

De Grey Mining Ltd

A.B.N. 65 094 206 292

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ASX/MEDIA RELEASE

DRILLING UPDATE - GREAT NORTHERN GOLD PROJECT

De Grey Mining Ltd (De Grey, ASX: **DEG**) is pleased to note the exploration results announced by Rugby Mining Limited ("Rugby" or the "Company") (TSX-V: **RUG**) as they progress towards earning their interest in the Great Northern Gold Project under the previously reported Agreement with De Grey.

Drilling Highlights (Details in Tables 1 and 2)

- RDD001 **0.5m @ 11.9 g/t gold** from 47.2m
- RDD002 **1.0m @ 17.4 g/t gold** from 15.5m
- RDD003 **3.4m @ 6.25 g/t gold** from 20.1m
- RDD006 **1.4m @ 16.1 g/t gold** from 63.2m
- RDD008 **0.5m @ 10.7 g/t gold** from 43.0m

Rugby's initial interest in the Great Northern Gold Project was centred on the higher grade gold intercepts within the previously completed drilling and it is pleasing that their first short drill programme at the Mt Berghaus prospect has successfully intercepted gold mineralization of this tenor.

Rugby's CEO, Paul Joyce stated "We are encouraged by our initial program at Berghaus. We have both delineated high grade mineralization and are close to meeting the minimum expenditure requirement for the project by drilling holes previously permitted by our joint venture partner, De Grey. Further drilling at Berghaus will now follow drilling at our top priority target, Wingina. Our objective at Wingina, is to test for potential depth extensions to the very high grade footwall gold zone. We believe that the host rocks are favourable for extensions of the high grade to significant depths. A 2,000 m drilling program is expected to commence early Q4, subject to permitting and drill rig availability."

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**").

Rugby's continued exploration advances the company towards the joint venture milestone and De Grey is confident that Rugby should reach this position following the end of the wet season when they plan to continue exploration on the Great Northern Gold Project.

De Grey Executive Chairman, Peter Batten, stated that: "*Results to date further underline the shallow nature and consistency of results of the Great Northern Gold project. We note Rugby's plans to drill a further 2,000 m commencing early in the 4th quarter, following the end of the rainy season. Rugby did have the option of withdrawing following meeting minimal expenditure requirements, so their decision to proceed continues to vindicate the potential of the project. We are confident that Rugby will achieve their Joint Venture requirements following this program, and we look forward to the next results following the completion of that program.*"

A copy of the Rugby Mining Limited announcement to the TSX-V has been included as Appendix 1.

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Figure 1 – Berghaus and Wingina location map

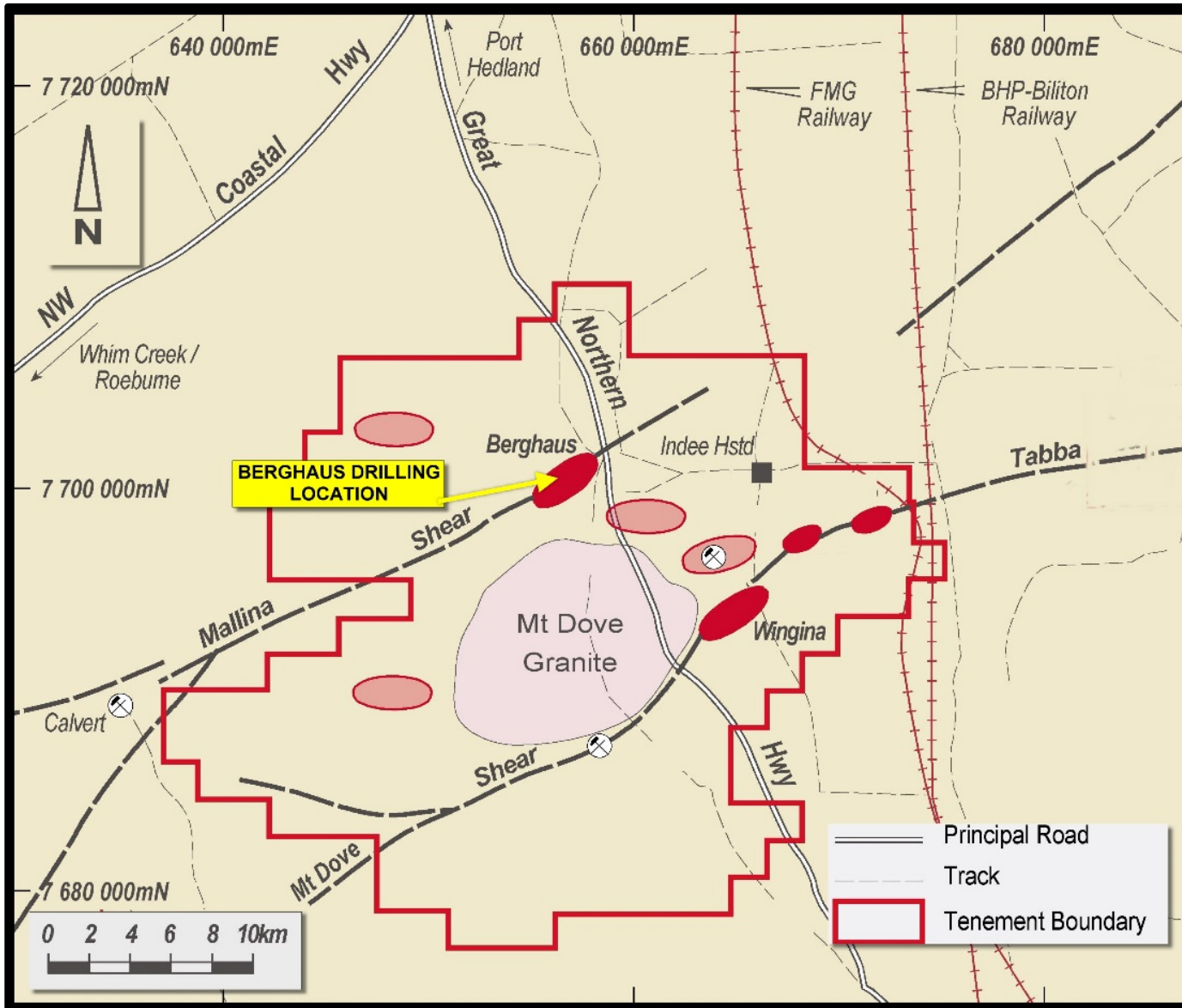
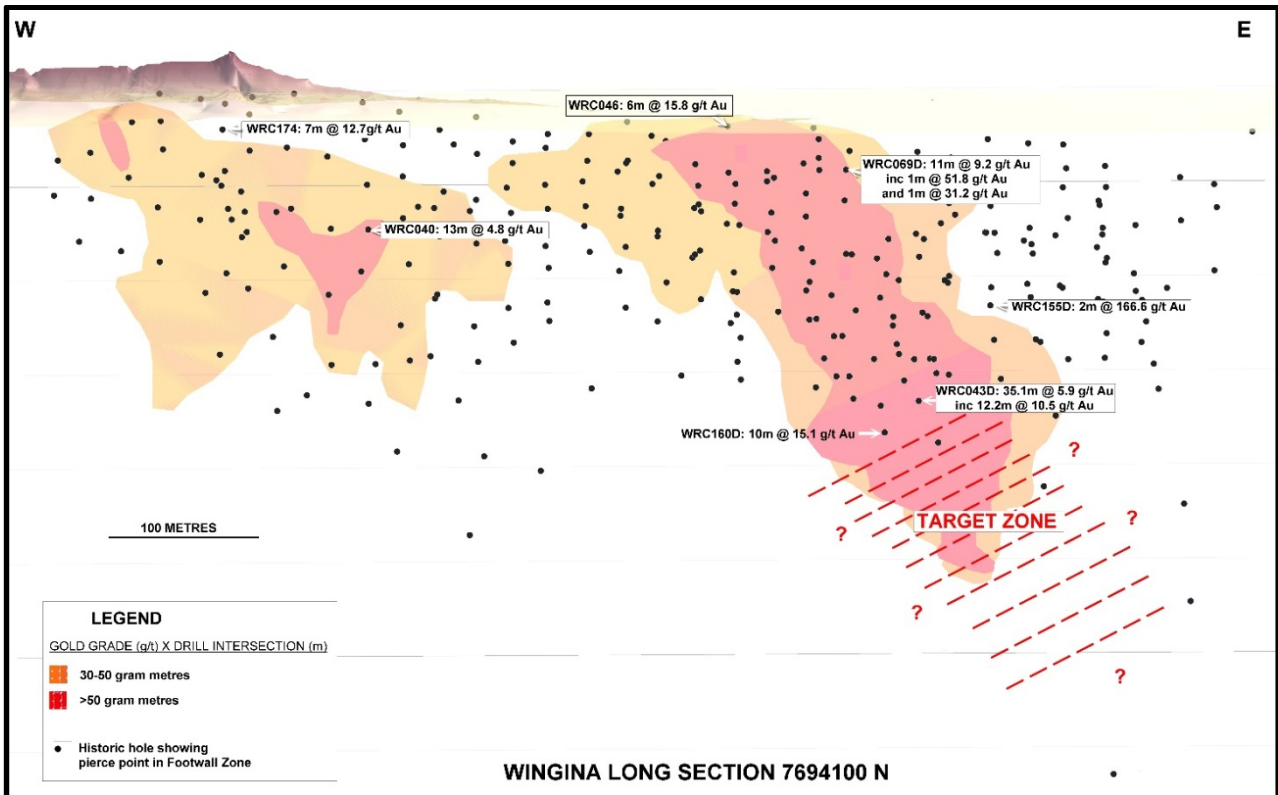


Figure 2 – Berghaus prospect diamond drilling location plan (Rugby holes in red)



Figure 3 – Wingina Long Section



The following tables provide the Preliminary Drill intercepts and drill hole details for the Great Northern Gold Project, Pilbara, Western Australia (Drilling conducted by Rugby Mining Limited). They should be read in conjunction with the Great Northern Gold Project – JORC Table 1 that follows.

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

HOLE	SIGNIFICANT ASSAYS RESULTS	REMARKS
DD001	22.6 to 24.6 = 2.0m @ 1.28 g/t Au 27.2 to 28.1 = 0.9m @ 1.24 g/t Au 30.8 to 31.6 = 0.8m @ 2.81 g/t Au 47.2 to 47.7 = 0.5m @ 11.9 g/t Au* 50.6 to 51.6 = 1.0m @ 1.22 g/t Au 55.6 to 56.1 = 0.6m @ 1.96 g/t Au	Visible Au 47.4 to 47.7m * currently bring re-assayed Check assays awaited
RDD002	15.5 to 16.5 = 1.0m @ 17.4 g/t Au 19.6 to 21.7 = 2.1m @ 1.97 g/t Au 23.6 to 24.8 = 1.2m @ 1.26 g/t Au 28.5 to 29.0 = 0.5m @ 1.84 g/t Au	Visible Au at 15.6m Check assays awaited
RDD002B	10.9 to 16.2 = 5.3m @ 2.66 g/t Au 22.0 to 23.5 = 1.1m @ 2.10 g/t Au 32.0 to 33.0 = 1.0m @ 1.51 g/t Au	Check assays awaited
RDD003	6.6 to 7.0 = 1.1m @ 1.3 g/t Au 20.1 to 26.7 = 6.6m @ 4.01 g/t Au inc 20.1 to 23.5 = 3.4m @ 6.25 g/t Au	Check assays awaited
RDD004	5.0 to 6.0 = 1.0m @ 1.03 g/t Au 10.0 to 11.0 = 1.0m @ 4.29 g/t Au	Check assays awaited
RDD005	25.0 to 26.0 = 1.0m @ 1.33 g/t Au 30.0 to 38.0 = 6.0m @ 1.81 g/t Au inc 33.0 to 34.0 = 1.0m @ 4.74 g/t Au	Check assays awaited
RDD006	14.0 to 16.0 = 2.0m @ 2.84 g/t Au 48.0 to 49.0 = 1.0m @ 3.51 g/t Au 60.0 to 65.7 = 5.7m @ 5.18 g/t Au inc 63.2 to 64.6 = 1.4m @ 16.05 g/t Au	Check assays awaited
RDD007	No significant results	Check assays awaited
RDD008	26.0 to 27.0 = 1.0m @ 1.05 g/t Au 43.0 to 43.5 = 0.5m @ 10.7 g/t Au	Check assays awaited

Table 2 - Drill Hole Details

HOLE	MGA E	MGA N	RL (m)	DEPTH	AZ (MAG)	DIP
RDD001	657006	7700221	83	90.4	323	-60
RDD002	657038	7700238	84	74.9	323	-60
RDD002B	657036	7700241	81	36.5	323	-60
RDD003	657131	7700318	81	69.1	323	-60
RDD004	657164	7700340	81	69.9	323	-60
RDD005	657074	7700250	81	62.2	323	-60
RDD006	657369	7700472	84	81.4	323	-60
RDD007	657401	7700493	79	102.5	323	-60
RDD008	657650	7700596	77	53.8	143	-60

Quality Control and Assurance

All drilling was completed by Mount Magnet Drilling using a SD1000 diamond core drill, with HQ3-sized core and triple-tube used throughout the program. 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.

ALS Laboratory Services Pty Ltd in Perth undertook sample preparation using their PREP-31B technique (drying, crushing, and pulverizing), before assaying for gold via their Au-AA26 technique in which a 50g charge was split from each sample for fire assay with an AAS 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 Intertek-Genalysis 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 N35°W (325°) SE 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 diamond drilling program comprised 640.7m in eight holes (RDD001 - RDD008), and these have been logged in their entirety. Overall core recoveries for the total drilling programme were calculated at 96%. 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 mineralization are reported as included intervals with from and to depths recorded. 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.

Competent Person's Statements – Exploration Results

The information in this report that relates to Exploration Results is based on information compiled by Mr Francisco Montes, who is a consultant and security holder to Rugby Mining Limited and reviewed by Mr Peter Batten. Mr Batten is a Director of De Grey Mining Limited. Mr Batten and Mr Montes are members of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) "Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Mr Montes consents to the form and context in which the Exploration Results and the supporting information are presented in this report.

Great Northern Gold Project – JORC Table 1

Section 1 - Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<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"> • 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 0.4m and maximum length was 2.6m. • Samples were taken by Rugby staff to the Port Hedland depot of Regal Transport Pty Ltd (a subsidiary of K & S Corporation) for shipment to the Perth-based laboratory facilities. Individual sample bags were sealed in plastic polyweave sacks and boxed in plastic crates for the road transport. • ALS Laboratory Services Pty Ltd in Perth undertook sample preparation using their PREP-31B technique (drying, crushing, and pulverizing), before assaying for gold via their Au-AA26 technique in which a 50g charge was split from each sample for fire assay with an AAS finish.

Criteria	JORC Code explanation	Commentary
<i>Drilling techniques</i>	<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"> • A conventional diamond core rig was used at the Great Northern Gold Project for the reported programme, utilising a Mount Magnet Drilling SD1000 truck-mounted rig. • Drilling was completed as 60° inclined holes, orientated 323° (Holes RDD001, - RDD07), and 143° (RDD008), 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 on all eight core holes.
<i>Drill sample recovery</i>	<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. • 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, AAS analysis (ALS technique Au-AA26). Lab check assays (1:20 samples) are currently being conducted at Intertek-Genalysis Laboratory Services Pty Ltd , Perth. • Screened fire assays (ALS technique Au-SCR22AA) was completed on two vein intervals with visible gold. Check assays are currently being conducted at Intertek-Genalysis to confirm grades.
<i>Logging</i>	<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 studies.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> 	<ul style="list-style-type: none"> • All core has been photographed (wet & dry) prior to sawing and half-core sampling. • 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

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <i>The total length and percentage of the relevant intersections logged.</i> 	<p>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.</p> <ul style="list-style-type: none"> Overall core recoveries over the total drilling programme was calculated at 96%. The diamond drilling programme comprised 640.7m in eight holes (RDD001 - RDD08), and these have been logged in their entirety.
<p>Sub-sampling techniques and sample preparation</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 .
<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</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

Criteria	JORC Code explanation	Commentary
	<p><i>make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <ul style="list-style-type: none"> • <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> 	<p>analysis.</p> <ul style="list-style-type: none"> • Sample preparation and analysis was conducted by independent service provider “ALS Laboratory Services Pty Ltd” located in Malaga. Check-assays are currently being undertaken by “Intertek-Genalysis Laboratory Services Pty Ltd” located in Maddington. • All sample preparation was carried out at the laboratory via preparation technique PREP-31B, which included a preliminary coarse crushing of drill core to a nominal -6mm particle size, followed by a secondary crushing to 70% less than 2mm, riffle splitting of 1.0kg and pulverizing the split to better than 85% passing through 75 microns (200 mesh). Grind checks were performed at both the crushing stage (-2mm) and pulverizing stage (-75um). • Gold assays were completed by ALS using their “ore grade” (0.01- 100 ppm Au detection limit) method Au-AA26 which comprises a 50g fire assay charge with Atomic Absorption Spectroscopy (AAS) determination for gold. • Additional to the above, two screened fire assays were carried out on two core intervals on holes RDD001 and RDD002 where visible gold was logged. This modified ALS method Au-SCR22AA required the entire sample to be crushed , pulverized to 85% passing through -75um, and screened with the entire +75um fraction fire assayed, and two splits of the -75um fraction assayed by the Au-AA26 technique. A calculated head grade was obtained which is more representative of samples with very high grade coarse gold content. • 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 Intertek-Genalysis Laboratory Services Pty Ltd).

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> 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 assayed by Intertek-Genalys. A quarter-core check assay of the screen fire assay is also currently being undertaken by Intertek-Genalysis. A final QA-QC analysis will be completed on completion of the check assay phase of work currently in progress.
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 eight 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 40 – 240m. Rugby's drilling is considered early-stage. No sample compositing has been applied for the purpose of assay.
Orientation of data in relation to geological	<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 	<ul style="list-style-type: none"> At the Berghaus prospect, mineralisation is associated with a series of north-east trending shear structures trending approximately 53° within the Mallina Formation meta-sedimentary units. These structures can be traced on aeromagnetic images and on the ground as there is relatively

Criteria	JORC Code explanation	Commentary
structure	<i>sampling bias, this should be assessed and reported if material.</i>	<p>scarce vegetation cover.</p> <ul style="list-style-type: none"> • Drilling was orientated approximately N35°W (325°) SE 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"> • <i>The measures taken to ensure sample security.</i> 	<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 ALS Laboratory Services, Perth WA. All sample preparation and assaying was completed under the supervision of the independent laboratory.
Audits or reviews	<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
Mineral tenement and land tenure status	<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 E45/3390 held 100% by Last Crusade Pty Ltd and subject to an option agreement with Rugby Mining Limited. • Aboriginal heritage surveys have been conducted over the Berghaus prospect area and over the greater Indee Pastoral Lease and Great Northern Gold project tenements. The tenement holders, Last Crusade Pty Ltd hold an agreement with the Kariyarra Claim Group in respect of Exploration Licence 45/3390 signed on 19th October 2010. • Exploration Licence E45/3390 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.

Criteria	JORC Code explanation	Commentary
<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 techniques. This work has delineated a number of regional prospects of which Berghaus remains a priority target for Rugby.
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> The Berghaus prospect is located along the Mallina Shear Zone, with gold mineralisation structurally controlled and associated with quartz veins, lenses and stockwork. The host sequence is the Mallina Formation turbidites, which include argillites and arenites and overlies the Archaean greenstones found 10km SE at Wingina Well. 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.

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> 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.
<p><i>Drill hole Information</i></p>	<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.
<p><i>Data aggregation methods</i></p>	<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 for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</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. No metal-equivalent values have been used for the reporting of these exploration results.
<p><i>Relationship between mineralisation widths and intercept lengths</i></p>	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>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').</i> 	<ul style="list-style-type: none"> The structural-controlled mineralisation at Berghaus prospect along the Mallina Shear Zone strikes SW-NE (approximately 53°), and dips steeply to the SE (75° – 88°). Rugby's diamond core drilling programme was completed with hole azimuth 323° (Holes RDD001, - RDD07), and 143° (RDD008), 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

Criteria	JORC Code explanation	Commentary
		hole lengths (with unknown true widths).
<i>Diagrams</i>	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • Appropriate plans and sections have been included in the body of this report.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • <i>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.</i> 	<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.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • All meaningful and material data has been reported.
<i>Further work</i>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • At Berghaus further drilling is planned to follow after final check assay results are received and reviewed. • Rugby's immediate work plans are for "Priority 1" targets at Wingina Well where testing of potential depth extensions to high grade footwall gold zones is planned to commence once environmental permitting is approved. An initial 2000m RC drilling programme is planned.

APPENDIX 1

Rugby Mining Limited – Announcement



For Immediate Release: NR14-04

DRILLING UPDATE GREAT NORTHERN, PILBARA, AUSTRALIA

Vancouver, B.C., July 28, 2014 – Rugby Mining Limited (“Rugby” or the “Company”) (TSX-V: RUG) is pleased to announce preliminary high grade gold results from the recently completed diamond drilling program at the **Great Northern Gold Project** in the Pilbara region of Western Australia.

The initial drilling program was conducted at the early stage Berghaus prospect, located approximately 9 kilometres to the northwest of Wingina. (**Figure 1**). Eight shallow holes for a total of 640 metres (“m”) were drilled along 750 m of strike to target high grade gold mineralization associated with a series of northeast-trending structures in meta-sedimentary rocks. Two of the eight holes intersected visible gold mineralization. Preliminary gold assays have been received for all the drill holes and significant drill results include:

- RDD001 **0.5m @ 11.9 g/t gold** from 47.2m
- RDD002 **1.0m @ 17.4 g/t gold** from 15.5m
- RDD003 **3.4m @ 6.25 g/t gold** from 20.1m
- RDD006 **1.4m @ 16.1 g/t gold** from 63.2m
- RDD008 **0.5m @ 10.7 g/t gold** from 43.0m

Please click here for a plan locating all drill holes (**Figure 2**), for all significant drill intercepts above 1.0 g/t gold, and for drill hole details. All results are preliminary as assays are being verified and check samples are currently being assayed at another independent laboratory.

Rugby’s CEO, Paul Joyce stated “We are encouraged by our initial program at Berghaus. We have both delineated high grade mineralization and are close to meeting the minimum expenditure requirement for the project by drilling holes previously permitted by our joint venture partner. Further drilling at Berghaus will now follow drilling at our top priority target, Wingina. Our objective at Wingina, is to test for potential depth extensions to the very high grade footwall gold zone (**Figure 3**). We believe that the host rocks are favourable for extensions of the high grade to significant depths. A 2,000 m drilling program is expected to commence early Q4, subject to permitting and drill rig availability.

Previous operators established a historical mineral resource at Wingina however, the resource was not completed in compliance with National Instrument 43-101 (“NI 43-101”) consequently the Company is not reporting any resource estimates prior to further evaluation. We plan to work with independent consultants to upgrade the historical mineral resource at Wingina to NI 43-101 requirements. Under our JV agreement the Company has an option to purchase 80% of the historical resource by 2018.”

Quality Control and Assurance

Blanks and certified standards were inserted into the sample stream as part of Rugby’s quality assurance and control program, which complies with 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 ALS Laboratory Services lab in Perth, Western Australia for mineral analyses. All samples were prepared using ALS’ PREP-31B method (drying, crushing, and pulverizing), and assaying for gold by ALS’ Au-AA26 technique in which a 50g charge was split from each sample for fire assay with an AAS finish. Check-assaying is currently underway at Intertek-Genalysis Laboratory Services, Perth. Both ALS and Intertek are independent and ISO-9001:2000 certified laboratories with no association to Rugby. For more information on Quality Control and Assurance please click here.

Update: Cobrasco Project, Colombia

Water permits for the proposed drilling program were recently granted. The permits are valid for a five year period. The forestry extraction permit, the final step in the drill permitting process, is currently being processed by the Ministry of Environment with approval expected before year end.

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 over 20 years ago. No systematic exploration or drilling has been conducted since that time. Rugby currently awaits final permitting approval for a proposed drilling program at Cobrasco. Discussions have commenced with local drilling companies for a drilling campaign in late in 2014.

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.