Management’s Discussion and Analysis

November 30, 2018

Rugby Mining Limited

Management's Discussion and Analysis
For the nine months ended November 30, 2018

January 28, 2019

In this document: (i) unless the content otherwise requires, references to "our", "we", "us", "its", "the Company" or "Rugby" mean Rugby Mining Limited and its subsidiaries; (ii) information is provided as of November 30, 2018, unless otherwise stated; and (iii) "$" refers to Canadian Dollars, "US$" refers to US dollars and "A$" refers to Australian dollars.

All amounts are expressed in Canadian dollars unless otherwise noted. All documents noted above and any additional information relating to the Company, are available for viewing on SEDAR at www.sedar.com and/or the Company's website at www.rugbymining.com.

Forward-Looking Statements

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

Certain statements contained in this MD&A constitute forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward looking statements. While the Company has based these forward-looking statements on its expectations about future events as at the date that this document was prepared, the statements are not a guarantee of the Company's future performance and are subject to risks, uncertainties, assumptions and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. In addition, there are also known and unknown risk factors which may cause actual events or results to differ from those expressed or implied by the forward looking statements, including, without limitation:

- risks related to the Company's lack of revenues from operations and its ability to maintain and raise sufficient cash resources to fund ongoing administrative requirements, expected exploration programs and possible future mining operations;
- risks related to the Company's history of losses, which are likely to continue to occur in the future;
- risks related to the ongoing financial and economic uncertainties in the United States and Europe and the Company's ability to raise capital in the future to fund its operations;
- risks related to currency fluctuations and operating within foreign currency regulations in Australia, Colombia and the Philippines and the enactment or enforcement of additional restrictions;
- changes in the market price of gold, silver, copper and other minerals which in the past have fluctuated widely and which could affect the Company's ability to finance its ongoing activities as well as the profitability of possible future operations and financial condition;
- uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits;

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

- uncertainty in the Company's ability to obtain and maintain certain permits necessary for current and anticipated operations such as the ones required to conduct drilling at Cobrasco;

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

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

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

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

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

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

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

- tax consequences to Canadian shareholders and United States shareholders;

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

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

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

The above is not an exhaustive list of the factors that may affect forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described further in this MD&A. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward looking statements. Although the Company has attempted to identify important risk factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other risk factors that cause actions, events or results not to be as anticipated, estimated or intended. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. Such factors and assumptions include, amongst others, the effects of general economic conditions, changing foreign exchange rates and actions by government authorities, uncertainties associated with negotiations, misjudgments in the course of preparing forward looking statements. Investors are cautioned against attributing undue certainty to forward looking statements.

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

Description of Business and Going Concern

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

The Company was incorporated on January 24, 2007 and has its primary listing on the TSX Venture Exchange (the "TSX-V"). The Company's head office is located at 1660 - 999 West Hastings Street, Vancouver, BC, Canada, V6C 2W2.

The results of the most recently completed financial year are set out in the Company's audited consolidated financial statements (the "Consolidated Financial Statements) for the year ended February 28, 2018.

The Company began the period with 70,345,833 common shares outstanding and ended the period with 76,766,547 common shares outstanding.

On May 17, 2018, the Company issued 150,000 common shares upon the exercise of options at a price of $0.10 per share for total proceeds of $15,000.

Additionally, on May 22, 2018, the Company closed a non-brokered private placement financing consisting of 6,270,714 units (the "Units") at a price of $0.35 per Unit for gross proceeds of $2,194,750. 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 $0.50 until May 18, 2019. The Company paid $48,825 as finder's fees in connection with the financing which was charged to share capital.

Going Concern

These unaudited condensed interim consolidated financial statements (the "Interim 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 (see Projects below) and overhead requirements. The Company has incurred operating losses since inception. As at November 30, 2018, the Company had an accumulated deficit of $26,905,271 (February 28, 2018 - $25,108,139) and working capital of $720,852 (February 28, 2018 - $295,665). 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 will plan 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.

Projects

Cobrasco Porphyry Copper Project, Colombia "Cobrasco"

The Cobrasco concessions, located 100 kilometres ("km") southwest of Medellin in the Choco Region of Colombia, cover 3,000 hectares ("ha") and were purchased in April 2013. They are 100% owned by Rugby subject to a 1% net smelter royalty ("NSR").

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

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

Significantly, the Company has completed a Consulta Previa ("CP") agreement with the local Cocomacia communities which provides exploration access to the Cobrasco concession area for a period of ten years. The agreement is broadly based and provides for economic assistance to the local community as well as social development programs. The CP consultation process was carried out by the Company, Cocomacia and local community leaders under the supervision of the Colombian Ministry of the Interior. This is the first successful mineral exploration CP to be carried out in Choco Province. The Company filed an application in November 2017 with the relevant authorities in order to secure permits to commence drilling and was notified that limited additional technical information including a geophysical survey to identify underground water resources was required to support the drilling application. Rugby, with the assistance of local contractors and consultants completed the additional requirements and submitted the requested data in August 2018. Timing for obtaining the permits is unknown.

Mabuhay Gold Project, Philippines "Mabuhay"

Mabuhay is located 12 km south of Surigao City, the capital city in the province of Surigao del Norte, Philippines. Mabuhay, formerly known as "The Mindanao Mother Lode Mine" ("Mother Lode") was an epithermal vein style bonanza-grade gold mine that is estimated to have produced around 500,000 ounces of gold from 1937 through to 1953. Mother Lode, which was once one of the Philippines' highest grade gold producers, is located in the center of the project's tenements.

The Mabuhay Agreement

On October 5, 2010, the Company announced it had entered into agreements with Pelican Resources Limited ("Pelican"), an ASX listed company, and All-Acacia Resources Inc. ("All-Acacia"), a Philippine company over the Mabuhay project in the Philippines. The agreement with Pelican and its Philippine subsidiary, SunPacific Resources Philippines, Inc. ("SunPacific"), together with the agreement with All-Acacia (collectively, the "Mabuhay Agreement") grant the Company the right and option ("Mabuhay Option") to earn an 80% interest in the Mabuhay project. Pursuant to the terms of the Mabuhay Agreement the Company paid signature fees totaling US$70,000.

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 was anticipated that an Exploration Permit ("EP") would be granted by the Philippine government earlier than an MPSA. An EP would allow the Company to conduct drilling at Mabuhay. In July 2018, the Company received conditional approval of the EP and it continued to work on the necessary requirements to obtain final approval. Subsequent to November 30, 2018, on January 23, 2019, Rugby announced that the EP, allowing drilling and exploration, had been issued for Mabuhay and that plans to drill the project are underway.

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, of which US$50,000 is payable within 30 days of the grant date and incur staged expenditures totaling US$4.5 million over six years, of which US$250,000 are required to be expended within 12 months 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.

Colombia Gold Projects

a) Regional Applications, Colombia

On June 1, 2016, Rugby announced that it had acquired an extensive portfolio of both granted exploration concessions and applications covering approximately 845 square km in Colombia for a nominal cash consideration.

The portfolio comprises numerous projects including la Pastora project which is located in the Bucamaranga belt and some others located in the mid-Cauca gold-copper porphyry belt. These belts are considered prospective for both epithermal and porphyry gold mineralization. Importantly, the database includes regional scale geochemical and geophysical data over a larger area than just that of the concessions and applications acquired.

The Acquisition Agreement

Under the terms of the agreement, Rugby acquired 100% of a local Colombian company for nominal cash consideration. No residual rights to the subsidiary or the Colombian properties were retained by the former owners.

b) The San Antonio Gold Project, Colombia ("San Antonio")

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 San Antonio. San Antonio is situated approximately 80km south of Medellin in the Mid-Cauca Gold District.

On November 7, 2018, the Company relinquished its option over the San Antonio project as drilling results were below expectations.

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. The Otways concessions were granted in July 2017 and now comprise two contiguous exploration licences covering 134 square km. Rugby owns 100% interest in Otways, subject to a 2% NSR to the vendors.

Comita Porphyry Copper Project, Colombia

The Company had the option until October 20, 2018 to acquire an indirect 40% interest in the Comita project by incurring US$10 million in exploration expenditures. Expenditure incurred on Comita to October 20, 2018 totalled approximately US$2.02 million. Consequently on October 20 the option terminated. The Company has no further rights nor liabilities related to Comita.

Selected Information

The Company's unaudited condensed interim consolidated financial statements for the second quarter ended November 30, 2018 (the "Interim Financial Statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as applicable to interim financial reports including IAS 34 "Interim Financial Reporting". The following selected information is taken from the Interim Financial Statements.

Nine months ended November 30, 2018 compared to nine months ended November 30, 2017

At November 30, 2018, the Company had $832,212 in cash and cash equivalents, $466,171 more than the $366,041 that was held at February 28, 2018. The increase is mostly attributable to the Company raising $2,194,750 from a private placement that closed in May 2018 as well as an exercise of stock options during the period for total proceeds of $15,000.

The Company reported a loss of $1,797,132 compared to a loss of $1,546,955 for the comparable period in 2017. Share-based compensation expense of $79,041 was incurred, compared to $229,684 in 2017, due to recognizing the expense associated with the vesting of certain options that were issued in previous years.

The Company currently has no revenue generating activities other than interest income. Interest income of $5,978 was recognized for the nine months ended November 30, 2018 compared to $8,809 for the same period in 2017.

Significant variances:

- Directors' fees: $25,672 (2017 - $77,533) – the variance is caused by higher share-based compensation in 2017 due to the vesting of options issued in previous years.

- Mineral property exploration expenditures: $988,381 (2017 - $783,158) – the variance is mainly due to costs incurred in 2018 related to a drilling program at San Antonio which is partly offset by costs incurred in the same period of 2017 in a field study at Cobrasco. Drilling costs in 2018 were approximately $285,000 (2017 - $nil) and wages and benefits in 2018 were approximately $252,000 (2017 - $196,000).

- Travel: $96,423 (2017 - $14,884) – the higher amount in 2018 is mainly caused by certain travel expenses which were previously shared with other companies and now are Rugby's responsibility, together with increased travel requirements as the Company worked on advancing on its projects in Colombia and the Philippines.

Three months ended November 30, 2018 compared to three months ended November 30, 2017

For the third quarter ended November 30, 2018, the Company recorded a loss of $815,746 ($0.01 per share) compared to a loss for the same period in 2017 of $605,962 ($0.01 per share).

Significant variances as follows:

- Administrative: $178,057 (2017 - $221,385) – the higher amount in 2017 is mainly due to higher share-based compensation of approximately $27,000 due to the vesting of options and higher management fees of approximately $11,000.

- Directors' fees: $7,581 (2017 - $22,425) – the variance is caused by higher share-based compensation in 2017 due to the vesting of options issued in previous years.

- Mineral property exploration expenditures: $505,940 (2017 - $324,993). The increase is largely attributable to costs related to the recent drilling program at San Antonio which incurred drilling costs of approximately $285,000 (2017 - $nil). This variance is partly offset by costs incurred in 2017 related to a field study at Cobrasco.

- Travel: $69,075 (2017 - $4,663) - the higher amount in 2018 is mainly caused by certain travel expenses which were previously shared with other companies and now are Rugby's responsibility, together with increased travel requirements as the Company worked on advancing on its projects in Colombia and the Philippines.

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

Nine months period ended November 30,		**2018**		2017
Interest income	$	**5,978**	$	8,809
Mineral property exploration expenditures	$	**988,381**	$	783,158
Share-based compensation*	$	**79,041**	$	229,684
Net loss	$	**1,797,132**	$	1,546,955
Basic and diluted loss per common share	$	**0.02**	$	0.02
Number of shares outstanding		**76,766,547**		70,345,833

* share-based compensation costs have been allocated to administrative, directors' fees, and project evaluation costs.

As at		November 30, 2018		February 28, 2018
Total assets	$	**1,022,673**	$	547,058
Total liabilities	$	**153,703**	$	95,696
Shareholders' equity	$	**868,970**	$	451,362
Deficit	$	**(26,905,271)**	$	(25,108,139)

The following selected financial information is a summary of the eight most recently completed quarters up to November 30, 2018.

Summary of Quarterly Results

	2019			2018				2017
	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter
Total Revenues	-	-	-	-	-	-	-	-
Loss for the period ($)	815,746	614,148	367,238	472,460	605,962	438,711	502,282	748,863
Basic and diluted loss per common share for the period	$0.01	$0.01	$0.00	$0.01	$0.01	$0.01	$0.01	$0.01

The elevated net loss in the third quarter of 2019 is mainly due to the recent drilling program at San Antonio which included drilling costs of approximately $285,000 and certain travel expenses which were previously shared with other companies and now are Rugby's responsibility. The increase in net loss during the second quarter of 2019 compared to the previous one is mainly due to higher exploration expenditures related to a field study at Cobrasco and tenement fees in Colombia of approximately $93,000. Share-based compensation was particularly high in the last quarter of 2017 (approximately $64,000) and the second and third quarter of 2018 (approximately $118,000 in Q2 and $70,000 in Q3) due to the grant of stock options. The elevated net loss in the last quarter of 2017 is due to the acquisition of projects in Colombia and their exploration programs and payments related to the option agreement made over San Antonio of approximately $52,000.

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

As at November 30, 2018 the Company had cash resources of $832,212.

During May 2018, the Company issued 150,000 common shares on the exercise of stock options at a price of $0.10 per share for total proceeds of $15,000.

Additionally, on May 22, 2018, the Company closed a non-brokered private placement financing consisting of 6,270,714 units (the "Units") at a price of $0.35 per Unit for gross proceeds of $2,194,750. 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 $0.50 until May 18, 2019. The Company paid $48,825 as finder's fees in connection with the financing which was charged to share capital.

Upon receipt of necessary government approvals to commence drilling at Cobrasco or Mabuhay, the Company will be required to raise additional funds to advance the exploration of its projects and to complete expenditures required to maintain its option over the Mabuhay property (please see Projects section above for more details). In addition, should the Company acquire new projects it will be required to raise funds to meet any expenditure and/or option payment obligations. The Company will continue to utilize its cash resources to fund project exploration and administrative requirements. Aside from cash, the Company has no material liquid assets. There is no assurance that the Company will be able to raise necessary funds through capital raisings in the future, and to maintain its treasury in these times of difficult access to risk funding.

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

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

Related Party Transactions

During the nine month period ended November 30, 2018, a total of $159,631 (2017 – $182,928) 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. In addition, the Company reimbursed expenses incurred on its behalf. Amounts due to companies controlled by directors of the Company as at November 30, 2018 of $68,870 are for expenses incurred on behalf of the Company and are non-interest bearing and due on demand (February 28, 2018 for consulting fees – $10,416).

The total of $159,631 for the nine month period ended November 30, 2018 was paid or accrued as follows: $83,328 (2017 – $93,744) to Berenvy Pty Ltd., a company controlled by the President & CEO of the Company for consulting fees; $45,000 (2017 - $57,000) to Rowen Company Ltd., a company controlled by the Chairman of the Company for consulting fees and $31,303 (2017 -$32,184) 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.

Outlook

Proceeds from the private placement which closed on May 22, 2018, will be used to fund Rugby's exploration expenditures at its Colombian gold and copper projects, its Otways project in Australia and the Mabuhay project in the Philippines and for administrative purposes.

The Cobrasco Project, Colombia

In August 2018, the Company filed additional technical data with the Department of Forestry to support a drilling permit application. The amendments to the application are currently being reviewed by the authorities. Timing of the expected approval for this drill permit is uncertain.

Regional Projects, Colombia

The Company has an extensive portfolio of both granted exploration concessions and applications covering over 800 square kilometres in Colombia. Follow-up exploration will be conducted on the most prospective areas and the logistics for geophysical surveys will be investigated to assist in drill targeting.

The Otways Project, Australia

The Company completed an extensive historical data compilation, reconnaissance geology and geochemistry designed to advance the project to drill-ready stage. Potential drill targets have been identified and the Company awaits native title approval to conduct an initial drill program. Further geochemical sampling is also planned to be conducted within the property.

The Mabuhay Project, Philippines

In January 2019, the Mines and Geo-Sciences Bureau issued final approval allowing exploration and drilling to commence on the project. Plans are now underway to commence a drilling program at the Mother Lode area targeting both the high-grade epithermal gold veins and the deeper gold-copper porphyry.

Financial Instruments

(a) Fair Value

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

(b) Financial Risk Management

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

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and amounts receivable. The Company deposits the majority of its cash with high credit quality financial institutions in Canada and holds balances in banks in Colombia, Australia and the Philippines as required to meet current expenditures.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk.

Currency risk

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

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

As at November 30, 2018 and February 28, 2018, the Canadian parent company had nominal balances in foreign currency.

Assuming that all other variables remain constant, a 10% depreciation or appreciation of the US dollar, Colombian peso and Australian dollar against the Canadian dollar would result in an insignificant change in the Company's consolidated statement of loss.

Interest rate risk

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

Based on the amount of cash and cash equivalents held at November 30, 2018, and assuming that all other variables remain constant, a 0.5% change in the applicable interest rate would result in an insignificant change in the interest earned by the Company.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company had cash at November 30, 2018 in the amount of $832,212 (February 28, 2018 - $366,041) in order to meet short-term business requirements. At November 30, 2018, the Company had current liabilities of $153,703 (February 28, 2018 - $95,696).

Proposed Transactions

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

Off-Balance Sheet Arrangements

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

Critical Accounting Estimates and Policies

The Company's accounting policies are discussed in detail in the audited consolidated financial statements of the Company for the year ended February 28, 2018, however, accounting policies require the application of management's judgement in respect of the following relevant matters:

(i) use of estimates – the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of estimates include accrued liabilities, the determination of the assumptions used in the calculation of share-based compensation expense and the valuation allowance for future income tax assets. Actual results could differ from those estimates used in the financial statements.

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

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

Changes in Accounting Policy and Disclosures

New Standards and Interpretations

The following standard was adopted by the Company effective March 1, 2018:

IFRS 9 – Financial Instruments

IFRS 9, Financial Instruments addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 requires financial assets to be classified into three measurement categories on initial recognition: those measured at fair value through profit and loss, those measured at fair value through other comprehensive income and those measured at amortized cost. Investments in equity instruments are required to be measured by default at fair value through profit or loss, however, there is an irrevocable option to present fair value changes in other comprehensive income. Measurement and classification of financial assets is dependent on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

IFRS 9 introduces a new three-stage expected credit loss model for calculating impairment for financial assets. IFRS 9 no longer requires a triggering event to have occurred before credit losses are recognized. An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments. In addition, IFRS 9 requires additional disclosure requirements about expected credit losses and credit risk.

Application of the standard is mandatory for annual periods beginning on or after January 1, 2018. The Company has determined that the adoption of this standard does not have a significant impact on its consolidated financial statements.

The following standard will be adopted by the Company effective March 1, 2019:

IFRS 16 – Leases

The new leases standard requires lessees to recognize leases traditionally recorded as operating leases in the same manner as financing leases.

IFRS 16 will be effective for annual periods beginning on or after January 1, 2019, with early adoption permitted. The Company does not expect the adoption of this standard to have a significant effect on its consolidated financial statements.

Risks and Uncertainties

General

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

Business Cycles

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

Risk Factors

The activities of the Company are speculative due to the high risk nature of its business which is the acquisition, financing, exploration and development of mineral exploration properties. The following risk factors, which are not exhaustive, could materially affect the Company's business, financial condition or results of operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. These risks include but are not limited to the following:

We have no operating history.

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

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

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

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

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

Properties held under option

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

No known mineral resource or reserves

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

Laws and regulations

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

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

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

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

Access to capital

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

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

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

Political and economic uncertainties

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

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

Title to properties

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

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

The natural resource industry is highly competitive

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

Dependence on key personnel

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

Conflicts of interest

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

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

The market for our common shares may be highly volatile for reasons both related to our performance or events pertaining to the industry (i.e. mineral price fluctuation/high production costs/accidents) as well as factors unrelated to us or our industry such as economic recessions and changes to legislation in the countries in which we operate. In particular, market demand for products incorporating minerals in their manufacture fluctuates from one business cycle to the next, resulting in changes in demand for the mineral and an attendant change in the price for the mineral. Since our listing on the TSX Venture Exchange, the price of our common shares has fluctuated between $0.04 and $1.87. Our common shares can be expected to be subject to volatility in both price and volume arising from market expectations, announcements and press releases regarding our business, and changes in estimates and evaluations by securities analysts or other events or factors. In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly small-capitalization companies such as the Company, have experienced wide fluctuations that have not necessarily been related to the operations, performances, underlying asset values, or prospects of such companies. For these reasons, our common shares can also be subject to volatility resulting from purely market forces over which we will have no control such as that experienced recently resulting from the on-going credit crisis centered in North America and Europe. Further, despite the existence of a market for trading our common shares in Canada, our shareholders may be unable to sell significant quantities of our common shares in the public trading markets without a significant reduction in the price of the stock.

Controls and Procedures

In connection with Exemption Orders issued in November 2007 and revised in December 2008 by each of the securities commissions across Canada, the CEO and CFO of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim consolidated financial statements and the audited annual consolidated financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificate under NI 52-109, the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Disclosure Controls and Procedures

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with IFRS.

TSX-V listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in NI 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's IFRS.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a TSX-V issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Management's Responsibility for the Financial Statements

The Audit Committee is responsible for reviewing the contents of this document along with the Interim Financial Statements to ensure the reliability and timeliness of the Company's disclosure while providing another level of review for accuracy and oversight. There have been no changes in the Company's disclosure controls and procedures during the period ended November 30, 2018.

Additional Information

As at January 28, 2019 the Company had:

(i) 76,766,547 common shares issued and outstanding
(ii) 10,425,000 outstanding stock options with a weighted average exercise price of $0.16
(iii) 2,087,500 outstanding warrants at an exercise price of $0.13 if exercised on or before October 15, 2019 and thereafter, an exercise price of $0.14 until expiry on October 15, 2020.
(iv) 6,270,714 warrants exercisable at a price of $0.50 until expiry on May 18, 2019.

Directors and Officers

Directors:	Officers:
Paul Joyce	Paul Joyce, President and CEO
Bryce Roxburgh	Bryce Roxburgh, Chairman
Yale Simpson	Alejandro Adams, CFO
Robert Reynolds	Jonathan Hermanson, Vice President, Corporate Development
Merfyn Roberts	Rob Grey, Vice President, Corporate Communications
Cecil Bond	Cecil Bond, Executive Vice President, Finance

Contact Person
Jonathan Hermanson
Telephone: (604) 688-4941
E-mail: info@rugbymining.com

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