

De Grey Mining Ltd

A.B.N. 65 094 206 292

22 January 2015

ASX/MEDIA RELEASE

DRILLING UPDATE - GREAT NORTHERN GOLD PROJECT AMENDED with JORC TABLE 1

De Grey Mining Ltd (De Grey, ASX: **DEG**) provides the following amended announcement with respect to the drilling results from the recent Rugby Mining Limited (TSXV: RUG) news release, and which now includes the JORC Table 1.

Preliminary gold assays (Details in Tables 1 and 2) have been received for all the drill holes and include the following significant results:

- RWG002 **61.5m @ 1.14 g/t gold** from 196.4m*
- RWG003 **1.0m @ 14.49 g/t gold** from 255.3m
- RWG005A **10.0m @ 2.59 g/t gold** from 266.0m
and **3.0m @ 5.15 g/t gold** from 301.0m

**assumed 3.4 metres of no core recovery assayed 0.0 g/t gold*

Rugby are progressing towards earning their interest in the Great Northern Gold Project under the previously reported Agreement with De Grey. The Agreement with Rugby grants them an option to earn an 80% interest in a 714 square kilometre ("km") tenement package (the "**Tenements**") through exploration and drilling expenditure and an additional option to purchase an 80% interest in a near surface historical resource at Wingina Well (together with the Tenements, the "**Great Northern Gold Project**").

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APPENDIX 1

Rugby Mining Limited – Announcement



For Immediate Release: NR15-01

DRILLING UPDATE FOR THE GREAT NORTHERN GOLD PROJECT, AUSTRALIA

Vancouver, B.C., January 8, 2015 – Rugby Mining Limited (“Rugby” or the “Company”) (TSX-V: RUG) is pleased to announce preliminary gold results from recently completed drilling at the **Great Northern Gold Project** in the Pilbara region of Western Australia.

The program, comprising five drill holes for a total of 1,191 metres (“m”), was conducted at the Wingina prospect to test for depth extensions to the high grade footwall gold zone. Five reverse circulation / rotary pre-collared drill holes and four diamond drill tails were drilled. Unfortunately, due to excessive hole deviation and difficult ground conditions, only one hole (RWG002) was successfully drilled to the target depth.

Preliminary gold assays have been received for all the drill holes and include the following significant results:

- RWG002 **61.5m @ 1.14 g/t gold** from 196.4m*
- RWG003 **1.0m @ 14.49 g/t gold** from 255.3m
- RWG005A **10.0m @ 2.59 g/t gold** from 266.0m
and **3.0m @ 5.15 g/t gold** from 301.0m

**assumed 3.4 metres of no core recovery assayed 0.0 g/t gold*

Rugby’s President and CEO, Paul Joyce stated “We are encouraged that our initial drilling on the Wingina prospect has shown a continuation of gold mineralisation at depths below the historical shallow oxide mineral resource (not compliant with National Instrument 43-101 (“NI 43-101”)).

“Given the large size of the property at 714 km², and the number of undrilled geophysical and geochemical targets, Rugby will focus on defining shallow oxide and underlying high grade deposits to supplement the historical (non-NI 43-101 compliant) Wingina gold resource.

“Magnetic anomalies in areas adjoining the known high grade gold mineralisation remain untested. One such target, the Crescent magnetic anomaly, is scheduled for follow up and geochemical sampling is underway to better define the potential target (Figure 1). With the number of shallow targets available for testing and difficult drilling conditions at Wingina, further deep drilling is not planned at this time.”

Please click here for the drill hole location plan, a list of all drill intercepts above 1.0 g/t gold and table of drill hole details. All results are preliminary as assays are being verified with check samples to be assayed at another independent laboratory.

Rugby has an option to earn an 80% interest in the Great Northern Gold Project from Australian listed company, De Grey Mining Limited.

Quality Control and Assurance

Blanks and certified standards were inserted into the sample stream as part of Rugby’s quality assurance and control program, as prescribed by NI 43-101 requirements. Core samples were cut in half-lengths using a diamond saw, with one half retained in secure storage for logging, and the other half sent to Genalysis Laboratory Services lab in Perth, Western Australia for mineral analyses.

All samples were prepared using Genalysis' SP66 method (drying, crushing, and pulverizing), and assaying for gold by Genalysis' FA50/OE04 technique in which a 50g charge was split from each sample for fire assay with an ICP-OES finish. Check-assaying is currently underway at ALS Laboratory Services, Perth. Both ALS and Genalysis are independent and ISO-9001:2000 certified laboratories with no association to Rugby. For more information on Quality Control and Assurance please click [here](#).

Francisco Montes, Rugby's Chief Geologist and a "qualified person" ("QP") within the definition of that term in National Instrument 43-101, Standards of Disclosure for Mineral Projects, has verified the technical information that forms the basis for this news release.

About Rugby

Rugby is an emerging mineral resource company focussed on a portfolio of projects having considerable potential for significant mineral discoveries. Rugby benefits from the experience of its directors and management, a team that has either been directly responsible for world-class mineral discoveries or have been part of the management teams responsible for such discoveries.

Cobrasco and Comita Projects, Colombia: Rugby owns 100% of the Cobrasco project, subject to a 1% NSR and has an option to earn up to 60% of the adjacent Comita project in western Colombia. Both projects host undrilled large scale porphyry copper-molybdenum-gold targets which were recognised during a joint German-Colombian government sponsored exploration program conducted in the mid-1980's. No systematic exploration or drilling has been conducted since that time. Rugby currently awaits final permitting approval for a proposed drilling program at Cobrasco.

Mabuhay Project, Philippines: The Company holds an option to acquire up to 80% of the Mabuhay project in Surigao Province. The Company considers the project to have excellent potential for the discovery of both epithermal gold deposits and gold-copper porphyry systems. An application for an Exploration Permit ("EP") is currently awaiting approval. Unfortunately, in common with almost all other mining permits in the Philippines, the delay has been considerable. To minimise expenditures, the project will remain under care and maintenance until the EP is granted.

For additional information you are invited to visit the Rugby Mining Limited website at www.rugbymining.com

RUGBY MINING LIMITED

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CAUTIONARY STATEMENT

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the British Columbia, Alberta and Ontario Securities Acts. This includes statements concerning the Company's plans at its projects including the expected approval of permits required for exploration, timing of drilling programs, high grade potential at the Great Northern Gold Project, potential for mineral discoveries on its projects and drilling costs which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, the effect on prices of major mineral commodities such as copper, gold and iron by factors beyond the control of the Company; events which cannot be accurately predicted such as political and economic instability, terrorism, environmental factors and changes in government regulations and taxes; the shortage of personnel with the requisite knowledge and skills to design and execute exploration programs; difficulties in arranging contracts for drilling and other exploration services; the Company's dependency on equity market financings to fund its exploration programs and maintain its mineral exploration properties in good standing; political risk that a government will change, interpret or enforce mineral tenure, environmental regulations, taxes or mineral royalties in a manner that could have an adverse effect on the Company's assets or financial condition and impair its ability to advance its mineral exploration projects or raise further funds for exploration; risks associated with title to resource properties due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the interpretation of laws regarding ownership of mineral properties in the Philippines and in the sometimes ambiguous conveyancing characteristic of many resource properties, currency risks associated with foreign operations, the timing of obtaining permits to conduct exploration activities, the ability to conclude agreements with local communities and other risks and uncertainties, including those described in each of the Company's management discussion and analysis including those contained in its year-end financial statements for the year ended February 28, 2014 filed with the Canadian Securities Administrators and available at www.sedar.com. In addition, forward-looking information is based on various assumptions including, without limitation, assumptions associated with exploration results and costs and the availability of materials and skilled labour. 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 forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or otherwise.

EITHER TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

Rugby Mining Limited NR15-01

Figures, Tables, Quality Control and Assurance

Figure 1 - Aeromagnetics and Drill Hole Location Plan

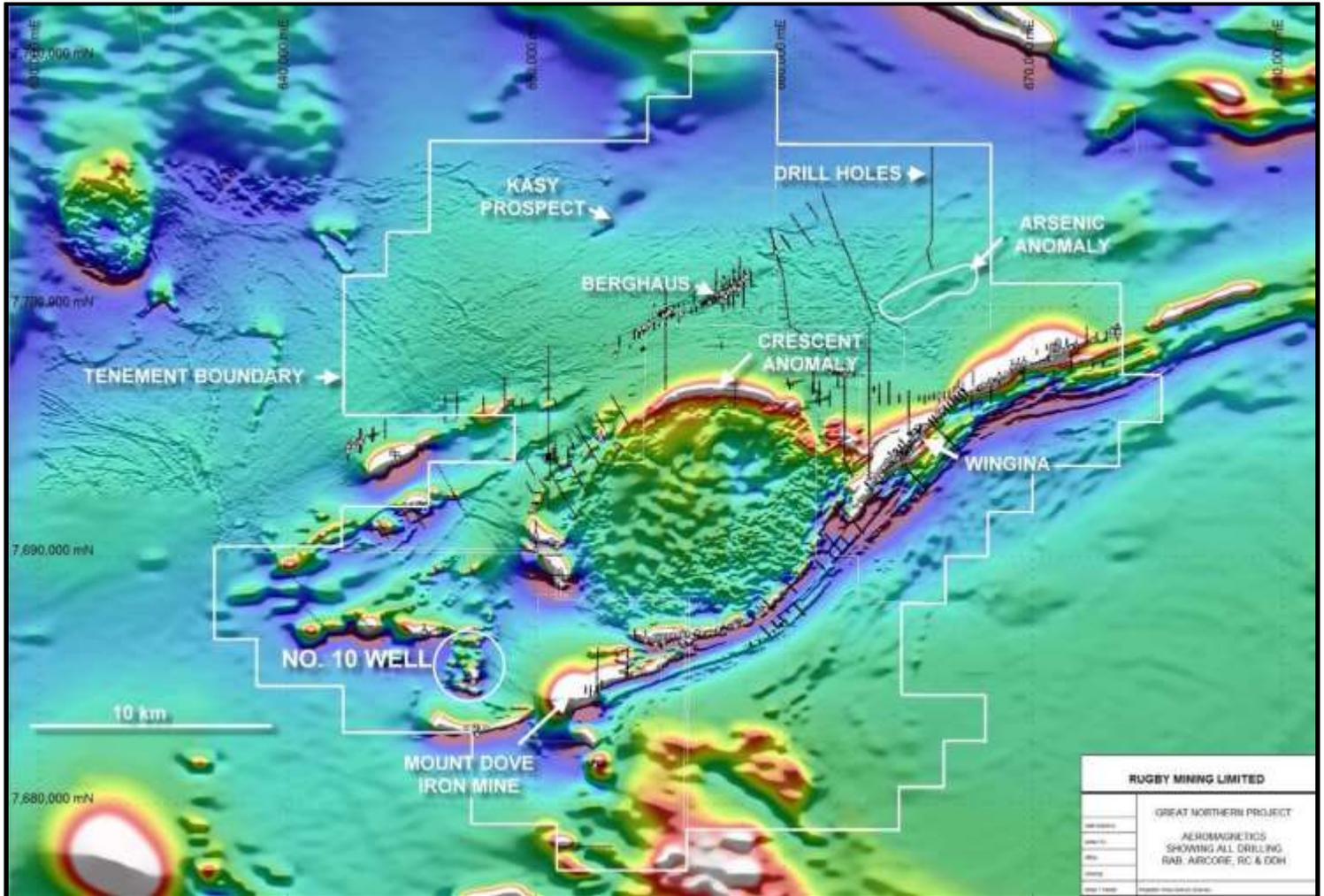


Figure 2 - Great Northern Project: Prospect Location

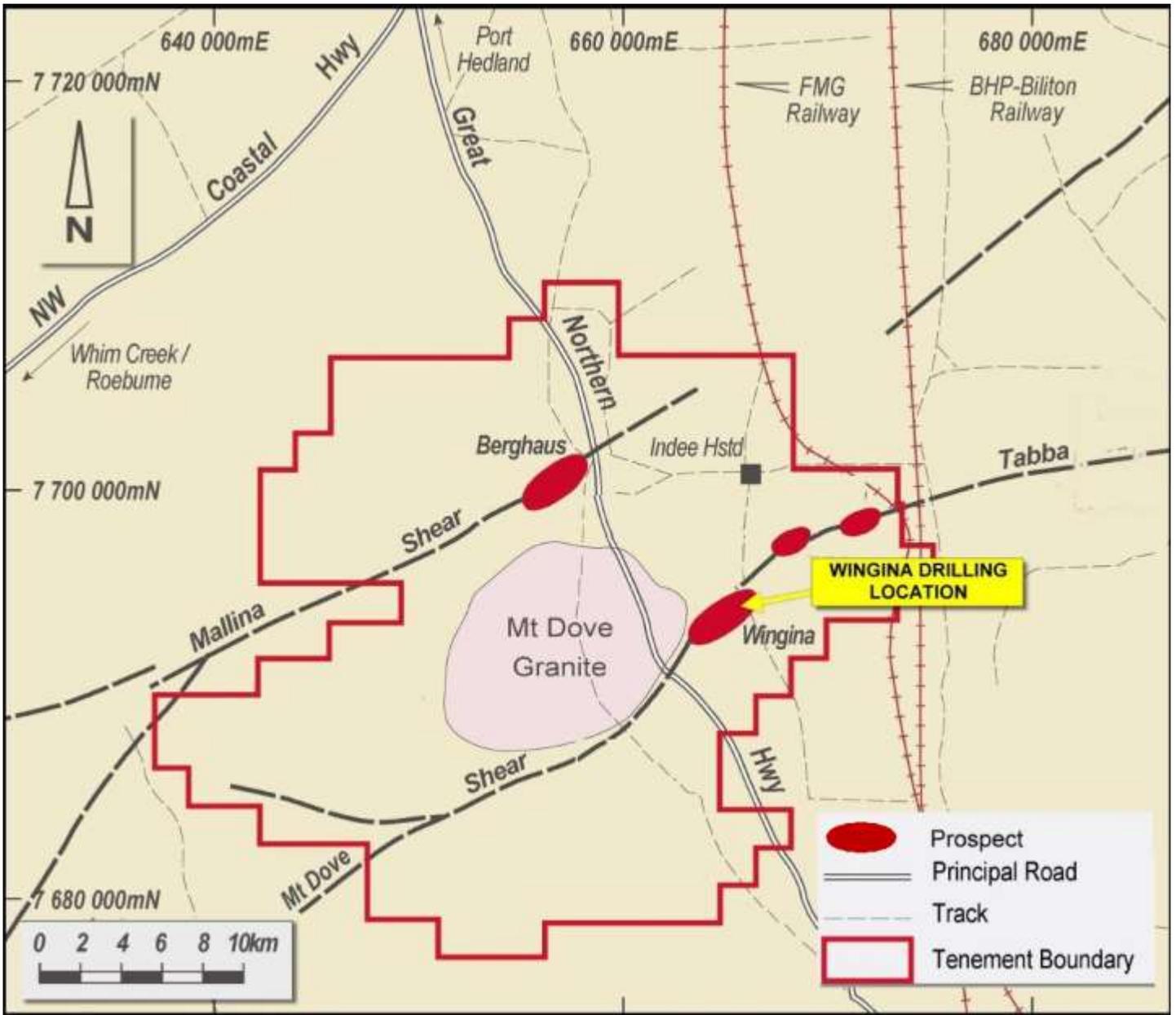


Figure 3 - Wingina Prospect Diamond Drilling Location Plan
(Showing Rugby Holes Only)

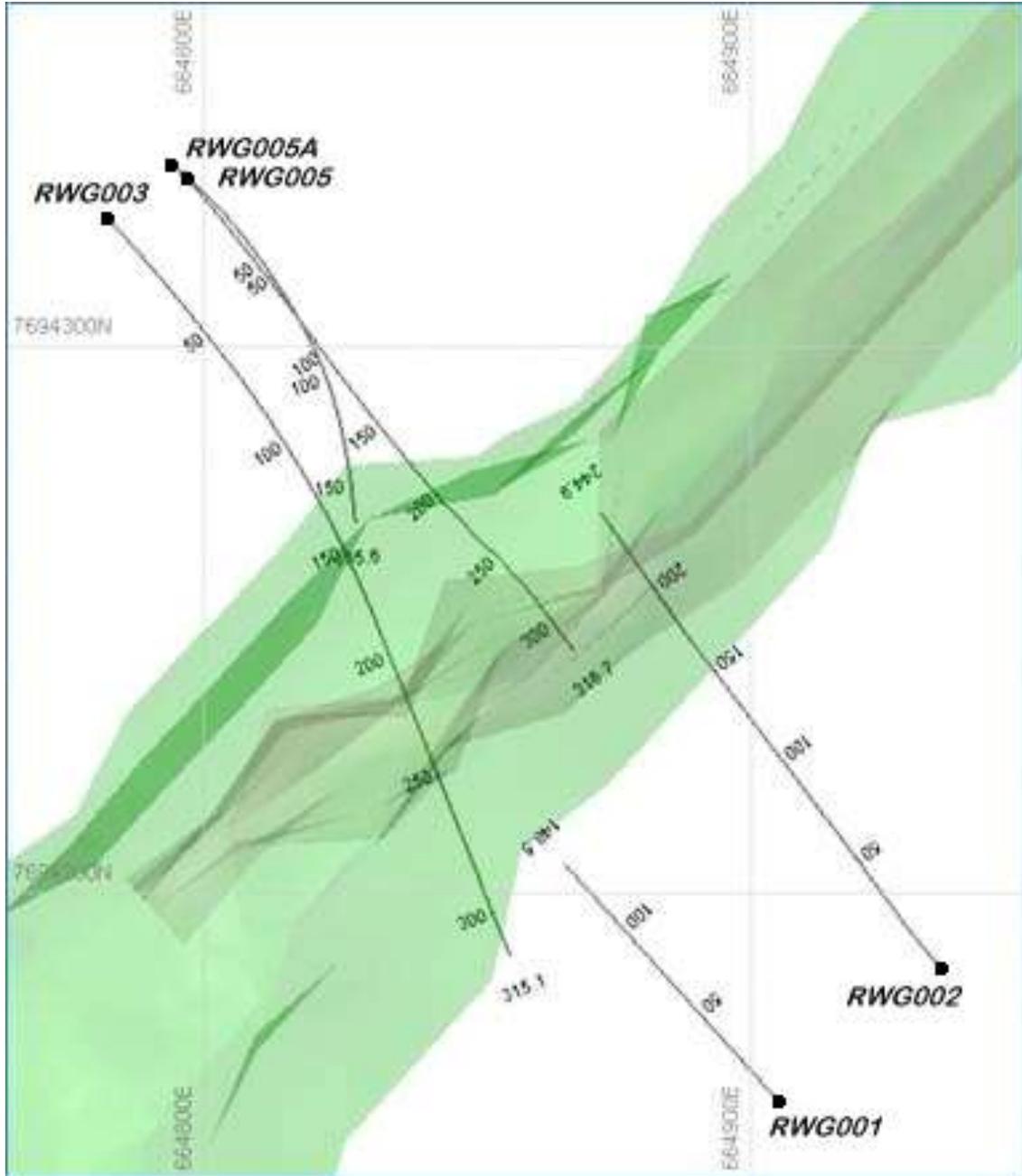


Table 1 - Preliminary Drill Intercepts >1.0 g/t Gold

HOLE	SIGNIFICANT ASSAYS RESULTS*	REMARKS
RWG002	196.4 to 214.1 = 17.7m @ 0.95 g/t Au 214.1 to 214.4 = 0.3m no core recovered 214.4 to 225.8 = 11.4m @ 1.55 g/t Au 225.8 to 226.4 = 0.6m no core recovered 226.4 to 232.1 = 5.7m @ 1.48 g/t Au 232.1 to 233.8 = 1.7m no core recovered 233.8 to 235.9 = 2.1m @ 4.45 g/t Au 235.9 to 236.7 = 0.8m no core recovered 236.7 to 244.9 = 8.2m @ 2.18 g/t Au 244.9 to 226.4 = 0.6m no core recovered	Check assays awaited
RWG003	233.65 to 234.60 = 0.95m @ 1.98 g/t Au 219.0 to 220.0 = 1.0m @ 3.41 g/t Au 255.3 to 256.3 = 1.0m @ 14.49 g/t Au	Check assays awaited
RWG005A	248.0 to 276.0 = 28.0m @ 1.69 g/t Au Inc 266.0 to 276.0 = 10.0m @ 2.59 g/t Au	Check assays awaited
<p><i>*Note:</i></p> <ul style="list-style-type: none"> • <i>Drill intercepts are expressed as down-hole length weighted averages and are not necessarily true widths</i> • <i>Internal intervals of no core recovery were assigned a value of 0.0 g/t Au</i> 		

Table 2 - Drill Hole Details

HOLE	MGA E	MGA N	RL (m)	PRECOLLAR (m)	DEPTH	AZ (MAG)	DIP	REMARKS
RWG001	664905	7694162	86	148.5	148.5	318	-63	Diamond tail not drilled as target zone partially intersected (drill-tested) by RWG003.
RWG002	664935	7694186	86	148.5	244.9	318	-58	Hole abandoned due to caving ground.
RWG003	664783	7694323	85	148.5	315.1	138	-55	Hole abandoned due to stuck drill rods.
RWG005	664797	7694331	85	150	165.6	138	-58	Hole abandoned due to excessive azimuth deviation.
RWG005A	664795	7694333	85	150	316.7	138	-60	Hole abandoned due to stuck drill rods.

Quality Control and Assurance

Conventional reverse circulation (RC), rotary and diamond drilling was used for the Wingina Prospect drill program. The holes were pre-collared by RC or rotary to a depth of approximately 150 metres ("m") and completed to a specified depth by diamond drilling in HQ3 core, with triple-tube gear used throughout the program. The drill rig utilised was a Mount Magnet Drilling MP 1200 drill rig with 900cfm/350psi air capacity & 1000cfm/1000psi auxiliary/booster and a rated capacity to drill NQ size core to a maximum depth of 1,200 m. A D650 drill rig was also used for a short period during a mechanical breakdown of the MP 1200 rig.

RC drilling was completed at the Wingina Prospect utilising a Mount Magnet Drilling MP 1200 drill rig with 1100cfm/350psi air capacity and 1000cfm/1000psi auxiliary/booster, with a 5.5" face-sampling hammer and rotary splitter. The RC drill chip samples were collected by the drilling contractor using a trailer mounted cyclone and rotary splitter at 1m intervals and sample weight was recorded for every 1m sample. A nominal 3kg sample was collected into a pre-numbered calico bag and the remainder of the sample (approximately 25kg) was collected in a large pre-numbered plastic bag. The driller's assistant placed the calico and plastic sample bags in ordered rows near the drill rig. Sample quality was assessed by the geologist by visual approximation of sample recovery and whether the sample was dry, damp or wet. RC drilling contractors adjusted their drilling approach to the specific conditions to maximise sample recovery. Drill cyclones were cleaned between drill rod-changes and after each hole to minimise downhole/cross-hole contamination. Any issues were communicated back to the drilling contractor. Where there was insufficient sample weight (<3kg) in the 1m calico bag sample, an additional sample was collected by the spear method from the residual plastic bag sample and then added to the 1m calico bag sample to make a total weight of approximately 3kg. All the 1m calico bag RC samples were then transported by vehicle to Rugby's exploration facility for further processing. The 1m residual plastic bag RC samples remain stored at the drill-site for further selective 1m sampling if required. The 4m interval composite samples were prepared from the 1m samples at Rugby's exploration camp. Approximately 500g of sample was collected by spear method from 4 consecutive 1m samples and composited into a single 4m sample with a total weight of 2kg. Duplicate 4m composite samples were taken every 1:20 samples.

For each 1m interval of RC drilling, a representative sample was taken which was sieved & washed through 1.8mm mesh and stored in plastic chip-trays for reference purposes. A representative dry and un-sieved ("raw") sample was also collected and stored in separate plastic chip-trays. The RC drilling samples were geologically logged, by a qualified geologist, in 1m intervals recording where possible characteristics such as lithology, alteration, veining and mineralisation for the entire length of each hole.

Mud rotary drilling was used in the precollar of RWG005A to minimise hole deviation. A 123mm claw-type drill bit was used in the rotary drilling. Although no drill sample was collected in the mud rotary drilling, the hole was "twinned" or collared only 2.5 metres from RWG005 which was previously drilled and sampled using conventional RC techniques.

All diamond drilling was conducted in HQ3 equipment which produces a 63.5mm diameter core. All samples were stored in plastic core trays in a dedicated core yard at the company's exploration facility. All core was photographed, geologically and geotechnically logged prior to core cutting and sampling being undertaken. Core orientation using a Reflex Act II rapid descent core orientation instrument was utilized on selected intervals on all holes.

Genalysis Laboratory Services Pty Ltd in Perth undertook sample preparation using their SP66 technique (drying, crushing ~2mm, and pulverizing up to 3Kg), before and assaying for gold by "Genalysis" FA50/OE04 technique in which a 50g charge was split from each sample for fire assay with an ICP OES finish.

Rugby has implemented a quality control (QA/QC) program which includes insertion of blanks, certified reference material standards (CRM) and duplicate samples in order to ensure best practice in sampling and analysis. Actual CRM submission rate is 1:20, blank submission rate is 1:20, coarse crush (-2mm) duplicate submission rate is 1:20, pulverized (-75um pulp) duplicate submission rate is 1:20 and check lab pulp duplicate submission rate is 1:20. Check assaying is currently underway at ALS Laboratory Services Pty Ltd). All CRM material was acquired from Geostats Pty Ltd and values range from 0.18 – 6.88 g/t Au. ALS and Intertek are ISO-9001:2000 certified laboratories.

Drilling was orientated approximately N42°W (318°), or S42°E (138°) and perpendicular to the strike of the mineralizing structures. The orientation of the drilling is considered adequate for an unbiased assessment of the prospect with respect to interpreted structures and interpreted controls to mineralisation. The five hole (RWG001 to RWG005A) drilling program totaled 1,191.3m. The drilling program comprised 150.0m mud rotary, 595.5m RC and 445.8m diamond, and these have been logged in their entirety. Overall core recoveries for the total drilling program were calculated at 92%. Assay results reported are down-hole length weighted averages of grades above 1.0 g/t Au. In drill hole RWG002 a total of 3.4 metres of no core recovery was assigned a value of 0.0 g/t Au. No top cuts have been applied to the reporting of the assay results.

Francisco Montes, Rugby's Chief Geologist and a "qualified person" ("QP") within the definition of that term in National Instrument 43-101, Standards of Disclosure for Mineral Projects, has verified the technical information that forms the basis for this news release and its associated attachments.

Great Northern Gold Project – JORC Table 1

Section 1 - Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<p><i>Sampling techniques</i></p>	<ul style="list-style-type: none"> • <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> • Core sampling was completed using a Diamond Core (DDH) drill rig, with HQ3-sized core and triple-tube used throughout the drilling programme. All samples were stored in plastic core trays in a dedicated core yard at the company’s field camp. All core was photographed, geologically and geotechnically logged prior to core cutting and sampling being undertaken. • Core orientation using a Reflex Act II rapid descent core orientation instrument was utilized on selected intervals on all holes. • Rugby has implemented a quality control (QA/QC) program which includes insertion of blanks, certified reference material standards and duplicate samples in order to ensure best practice in sampling and analysis. • HQ3 drill core was cut in half-lengths in Rugby’s on-site facilities using a diamond saw and placed into pre-numbered plastic sample bags for transportation to the assay laboratory. The remaining half core was stored in the trays within the company’s core yard for reference purposes. Sampling intervals were nominally 1.0m lengths or as determined by the on-site project geologist wherever deemed appropriate (irregular sample intervals usually based on geological contacts such as vein intervals). Minimum sample length was 0.5m and maximum length was 3.0m. • RC sampling was completed by a reverse circulation drill rig with a 5.5” face sampling hammer. The RC drill chip samples were collected by the drilling contractor using a trailer mounted cyclone and rotary splitter at 1m intervals. A nominal 3kg sample was collected into a pre-numbered calico bag and the remainder of the sample (approximately 25kg) was collected in a large pre-numbered plastic bag. The drillers offsider placed the calico and plastic sample bags in ordered rows near the drill rig. • Samples were taken by Rugby staff to the Port Hedland depot of a commercial transport company for shipment to the Perth-based laboratory facilities. Individual sample bags were sealed in plastic

Criteria	JORC Code explanation	Commentary
		<p>polyweave sacks and boxed in plastic crates for the road transport.</p> <ul style="list-style-type: none"> Intertek-Genalysis Laboratory Services Pty Ltd in Perth undertook sample preparation and dried and crushed to >90% -2mm, and ground to approximately -200 mesh (-75 micron). Three pulp splits are taken each weighing approximately 200g for assay and quality control. Pulp and coarse residues are retained and stored. Crushing and pulverizing sizes are monitored as part of the quality control procedures.
<p><i>Drilling techniques</i></p>	<ul style="list-style-type: none"> <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<ul style="list-style-type: none"> The drill rig utilised was a Mount Magnet Drilling MP 1200 drill rig with 900cfm/350psi air capacity & 1000cfm/1000psi auxiliary/booster and a rated capacity to drill NQ size core to a maximum depth of 1,200 metres. Drilling was completed as 60° inclined holes, orientated 318° (Holes RWG001 and RWG002), and 138° (RWG003, 005 and 005a), which are all approximately perpendicular to the target structure. All diamond core drilling was completed in HQ3 core-diameter with triple tube sampling gear to maximize sample recoveries. Selected intervals of core were orientated by a reflex Act II rapid descent orientation system. All RC drilling was completed using a 5.5" face sampling hammer.
<p><i>Drill sample recovery</i></p>	<ul style="list-style-type: none"> <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<ul style="list-style-type: none"> Diamond drilling core recoveries were recorded on each core run during drilling and entered into the logging sheet/database. All diamond drilling was completed as triple-tube to maximize sample recovery. No relationship is known to exist between sample recovery and gold grades or sampling bias due to preferential loss/gain of fine/coarse material for core drilling. <ul style="list-style-type: none"> All core samples that intersected mineralisation and/or mineralisation structures along with a selection of intervals elsewhere along the core hole were assayed by 50g fire assay, using Intertek-Genalysis method FA50/OE04 (50g fire assay with optical emission spectrometry finish). Lab check assays (1:20 samples) are currently being conducted at ALS, Perth.
<p><i>Logging</i></p>	<ul style="list-style-type: none"> <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical</i> 	<ul style="list-style-type: none"> All core has been photographed (wet & dry) prior to sawing and half-core sampling.

Criteria	JORC Code explanation	Commentary
	<p><i>studies.</i></p> <ul style="list-style-type: none"> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • Geological quick-logging was carried out by Rugby's project geologist on-site. • A complete quantitative geotechnical logging of all core was conducted by Rugby's geotechnical engineer. Logging is quantitative and involves the recording of rock mass properties and structural measurements of defects. Rock mass data fields include from, to, recovery, strength, RQD and weathering, while the structural data fields include defect type, orientation angles alpha plus beta, spacing of discontinuities, condition of discontinuities such as roughness, infill type and thickness. • Overall core recoveries over the total drilling programme were calculated at 92%. • The RC component of the programme (pre-collars) was 5 holes for 745.5m. • RC sample recovery was monitored visually and each metre sample was weighed to maintain control. • The diamond drilling programme comprised 345.3m and was completed in four of the five RC precollars (RWG002, 003, 005 and 005a). • All holes have been logged in their entirety.
<p><i>Sub-sampling techniques and sample preparation</i></p>	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • All diamond drill core to be submitted for assaying was cut in half-lengths using a diamond saw. • The sample-half was placed in a plastic sample bag together with a unique sample tag and sealed with a cable-tie. The remaining half core was returned to the plastic core tray and retained for reference in the project core yard. • The measures taken to ensure sampling of the in-situ material is considered representative and include: <ul style="list-style-type: none"> - Depths are checked against the depth given on the core blocks. - A rod count is routinely carried out by the drilling contractors. - A complete geotechnical assessment of the core was completed by Rugby's geotechnical engineer. - Duplicate samples were collected at the crushing stage (-2mm) at a rate of 1:20, from the pulverizing stage (-75um) at a rate of 1:20, and a further pulp duplicate lab check sample was dispatched to a second commercial laboratory to ensure sampling results are representative .

Criteria	JORC Code explanation	Commentary
<p>Quality of assay data and laboratory tests</p>	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> • All sample intervals were selected by the project geologist on-site and individually sampled and bagged by a company field technician. Each sample was assigned a unique sample number, which was included in the bag as a sample tag, and marked on the bag with waterproof marker prior to dispatch for analysis. • Sample preparation and analysis was conducted by independent service provider “Intertek-Genalysis Laboratory Services Pty Ltd” located in Maddington. Check-assays are currently being undertaken by ALS located in Perth. • All sample preparation was carried out at the laboratory which included a preliminary coarse crushing of drill core to a nominal -6mm particle size, followed by a finer crushing to >90% -2mm, and ground to approximately -200 mesh (-75 micron). Three pulp splits are taken each weighing approximately 200g for assay and quality control. Pulp and coarse residues are retained and stored. Crushing and pulverizing sizes are monitored as part of the quality control procedures. Gold assays were completed by Intertek-Genalysis using their FA50/OE04 technique in which a 50g charge was split from each sample for fire assay with an ICP-OES finish to determine gold grades. • Rugby has implemented a quality control (QA/QC) program which includes insertion of blanks, certified reference material standards (CRM) and duplicate samples in order to ensure best practice in sampling and analysis. The use of standards and duplicates is documented for each drill hole in the geological log and database. • Actual CRM submission rate is 1:20, blank submission rate is 1:20, coarse crush (-2mm) duplicate submission rate is 1:20, pulverized (-75um pulp) duplicate submission rate is 1:20 and check lab pulp duplicate submission rate is 1:20 (this lab check assaying is currently underway at ALS). • All CRM material was acquired from Geostats Pty Ltd and values range from 0.18 – 6.88 g/t Au. • Preliminary results of the QA/QC programme were reviewed in-house and indicate acceptable levels of accuracy and precision. Lab check assays (using a 1:20 pulp split) are currently being conducted by ALS Laboratories, Perth. • A final QA-QC analysis will be completed on completion of the check assay phase of work currently in progress.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	<ul style="list-style-type: none"> • The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> • Verification by independent or alternative company personnel was not undertaken at the time of drilling. • There has been no adjustment to assay data. • Rugby has an established work procedure in place which covers the data collection and collation procedures for drilling, logging, sample submission and data collation.
Location of data points	<ul style="list-style-type: none"> • Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> • Drill hole collar positions of the five drill holes were located by GPS, and cross-checked with tape and compass from previous surveyed drill hole collar positions by the project geologist. • All work carried out in this report has been in GDA94, MGA zone 50K coordinates.
Data spacing and distribution	<ul style="list-style-type: none"> • Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied. 	<ul style="list-style-type: none"> • The drill collar spacing is variable and ranges between a minimum of 2m (RWG005 and 005a) and 35m (RWG001 and RWG002). Rugby's drilling is considered early-stage. • Sample compositing was restricted to the RC pre-collars. Composites were prepared every 4m.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> • At the Wingina prospect, mineralisation is associated with steeply south-dipping brecciated cherts and BIF's of up to 50 metres in width, that form prominent north-east trending ridges and mark the northern contact zone of the Tabba Tabba Greenstone Belt to the south with the Mallina sediments to the north. These units can be traced on aeromagnetic images and on the ground as there is relatively scarce vegetation cover. • Drilling was orientated approximately 318° and 138° and perpendicular to the strike of the mineralising structures. The orientation of the drilling is considered adequate for an unbiased assessment of the prospect with respect to interpreted structures and interpreted controls to mineralisation.
Sample security	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	<ul style="list-style-type: none"> • Chain of custody was managed by Rugby. All samples were bagged and sealed on-site in pre-numbered plastic bags. These were grouped in larger polyweave sacks and in turn placed in plastic crates and dispatched by road freight to provider "Intertek-Genalysis Laboratory Services Pty Ltd" located in Maddington, Perth WA. All sample preparation and assaying was completed under the

Criteria	JORC Code explanation	Commentary
		supervision of the independent laboratory.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> No independent reviews or audits have been carried out on the sampling techniques or data.

Section 2 - Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> • <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> • The DDH core drilling mentioned in this report is located wholly within Exploration Licence E45/2995 held 100% by Domain Mining Pty Ltd and subject to an option agreement with Rugby Mining Limited. • Aboriginal heritage surveys have been conducted over the Wingina prospect area and over the greater Indee Pastoral Lease and Great Northern Gold project tenements. The tenement holders hold an agreement with the Kariyarra Claim Group in respect of Exploration Licence 45/2995 signed on 19th October 2010. • Exploration Licence E45/2995 is located within the Indee Pastoral Lease LA3114/1197 (Land Act No) and CL281-1984 (Crown Lease No). • The tenement is in good standing and no known impediment to operate exists in this area.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • The Great Northern Gold tenements are located in a region that is widely mineralised and has had sporadic exploration and mining since the late 19th Century. Gold was discovered in areas west of the tenements in the 1880s with the most prominent Mining Centers being Station Peak, Pilbara and Hong Kong. There is no historical production from the Great Northern Gold tenements in this report. • Past explorers include Bamboo Creek Gold Mines in the late 1960s, International Nickel Australia Limited in 1971, Utah Development Company in 1973-4, Hunter Resources in 1987, Western Mining Corporation Limited in the early 1980s and again in 1990, Denis O'Meara Prospecting in 1993, CRA Exploration in 1995, Domain and De Grey Mining in 2003. Further to this Lansdowne Resources, Polymetals and Southern Cross Resources have carried out exploration under JV to De Grey. • Previous exploration in the project area includes geophysical and geochemical surveys, geological mapping and drill programmes totaling some 4171 drill holes (predominantly RAB and Aircore) for a total of 224,442 m. Exploration has been conducted for gold and base metals utilizing a variety of exploration models and exploration

Criteria	JORC Code explanation	Commentary
		techniques. This work has delineated a number of regional prospects.
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • The gold mineralisation at the Turner River Gold Project occurs in both the Cleaverville, and the overlying Mallina, Formations. Gold in the Cleaverville Formation, and this includes the Wingina Well is spatially associated with the Cleaverville Chert (the "Chert"). The Chert forms a prominent, bifurcating line of disjointed (often offset by cross-faulting) ridges, trending generally northeast-southwest across the tenements. This sequence has been gently folded into open plunging folds within the ENE-WSW trending Mallina Shear Zone. Hydrothermal fractures and brecciation found within the host sequence are thought to be associated with N-S and NE-SW trending cross faults. Bleaching and alteration with disseminated sulphides (predominantly pyrite) extend along strike of the structures. • Historical drilling (RAB and aircore) has delineated an anomalous gold zone over 6.5km of strike along the shear structure. Within this zone, RC percussion drilling has shown the existence of a zone some 1.7km strike length with significant intercepts.
Drill hole Information	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> • <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> • A summary of all drill hole parameters is included in the body of the report. Refer to Table 1 & Table 2 and Figure 2.
Data aggregation methods	<ul style="list-style-type: none"> • <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> • <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used</i> 	<ul style="list-style-type: none"> • Assay results reported are down-hole length weighted averages of grades above 1.0 g/t Au. Short intervals of high grade internal to the broader zones of gold mineralisation are reported as included intervals with from and to depths recorded. • No top cuts have been applied to the reporting of the assay results.

Criteria	JORC Code explanation	Commentary
	<p>for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p> <ul style="list-style-type: none"> The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> No metal-equivalent values have been used for the reporting of these exploration results.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> The structural-controlled mineralisation at the Wingina prospect along the Tappa Tappa Greenstone Belt strikes SW-NE (approximately 48°), and dips sub-vertically. Rugby's diamond core drilling programme was completed with hole azimuth 318° (Holes RWG001 and 002), and 138° (RWG003, 005 and 005a), and hole dip 60° which are approximately perpendicular to the target structure and the optimal orientation for the programme completed. All mineralisation intercepts reported in this report are down hole lengths (with unknown true widths).
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> Appropriate plans and sections have been included in the body of this report.
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> All results > 1.0 g/t Au are reported. It should be noted the results are preliminary in nature, with further check assaying being awaited from an independent laboratory.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> All meaningful and material data has been reported.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> A number of undrilled magnetic anomalies and geochemical targets in areas adjoining known high grade gold mineralisation are untested, with one such target, the Crescent magnetic anomaly, is scheduled for follow up. Refer to Figure 1. Geochemical sampling is underway to better define potential targets. Rugby will focus on defining shallow oxide and underlying high grade deposits to supplement the historical (non-NI 43-101 compliant) Wingina gold resource. The Crescent magnetic anomaly, is scheduled for follow up.