On February 28, 2013 the Company relinquished the Interceptor property.

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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 an arm’s length transaction at a cost of \$110,523.

Comita Porphyry Copper Gold Project, Colombia

On October 12, 2010, the Company announced it had entered into an option agreement (the “Comita Agreement”) over the Comita Porphyry Copper Gold project in Colombia (“Comita”), granting the Company the right to earn up to a 60% indirect interest in the project. The Comita Agreement provides that 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 as follows:

Option 1: The Company has an initial 5 year option to acquire a 40% indirect 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 over the following four years with minimum annual expenditures of US\$250,000 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 the initial 5 year option. 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 which case 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 metres of drilling with minimum annual expenditures of US\$1.0 million on or before October 21, 2018.

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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.

The Company paid Pelican a signature fee of US\$20,000 and US\$50,000 to All-Acacia under the original terms of the Mabuhay Agreement.

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 has now been submitted to the government 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 to Pelican and All-Acacia totaling US\$750,000 over three years from the grant date of the EP, incur staged expenditures totalling 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 Pelican will be paid 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.

Hawkwood Property Australia

Pursuant to agreements dated July 10, 2008 and December 2, 2008 between Sunland Properties Limited (“Sunland”) and Rowen Company Limited (“Rowen”) a company controlled by Bryce Roxburgh, a director of the Company, and subsequent amendments dated December 31, 2009, the Company has the option (“Hawkwood Option”) to acquire up to 90% of the issued and outstanding shares of Sunland. Sunland’s wholly owned subsidiary, Rugby Mining Pty. Ltd., owns the Hawkwood property in Queensland Australia.

Under the Hawkwood Option, the Company paid to Rowen A\$25,000 as a non-refundable deposit and a further A\$200,000 to repay a loan advanced to Sunland by Rowen. In addition, pursuant to the amendment dated December 31, 2009, the Company issued 1.5 million common shares with a fair value of \$615,000 to Rowen (issued on June 5, 2010), and is required to incur exploration expenditures*, at its option, as follows:

- (i) In order to acquire an initial 60% interest in Sunland:
 - A\$300,000 by December 31, 2010 (completed)
 - A\$200,000 by December 31, 2011 (completed)
 - A\$500,000 by December 31, 2013 (completed); and

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

The Company must provide written notice to Rowen of its intention to exercise the option to acquire the initial 60% interest above.

- (ii) In order to exercise the option to acquire an additional 30% interest in Sunland, the Company must incur an additional A\$3.0 million in expenditures* on the property for a total of A\$4.0 million before December 31, 2017, and issue an additional 3 million common shares to Rowen.

* Eligible expenditures under the Hawkwood Option include expenditures incurred by the Company and Eastern Iron Limited (“Eastern Iron”), under their agreement with Rugby Mining Pty. Ltd. (see Eastern Iron Joint Venture Agreement, Australia).

Part of the Hawkwood property is subject to a 2% NSR payable to Newcrest Operations Limited (“Newcrest”).

Eastern Iron Joint Venture Agreement, Australia

The Company entered into an agreement (the “Eastern Agreement”) dated January 13, 2010 between Eastern Iron and Rugby Mining Pty. Ltd. with respect to certain portions of exploration permits 15289 and 17099 (the “Exploration Area”) which comprises a part of the Company’s Hawkwood project. Under the terms of the Eastern Agreement, Eastern Iron has earned a 50% interest in the Exploration Area by funding an A\$700,000 exploration expenditure work program (“Phase One”). Eastern Iron can increase its interest in the Exploration Area to 80% by incurring an additional A\$3.6 million in expenditures and completing a bankable feasibility study by February 10, 2018 (“Phase Two”).

Exploration permit 15289 is subject to a 2% NSR held by Newcrest Operations Limited. Eastern Iron is required to incur expenditures and complete a bankable feasibility study to earn its interest, at its option, as follows:

Phase One (Completed)

Total Phase One expenditures of A\$700,000.

Phase Two

- (i) additional A\$300,000 by February 10, 2014
(ii) additional A\$300,000 by February 10, 2015
(iii) additional A\$1.0 million by February 10, 2016
(iv) additional A\$1.0 million by February 10, 2017 and
(v) additional A\$1.0 million by February 10, 2018,
for total Phase Two expenditures of A\$3.6 million and cumulative expenditures of A\$4.3 million.

Interceptor Gold Copper Project, Argentina

On November 23, 2010, the Company entered into a 6 year option agreement to acquire 100% of the Interceptor porphyry gold copper project in Catamarca Province, Argentina. The Company made option payments totaling US\$100,000 and incurred mineral property exploration expenditures of \$1,748,726.

On February 28, 2013 the Company relinquished the Interceptor property.

The Zonda Gold Copper Project, Argentina

On November 28, 2011, the Company announced it had entered into a 6 year option agreement to acquire 100% of the Zonda gold-copper porphyry project in the San Juan Province, Argentina. The Company made cash payments totaling US\$100,000 pursuant to the agreement.

On February 28, 2013 the Company relinquished the Zonda property.

RUGBY MINING LIMITED
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4. Property and Equipment

	Computer equipment	Website	Leasehold improvements	Office equipment & furniture	Total
<i>Cost</i>					
As at March 1, 2012	\$ 20,705	\$ 7,260	\$ 15,467	\$ 12,551	\$ 55,983
Additions	-	-	-	-	-
Balance as at February 28, 2013	\$ 20,705	\$ 7,260	\$ 15,467	\$ 12,551	\$ 55,983
<i>Depreciation</i>					
As at March 1, 2012	\$ (5,790)	\$ (2,940)	\$ (3,510)	\$ (2,016)	\$ (14,256)
Charged for the period	(4,474)	(1,296)	(3,094)	(2,107)	(10,971)
Balance as at February 28, 2013	\$ (10,264)	\$ (4,236)	\$ (6,604)	\$ (4,123)	\$ (25,227)
<i>Net carrying value</i>					
As at March 1, 2012	\$ 14,915	\$ 4,320	\$ 11,957	\$ 10,535	\$ 41,727
As at February 28, 2013	\$ 10,441	\$ 3,024	\$ 8,863	\$ 8,428	\$ 30,756
<i>Cost</i>					
As at March 1, 2013	\$ 20,705	\$ 7,260	\$ 15,467	\$ 12,551	\$ 55,983
Additions	-	-	-	-	-
Balance as at August 31, 2013	\$ 20,705	\$ 7,260	\$ 15,467	\$ 12,551	\$ 55,983
<i>Depreciation</i>					
As at March 1, 2013	\$ (10,264)	\$ (4,236)	\$ (6,604)	\$ (4,123)	\$ (25,227)
Charged for the period	(1,566)	(454)	(1,546)	(843)	(4,409)
Balance as at August 31, 2013	\$ (11,830)	\$ (4,690)	\$ (8,150)	\$ (4,966)	\$ (29,636)
<i>Net carrying value</i>					
As at March 1, 2013	\$ 10,441	\$ 3,024	\$ 8,863	\$ 8,428	\$ 30,756
As at August 31, 2013	\$ 8,875	\$ 2,570	\$ 7,317	\$ 7,585	\$ 26,347

RUGBY MINING LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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5. Share Capital

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:

	August 31, 2013		February 28, 2013	
	Number of Shares	Amount	Number of Shares	Amount
Balance, beginning of period	46,035,000	\$ 15,238,612	34,700,000	\$ 11,617,706
Issued during the period for:				
Cash – equity financing	-	-	10,000,000	3,000,000
– options exercised	-	-	1,335,000	400,500
Contributed surplus allocated	-	-	-	273,763
Share issue costs	-	-	-	(53,357)
Balance, end of period	46,035,000	\$ 15,238,612	46,035,000	\$ 15,238,612

During the six month period ended August 31, 2013, no common shares were issued.

During the year ended February 28, 2013, the Company issued common shares as follows:

- a) Issued 1,335,000 common shares pursuant to the exercise of stock options at a price of \$0.30 per share for \$400,500 in cash proceeds. Contributed surplus allocated to share capital upon the exercise of stock options was \$273,763.
- b) In January 2013, the Company completed a non-brokered private placement consisting of 10,000,000 units (“Units”) at \$0.30 per Unit for gross proceeds of \$3,000,000. Each Unit consisted of one common share (“Share”) and one non-transferrable share purchase warrant (“Warrant”). Each Warrant is exercisable to acquire an additional Share of the Company until January 22, 2016, at a price of \$0.40 per Share for the first two years, and at an exercise price of \$0.55 per Share in the third year. A finder’s fee of 5% was paid on certain portions of the offering for a total of \$21,259. Costs of \$53,357 associated with the placement were charged to share capital.

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6. 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 issuable pursuant to options granted under the Plan, which was approved by shareholders on November 15, 2012, may not exceed 20% of the total number of issued and outstanding shares of the Company on a non-diluted basis. At August 31, 2013, the maximum number of options issuable under the Plan was 7,207,000. 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.

A summary of the changes in share options during the six month period ended August 31, 2013 and the year ended February 28, 2013 are as follows:

	August 31, 2013		February 28, 2013	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Options outstanding, beginning of period	6,615,000	\$ 0.43	6,535,000	\$ 0.70
Forfeited/expired	(75,000)	0.41	(795,000)	0.62
Exercised	-	-	(1,335,000)	0.30
Granted	190,000	0.30	2,210,000	0.38
Options outstanding, end of period	6,730,000	\$ 0.43	6,615,000	\$ 0.43*

There were Nil (February 28, 2013 – 1,335,000) options exercised during the period at a weighted average exercise price of \$Nil (February 28, 2013 – \$0.30) and a weighted average trading price at the time of exercise of \$Nil (February 28, 2013 – \$0.50).

* During the year ended February 28, 2013 the Company re-priced 1,440,000 options which ranged in price from \$0.85 to \$1.31, to an exercise price of \$0.50; 1,040,000 options which ranged in price from \$0.85 to \$1.15, to an exercise price of \$0.41; and 250,000 options priced at \$0.70, to an exercise price of \$0.36. These re-priced options had a fair value of approximately \$0.20, \$0.14, and \$0.23 per option respectively. The Company recognized an additional \$125,180, \$94,723, and \$10,467 in share-based compensation from the re-pricing of these options respectively.

The following table summarizes information about the stock options outstanding and exercisable at August 31, 2013:

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 - 0.49	4,215,000	6.02	\$ 0.39	2,817,500	5.31	\$ 0.40
0.50 - 0.99	2,515,000	2.20	0.50	2,515,000	2.20	0.50
	6,730,000	4.83	\$ 0.43	5,332,500	3.84	\$ 0.44

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6. Stock Option Plan (Continued)

Share-based compensation recognized on options vesting during the period amounting to \$97,765 (2012- \$169,638) has been allocated to contributed surplus. Share-based compensation has been allocated as follows:

Six months ended August 31,	2013	2012
Administrative	\$ 97,765	\$ 91,694
Directors' fees	-	22,574
Mineral property exploration expenditures	-	55,370
Total	\$ 97,765	\$ 169,638

7. Warrants

During the periods ended August 31, 2013 and 2012 no warrants were exercised. At August 31, 2013, the Company had 10,000,000 outstanding warrants (February 28, 2013 – 10,000,000) to acquire common shares. Each warrant currently outstanding is exercisable to acquire a common share of the Company until January 22, 2016, at a price of \$0.40 per common share for the first two years, and at an exercise price of \$0.55 per common share in the third year.

8. Related Party Transactions

- a) During the period ended August 31, 2013, a total of \$91,710 (2012 - \$101,139) was paid or accrued for related party transactions with directors or officers of the Company for mineral property exploration costs, administrative support fees, rent and consulting fees. Amounts due to related parties of \$27,354 at August 31, 2013 (February 28, 2013 - \$27,228) are non-interest bearing and are due on demand.

The total of \$91,710 for the period ended August 31, 2013 was paid or accrued as follows; \$83,331 (2012 - \$84,909) to Berenvy Pty Ltd., a company controlled by the President & CEO of the Company for consulting fees and \$8,379 (2012 - \$16,231) 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.

During the period, the Company shared costs of certain common expenditures including administrative support, office overhead and travel with Exeter Resource Corporation ("Exeter").

- b) The Company, along with Exeter, incurs certain expenditures for staff and exploration expenditures on behalf of each other. The net amount paid or accrued by the Company to Exeter during the period ended August 31, 2013 was \$193,274 (2012 - \$118,743). As at August 31, 2013, the Company had amounts payable of \$51,373 (February 28, 2013 - \$133,095) to Exeter. The amounts due to Exeter are non-interest bearing and are due on demand.

9. 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 six month periods ended August 31, 2013 and 2012:

	2013	2012
Compensation - cash	\$ 101,331	\$ 104,909
Share-based payments	6,181	22,574
Total	\$ 107,512	\$ 127,483

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10. 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:

August 31, 2013	Canada	Australia	Argentina	Colombia	Philippines	Total
Cash and cash equivalents	\$ 3,651,169	\$ -	\$ 4,028	\$ 25,433	\$ 152,987	\$ 3,833,617
Accounts receivable and prepaids	37,699	-	-	-	-	37,699
Exploration advances	-	6,084	22,671	8,968	6,348	44,071
Property and equipment	20,313	6,034	-	-	-	26,347
Mineral properties	-	-	-	110,523	-	110,523
	3,709,181	12,118	26,699	144,924	159,335	4,052,257
Current Liabilities	(137,549)	-	(6,821)	(34,086)	(2,807)	(181,263)
	\$ 3,571,632	\$ 12,118	\$ 19,878	\$ 110,838	\$ 156,528	\$ 3,870,994
Six months ended August 31, 2013						
Mineral property exploration expenditures	\$ -	\$ 30,325	\$ -	\$ 639,679	\$ 106,447	\$ 776,451
Net loss	\$ 153,705	\$ 30,326	\$ 266,649	\$ 627,264	\$ 106,888	\$ 1,184,832

February 28, 2013	Canada	Australia	Argentina	Colombia	Philippines	Total
Cash and cash equivalents	\$ 4,950,255	\$ -	\$ 13,380	\$ 102,413	\$ 36,913	\$ 5,102,961
Accounts receivable and prepaids	35,277	-	-	-	-	35,277
Exploration advances	-	26,895	28,527	33,042	1,006	89,470
Property and equipment	24,027	6,729	-	-	-	30,756
	5,009,559	33,624	41,907	135,455	37,919	5,258,464
Current Liabilities	(246,576)	-	(18,137)	(18,614)	(3,865)	(287,192)
	\$ 4,762,983	\$ 33,624	\$ 23,770	\$ 116,841	\$ 34,054	\$ 4,971,272

Six months ended August 31, 2012						
Mineral property exploration expenditures	\$ -	\$ 14,805	\$ 529,179	\$ 367,044	\$ 106,801	\$ 1,017,829
Net loss	\$ 354,182	\$ 14,805	\$ 574,403	\$ 394,248	\$ 106,801	\$ 1,444,439