RUGBY MINING LIMITED

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended May 31, 2017 and 2016
(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

July 26, 2017

RUGBY MINING LIMITED
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(UNAUDITED)

			May 31, 2017		February 28, 2017
Assets					
Current					
Cash and cash equivalents		**$**	**1,003,082**	$	1,484,044
Amounts receivable and prepaids			**54,189**		46,723
			1,057,271		1,530,767
Mineral properties	(Note 3)		**157,875**		156,675
		$	**1,215,146**	$	1,687,442
Liabilities					
Current					
Accounts payable and accrued liabilities		**$**	**104,932**	$	109,041
Due to related parties	(Note 7)		**34,082**		38,210
			139,014		147,251
Shareholders' Equity					
Share capital	(Note 4)		**18,757,592**		18,757,592
Contributed surplus			**5,982,086**		5,940,880
Deficit			**(23,591,006)**		(23,088,724)
Accumulated other comprehensive income			**(72,540)**		(69,557)
			1,076,132		1,540,191
		$	**1,215,146**	$	1,687,442

Nature of Operations and Going Concern (Note 1)
Subsequent Events (Note 10)

Approved on behalf of the Board:

Robert Reynolds
.... Director

Yale Simpson
.... Director

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

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

For the three months ended May 31,			**2017**		2016
Income					
Interest income		**$**	**3,070**	$	1,241
Expenses					
Accounting, audit and professional fees			**31,315**		21,529
Administrative	(Note 5)		**104,874**		122,144
Bank charges			**1,711**		979
Directors' fees	(Note 5)		**17,862**		17,733
Foreign exchange loss (gain)			**(910)**		415
Insurance			**8,581**		8,229
Mineral property exploration expenditures	(Note 3)		**322,145**		(43,334)
Shareholder communications			**15,344**		-
Transfer agent			**741**		678
Travel			**3,689**		6,017
			505,352		134,390
Loss for the period			**502,282**		133,149
Other comprehensive loss			**2,983**		42
Comprehensive loss for the period		**$**	**505,265**	$	133,191
Basic and diluted loss per common share from loss for the period		**$**	**0.01**	$	0.00
Weighted average number of common shares outstanding			**64,555,833**		54,422,500

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

RUGBY MINING LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

For the three months ended,		May 31, 2017	May 31, 2016
Operating Activities			
Net loss for the period		$ (502,282)	$ (133,149)
Items not requiring an outlay of cash:			
Share-based payments	(Note 5)	41,206	38,471
Changes in non-cash working capital			
Amounts receivable and prepaids		(7,466)	1,876
Accounts payable and accrued liabilities		(4,109)	(62,068)
Due to related parties		(4,128)	53,934
Cash flows from operating activities		(476,779)	(100,936)
Investing Activities			
Mineral property acquisition costs		-	(66,075)
Effect of foreign exchange rate change on cash and cash equivalents		(4,183)	(3,442)
Net decrease in cash and cash equivalents		(480,962)	(170,453)
Cash and cash equivalents - beginning of period		1,484,044	505,854
Cash and cash equivalents - end of period		$ 1,003,082	$ 335,401

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

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

	Issued Share Capital					
	Number of Shares	Amount	Contributed Surplus	Deficit	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
Balance at February 28, 2016	**54,422,500**	**$ 15,907,362**	**$ 5,607,930**	**$ (21,190,296)**	**$ (66,100)**	**$ 258,896**
- Share-based payments recognized	-	-	38,471	-	-	38,471
- Other comprehensive income	-	-	-	-	(42)	(42)
- Net loss for the period	-	-	-	(133,149)	-	(133,149)
Balance at May 31, 2016	**54,422,500**	**$ 15,907,362**	**$ 5,646,401**	**$ (21,323,445)**	**$ (66,142)**	**$ 164,176**
- Equity financing	9,000,000	2,700,000	-	-	-	2,700,000
- Shares for debt	433,333	130,000	-	-	-	130,000
- Warrants exercised	700,000	70,000	-	-	-	70,000
- Share issue costs	-	(49,770)	-	-	-	(49,770)
- Share-based payments recognized	-	-	294,479	-	-	294,479
- Other comprehensive income	-	-	-	-	(3,415)	(3,415)
- Net loss for the period	-	-	-	(1,765,279)	-	(1,765,279)
Balance at February 28, 2017	64,555,833	$ 18,757,592	$ 5,940,880	$ (23,088,724)	$ (69,557)	$ 1,540,191
- Share-based payments recognized	-	-	41,206	-	-	41,206
- Other comprehensive loss	-	-	-	-	(2,983)	(2,983)
- Net loss for the period	-	-	-	(502,282)	-	(502,282)
Balance at May 31, 2017	**64,555,833**	**$ 18,757,592**	**$ 5,982,086**	**$ (23,591,006)**	**$ (72,540)**	**$ 1,076,132**

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

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, Colombia and the Philippines.

The Company is in the exploration stage with its various mineral properties. The continued operations of the Company is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of such properties, and the profitable production from or disposition of such properties.

These financial statements have been prepared in accordance with International Financial Reporting Standards 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 may 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 (Note 3) and overhead requirements. The Company has incurred operating losses since inception. As at May 31, 2017, the Company had an accumulated deficit of $23,591,006 (February 28, 2017 - $23,088,724) and working capital of $918,257 (February 28, 2017 - $1,383,516). 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 in order to obtain funding required to meet on-going expenditures during the fiscal year.

If the going concern assumption was not appropriate for these 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 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, 2017, 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 July 25, 2017.

3. Mineral Properties – Acquisition and Exploration Costs

a) Acquisition Costs- Colombia Properties

Cost	
As at February 28, 2016	$ 81,400
Additions	66,075
Effect of movements in exchange rates	9,200
Balance as at February 28, 2017	**$ 156,675**
As at March 1, 2017	$ 156,675
Additions	-
Effect of movements in exchange rates	1,200
Balance as at May 31, 2017	**$ 157,875**

b) Exploration Costs

The tables below show the Company's exploration and evaluation expenditures for the three month periods ended May 31, 2017 and 2016.

Three Months Ended May 31, 2017

	Generative & Other	Cobrasco	Comita	Mabuhay	Colombia Gold	Total
Field camp	$ 3,424	$ -	$ -	$ 2,003	$ -	$ 5,427
Geological*	-	7,223	1,278	-	74,235	82,736
Legal	-	3,880	512	1,705	7,813	13,910
Tenement fees and option payments	-	-	-	-	114,480	114,480
Office operations	1,528	6,107	2,688	-	13,794	24,117
Travel	3,810	1,297	-	2,587	25,263	32,957
Wages and benefits	246	-	-	5,783	42,489	48,518
Exploration and evaluation costs	$ 9,008	$ 18,507	$ 4,478	$ 12,078	$ 278,074	$ 322,145

* Includes share based compensation as reflected below:

Three Months Ended May 31, 2017

	Generative & Other	Cobrasco	Comita	Mabuhay	Colombia Gold	Total
Geological	$ -	$ -	$ -	$ -	$ 5,973	$ 5,973
Total	$ -	$ -	$ -	$ -	$ 5,973	$ 5,973

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

	Three Months ended May 31, 2016				
	Generative & Other	Cobrasco	Comita	Mabuhay	Total
Assay	$ 292	$ -	$ -	$ -	$ 292
Field camp	46,791	-	-	1,986	48,777
Geological	-	124	9,260	-	9,384
Legal	1,831	1,226	1,200	1,709	5,966
Office operations	5,742	2,474	214	202	8,632
Travel	8,567	610	66	10,061	19,304
Wages and benefits	204	-	1,059	5,668	6,931
Government refunds	(142,260)	-	-	-	(142,620)
Exploration and evaluation costs	$ (79,193)	$ 4,434	$ 11,799	$ 19,626	$ (43,334)

Cobrasco Porphyry Copper Project, Colombia

The Cobrasco concession, which is subject to a 1% net smelter royalty ("NSR"), was acquired in April 2013.

Comita Porphyry Copper Project, Colombia

On October 12, 2010, the Company announced it had entered into an option agreement over Comita (the "Comita Agreement"), granting the Company the right to earn up to a 60% indirect interest in the project. The Comita Agreement provides that the mineral title at Comita will be transferred to a new Colombian entity ("Newco") and grants the Company the right to earn an initial 40% interest in Newco upon completion of certain exploration activities and incurring expenditure commitments, with a further option to earn an additional 20% interest, for a total interest of 60% in Newco.

On May 6, 2014, the Company along with the Comita concession holder, amended the Comita Agreement such that the dates to meet the expenditure and drilling requirements have been extended. In order to earn its interest in Newco, the Company will have to renegotiate the terms of the amended Comita Agreement listed below. In the event that it is unable to renegotiate the terms of the agreement, it will lose its rights to Comita. Under the amended Comita Agreement, the Company can earn the 60% interest in Newco (an effective 60% indirect interest in the Comita project) if it completes the obligations set out in the two options as follows:

Option 1: The Company has until October 20, 2018 to acquire an indirect 40% interest in the Comita project by incurring US$10.0 million in exploration expenditures which include at least 10,000 m of drilling as follows:

(i) US$250,000 on or before October 21, 2011, the first anniversary date of the agreement (incurred).

(ii) Thereafter the Company has the option, but not the obligation to incur US$9.75 million with minimum annual expenditures of US$250,000 (minimum yearly expenditure requirements have been met to date) until such time as the Comita project is removed from the forestry reserve, following which the minimum annual expenditure increases to US$1.0 million.

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

Excess expenditure in any given year may be carried forward to the next year, however such carry forward is limited to US$1.0 million at the end of Option 1. Upon incurring the expenditures set out above, the Company is required to provide the title holder with notice that it has met the requirements to acquire the initial 40% interest in Newco following which the title holder has 90 days to elect to resume management of the Comita project. In the event that the title holder elects to resume management of the Comita project, a joint venture will be formed and dilution provisions will apply. Should the title holder elect not to resume management of the Comita project, the Company will be granted a second option to acquire a further 20% interest in Newco as set out below:

Option 2: Upon the Company being granted the second option it will have 3 years to acquire an additional 20% interest in Newco for a total 60% indirect interest in the project by incurring an additional US$15.0 million in expenditures, including 20,000 m of drilling with minimum annual expenditures of US$1.0 million on or before October 20, 2021.

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

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.

As a result of a Philippine government moratorium on the granting of new Mineral Production Sharing Agreements ("MPSA") pending legislation enacting a revised revenue sharing scheme, the Company along with All-Acacia signed an amended Mabuhay Agreement (the "Amended Mabuhay Agreement") to allow for the conversion of the MPSA Application to an Exploration Permit Application ("EPA") as it is anticipated that an Exploration Permit ("EP") will be granted by the Philippine government earlier than an MPSA. An EP would allow the Company to conduct drilling at Mabuhay. An EPA was submitted to the government in March 2013 and all future payments as defined in the Amended Mabuhay Agreement have been deferred until the EP is approved by the federal authorities.

Under the Amended Mabuhay Agreement, in order to maintain its option, the Company is required to make staged payments totaling US$250,000 to All-Acacia over three years from the grant date of the EP (EP not yet granted), incur staged expenditures totaling US$4.5 million over six years from the grant date of the EP, and complete a pre-feasibility study to earn its interest and exercise its Mabuhay Option.

In the event that the Company exercises the Mabuhay Option, it will be required to make an additional US$175,000 payment to All-Acacia within 30 days from the grant and registration with the appropriate Mines and Geosciences Bureau Regional Office of the appropriate mineral agreement (MPSA or Financial and Technical Assistance Agreement) on the property.

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.

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

The Otways Project, Australia

On June 1, 2016, Rugby announced that it had acquired, for a nominal cash consideration plus a 2% NSR, two mineral property concession applications which cover prospective areas for copper and gold mineralization in the NW of Western Australia.

Colombia Gold Projects

a) The El Poma Project and Regional Applications, Colombia

On June 1, 2016, Rugby announced that it had acquired an extensive portfolio of both granted exploration concessions and applications 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.

b) The San Antonio Gold Project, Colombia

On October 19, 2016 the Company announced that it had entered into an option agreement with a private Colombian company to earn a 100% interest, subject to a 1% NSR in the San Antonio Gold Project in Colombia ("San Antonio").

Pursuant to the option agreement over San Antonio, at its election, the Company is required to make the following payments:

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

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

4. Share Capital

During the three month period ended May 31, 2017, no common shares were issued (May 31, 2016 – Nil).

5. Stock Option Plan

The Company has adopted an incentive stock option plan (the "Plan"), the essential elements of which are as follows: The aggregate number of shares of the Company's capital stock issuable pursuant to options granted under the Plan, which was approved by shareholders on November 24, 2016, may not exceed 20% of the total number of issued and outstanding shares of the Company on a non-diluted basis. At May 31, 2017 the maximum number of options issuable under the Plan was 12,784,500. Options granted under the Plan may have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the discounted market price of the common shares (defined as the last closing market price of the Company's common shares immediately preceding the grant date, less the maximum discount permitted by TSX–V), or such other price as may be agreed to by the Company and accepted by the TSX-V. Options granted under the Plan are generally exercisable immediately following the grant however certain options may be subject to vesting at times as determined by the directors of the Company and the TSX-V.

A summary of the changes in share options during the three month period ended May 31, 2017 and the year ended February 28, 2017 are as follows:

	May 31, 2017		February 28, 2017	
	Options	**Weighted Average Exercise Price**	Options	Weighted Average Exercise Price
Options outstanding, beginning of period	9,475,000	$ 0.13	7,925,000	$ 0.12
Forfeited/expired	-	-	(400,000)	0.50
Granted	-	-	1,950,000	0.27
Options outstanding, end of period	9,475,000	$ 0.13	9,475,000	$ 0.13

There were Nil (2016 – Nil) options exercised during the period.

The following table summarizes information about the stock options outstanding and exercisable at May 31, 2017:

	Outstanding Options			Exercisable Options		
Range of Prices ($)	Number	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	Number	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price
0.01 - 0.09	1,870,000	3.61	$ 0.08	952,500	3.61	$ 0.08
0.10 - 0.24	6,105,000	5.06	0.10	5,255,000	5.39	0.10
0.25 – 0.50	1,500,000	4.10	0.34	575,000	4.13	0.35
	9,475,000	4.62	$ 0.13	6,782,500	5.04	$ 0.12

Share-based compensation recognized on options vesting during the quarter amounting to $41,206 (2016- $38,471) has been allocated to contributed surplus. Share-based compensation has been allocated as follows:

Three months ended May 31,	**2017**	2016
Administrative	**$ 17,371**	$ 20,739
Directors' fees	**17,862**	17,732
Mineral property exploration expenditures	**5,973**	-
Total	**$ 41,206**	$ 38,471

6. Warrants

No warrants were exercised during the quarter ended May 31, 2017 (May 31, 2016 - Nil).

At May 31, 2017, the Company had an aggregate of 12,187,500 outstanding warrants (February 28, 2017 – 12,187,500) to acquire common shares as follows:

a) 7,687,500 warrants at an exercise price of $0.11 until October 15, 2017 and thereafter, until exercised, the warrant will increase in exercise price each year on October 15 by $0.01 to a maximum price of $0.14 until expiry on October 15, 2020; and

b) 4,500,000 warrants expiring on July 26, 2018 exercisable at $0.45 per share if exercised before July 26, 2017 and at $0.60 per share thereafter until they expire.

7. Related Party Transactions

a) During the three month period ended May 31, 2017, a total of $66,106 (2016 – $71,507) was paid or accrued for related party transactions with companies controlled by directors or officers of the Company for mineral property exploration costs, administrative support fees, rent and consulting fees. Amounts due to directors or officers of the Company of $28,832 at May 31, 2017 (February 28, 2017 – $20,832) are non-interest bearing and are due on demand

   The total of $66,106 for the three month period ended May 31, 2017 was paid or accrued as follows: $31,248 (2016 – $31,248) to Berenvy Pty Ltd., a company controlled by the President & CEO of the Company for consulting fees, $24,000 (2016 - $30,000) to Rowen Company Ltd., a company controlled by the Chairman of the Company for consulting fees and $10,858 (2016 - $10,259) to Rogo Investments Pty Ltd., a company controlled by a director of the Company for office rental fees which are priced at commercial market prices.

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

   The Company, along with Exeter, incurs certain expenditures for staff and exploration expenditures on behalf of each other. The net amount paid or accrued by the Company to Exeter during the three month period ended May 31, 2017 was $13,128 (2016 – $20,548). As at May 31, 2017, the Company had amount payable of $5,250 (February 28, 2017 – $17,378) to Exeter. The amounts due to Exeter are non-interest bearing and are due on demand.

8. Executive Compensation

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

The following compensation has been provided to key management personnel for the three month periods ended May 31, 2017 and 2016:

		2017	2016
Compensation - cash	$	**60,248**	80,178
Share-based payments		**19,730**	19,577
Total	$	**79,978**	99,755

9. Segmented Information

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

May 31, 2017	Canada	Australia	Colombia	Philippines	Total
Cash and cash equivalents	$ 847,708	$ 15,783	$ 116,038	$ 23,553	$ 1,003,082
Amounts receivable and prepaids	34,601	1,758	17,830	-	54,189
Mineral properties	66,075	-	91,800	-	157,875
	948,384	17,541	225,668	23,553	1,215,146
Current Liabilities	(91,047)	(4,057)	(43,198)	(712)	(139,014)
	$ 857,337	$ 13,484	$ 182,470	$ 22,841	$ 1,076,132
Three months ended May 31, 2017					
Mineral property exploration expenditures	$ -	$ 6,426	$ 303,641	$ 12,078	$ 322,145
Net loss	$ 150,076	$ 20,962	$ 319,133	$ 12,111	$ 502,282

February 28, 2017	Canada	Australia	Colombia	Philippines	Total
Cash and cash equivalents	$ 1,231,557	$ 33,490	$ 183,184	$ 35,813	$ 1,484,044
Amounts receivable and prepaids	27,867	1,835	17,021	-	46,723
Mineral properties	-	-	156,675	-	156,675
	1,259,424	35,325	356,880	35,813	1,687,442
Current Liabilities	74,290	620	70,745	1,596	147,251
	$ 1,185,134	$ 34,705	$ 286,135	$ 34,217	$ 1,540,191
Year Ended February 28, 2017					
Mineral property exploration expenditures	$ -	$ (24,066)	$ 805,578	$ 57,241	$ 838,753
Net loss	$ 843,329	$ 34,616	$ 962,895	$ 57,588	$ 1,898,428

10. Subsequent Events

On June 8, 2017, the Company granted 1,190,000 stock options to directors, officers, employees and consultants, exercisable at $0.31 per share expiring on June 8, 2022.