



RUGBY MINING LIMITED

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the nine months ended November 30, 2020 and 2019
(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

RUGBY MINING LIMITED

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Vancouver, Canada

January 28, 2021

RUGBY MINING LIMITED
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(UNAUDITED)

		November 30, 2020	February 29, 2020
	Notes		
Assets			
Current			
Cash and cash equivalents		\$ 529,602	\$ 443,897
Amounts receivable and prepaids		31,027	56,068
Total current assets		560,629	499,965
Non-Current			
Right-of-use asset	4	52,655	-
Mineral properties	5	66,075	66,075
Total assets		\$ 679,359	\$ 566,040
Liabilities			
Current			
Accounts payable and accrued liabilities		\$ 32,571	\$ 55,023
Due to related parties	10	440	7,933
Lease liability	4	27,534	-
Total current liabilities		60,545	62,956
Non-Current			
Loan payable	5	40,000	-
Lease liability	4	26,349	-
Total liabilities		126,894	62,956
Shareholders' Equity			
Share capital	7	24,451,430	23,715,804
Contributed surplus		6,537,568	6,523,510
Deficit		(30,338,284)	(29,640,335)
Accumulated other comprehensive loss		(98,249)	(95,895)
Total shareholders' equity		552,465	503,084
Total liabilities and shareholders' equity		\$ 679,359	\$ 566,040

Nature of Operations and Going Concern (Note 1)
Subsequent Events (Note 14)

Approved on behalf of the Board:

Robert Reynolds
..... Director

Yale Simpson
..... Director

RUGBY MINING LIMITED
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(UNAUDITED)

		Three months ended November 30,		Nine Months ended November 30,	
	Notes	2020	2019	2020	2019
Income					
Interest income		\$ 1	\$ 15	\$ 21	\$ 63
Expenses					
Accounting, audit and professional fees		30,752	33,786	105,217	98,671
Administrative	8	57,376	150,413	151,823	538,938
Bank charges		1,127	1,956	3,533	5,076
Depreciation of right-of use assets	4	2,273	-	2,273	-
Directors' fees	8	4,702	10,181	19,974	28,029
Foreign exchange (gain)/loss		(3,342)	108	767	(12)
Insurance		9,088	8,309	27,632	24,605
Interest on lease liability	4	204	-	204	-
Mineral property exploration expenditures	6 and 8	166,641	221,437	338,434	1,061,660
Shareholder communications		3,350	21,419	21,391	32,886
Stock exchange and filing fees		4,981	6,309	13,176	18,682
Transfer agent		1,799	3,674	4,327	5,685
Travel		1,255	59,929	9,219	70,088
		280,206	517,521	697,970	1,884,308
Loss for the period		280,205	517,506	697,949	1,884,245
Other comprehensive (gain)/loss		1,692	(3,155)	2,354	16,936
Comprehensive loss for the period		\$ 281,897	\$ 514,351	\$ 700,303	\$ 1,901,181
Basic & diluted loss per common share from loss for the period					
		\$ 0.003	\$ 0.006	\$ 0.007	\$ 0.022
Weighted average number of common shares outstanding		103,041,086	87,033,065	98,105,254	84,286,715

RUGBY MINING LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

For the nine months ended,	Notes	November 30, 2020	November 30, 2019
Operating Activities			
Net loss for the period		\$ (697,949)	\$ (1,884,245)
Items not requiring an outlay of cash:			
Share-based payments	8	53,009	107,099
Shares issued for mineral property exploration expenditures	6 and 7	30,399	65,700
Depreciation of right-of-use assets	4	2,273	-
Interest expense on lease liability	4	204	-
Changes in non-cash working capital:			
Amounts receivable and prepaids		25,041	(39,967)
Accounts payable and accrued liabilities		(22,452)	(25,125)
Due to related parties		(7,493)	(84,586)
Cash outflows used in operating activities		(616,968)	(1,861,124)
Financing Activities			
Loan payable	5	40,000	-
Lease liability payments	4	(2,381)	-
Shares issued for cash	7	679,600	2,145,900
Share issue costs	7	(13,325)	(16,661)
Cash flows provided by financing activities		703,894	2,129,239
Effect of foreign exchange rate change on cash and cash equivalents		(1,221)	(16,936)
Net increase in cash and cash equivalents		85,705	251,179
Cash and cash equivalents - beginning of period		443,897	554,845
Cash and cash equivalents - end of period		\$ 529,602	\$ 806,024

RUGBY MINING LIMITED
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(UNAUDITED)

	Issued Share Capital		Contributed Surplus	Share subscriptions received in advance	Deficit	Accumulated Other Comprehensive (Loss) Gain	Total Shareholders' Equity
	Number of Shares	Amount					
Balance at February 28, 2019	76,766,547	\$ 21,576,365	\$ 6,290,141	\$ 45,000	\$ (27,375,859)	\$ (74,803)	\$ 460,844
- Equity financing	16,638,331	2,190,900	-	(45,000)	-	-	2,145,900
- Shares issued for Mabuhay (Motherlode) property option	365,000	65,700	-	-	-	-	65,700
- Share issue costs	-	(16,661)	-	-	-	-	(16,661)
- Share-based payments recognized	-	-	107,099	-	-	-	107,099
- Other comprehensive loss	-	-	-	-	-	(16,936)	(16,936)
- Net loss for the period	-	-	-	-	(1,884,245)	-	(1,884,245)
Balance at November 30, 2019	93,769,878	\$ 23,816,304	\$ 6,397,240	\$ -	\$ (29,260,104)	\$ (91,739)	\$ 861,701
- Residual value of warrants	-	(100,500)	100,500	-	-	-	-
- Share-based payments recognized	-	-	25,770	-	-	-	25,770
- Other comprehensive loss	-	-	-	-	-	(4,156)	(4,156)
- Net loss for the period	-	-	-	-	(380,231)	-	(380,231)
Balance at February 29, 2020	93,769,878	\$ 23,715,804	\$ 6,523,510	\$ -	\$ (29,640,335)	\$ (95,895)	\$ 503,084
- Equity financing	8,937,142	625,600	-	-	-	-	625,600
- Share issue costs	-	(13,325)	-	-	-	-	(13,325)
- Shares issued for Mabuhay (Motherlode) property option	253,326	30,399	-	-	-	-	30,399
- Options exercised	600,000	54,000	-	-	-	-	54,000
- Contributed surplus allocated on exercise of options	-	38,952	(38,952)	-	-	-	-
- Share-based payments recognized	-	-	53,009	-	-	-	53,009
- Other comprehensive loss	-	-	-	-	-	(2,354)	(2,354)
- Net loss for the period	-	-	-	-	(697,949)	-	(697,949)
Balance at November 30, 2020	103,560,346	\$ 24,451,430	\$ 6,537,568	\$ -	\$ (30,338,284)	\$ (98,249)	\$ 552,465

RUGBY MINING LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED NOVEMBER 30, 2020 AND 2019
(UNAUDITED)

1. Nature of Operations and Going Concern

Rugby Mining Limited (“Rugby” or the “Company”) is an exploration stage company incorporated under the laws of British Columbia, Canada and together with its subsidiaries, it is engaged in the acquisition and exploration of mineral properties located in Australia, Argentina, Colombia, and the Philippines.

The continued operations of the Company are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of such properties, and the profitable production from or disposition of such properties.

These unaudited condensed interim consolidated financial statements (the “Interim Financial Statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”) on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Several adverse conditions and material uncertainties cast significant doubt upon the validity of this assumption. The Company has no source of operating revenue, is unable to self-finance operations, and has significant cash requirements to maintain its mineral interests (see Note 6) and overhead requirements. The Company has incurred operating losses since inception. As at November 30, 2020, the Company had an accumulated deficit of \$30,338,284 (February 29, 2020 - \$29,640,335) and working capital of \$500,084 (February 29, 2020 - \$437,009). In addition, if the Company is to advance or develop its projects, it will be necessary to obtain additional financing. Although management has been successful in the past in raising capital, there are no assurances that the Company will be successful raising capital in the future. The Company plans to do additional equity raising, when required, in order to obtain funding to meet on-going expenditures.

If the going concern assumption was not appropriate for these Interim 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.

The Company has its primary listing on the TSX Venture Exchange (the “TSX-V”). The Company’s head office is located at 810 - 789 West Pender Street, Vancouver, BC, Canada, V6C 1H2.

COVID-19

In March 2020, the World Health Organization (WHO) declared the COVID-19 outbreak a pandemic. COVID-19 has had a significant impact on businesses and people through the restrictions put in place by governments of most countries regarding travel, business operations, social distancing and quarantine orders. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy, capital markets and the Company’s financial position cannot be reasonably estimated at this time. COVID-19 could adversely impact the Company’s ability to raise financing for exploration or operating costs due to uncertain capital markets, country risk factors, supply chain disruptions, increased government regulations and other unanticipated factors, all of which may also negatively impact the Company’s business and financial condition.

2. Basis of Preparation

These Interim Financial Statements have been prepared in compliance with 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”. These Interim Financial Statements do not include all the information and note disclosure required by IFRS for annual financial statements, and therefore, should be read in conjunction with the audited consolidated financial statements for the year ended February 29, 2020.

These Interim Financial Statements were approved and authorized by the Audit Committee of the Board of Directors for issue on January 28, 2021.

RUGBY MINING LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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3. Accounting Policies

The details of Rugby's accounting policies are presented in Note 4 of its audited consolidated financial statements for the year ended February 29, 2020 and have been consistently followed in the preparation of these Interim Financial Statements.

4. Right-of-use ("ROU") asset and liability

In November 2020, the Company entered into a lease agreement for office space in Sydney, Australia. The ROU asset for this office is being amortized on a straight-line basis until the end of the lease term of November 2022.

The continuity of the ROU asset and lease liability for the nine months ended November 30, 2020 is as follows:

Right-of-use assets	\$
Value of ROU asset as at March 1, 2020	-
Addition of ROU asset during the period	56,060
Depreciation	(2,273)
Foreign exchange	(1,132)
Value of ROU asset as at November 30, 2020	<u>52,655</u>
Lease liability	\$
Value of lease liability as at March 1, 2020	-
Addition to lease liability during the period	56,060
Interest on lease liability	204
Lease payments	(2,381)
Lease liability as at November 30, 2020	<u>53,883</u>
Current portion	27,534
Non-current portion	<u>26,349</u>
	<u>53,883</u>

The future minimum lease payments as of November 30, 2020 were as follows:

Year ending February 28	\$
2021	7,142
2022	28,567
2023	19,045
Less: interest payments	(2,389)
Foreign exchange	1,518
Present value of minimum lease payments	<u>53,883</u>

5. Loan Payable

In May 2020, the Company received \$40,000 related to the Canada Emergency Business Account (CEBA) loan. CEBA is an interest-free loan launched by the Government of Canada to ensure that businesses have access to capital during the COVID-19 pandemic and can only be used to pay non-deferrable operating expenses. Repaying the balance of the loan on or before December 31, 2022 will result in loan forgiveness of 25% (up to \$10,000).

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6. Mineral Properties – Acquisition and Exploration Costs

a) Acquisition Costs - Colombia Properties

<i>Cost</i>	
As at March 1, 2019	\$ 66,075
Balance as at February 29, 2020	\$ 66,075
As at March 1, 2020	\$ 66,075
Balance as at November 30, 2020	\$ 66,075

b) Exploration Costs

The tables below show the Company's exploration and evaluation expenditures for the nine month periods ended November 30, 2020 and 2019.

Nine months Ended November 30, 2020

	Generative & Other	El Zanjón	Cobrasco	Colombia Gold	Motherlode	Total
Assays	\$ -	\$ 16,122	\$ -	\$ 4,933	\$ -	\$ 21,055
Field camp	272	-	-	-	10,519	10,791
Geological*	12,922	38,643	4,907	18,225	36,018	110,715
Legal	306	-	3,425	5,638	-	9,369
Office operations	-	-	2,347	6,745	1,082	10,174
Tenement fees and option payments	7,083	15,000	-	-	65,932	88,015
Travel	1,962	-	-	5,048	4,867	11,877
Wages and benefits	78	-	15,122	45,367	15,871	76,438
Exploration and evaluation costs	\$22,623	\$ 69,765	\$ 25,801	\$ 85,956	\$ 134,289	\$338,434

* Includes share based compensation

Nine Months Ended November 30, 2019

	Generative & Other	Otway	El Zanjón	Cobrasco	Colombia Gold	Motherlode	Total
Assays	\$ -	\$ 3,487	\$ -	\$ -	\$ 3,047	\$ 36,722	\$ 43,256
Drilling	-	-	-	-	-	329,843	329,843
Field camp	-	5,399	-	697	4,926	107,759	118,781
Geological*	7,493	11,029	60,766	57,791	41,568	48,704	227,352
Legal	-	-	-	11,390	4,868	-	16,258
Office operations	-	-	-	5,659	16,978	815	23,453
Tenement fees and option payments	-	8,507	15,000	-	-	65,700	89,207
Travel	-	7,122	-	1,399	30,569	13,145	52,235
Wages and benefits	-	5,594	-	33,548	100,643	21,491	161,274
Exploration and evaluation costs	\$7,493	\$41,139	\$75,766	\$110,483	\$202,600	\$624,180	\$1,061,660

* Includes share based compensation

Motherlode Gold Copper Project, Philippines

Motherlode (formerly the Mindanao Motherlode Gold Mine) is located in the center of the broader Mabuhay project area. 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.

In April 2016, the Company purchased all of Pelican and Sun Pacific's residual interest in Mabuhay for A\$10,000 and consequently, they have no remaining interest in Mabuhay.

RUGBY MINING LIMITED
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6. Mineral Properties – Acquisition and Exploration Costs (Continued)

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”). In January 2019, the Company received final approval of the Exploration Permit (“EP”). In February 2019, Rugby and All-Acacia amended the terms of the option agreement such that payments pursuant to the option agreement can be settled with cash or shares at the Company’s election.

The Company and All-Acacia negotiated a further amendment to the option agreement (the “Second Amendment to the Mabuhay Agreement”), signed in September 2020, which modified the quantum and timing of the staged payments (see below). Rugby will pay All-Acacia in either shares (subject to TSX-V approval) or in cash, subject to All-Acacia’s right to elect to receive up to 50% in cash.

Pursuant to the Second Amendment to the Mabuhay Agreement, in order to maintain its option, the Company is required to make the following staged payments totaling US\$250,000 to All-Acacia:

- (i) US\$50,000 by March 26, 2019 (paid by issuing 365,000 common shares valued at \$65,700);
- (ii) US\$50,000 by March 20, 2020 (paid in September 2020, by issuing 253,326 common shares valued at US\$25,000 (\$30,399) and US\$25,000 (\$33,000) in cash);
- (iii) US\$50,000 by March 20, 2021, payable in cash or shares (see Note 14)*;
- (iv) US\$50,000 by March 20, 2022, payable in cash or shares (see Note 14)*;
- (v) US\$50,000 by March 20, 2023, payable in cash or shares (see Note 14)*; and
- (vi) a final payment of US\$175,000, payable in cash or shares* within 30 days from the grant and registration of a mineral agreement allowing for development of a mine.

** The payment terms provide for payment of up to 50% in cash at All-Acacia’s option.*

Additionally, the Company is required to incur the following staged expenditures totaling US\$4.5 million over six years and complete a pre-feasibility study to earn its interest and exercise its Mabuhay Option:

- (i) US\$250,000 by March 20, 2020 (incurred);
- (ii) US\$500,000 by March 20, 2021 (incurred);
- (iii) US\$750,000 by March 20, 2022;
- (iv) US\$1,000,000 by March 20, 2023;
- (v) US\$1,000,000 by March 20, 2024; and
- (vi) US\$1,000,000 by March 20, 2025.

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.

Colombia Gold Projects

Regional Applications, Colombia

On June 1, 2016, Rugby announced that it had acquired an extensive portfolio of both granted exploration concessions and applications in Colombia together with an extensive geological database. Under the terms of the agreement, Rugby acquired 100% of the rights to the portfolio of mineral properties and geological database for nominal cash consideration.

RUGBY MINING LIMITED
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6. Mineral Properties – Acquisition and Exploration Costs (Continued)

Tantalus

In February, 2020, the Company entered into an agreement to acquire the Tantalus gold silver project, located in the Bucaramanga gold belt in Colombia and paid the vendor approximately \$16,000. Tantalus is currently in the application stage and pursuant to the agreement, Rugby will pay the vendor approximately \$37,000 upon title being granted and transferred to Rugby. The vendor will retain a 1% NSR which can be purchased at prices ranging between US\$1,300,000 and US\$5,000,000.

Cobrasco Copper Project, Colombia

The Cobrasco concession, which is subject to a 1% net smelter royalty (“NSR”), was acquired in April 2013. In November 2017 the Company filed an application for Forestry Extraction as part of the process to allow drilling. Additional information was submitted in August 2018 at the request of the authorities. However, on April 29, 2019, Rugby announced that its drilling permit application for the Cobrasco project had been denied by the Forestry Department, a division within the Colombian Ministry of the Environment. As a result of the permit application denial, the Company wrote-down the project to \$nil and recorded an impairment expense of \$87,241 for the year ended February 28, 2019.

El Zanjón Gold and Silver Project, Argentina

On July 31, 2019, the Company announced that it had entered into an option agreement to earn up to 100% of the El Zanjón Gold and Silver Project (“El Zanjón”) in Santa Cruz Province, Argentina. The project covers approximately 600 square kilometres within the Deseado Massif gold and silver district.

Pursuant to the terms of the option agreement, the Company paid \$15,000 on July 26, 2019 and \$15,000 on July 10, 2020 and will be required to make further annual tenure payments totaling \$15,000 each. The vendors will retain a 2% NSR. In order to earn 100% of El Zanjón, Rugby will have the option to incur staged exploration expenditures totaling \$3.65 million over 6 years including completing studies to pre-feasibility standards:

- (i) \$100,000 by January 17, 2021 (Stage 1) (incurred);
- (ii) \$250,000 by January 17, 2022 (Stage 2);
- (iii) \$500,000 by January 17, 2023 (Stage 3);
- (iv) \$800,000 by January 17, 2024 (Stage 4); and
- (v) \$2,000,000 by July 17, 2025 (Stage 5).

The Otway Project, Australia

On June 1, 2016, Rugby announced that it had acquired a 100% interest in the Otway project, for a nominal cash consideration plus a 2% NSR. The Otway project, which covers prospective areas for copper and gold mineralization in the northwest of Western Australia, comprises two contiguous exploration licences covering 134 square kilometres.

On May 28, 2020, the Company announced the signing of an Option Agreement (“Agreement”) with Calidus Resources Limited (“Calidus”) under which Calidus can earn an interest of up to 70% in the Otway project. Highlights of the Agreement:

- Within 12 months of the Agreement, Calidus will spend A\$200,000, including 1,200 metres (“m”) of drilling;
- Within 30 months of the Agreement, Calidus has the option to spend a further A\$500,000, including a minimum 3,000 m of drilling to earn 50%; and
- Within 48 months of the Agreement, Calidus has the option to spend an additional A\$500,000, including a further 3,000 m of drilling and issue A\$250,000 worth of Calidus shares to the Company at the completion of the spend using a 10-day Volume Weighted Average Price to earn a 70% interest in Otway.

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7. Share Capital

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

Issuances - year ending February 2021

On July 22, 2020, the Company completed a non-brokered private placement financing consisting of 8,937,142 units (the "Units") at a price of \$0.07 per Unit for gross proceeds of \$625,600. Each Unit consisted of one (1) common share and one (1) common share purchase warrant (a "Warrant"). Each Warrant will entitle the holder thereof to purchase one (1) additional common share of the Company for a period of two (2) years from the date of the close at an exercise price of \$0.12, provided that if at any time following the date that is four months from the closing date of the offering, that the closing price of the Company's common shares on the TSX Venture Exchange is \$0.25 or greater per common share during any 10 consecutive trading day period the Warrants will expire at 4.00 p.m. (Vancouver time) on the 30th day after the date on which the Company provides notice of such accelerated expiry to warrant-holders, and the warrant-holders will have no further rights to acquire any common shares of the Company under the Warrant. The residual value of the warrants associated with the unit offering was \$nil. The Company paid \$13,325 as finder's fees in connection with the financing which was charged to share capital.

On September 15, 2020, pursuant to the Second Amendment to the Mabuhay Agreement, the Company issued 253,326 common shares at \$0.12 per share to settle 50% of the second option payment of US\$50,000 (\$30,399, see Note 6).

In October 2020, upon the exercise of options, the Company issued 300,000 common shares at a price of \$0.08 per share for total proceeds of \$24,000 and 300,000 common shares at a price of \$0.10 per share for total proceeds of \$30,000.

Issuances - year ending February 2020

On March 15, 2019, the Company completed a non-brokered private placement financing consisting of 6,588,331 units (the "Units") at a price of \$0.18 per Unit for gross proceeds of \$1,185,900 (of this amount, \$45,000 were received in advance and reclassified to share capital upon closing of the financing). Each Unit consisted of one (1) common share and one half (0.5) common share purchase warrant (a "Half Warrant"). Each full warrant (two (2) Half Warrants together) entitled the holder thereof to purchase one (1) additional common share of the Company at an exercise price of \$0.30 until March 20, 2020. The residual value of the warrants associated with the unit offering was \$nil. The Company paid \$11,411 as finder's fees in connection with the financing which was charged to share capital.

On March 26, 2019, pursuant to the Amended Mabuhay Agreement, the Company issued 365,000 common shares at \$0.18 per share to settle the initial payment of US\$50,000 (\$65,700, see Note 6).

On October 29, 2019, the Company completed a non-brokered private placement financing consisting of 10,050,000 units (the "Units") at a price of \$0.10 per Unit for gross proceeds of \$1,005,000. Each Unit consisted of one (1) common share and one (1) common share purchase warrant (a "Warrant"). Each Warrant entitles the holder thereof to purchase one (1) additional common share of the Company at an exercise price of \$0.17 until October 30, 2021, provided that the closing price of the Company's common shares on the TSX-V is \$0.25 or greater during any 10 consecutive trading day period the Warrants will expire at 4.00 p.m. (Vancouver time) on the 30th day after the date on which the Company provides notice of such accelerated expiry to warrant-holders and the warrant-holders will have no further rights to acquire any common shares of the Company under the Warrant. The residual value of the warrants associated with the unit offering was \$100,500. The Company paid \$5,250 as finder's fees in connection with the financing which was charged to share capital.

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8. Stock Option Plan

The Company has adopted an incentive stock option plan (the “Plan”), the essential elements of which are as follows: The aggregate number of shares of the Company’s capital stock issuable pursuant to options granted under the Plan, which was approved by shareholders on November 26, 2020, may not exceed 20% of the total number of issued and outstanding shares of the Company on a non-diluted basis. At November 30, 2020 the maximum number of options issuable under the Plan was 20,712,069. 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.

The following is a summary of the changes in share options during the nine month period ended November 30, 2020 and the year ended February 29, 2020:

	November 30, 2020		February 29, 2020	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Options outstanding, beginning of period	11,650,000	\$0.15	10,900,000	\$0.15
Granted	-	-	1,275,000	0.14
Exercised	(600,000)	0.09	-	-
Cancelled	(125,000)	0.33	(400,000)	0.15
Expired	(1,405,000)	0.10	-	-
Forfeited	-	-	(125,000)	0.27
Options outstanding, end of period	9,520,000*	\$0.16	11,650,000	\$0.15

* See Note 14 for options granted and expired subsequently.

There were 600,000 (2019 – nil) options exercised during the period at a weighted average price of \$0.09 (2019 - \$nil) and the weighted average price at the time of trading was \$0.105 (2019 - \$nil).

On October 23, 2020, 1,405,000 options at an exercise price of \$0.10 per share expired unexercised.

The weighted average fair value at the measurement date of the 1,275,000 options granted by the Company during the year ended Feb 29, 2020 was estimated at the grant date using the Black-Scholes option pricing model with the following assumptions:

	Feb 29, 2020
Expected annual volatility	119.1%-122.1%
Risk-free interest rate	1.47%
Expected life	5 years
Expected dividend yield	0%

The following table summarizes information about the stock options outstanding and exercisable at November 30, 2020:

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8. Stock Option Plan (Continued)

Range of Prices (\$)	Outstanding Options			Exercisable Options		
	Number	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	Number	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price
0.01 - 0.09	1,420,000	0.10	\$ 0.08	820,000	0.09	\$ 0.08
0.10 - 0.24	5,660,000	2.91	0.12	4,610,000	2.73	0.11
0.25 - 0.50	2,440,000	1.01	0.33	2,090,000	1.10	0.33
	9,520,000	2.01	\$ 0.16	7,520,000	1.99	\$ 0.17

Share-based compensation recognized on options vesting during the nine month periods ended November 30, 2020 and 2019 has been allocated to contributed surplus as follows:

	Three months ended		Nine months ended	
	November 30,		November 30,	
	2020	2019	2020	2019
Administrative	\$2,206	\$ 9,331	\$10,331	\$37,003
Directors' fees	4,702	10,181	19,974	28,029
Mineral property exploration expenditures	5,094	12,582	22,704	42,067
Total	\$12,002	\$32,094	\$53,009	\$107,099

9. Restricted Share Unit / Deferred Share Unit Plan ("RSU / DSU Plan")

On November 29, 2018, the Company's disinterested shareholders approved the adoption of a RSU/DSU Plan. The Plan provides for granting of RSUs and DSUs for the purpose of advancing the interests of the Company through motivation, attraction and retention of employees, officers, consultants and directors by granting equity-based compensation incentives, in addition to the Company's stock option plan. The maximum number of shares made available for issuance from treasury under the RSU/DSU Plan, subject to certain adjustments described in the RSU/DSU Plan, shall not exceed 1,151,000 shares, provided, however, that the number of shares reserved for issuance from treasury under the RSU/DSU Plan and pursuant to all other security-based compensation arrangements of the Company shall, in the aggregate, not exceed 20% of the number of shares then issued and outstanding.

Restricted share units

RSUs granted pursuant to this Plan will be used to compensate participants for their individual performance based achievements and are intended to supplement stock option awards in this specific respect.

As at November 30, 2020, no RSU's have been granted.

Deferred share units

DSUs granted pursuant to this Plan will be used as a means of reducing the cash payable by the Company in respect of director compensable amounts. In so doing, the interests of directors will become more closely aligned with those of the Company and its shareholders.

As at November 30, 2020, no DSU's have been granted.

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10. Warrants

No warrants were exercised during the quarter ended November 30, 2020 (November 30, 2019 - nil).

On March 20, 2020, 3,294,165 warrants, exercisable to acquire a common share of the Company at a price of \$0.30 per common share, expired unexercised.

On May 22, 2020, 6,017,785 and 252,929 warrants, exercisable to acquire a common share of the Company at a price of \$0.36 and \$0.50 per common share respectively, expired unexercised.

On October 15, 2020, 2,087,500 warrants exercisable to acquire a common share of the Company at a price of \$0.14 per common share, expired unexercised.

At November 30, 2020, the Company had an aggregate of 18,987,142 outstanding warrants (February 29, 2020 – 21,702,379) to acquire common shares as follows:

Outstanding	Exercisable	Exercise Price	Expiry Date
10,050,000	10,050,000	\$ 0.17	October 30, 2021
8,937,142	8,937,142	\$ 0.12	July 23, 2022
18,987,142	18,987,142		

11. Related Party Transactions

During the nine month period ended November 30, 2020, a total of \$17,740 (2019 – \$132,524) 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 related parties as at November 30, 2020 of \$440 (February 29, 2020 – \$7,933) are for reimbursable expenses incurred on behalf of the Company and are non-interest bearing and due on demand.

The total of \$17,740 incurred for the nine month period ended November 30, 2020 was paid or accrued as follows: \$nil (2019 - \$35,000) to Rowen Company Ltd., a company controlled by the President and CEO of the Company for consulting fees, \$nil (2019 – \$67,704) to Berenvy Pty Ltd., a company controlled by the COO for consulting fees, and \$17,740 (2019 - \$29,820) to Rogo Investments Pty Ltd., a company controlled by a director of the Company for office rental fees.

12. Executive Compensation

Key management personnel are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel of the Company include executive officers and the board of directors.

The following compensation has been provided to key management personnel for the three and nine month periods ended November 30, 2020 and 2019:

	Three months ended November 30,		Nine months ended November 30,	
	2020	2019	2020	2019
Compensation - cash	\$ 26,000	\$ 70,208	\$ 48,000	\$ 282,704
Share-based payments	5,808	14,541	24,674	43,189
Total	\$ 31,808	\$ 84,749	\$ 72,674	\$ 325,893

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13. Segmented Information

The Company's activities are all in the one industry segment of mineral property acquisition, exploration and development. The Company's net assets and net losses by geographic regions are as follows:

November 30, 2020	Canada	Australia	Argentina	Colombia	Philippines	Total
Cash and cash equivalents	\$460,686	\$ 27,051	\$ -	\$ 36,558	\$ 5,307	\$ 529,602
Amounts receivable and prepaids	15,016	10,961	-	3,107	1,943	31,027
Right-of-use assets		52,655				52,655
Mineral properties	-	-	-	66,075	-	66,075
Total Assets	475,702	90,667	-	105,740	7,250	679,359
Total Liabilities	(51,308)	(54,613)	-	(17,466)	(3,507)	(126,894)

Nine months ended November 30, 2020

Mineral property exploration expenditures	\$ 14,884	\$ 7,738	\$ 69,766	\$111,758	\$134,288	\$338,434
Net loss	\$ 269,719	\$ 32,964	\$ 69,766	\$166,875	\$158,625	\$697,949

November 30, 2019	Canada	Australia	Argentina	Colombia	Philippines	Total
Cash and cash equivalents	\$746,594	\$ 27,862	\$ -	\$ 21,563	\$ 10,005	\$ 806,024
Amounts receivable and prepaids	65,700	2,105	-	10,604	649	79,058
Mineral properties	-	-	-	66,075	-	66,075
Total Assets	812,294	29,967	-	98,242	10,654	951,157
Total Liabilities	(50,302)	(2,834)	-	(32,254)	(4,066)	(89,456)

Nine months Ended November 30, 2019

Mineral property exploration expenditures	\$ 7,493	\$ 41,139	\$75,766	\$313,082	\$624,180	\$1,061,660
Net loss	\$618,329	\$175,594	\$75,766	\$365,090	\$649,466	\$1,884,245

14. Subsequent Events

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Subsequent to the period ending November 30, 2020, the Company negotiated with All-Acacia a further amendment to the option agreement which delays for additional 12 months staged payments (iii), (iv) and (v). Due to the current COVID-19 restrictions in the Philippines, the amendment has not been formally finalized yet (see Note 6).

Stock Options

During the month of December 2020, 1,450,000 stock options at a weighted average exercise price of \$0.11 per share expired unexercised.

On January 13, 2021, the Company granted 4,620,000 stock options to directors and officers exercisable at \$0.10 per share expiring on January 13, 2026.

On January 19, 2021, the Company granted 650,000 stock options to employees and consultants exercisable at \$0.10 per share expiring on January 19, 2026. Additionally, also on January 19, 2021, the Company repriced the following employee stock options: 100,000 stock options priced at \$0.35, 25,000 stock options priced at \$0.31, 25,000 stock options priced at \$0.25 and 25,000 stock options priced at \$0.18 to an exercise price of \$0.10 per share and extended their expiry date to January 19, 2026.