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RUGBY MINING ANNOUNCES CAD\$2,500,000 NON-BROKERED PRIVATE PLACEMENT AND PROVIDES UPDATE ON PROXIMO ACQUISITION

Private Placement

Vancouver, B.C., August 24, 2020 – Rugby Mining Limited (“Rugby” or the “Company”) (TSX-V: RUG) announces that its board of directors has approved a proposed private placement offering of up to 20,833,333 units (the “Units”) at a price of \$0.12 per Unit for gross proceeds of up to \$2,500,000 (the “Offering”). Completion of the Offering is one of the conditions of the recently announced proposed acquisition of Proximo Resources Pty Ltd (“Proximo”), see press release dated July 26, 2021 (the “Transaction”).

Each Unit will consist of one (1) common share and one (1) half common share purchase warrant (each whole common share purchase warrant a “Warrant”). Each Warrant will entitle the holder thereof to purchase one (1) additional common share of the Company at a price of \$0.20 per common share for a period of eighteen (18) months from the date of closing of the Offering (the “Expiry Date”); provided, in the event the closing price of the Company’s common shares on the TSX Venture Exchange (the “TSXV”) is \$0.30 or greater per common share during any 10 consecutive trading day period, the Expiry Date will be accelerated such that the Warrants will expire at 4.00 p.m. (Vancouver time) on the 30th day after the date on which the Company provides notice of such accelerated expiry to warrant holders.

A material change report relating to the Offering is being filed less than 21 days prior to the closing of the Offering. The shorter period is necessary in order to permit the Company to close the Offering in a timeframe consistent with usual market practice for transactions of this nature.

Closing of the proposed Offering is anticipated to occur on or about September 23, 2021. Closing of the Offering is subject to receipt of all necessary regulatory approvals.

Proceeds of the Offering will be used principally for exploration on Proximo’s Salvadora project located in Chile and for general expenses. Proceeds of the Offering will be escrowed; and will be released to the Company concurrently with the closing of the Transaction.

Proximo Acquisition Update

Further to the Company’s press release of July 26, 2021, the Company wishes to provide an update on its proposed acquisition of 100% of Proximo. The TSXV has conditionally accepted the Transaction. Final acceptance of the Transaction is conditional on the Company satisfying the filing requirements outlined in the TSXV’s conditional acceptance letter in compliance with TSXV Policy 5.3 which the Company is in the process of completing. Completion of the Offering is a condition to closing the Transaction.

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

RUGBY MINING LIMITED

For further information, please contact:

Robert Grey, VP, Communications
Tel: 604.688.4941 Fax: 604.688.9532
Toll-free: 1.855.688.4941

Suite 810, 789 West Pender St.
Vancouver, BC Canada V6C 1H2
info@rugbymining.com

CAUTIONARY STATEMENT

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of Canadian securities legislation. This includes statements concerning the Company's proposed acquisition of Proximo Resources Pty Ltd ("Proximo"), plans at its projects including exploration plans for the Salvadora Project in Chile, progress on obtaining approval for its exploration concession applications in Colombia, the expected timing of drilling and/or geophysics programs, budgeted costs to conduct exploration programs including drilling, high grade potential and potential for mineral discoveries at its projects and the style or occurrence of the mineralization 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. In addition, the proposed acquisition of Proximo is subject to regulatory approval and certain conditions precedent including completion of a capital raise of a minimum of \$2,500,000. There can be no certainty that the proposed acquisition will proceed as planned or at all. The Company holds certain of its projects under option agreements, which require annual cash payments, expenditure and/ or drilling requirements in order to maintain its interest. Should the Company not be able to meet its obligations or renegotiate the agreements it will lose its rights under the option agreement. 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 and gold 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 or exploration of mineral properties in the Philippines, Argentina, Chile and Colombia 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, the ongoing effects of the COVID 19 virus and including those described in each of the Company's management discussion and analysis and those contained in its financial statements for the year ended February 28, 2021 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.

NEITHER 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