



**Rubicon Resources Limited**

**ABN 38 115 857 988**

# **Financial Statements for the year ended 30 June 2009**

**Level 2, 91 Havelock Street, West Perth WA 6005**

**PO Box 534, West Perth WA 6872**

**Telephone: (08) 9214 7500**

**Facsimile: (08) 9214 7575**

**Email: [info@rubiconresources.com.au](mailto:info@rubiconresources.com.au)**

**Website: [rubiconresources.com.au](http://rubiconresources.com.au)**

# RUBICON RESOURCES LIMITED

ABN 38 115 857 988

## CORPORATE DIRECTORY

### DIRECTORS

John Shipp  
*Non-Executive Chairman*

Peter Eaton  
*Managing Director*

Ian Buchhorn  
*Non-Executive Director*

### COMPANY SECRETARY

Robert S Middlemas

### PRINCIPAL REGISTERED OFFICE

Level 2, 91 Havelock Street  
West Perth  
Western Australia 6005

PO Box 534  
West Perth  
Western Australia 6872  
Telephone: (08) 9214 7500  
Facsimile: (08) 9214 7575  
Email: [info@rubiconresources.com.au](mailto:info@rubiconresources.com.au)  
Internet: [www.rubiconresources.com.au](http://www.rubiconresources.com.au)

### AUDITOR

Butler Settineri (Audit) Pty Ltd  
Unit 16, 1<sup>st</sup> Floor  
100 Railway Road  
Subiaco  
Western Australia, 6008

### SHARE REGISTRY

Security Transfer Registrars Pty Limited  
770 Canning Highway  
Applecross  
Western Australia, 6153  
Telephone: (08) 9315 2333  
Facsimile: (08) 9315 2233  
Email: [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

### STOCK EXCHANGE LISTING

The Company's shares are quoted on the Australian Stock Exchange. The Home Exchange is Perth.

### ASX CODE

RBR - ordinary shares

## RUBICON RESOURCES LIMITED

### DIRECTORS' REPORT

The Directors present their report on Rubicon Resources Limited at the end of, or during the year ended 30 June 2009.

#### DIRECTORS

The names and details of the Directors of Rubicon Resources Limited during the financial year and until the date of this report are:

**John Shipp** – *Assoc. Camborne School of Mines, FAusIMM*  
**Non-Executive Chairman**  
**Appointed 17 July 2006**

John Shipp is a mining engineer with nearly 40 years of international experience in Australia, Africa, Fiji and Europe involving open cut and underground mining for gold and base metals in a range of environments. Prior to joining the Rubicon Board he was President of Barrick Gold Corporation's Australia Africa Business Unit where he was involved in the corporate acquisition of Placer Dome to form what is now the largest gold mining company in the world. Before this he had been General Manager of both the KCGM Superpit in Kalgoorlie and the Boddington joint venture, respectively Australia's largest and second largest gold mines. Mr Shipp has also been involved in plant design, construction and commissioning. In recent years his direction has been towards business development and the determination of strategic direction at corporate level.

During the three year period to the end of the financial year, Mr Shipp held a directorship in Navigator Resources Limited (7 August 2006 to present).

**Peter Eaton** – *B.Sc (Hons), MAusIMM*  
**Managing Director**  
**Appointed 3 July 2006**

Mr Eaton is a geologist with more than 30 years of experience in exploration, mining and acquisitions roles in Australia and internationally (principally in the Asia-Pacific region). Prior to joining Rubicon he was General Manager – Geology and Business Development with Aditya Birla Minerals Limited. During his tenure there, Mr Eaton was a part of the team that completed a feasibility study on, and commissioned, the Nifty underground copper mine and completed a \$300m capital raising and ASX listing of the company. Mr Eaton previously held senior technical management positions with WMC Limited, including site-based chief geologist roles and senior regional exploration roles and has also had significant corporate experience in a number of listed exploration companies, including the previous role of Managing Director.

**Ian Buchhorn** – *B.Sc (Hons), Dipl. Geosci (Min. Econ), MAusIMM*  
**Non Executive Director**  
**Appointed 19 August 2005**

Mr Buchhorn is a Mineral Economist and Geologist with 34 years experience. He was the founding Managing Director of Heron Resources Limited for a period of 11 years until early 2007 and now continues as Executive Director Strategy. Mr Buchhorn previously worked with a number of international mining companies and has worked on nickel, bauxite and industrial mineral mining and exploration, gold and base metal project generation and corporate evaluations. For the last 20 years Mr Buchhorn has acquired and developed mining projects throughout the Eastern Goldfields of Western Australia and has operated as a Registered Mine Manager.

During the three year period to the end of the financial year, Mr Buchhorn continues to hold directorships in Heron Resources Limited (17 February 1995 to present), Polaris Minerals NL (18 September 2006 to present) and Southern Cross Goldfields Ltd (24 July 2007 to present). He previously held directorships in Avoca Resources Limited (8 June 2001 to 15 February 2005) and Pioneer Nickel Limited (17 January 2003 to 30 June 2006).

# RUBICON RESOURCES LIMITED

## DIRECTORS' REPORT

### COMPANY SECRETARY

*Robert Samuel Middlemas – B.Com, ACA, Grad. Dip. Acc.*

Mr Middlemas was appointed Company Secretary and Chief Financial Officer on 17 July 2006. Mr Middlemas is a chartered accountant with more than 18 years experience in various financial and company secretarial roles with a number of listed public companies operating in the resources sector. He is the principal of a corporate advisory company which provides financial and secretarial services specialising in capital raisings and initial public offerings. Previously Mr Middlemas worked for an international accountancy firm. His fields of expertise include corporate secretarial practice, financial and management reporting in the mining industry, treasury and cash flow management and corporate governance.

### PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year consisted of mineral exploration and development principally in Western Australia.

There have been no significant changes in these activities during the financial year.

### RESULTS OF OPERATIONS

The net loss after income tax for the financial year was \$3,139,630 (2008: \$1,122,989).

### DIVIDENDS

No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current year.

### REVIEW OF OPERATIONS AND ACTIVITIES

A detailed review of the Company's activities during the financial year is set out in the section titled "Review of Operations" in this Annual Report.

### Corporate and Financial Position

As at 30 June 2009 the Company had cash reserves of \$3.3 million.

### Business Strategies and Prospects

The Company currently has the following business strategies and prospects over the medium to long term:

- (i) Seek to increase the value of the Company's mineral assets located in Western Australia and Queensland through exploration success;
- (ii) Undertake exploration activities on its existing Projects; and
- (iii) Continue to examine new mineral opportunities, with particular focus on advanced projects with the potential to deliver early cash flow opportunities.

### Risk Management

The Board is responsible for the oversight of the Company's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management with the Managing Director having ultimate responsibility to the Board for the risk management and control framework.

Areas of significant business risk to the Company are highlighted in the Business Plan presented to the Board by the Managing Director each year.

Arrangements put in place by the Board to monitor risk management include monthly reporting to the Board in respect of operations and the financial position of the Company.

### EMPLOYEES

The Company has 5 employees as at 30 June 2009 (2008: 9 employees).

**RUBICON RESOURCES LIMITED**

**DIRECTORS' REPORT**

**EARNINGS/LOSS PER SHARE**

	<b>2009</b>	<b>2008</b>
	<b>Cents</b>	<b>Cents</b>
Basic loss per share	(3.92)	(1.45)
Diluted loss per share	(3.92)	(1.45)

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

**OPTIONS OVER UNISSUED CAPITAL**

*Unlisted Options*

During the financial year there were no options issued to Directors.

During the financial year the Company granted the following unlisted options over unissued ordinary shares to the following Key Management Personal and other employees. All employee options were issued for Nil consideration and have a 12 month period of vesting:

<i>Issued To</i>	<i>Number of Options Granted</i>	<i>Exercise Price</i>	<i>Value per Option at Grant Date</i>	<i>Value of Options Granted</i>	<i>Expiry Date</i>
Other Employees (a)	600,000	25 cents each	0.05 cents	\$3,180	17 September 2011
Other Employees	100,000	25 cents each	0.01 cents	\$10	17 September 2011

(a) A total of 300,000 of the options issued to other employees have lapsed when employees have left the Company employment prior to achieving the required vesting period of 12 months.

Since 30 June 2009 and up until the date of this report there have been no further options issued.

As at the date of this report unissued ordinary shares of the Company under option are:

<i>Number of Options on Issue</i>	<i>Exercise Price</i>	<i>Expiry Date</i>
4,250,000	25 cents each	7 November 2010
1,000,000	25 cents each	31 December 2011
400,000	25 cents each	17 September 2011
1,300,000	30 cents each	7 November 2010
1,300,000	40 cents each	7 November 2010

The above options represent unissued ordinary shares of the Company under option as at the date of this report. These unlisted options do not entitle the holder to participate in any share issue of the Company.

The holders of unlisted options are not entitled to any voting rights until the options are exercised into ordinary shares.

The names of all persons who currently hold options granted are entered in a register kept by the Company pursuant to Section 168(1) of the *Corporations Act 2001* and the register may be inspected free of charge.

No person entitled to exercise any option has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

**CORPORATE STRUCTURE**

Rubicon Resources Limited (ACN 115 857 988) is a company limited by shares that was incorporated on 19 August 2005 and is domiciled in Australia.

# RUBICON RESOURCES LIMITED

## DIRECTORS' REPORT

### EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen since the end of the financial year any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years except as follows:

The Company has entered into an exploration funding agreement with Integra Mining Limited, which has the effect of reducing the minimum expenditure commitments on those tenements affected, and on 24<sup>th</sup> August 2009 the Company issued 250,000 fully paid ordinary shares as part payment for a tenement purchase.

### LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in the operations of the Company are included elsewhere in this Annual Report. Disclosure of any further information has not been included in this report because, in the reasonable opinion of the Directors, to do so would be likely to prejudice the business activities of the Company.

### ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company holds various exploration licences to regulate its exploration activities in Australia. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of its exploration activities. So far as the Directors are aware there has been no known breach of the Company's licence conditions and all exploration activities comply with relevant environmental regulations.

### INFORMATION ON DIRECTORS

As at the date of this report the Directors' interests in shares and unlisted options of the Company are as follows:

Director	Title	Directors' Interests in Ordinary Shares	Directors' Interests in Unlisted Options
John Shipp	Non-Executive Chairman Appointed on 17 July 2006	350,000	1,250,000
Peter Eaton	Managing Director Appointed on 3 July 2006	853,226	4,000,000
Ian Buchhorn	Non-Executive Director Appointed on 19 August 2005	6,513,181	250,000

### DIRECTORS' MEETINGS

The number of meetings of the Company's Directors held in the period each Director held office during the financial year and the numbers of meetings attended by each Director were:

Director	Board of Directors' Meetings	
	Meetings Attended	Meetings held while a director
J Shipp	10	10
P Eaton	10	10
I Buchhorn	10	10

### REMUNERATION REPORT

Recommendation 8.1 of the *ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (2<sup>nd</sup> edition)* states that the Board should establish a Remuneration Committee. The Board has formed the view that given the number of Directors on the Board, this function could be performed just as effectively with full Board participation. Accordingly it was resolved that there would be no separate Board sub-committee for remuneration purposes.

This report details the amount and nature of remuneration of each Director of the Company and executive officers of the Company during the year.

# RUBICON RESOURCES LIMITED

## DIRECTORS' REPORT

### REMUNERATION REPORT (CONTINUED)

#### Overview of Remuneration Policy

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and the executive team. The broad remuneration policy is to ensure that remuneration properly reflects the relevant person's duties and responsibilities, and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Board believes that the best way to achieve this objective is to provide the Managing Director and the executive team with a remuneration package consisting of a fixed and variable component that together reflects the person's responsibilities, duties and personal performance. An equity based remuneration arrangement for the Board and the executive team is in place. The remuneration policy is to provide a fixed remuneration component and a specific equity related component, with no performance conditions. The Board believes that this remuneration policy is appropriate given the stage of development of the Company and the activities which it undertakes and is appropriate in aligning Director and executive objectives with shareholder and business objectives.

The remuneration policy in regard to setting the terms and conditions for the Managing Director has been developed by the Board taking into account market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

Directors receive a superannuation guarantee contribution required by the government, which is currently 9% per annum and do not receive any other retirement benefit. Some individuals, however, have chosen to sacrifice part or all of their salary to increase payments towards superannuation.

All remuneration paid to Directors is valued at cost to the Company and expensed. Options are valued using the Black-Scholes methodology. In accordance with current accounting policy the value of these options is expensed over the relevant vesting period.

#### Non-Executive Directors

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a General Meeting. The annual aggregate amount of remuneration paid to Non-Executive Directors was approved by shareholders on 7 November 2006 and is not to exceed \$200,000 per annum. Actual remuneration paid to the Company's Non-Executive Directors is disclosed below. Remuneration fees for Non-Executive Directors are not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and have all received options.

#### Managing Director and Senior Management

The remuneration of the Managing Director is dictated by his executive service agreement.

The Company aims to reward executives with a level of remuneration commensurate with their position and responsibilities within the Company so as to:

- Reward executives for Company and individual performance against targets set by reference to appropriate benchmarks;
- Reward executives in line with the strategic goals and performance of the Company; and
- Ensure that total remuneration is competitive by market standards.

#### Structure

Remuneration consists of the following key elements:

- Fixed remuneration; and
- Issuance of unlisted options

#### Fixed Remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis including any employee benefits eg. motor vehicles) as well as employer contributions to superannuation funds.

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Remuneration packages for the staff who report directly to the Managing Director are based on the recommendation of the Managing Director, subject to the approval of the Board in the annual budget setting process.

# RUBICON RESOURCES LIMITED

## DIRECTORS' REPORT

### REMUNERATION REPORT (CONTINUED)

#### Service Agreement

The Managing Director, Mr Peter Eaton is employed under contract. The current Service Agreement commenced on 26 June 2006.

Under the terms of the present contract:

- The Service Agreement has no fixed term.
- Mr Eaton may resign from his position and thus terminate the contract by giving three months written notice. On resignation any options that have not yet vested will lapse.
- The Company may terminate the contract by providing three months written notice. Any options that have vested, or will vest during the notice period will be available for exercise, whilst the options that have not yet vested will be forfeited.
- The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, the Managing Director is only entitled to that portion of remuneration which is fixed, and only up to the date of termination. On termination with cause, any unvested options will immediately lapse.
- If the Managing Director and the Company agree to terminate the contract by mutual consent, or if the Managing Director is removed, or if the Company enters into a deed of arrangement with creditors, placed under the control of receivers or is in breach of regulations, the Company will pay a sum to the Managing Director of six months Base Salary and one month's Base Salary in lieu of notice after service of up to 7 years up to a maximum of 12 month's Base Salary and one month's Base Salary in lieu of notice after service of 12 years .

Details of the nature and amount of each element of the emoluments of each Director of Rubicon Resources Limited paid/accrued during the year are as follows:

	Primary		Post Employment	Equity Compensation	Total
	Base Salary/Fees \$	Motor Vehicle/Bonus \$	Superannuation Contributions \$	Options \$	
<b>2008/2009</b>					
<b>Directors</b>					
J Shipp – Chairman	-	-	63,358	-	63,358
P Eaton - Managing Director	189,118	9,346	55,754	-	254,218
I Buchhorn - Non-Executive	-	-	35,000	-	35,000
<b>Executives</b>					
R Middlemas (i) Company Secretary	51,477	-	-	-	51,477
K Cassidy - Exploration Manager	174,561	17,500 (iii)	15,710	-	207,771
<b>2007/2008</b>					
<b>Directors</b>					
J Shipp – Chairman	-	-	65,000	17,622 (ii)	82,622
P Eaton - Managing Director	198,271	5,140	55,154	55,531 (ii)	314,096
I Buchhorn - Non-Executive	-	-	35,000	4,813 (ii)	39,813
<b>Executives</b>					
R Middlemas (i) Company Secretary	71,593	-	-	4,813 (ii)	76,406
K Cassidy - Exploration Manager	163,327	-	14,699	24,926 (ii)	202,952

(i) Mr Middlemas's fees were paid to Sparkling Investments Pty Ltd.

(ii) Options issued have a 12 month vesting period and, consequently, are expensed over the vesting period on a pro-rata basis. There are no performance conditions attached to these options.

(iii) One off Retention bonus paid in 2009.

Other than the Directors and executive officers disclosed above there were no other executive officers who received emoluments during the financial year ended 30 June 2009.

#### INDEMNIFYING OFFICERS AND AUDITOR

During the year the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Company has not provided any insurance for an auditor of the Company.

# RUBICON RESOURCES LIMITED

## DIRECTORS' REPORT

### REMUNERATION REPORT (Continued)

#### Share-based compensation

The terms and conditions of each grant of options affecting remuneration in this or future reporting periods are as follows:

	Granted <i>Number</i>	Terms & Conditions for each Grant				
		<i>Date of Grant</i>	<i>Date of Vesting</i>	<i>Option Value (\$)</i>	<i>Exercise Price (\$)</i>	<i>Expiry Date</i>
Peter Eaton	1,500,000	7 Nov 2006	7 Nov 2007	0.055	0.25	7 Nov 2010
	500,000	7 Nov 2006	7 Nov 2007	0.049	0.25	7 Nov 2010
	1,000,000	7 Nov 2006	7 Nov 2007	0.038	0.30	7 Nov 2010
	1,000,000	7 Nov 2006	7 Nov 2007	0.013	0.40	7 Nov 2010
John Shipp	500,000	7 Nov 2006	7 Nov 2007	0.055	0.25	7 Nov 2010
	150,000	7 Nov 2006	7 Nov 2007	0.049	0.25	7 Nov 2010
	300,000	7 Nov 2006	7 Nov 2007	0.038	0.30	7 Nov 2010
	300,000	7 Nov 2006	7 Nov 2007	0.013	0.40	7 Nov 2010
Ian Buchhorn	250,000	7 Nov 2006	7 Nov 2007	0.055	0.25	7 Nov 2010
Sam Middlemas	250,000	7 Nov 2006	7 Nov 2007	0.055	0.25	7 Nov 2010
Kevin Cassidy	500,000	7 Nov 2006	7 Nov 2007	0.055	0.25	7 Nov 2010
	500,000	23 Jul 2007	23 Jul 2008	0.031	0.25	7 Nov 2010

There were no options over ordinary shares in the Company provided as remuneration to any director or executive officer during the current financial year. All options previously issued are now fully vested and are exercisable at any time subject to employment being maintained. When exercisable, each option is convertible into one ordinary share of Rubicon Resources Limited.

#### AUDITORS' INDEPENDENCE DECLARATION

Section 370C of the *Corporations Act 2001* requires the Company's auditors Butler Settinari (Audit) Pty Ltd, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is attached and forms part of this Directors' Report.

#### NON-AUDIT SERVICES

The external auditors (Butler Settinari (Audit) Pty Ltd) have not undertaken any non-audit work during the financial year.

#### PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not party to any such proceedings during the year.

#### CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Company support and have adhered to the principles of corporate governance. The Company's corporate governance statement is contained in the Annual Report.

DATED at Perth this 23<sup>rd</sup> day of September 2009.  
Signed in accordance with a resolution of the Directors.



**P Eaton**  
Managing Director



## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of Rubicon Resources Limited for the year ended 30 June 2009, I declare that, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) No contraventions of any applicable code of professional conduct in relation to the audit.

BUTLER SETTINERI (AUDIT) PTY LTD

LUCY P GARDNER  
Director

Perth  
Date: 23 September 2009

BUTLER  
SETTINERI

Unit 16, First Floor  
Spectrum Offices  
100 Railway Road  
(Cnr Hay Street)  
Subiaco WA 6008

**Locked Bag 18  
Subiaco WA 6904  
Australia**

Phone: **(08) 6389 5222**  
Fax: **(08) 6389 5255**  
Email: [mail@butlersettineri.com.au](mailto:mail@butlersettineri.com.au)

Directors:

**Colin Butler**  
FCA

**Paul Chabrel**  
FCA

**Lucy Gardner**  
CA

**Butler Settineri (Audit) Pty Ltd**

A.C.N. 112 942 373

Registered Company Auditor Number 289109

*Liability limited by a scheme approved under Professional Standards Legislation*

[www.butlersettineri.com.au](http://www.butlersettineri.com.au)

**RUBICON RESOURCES LIMITED**

**INCOME STATEMENT**

For the year ended 30 June 2009

		<b>THE COMPANY</b>	
	<b><u>NOTES</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>
		\$	\$
Other income	2	<b>297,421</b>	462,708
Employee expenses		<b>962,365</b>	834,515
Non-Executive Directors' fees		<b>98,671</b>	100,000
Insurance expenses		<b>27,991</b>	30,165
Company Secretarial fees		<b>51,477</b>	71,593
Corporate expenses		<b>89,021</b>	90,592
Depreciation	3	<b>60,149</b>	58,283
Rent		<b>87,953</b>	80,218
Recruitment		<b>180</b>	74,879
Employee costs recharged to capitalised exploration		<b>(852,336)</b>	(808,776)
Expense of share-based payments	3	<b>3,190</b>	138,575
Exploration Written off		<b>2,805,348</b>	821,652
Other expenses		<b>103,042</b>	94,001
Loss before income tax		<b>3,139,630</b>	1,122,989
Income tax	5	-	-
Net loss attributable to members of the Company	13	<b>3,139,630</b>	1,122,989
Basic earnings/(loss) per share (cents per share)	19	(3.92) cents	(1.45) cents
Diluted earnings/(loss) per share (cents per share)	19	(3.92) cents	(1.45) cents

*The above income statement should be read in conjunction with the accompanying notes.*

**RUBICON RESOURCES LIMITED**

**BALANCE SHEET**

As at 30 June 2009

	<u>NOTES</u>	<u>2009</u>	<u>2008</u>
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	20(a)	3,294,255	5,596,738
Other receivables	6	6,785	28,967
Other assets	7	14,768	35,917
<b>TOTAL CURRENT ASSETS</b>		<b>3,315,808</b>	<b>5,661,622</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment and motor vehicles	8	105,757	164,643
Capitalised mineral exploration expenditure	9	4,202,256	5,175,572
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,308,013</b>	<b>5,340,215</b>
<b>TOTAL ASSETS</b>		<b>7,623,821</b>	<b>11,001,837</b>
 <b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	129,264	379,797
Provisions	11	86,458	77,501
<b>TOTAL CURRENT LIABILITIES</b>		<b>215,722</b>	<b>457,298</b>
<b>TOTAL LIABILITIES</b>		<b>215,722</b>	<b>457,298</b>
<b>NET ASSETS</b>		<b>7,408,099</b>	<b>10,544,539</b>
 <b>EQUITY</b>			
Contributed equity	12(a)	11,868,496	11,868,496
Share Option Reserve	14	364,350	361,160
Accumulated losses	13	(4,824,747)	(1,685,117)
<b>TOTAL EQUITY</b>		<b>7,408,099</b>	<b>10,544,539</b>

*The above balance sheets should be read in conjunction with the accompanying notes.*

**RUBICON RESOURCES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2009

	<u>NOTES</u>	<u>2009</u>	<u>2008</u>
		\$	\$
Total equity at the beginning of the year		<u>10,544,539</u>	<u>10,528,953</u>
Loss for the year	13	<u>(3,139,630)</u>	<u>(1,122,989)</u>
Total recognised income and expense for the year		<u>(3,139,630)</u>	<u>(1,122,989)</u>
Share Option Reserve		3,190	138,575
Transactions with equity holders in their capacity as equity holders:			
Contributions of equity, net of transaction costs	12(b)	-	1,000,000
Total equity at the end of the year		<u><u>7,408,099</u></u>	<u><u>10,544,539</u></u>

*The above statements of changes in equity should be read in conjunction with the accompanying notes.*

**RUBICON RESOURCES LIMITED**

**CASH FLOW STATEMENT**

For the year ended 30 June 2009

	<u>NOTES</u>	<u>2009</u>	<u>2008</u>
		\$	\$
<b>Cash flows from operating activities</b>			
Interest received		247,421	461,006
Payments to suppliers and employees (inclusive of goods and services tax)		(555,609)	(497,526)
<b>Net cash used in operating activities</b>	20(b)	<u>(308,188)</u>	<u>(36,520)</u>
<b>Cash flows from investing activities</b>			
Payments for exploration and evaluation		(2,452,637)	(2,989,920)
Funds received from sale of exploration tenement		50,000	25,000
Funds received from joint venture partners		409,604	-
Payments for plant and equipment and motor vehicles		(1,262)	(130,672)
<b>Net cash used in investing activities</b>		<u>(1,994,295)</u>	<u>(3,095,592)</u>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of shares		-	1,000,000
<b>Net cash provided by financing activities</b>		<u>-</u>	<u>1,000,000</u>
<b>Net (decrease) in cash held</b>		<b>(2,302,483)</b>	<b>(2,132,112)</b>
<b>Cash at the beginning of the financial year</b>		<u>5,596,738</u>	<u>7,728,850</u>
<b>Cash at the end of the financial year</b>	20(a)	<u><u>3,294,255</u></u>	<u><u>5,596,738</u></u>

*The above cash flow statements should be read in conjunction with the accompanying notes.*

# RUBICON RESOURCES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in preparing the financial report of the Company, Rubicon Resources Limited ("Rubicon" or "Company"), are stated to assist in a general understanding of the financial report. These policies have been consistently applied to all the years presented, unless otherwise indicated.

Rubicon Resources Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the official list of the Australian Stock Exchange. The financial statements are presented in Australian dollars which is the Company's functional currency.

#### (a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report has been prepared on the basis of historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets.

The financial report was authorised for issue by the Directors on 23<sup>rd</sup> September 2009.

#### (b) Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. None of the balances reported have been derived from estimates.

#### (c) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred asset or liability is recognised in relation to those temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and future tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

#### (d) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

##### *Interest income*

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

RUBICON RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Cash and Cash Equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis.

(f) Plant and equipment and motor vehicles

Each class of plant and equipment and motor vehicles is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

*Plant and equipment and motor vehicles*

Plant and equipment and motor vehicles is stated at cost less accumulated depreciation and any impairment in value.

The carrying values of plant and equipment and motor vehicles are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

*Depreciation*

Depreciable non-current assets are depreciated over their expected economic life using either the straight line or the diminishing value method. Profits and losses on disposal of non-current assets are taken into account in determining the operating loss for the year. The depreciation rate used for each class of assets is as follows:

- Plant & equipment 20 - 33%
- Motor vehicles 22.5%

(g) Employee Entitlements

Liabilities for wages and salaries, annual leave and other current employee entitlements expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Contributions to employee superannuation plans are charged as an expense as the contributions are paid or become payable.

**RUBICON RESOURCES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2009

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(h) Exploration and Evaluation Expenditure**

Mineral exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest and is subject to impairment testing. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- such costs are expected to be recouped through the successful development and exploitation of the area of interest, or alternatively by its sale; or
- exploration and/or evaluation activities in the area have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active or significant operations in, or in relation to, the area of interest are continuing.

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the year in which that assessment is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Where a mineral resource has been identified and where it is expected that future expenditures will be recovered by future exploitation or sale, the impairment of the exploration and evaluation is written back and transferred to development costs. Once production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

Costs of site restoration and rehabilitation are recognised when the Company has a present obligation, the future sacrifice of economic benefits is probable and the amount of the provision can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Exploration and evaluation assets are assessed for impairment if:

- (i) sufficient data exists to determine technical feasibility and commercial viability, and
- (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then re-classified from intangible assets to mining property and development assets within property, plant and equipment.

**(i) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. GST incurred is claimed from the ATO when a valid tax invoice is provided. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

**RUBICON RESOURCES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2009

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

**(k) Contributed Equity**

Issued capital is recognised as the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

**(l) Earnings per Share**

Basic earnings per share ("EPS") are calculated based upon the net loss divided by the weighted average number of shares. Diluted EPS are calculated as the net loss divided by the weighted average number of shares and dilutive potential shares.

**(m) Leases**

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight-line basis over the term of the lease.

**(n) Share-based payment transactions**

The Company provides benefits to employees (including Directors and consultants) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("Equity-settled transactions").

There is currently one plan in place to provide these benefits being an Employee Share Option Plan ("ESOP") which provides benefits to Directors, consultants and senior executives.

The cost of these equity-settled transactions is measured by reference to fair value at the date at which they are granted. The fair value is determined by using the Black-Scholes option pricing model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Rubicon Resources Ltd ("market conditions").

The cost of equity settled securities is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date").

Where the Company acquires some form of interest in an exploration tenement or an exploration area of interest and the consideration comprises share-based payment transactions, the fair value of the equity instruments granted is measured at grant date. The cost of equity securities is recognised within capitalised mineral exploration and evaluation expenditure, together with a corresponding increase in equity.

**(o) Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**RUBICON RESOURCES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2009

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(p) Financial risk management**

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework, to identify and analyse the risks faced by the Company. These risks include credit risk, liquidity risk and market risk from the use of financial instruments. The Company has only limited use of financial instruments through its cash holdings being invested in short term interest bearing securities. The primary goal of this strategy is to maximise returns while minimising risk through the use of accredited Banks with a minimum credit rating of A1 from Standard & Poors. The Company has no debt, and working capital is maintained at its highest level possible and regularly reviewed by the full board.

**(q) New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods, and have not been adopted by the Company. The Company's assessment of the impact of these new standards and interpretations is that they will have no material impact and will only effect disclosure provisions in the 2009 half year and 2010 full year accounts.

		<u>2009</u>	<u>2008</u>
		\$	\$
<b>2.</b>	<b>OTHER INCOME</b>		
	Other Income		
	Interest	247,421	461,006
	Profit on sale of tenements	<u>50,000</u>	<u>1,702</u>
		<u>297,421</u>	<u>462,708</u>
<b>3.</b>	<b>EXPENSES</b>		
	Contributions to employees superannuation plans	169,144	169,067
	Depreciation - Plant and equipment	42,806	43,901
	- Motor vehicles	17,343	14,382
	Exploration Written off	2,805,348	821,652
	Share Based Payment expense	3,190	138,575
	Provision for employee entitlements	<u>8,957</u>	<u>15,433</u>
<b>4.</b>	<b>AUDITORS' REMUNERATION</b>		
	<b>Audit – Butler Settineri (Audit) Pty Ltd</b>		
	Audit and review of the financial statements	<u>22,101</u>	<u>20,306</u>

**RUBICON RESOURCES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2009

**5. INCOME TAX**

No income tax is payable by the Company as it has incurred losses for income tax purposes for the year, so current tax, deferred tax and tax expense is \$Nil (2008 - \$Nil).

**(a) Numerical reconciliation of income tax expense to prima facie tax payable**

	<u>2009</u>	<u>2008</u>
	\$	\$
Loss from continuing operations	<u>(3,139,630)</u>	<u>(1,122,989)</u>
Tax at the tax rate of 30% (2007: 30%)	(941,889)	(336,896)
Tax effect of amounts which are deductible in calculating taxable income:		
Non-deductible expenses	957	42,818
Other allowable expenditure	(41,191)	(47,674)
Deferred tax asset not brought to account	<u>982,123</u>	<u>341,752</u>
Income tax expense	<u>-</u>	<u>-</u>

**(b) Tax losses**

Unused tax losses for which no deferred tax asset has been recognised	<u>5,502,137</u>	3,274,161
Potential tax benefit at 30%	<u>1,650,641</u>	<u>982,248</u>

**(c) Unbooked Deferred Tax Assets and Liabilities**

**Unbooked deferred tax assets comprise:**

Provisions/Accruals/Other	20,755	20,078
Tax losses available for offset against future taxable income	<u>1,513,182</u>	<u>1,457,897</u>
	<u>1,551,937</u>	<u>1,477,975</u>

**Unbooked deferred tax liabilities comprise:**

Capitalised mineral exploration and evaluation expenditure	<u>1,551,937</u>	<u>1,477,975</u>
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**(d) Franking credits balance**

The Company has no franking credits available as at 30 June 2009 (2008: \$Nil).

**6. OTHER RECEIVABLES**

**Current**

GST recoverable	<u>6,785</u>	<u>28,967</u>
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**7. OTHER ASSETS**

**Current**

Prepayments	<u>14,768</u>	<u>35,917</u>
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# RUBICON RESOURCES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

		<u>2009</u>	<u>2008</u>
		\$	\$
<b>8.</b>	<b>PLANT AND EQUIPMENT AND MOTOR VEHICLES</b>		
	Plant and office equipment		
	At cost	152,327	151,064
	Accumulated depreciation	<u>(90,468)</u>	<u>(47,662)</u>
		<u>61,859</u>	<u>103,402</u>
	Motor vehicles		
	At cost	78,831	78,831
	Accumulated depreciation	<u>(34,933)</u>	<u>(17,590)</u>
		<u>43,898</u>	<u>61,241</u>
		<u>105,757</u>	<u>164,643</u>

### Reconciliation

Reconciliation of the carrying amounts for each class of plant and equipment and motor vehicles are set out below:

#### *Plant and office equipment*

Carrying amount at beginning of the year	103,402	90,463
Additions	1,263	56,840
Depreciation	<u>(42,806)</u>	<u>(43,901)</u>
Carrying amount at the end of the year	<u>61,859</u>	<u>103,402</u>

#### *Motor vehicles*

Carrying amount at beginning of the year	61,241	21,792
Additions	-	53,831
Depreciation	<u>(17,343)</u>	<u>(14,382)</u>
Carrying amount at the end of the year	<u>43,898</u>	<u>61,241</u>

### 9. CAPITALISED MINERAL EXPLORATION EXPENDITURE

#### Non-Current

#### *In the exploration phase*

Cost brought forward	5,175,572	2,863,770
Add: Expenditure incurred during the year (at cost)	2,241,636	3,133,454
Less Joint venture contributions	(409,604)	-
Exploration expenditure written off	<u>(2,805,348)</u>	<u>(821,652)</u>
	<u>4,202,256</u>	<u>5,175,572</u>

The recoupment of costs carried forward is dependent on the successful development and/or commercial exploitation or alternatively sale of the respective areas of interest.

**RUBICON RESOURCES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2009

	<u>2009</u>	<u>2008</u>
	\$	\$
<b>10. TRADE AND OTHER PAYABLES</b>		
<b>Current (Unsecured)</b>		
Trade creditors	37,585	267,824
Other creditors and accruals	91,679	111,973
	<u>129,264</u>	<u>379,797</u>

Included within trade and other creditors and accruals is an amount of \$26,440 (2008- \$237,443) relating to exploration expenditure.

**11. PROVISIONS**

**Current**

Rehabilitation	47,000	47,000
Employee entitlements	39,458	30,501
	<u>86,458</u>	<u>77,501</u>
Number of employees at year end	<u>5</u>	<u>9</u>

**12. CONTRIBUTED EQUITY**

**(a) Ordinary Shares**

80,000,000 (2008: 80,000,000) fully paid ordinary shares

11,868,496      11,868,496

**(b) Share Movements During the Year**

	2009		2008	
	Number of Shares	\$	Number of Shares	\$
Beginning of the financial year	80,000,000	11,868,496	76,000,000	10,868,496
<i>New share issues during the year</i>				
Issue of shares to CVRD at 25 cents each	-	-	4,000,000	1,000,000
	<u>80,000,000</u>	<u>11,868,496</u>	<u>80,000,000</u>	<u>11,868,496</u>

**(c) Unlisted Options**

During the financial year the Company granted the following unlisted options over unissued shares:

<i>Number of Options Granted</i>	<i>Exercise Price</i>	<i>Expiry Date</i>
700,000	25 cents	7 September 2011

All of the options were issued with a 12 month vesting period as part of employment conditions. An amount of 300,000 of these options lapsed during the year following staff resignations prior to meeting the vesting period. There were no other changes to any unlisted options during the year (ie. Nil exercised and Nil lapsed). As a consequence the number of Unlisted options on issue at 30 June 2009 and at the date of this report were 8,250,000 (2008 – 7,850,000).

***Rubicon Resources Limited Directors, Officers, Employees and Other Permitted Persons Option Plan ("the Plan")***

Details of additional options that could be issued under the Plan are set out in Note 15.

# RUBICON RESOURCES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

### 12. CONTRIBUTED EQUITY (Continued)

#### (d) Share Based Payments

The expense recognised in the income statement in relation to share-based payments is disclosed in Note 3(a). The average remaining contractual life for the share options outstanding as at 30 June 2009 is between 1.4 and 2.5 years.

The range of exercise prices for options outstanding at the end of the year was between 25 cents and 40 cents. The fair value of options granted during the year was \$3,190 (2008 - \$18,360).

The fair value of the equity-settled share options granted is estimated as at the date of grant using a Black-Scholes model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used for the options issued during the year ended 30 June 2009 and 30 June 2008:

Date of Issue	8 March 09	18 Sept 08	23 July 07
Number of Options	100,000	600,000	500,000
Volatility (%)	50%	50%	50%
Risk-free interest rate (%)	4.00%	4.00%	6.25%
Expected life of option (years)	2.5	3	3
Exercise price (cents)	25	25	25
Share price at grant date (cents)	3	7.5	15
Value per option (cents)	0.01	0.53	3.06

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

#### (e) Terms and Conditions of Contributed Equity

##### *Ordinary Shares*

The Company is a public company limited by shares. The Company was incorporated in Perth, Western Australia.

The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them.

Ordinary shares have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares held.

Ordinary shares which have no par value, entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

**RUBICON RESOURCES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2009

		<u>2009</u>	<u>2008</u>
		\$	\$
<b>13.</b>	<b>ACCUMULATED LOSSES</b>		
	Accumulated losses at the beginning of the year	1,685,117	562,128
	Net loss attributable to members	<u>3,139,630</u>	<u>1,122,989</u>
	Accumulated losses at the end of the year	<u><u>4,824,747</u></u>	<u><u>1,685,117</u></u>
<b>14.</b>	<b>RESERVES</b>		
	<b>Share Option Reserve</b>		
	Balance at the beginning of the year	361,160	222,585
	Add: Amounts expensed in current year	<u>3,190</u>	<u>138,575</u>
	Balance at the end of the year	<u><u>364,350</u></u>	<u><u>361,160</u></u>

**Share Option reserve**

The share option reserve comprises any equity settled share based payment transactions. The reserve will be reversed against share capital when the underlying share options are exercised.

**15. OPTION PLAN**

The establishment of the Rubicon Resources Limited Employee Share Option Plan ("the Plan") was approved by special resolution at a General Meeting of shareholders of the Company held on 7 November 2006. All eligible Directors, executive officers, employees and consultants of Rubicon Resources Limited who have been continuously employed by the Company are eligible to participate in the Plan.

The Plan allows the Company to issue free options to eligible persons. The options can be granted free of charge and are exercisable at a fixed price calculated in accordance with the Plan.

Options issued under the Plan have up to a 24 month vesting period prior to exercise, except under certain circumstances whereby options may be capable of exercise prior to the expiry of the vesting period.

**RUBICON RESOURCES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2009

**16. RELATED PARTIES**

Full remuneration details for Directors and Executives are included in the Directors report where the information has been audited. During the current financial year there were no other transactions with Directors or Executives (2008 - \$Nil).

**Movement in Shares**

The aggregate numbers of shares and options of the Company held directly, indirectly or beneficially by Directors and Executive Officers of the Company or their personally-related entities are as follows:

2008/2009	Ordinary Shares			Unlisted Options		
	1 July 2008	Purchases	Disposals	30 June 2009	30 June 2009	30 June 2008
Mr J Shipp	350,000	-	-	350,000	1,250,000	1,250,000
Mr P Eaton	600,000	253,226	-	853,226	4,000,000	4,000,000
Mr I Buchhorn	6,075,535	437,646	-	6,513,181	250,000	250,000
Mr R Middlemas	408,521	-	-	408,521	250,000	250,000
Mr K Cassidy	50,000	-	-	50,000	1,000,000	500,000
2007/2008	1 July 2007	Purchases	Disposals	30 June 2008	30 June 2008	30 June 2007
Mr J Shipp	350,000	-	-	350,000	1,250,000	1,250,000
Mr P Eaton	550,000	50,000	-	600,000	4,000,000	4,000,000
Mr I Buchhorn	6,075,535	-	-	6,075,535	250,000	250,000
Mr R Middlemas	408,521	-	-	408,521	250,000	250,000
Mr K Cassidy	50,000	-	-	50,000	1,000,000	500,000

**17. EXPENDITURE COMMITMENTS**

**(a) Exploration**

The Company has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Company's exploration programmes and priorities. As at balance date, total exploration expenditure commitments on tenements held by the Company have not been provided for in the financial statements and those which cover the following twelve month period amount to \$837,420 (2008: \$2,578,964). These obligations are also subject to variations by farm-out arrangements or sale of the relevant tenements.

	<u>2009</u> \$	<u>2008</u> \$
<b>(b) Operating Lease Commitments</b>		
Total operating lease expenditure contracted for at balance date but not provided for in the financial statements, payable:		
Not later than one year	87,216	74,775
Between one and five years	167,164	218,093
More than five years	-	-
	<u>254,380</u>	<u>292,868</u>

The operating lease relates to the Company's registered office premises in West Perth. The operating lease is for a five year period expiring on 31 May 2012. The operating lease entitles the Company to renew the term of the lease for a further period of five years after the expiry date. During the term of the operating lease the rent is reviewed annually on each successive anniversary date.

**(c) Capital Commitments**

The Company had no capital commitments at 30 June 2009 (2008 - \$Nil).

**RUBICON RESOURCES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2009

**18. SEGMENT INFORMATION**

The Company operates predominantly in one segment involved in the mineral exploration and development industry. Geographically the Company is domiciled and operates in one segment being Australia.

	<u>2009</u>	<u>2008</u>
	\$	\$
<b>19. EARNINGS/ (LOSS) PER SHARE</b>		
The following reflects the loss and share data used in the calculations of basic and diluted earnings/ (loss) per share:		
Earnings/ (loss) used in calculating basic and diluted earnings/ (loss) per share	(3,139,630)	(1,122,989)
	<hr/>	<hr/>
	<b>Number of Shares <u>2009</u></b>	<b>Number of Shares <u>2008</u></b>
Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share:	80,000,000	77,567,123
<i>Effect of dilutive securities</i>		
Share options*	-	-
	<hr/>	<hr/>
Adjusted weighted average number of ordinary shares used in calculating diluted earnings/ (loss) per share	80,000,000	77,567,123
	<hr/>	<hr/>
Basic and Diluted loss per share (cents per share)	<b>3.92 cents</b>	1.45 cents

**\*Non-dilutive securities**

As at balance date, 8,250,000 unlisted options (30 June 2008: 7,850,000) which represent potential ordinary shares were not dilutive as they would decrease the loss per share.

**Subscriptions or issues after 30 June 2009**

A new share issue of 250,000 fully paid ordinary shares was made on 24 August 2009 in part payment for a new tenement purchase. There have been no other subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of this financial report.

**RUBICON RESOURCES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2009

	<u>2009</u>	<u>2008</u>
	\$	\$
<b>20. NOTES TO THE STATEMENT OF CASH FLOWS</b>		
<b>(a) Cash and Cash Equivalents</b>		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash on hand	500	200
Cash at bank	61,066	53,058
Deposits at call	3,232,689	5,543,480
	<u>3,294,255</u>	<u>5,596,738</u>
<b>(b) Reconciliation of the loss from ordinary activities after income tax to the net cash flows used in operating activities</b>		
Loss from ordinary activities after income tax	(3,139,630)	(1,122,989)
<i>Non-cash items:</i>		
Depreciation	60,149	58,283
Exploration written-off	2,805,348	821,652
Expense of share-based payments	3,190	138,575
Profit on sale of tenement	(50,000)	(1,702)
<i>Change in operating assets and liabilities:</i>		
(Increase) in prepayments	21,148	(6,549)
(Increase) in receivables	22,182	5,757
Increase in trade creditors and accruals	(39,531)	55,020
Increase in employee entitlements	8,956	15,433
Net cash outflows used in operating activities	<u>(308,188)</u>	<u>(36,520)</u>

**(c) Stand-By Credit Facilities**

As at 30 June 2009 the Company has a business credit card facility available totaling \$20,000 of which \$2,240 was utilised.

**(d) Non Cash Financing and Investing Activities**

None

**RUBICON RESOURCES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2009

**21. FINANCIAL INSTRUMENTS**

The Company's activities expose it to a variety of financial risks and market risks. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

**(a) Interest Rate Risk**

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market, interest rates and the effective weighted average interest rates on those financial assets, is as follows:

**2009**

	Note	Weighted Average Effective Interest %	Funds Available at a Floating Interest Rate \$	Fixed Interest Rate \$	Assets/ (Liabilities) Non Interest Bearing \$	Total \$
<u>Financial Assets</u>						
Cash and cash equivalents	20(a)	3.35%	1,159,869	2,133,886	500	3,294,255
Other receivables	6	-	-	-	6,785	6,785
Total Financial Assets			1,159,869	2,133,886	7,285	3,301,040
<u>Financial Liabilities</u>						
Payables	10	-	-	-	(129,264)	(129,264)
Total Financial Liabilities			-	-	(129,264)	(129,264)
Net Financial Assets			1,159,869	2,133,886	(121,979)	3,171,776

**2008**

<u>Financial Assets</u>						
Cash and cash equivalents	20(a)	7.60%	625,530	4,971,008	200	5,596,738
Other receivables	6	-	-	-	28,967	28,967
Total Financial Assets			625,530	4,971,008	29,167	5,625,705
<u>Financial Liabilities</u>						
Payables	10	-	-	-	(379,797)	(379,797)
Total Financial Liabilities			-	-	(379,797)	(379,797)
Net Financial Assets			625,530	4,971,008	(350,630)	5,245,908

**(b) Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date, is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and in the notes to the financial statements.

The Company does not have any material credit risk exposure to any single debtor or group of debtors, under financial instruments entered into by it.

## RUBICON RESOURCES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

#### 21. FINANCIAL INSTRUMENTS (Continued)

##### (c) Commodity Price Risk and Liquidity Risk

At the present state of the Company's operations it has minimal commodity price risk and limited liquidity risk due to the level of payables and cash reserves held. The Company's objective is to maintain a balance between continuity of exploration funding and flexibility through the use of available cash reserves.

##### (d) Net Fair Values

For assets and other liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The Company has no financial assets where the carrying amount exceeds net fair values at balance date.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

#### 22. EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS

##### *Employee Entitlements*

The aggregate employee entitlement liability is disclosed in Note 11.

##### *Directors, Officers, Employees and Other Permitted Persons Option Plan*

Details of the Company's Directors, Officers, Employees and Other Permitted Persons Option Plan are disclosed in Note 15.

##### *Superannuation Commitments*

The Company contributes to individual employee accumulation superannuation plans at the statutory rate of the employees' wages and salaries, in accordance with statutory requirements, to provide benefits to employees on retirement, death or disability.

Accordingly no actuarial assessment of the plans are required.

Funds are available for the purposes of the plans to satisfy all benefits that would have been vested under the plans in the event of:

- termination of the plans;
- voluntary termination by all employees of their employment; and
- compulsory termination by the employer of the employment of each employee.
- during the year employer contributions (including salary sacrifice amounts) to superannuation plans totaled \$169,144 (2008: \$169,067).

#### 23. CONTINGENT LIABILITIES

There were no material contingent liabilities not provided for in the financial statements of the Company as at 30 June 2009 other than:

##### **Native Title and Aboriginal Heritage**

Native Title claims have been made with respect to areas which include tenements in which the Company has an interest. The Company is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Company or its projects. Agreement is being or has been reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the Company has an interest.

#### 24. EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen since the end of the financial year any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years except as follows:

The Company has entered into an exploration funding agreement with Integra Mining Limited, which has the effect of reducing the minimum expenditure commitments on those tenements affected, and on 24<sup>th</sup> August 2009 the Company issued 250,000 fully paid ordinary shares as part payment for a tenement purchase.

# RUBICON RESOURCES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

### 25. INTERESTS IN JOINT VENTURES

#### Interests in Joint Ventures

Rubicon has the following Joint Venture Interests:

#### **Warburton Joint Venture (Vale Australia EA Pty Limited ("Vale") earning 51% to 75%)**

The Warburton Project comprises 2,400km<sup>2</sup> of exploration licences within the western Musgrave Province. During the year, following completion of an evaluation exploration program, Vale entered into a joint venture to earn a 51% interest in the project tenements by the expenditure of \$3 million over three years. Vale may then proceed to a 70% interest in the project by sole funding exploration and development studies up to the commencement of a Bankable Feasibility Study ("BFS") or a 75% interest by sole funding the BFS. Rubicon cannot be diluted below 25% equity before completion of a BFS.

Under the terms of the Joint Venture, Rubicon provides exploration and management personnel to the joint venture and manages it on behalf of Vale, for reimbursement of costs plus a management fee.

#### **Rocky Dam Joint Venture (St Barbara Ltd ("St Barbara") earning 51% to 70%)**

The Rocky Dam Joint Venture covers approximately 300km<sup>2</sup> of Rubicon tenements with gold and base metal prospectivity at the northern end of the Yindarlgooda project. St Barbara can earn an initial 51% by spending \$2.5m over three years and an additional 19% (at Rubicon's election) by spending an additional \$1.5m over an additional two years. St Barbara will manage the joint venture and is sole funding it St Barbara must spend a minimum of \$300,000 in the first year of operation of the agreement.

#### **Peters Dam Joint Venture (Integra Mining Limited ("Integra") earning 51% to 70%)**

The Peters Dam Joint Venture covers approximately 325km<sup>2</sup> of Rubicon tenements at the southern end of the Yindarlgooda project. Integra can earn an initial 51% by spending \$1.5m over three years and an additional 19% (at Rubicon's election) by spending an additional \$1.0m over a further two years. Integra will manage the joint venture and is sole funding it, with a minimum spend of \$250,000 in the first year of operation of the agreement.

#### **Yalla Burra Joint Venture (Dominion Mining Ltd ("Dominion") earning 70%)**

The Yalla Burra Joint Venture covers two exploration licences held by Rubicon on the Yindarlgooda project. Dominion, via its wholly owned subsidiary Quadrio Resources Pty Ltd, can earn a 70% interest in the project by the expenditure of \$600,000 over a four year period. Dominion will manage the joint venture and is sole funding it, with a minimum spend of \$70,000 in the first year of operation of the agreement.

#### **Mt McLeay Joint Venture Agreement (Bluestar Resources Ltd earning 51% to 70%)**

The Mt McLeay Project covers Rubicon tenements to the northwest of the Rocky Dam tenements. Bluestar can earn an initial 51% by spending \$300,000 within 30 months with a minimum spend of \$80,000. At Rubicon's election, Bluestar may earn an additional 19% by expenditure of an additional \$500,000 over two years. Bluestar will manage the joint venture and is sole fund it.

The joint ventures are not separate legal entities. They are contractual arrangements between the participants under the signed JV agreements.

The Joint Ventures do not hold any assets and accordingly the Company's share of exploration, evaluation and development expenditure is accounted for in accordance with the policy set out in note 1.

## RUBICON RESOURCES LIMITED

### DIRECTORS' DECLARATION

In the opinion of the Directors of Rubicon Resources Limited ("the Company"):

- (a) the financial statements and notes, set out on pages 10 to 29, are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards in Australia and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the financial position of the Company as at 30 June 2009 and of its performance, as represented by the results of its operations, for the financial year ended on that date.
- (b) there are reasonable grounds to believe that Rubicon Resources Limited will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Managing Director and the Company Secretary for the financial year ended 30 June 2009.

This declaration is made in accordance with a resolution of the Directors.

Signed at Perth this 23<sup>rd</sup> day of September 2009.

A handwritten signature in black ink, appearing to be 'P. Eaton', written in a cursive style.

**P Eaton**  
Managing Director

**INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF RUBICON RESOURCES LIMITED**

Chartered  
Accountants



**Report on the Financial Report**

We have audited the attached financial report, being a general purpose financial report of Rubicon Resources Limited which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

**Directors' Responsibility for the Financial Report**

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001.

This responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Butler Settineri (Audit) Pty Ltd**

A.C.N. 112 942 373

Registered Company Auditor Number 289109

*Liability limited by a scheme approved under Professional Standards Legislation*

**BUTLER  
SETTINERI**

Unit 16, First Floor  
Spectrum Offices  
100 Railway Road  
(Cnr Hay Street)  
Subiaco WA 6008

**Locked Bag 18  
Subiaco WA 6904  
Australia**

Phone: **(08) 6389 5222**

Fax: **(08) 6389 5255**

Email: [mail@butlerstetteri.com.au](mailto:mail@butlerstetteri.com.au)

Directors:

**Colin Butler**  
FCA

**Paul Chabrel**  
FCA

**Lucy Gardner**  
CA

[www.butlerstetteri.com.au](http://www.butlerstetteri.com.au)

## **Independence**

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

## **Auditor's Opinion**

In our opinion, the financial report of Rubicon Resources Limited is in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001.

## **Report on the Remuneration Report**

We have audited the remuneration report included on pages 5 to 8 of the directors' report for the year ended 30 June 2009.

The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

## **Auditor's Opinion**

In our opinion the Remuneration Report of Rubicon Resources Limited for the year ended 30 June 2009, complies with section 300A of the Corporations Act 2001.

BUTLER SETTINERI (AUDIT) PTY LTD



LUCY P GARDNER  
Director

Perth  
Date: 23 September 2009