RUBICON
Resources Limited

ABN 38 115 857 988

Financial Statements for the year ended 30 June 2010

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RUBICON RESOURCES LIMITED

ABN 38 115 857 988

CORPORATE DIRECTORY

DIRECTORS	Ian Buchhorn *Non-Executive Chairman* Peter Eaton *Managing Director* Sam Middlemas *Non-Executive Director*
COMPANY SECRETARY	Sam 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 Internet: www.rubiconresources.com.au
AUDITOR	Butler Settineri (Audit) Pty Ltd Unit 16, 1st 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
STOCK EXCHANGE LISTING	The Company's shares are quoted on the Australian Stock Exchange. The Home Exchange is Perth.
ASX CODE	RBR - ordinary shares

DIRECTORS' REPORT

The Directors present their report on Rubicon Resources Limited for the year ended 30 June 2010.

DIRECTORS

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

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

Mr Buchhorn is a Mineral Economist and Geologist with more than 30 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 24 years Mr Buchhorn has acquired and developed mining projects throughout the Eastern Goldfields of Western Australian 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 a directorship in Heron Resources Limited (17 February 1995 to present). He previously held directorships in Polaris Minerals NL (18 September 2006 to 7 January 2010) and Southern Cross Goldfields Ltd (24 July 2007 to 15 March 2010).

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.

Sam Middlemas *– B.Com. CA. Grad. Dip. Acc.*
Non Executive Director and Company Secretary
Appointed 1 February 2010

Mr Middlemas is a chartered accountant with more than 15 years experience in various financial 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 company 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. Mr Middlemas was appointed Company Secretary and Chief Financial Officer on 17 July 2006, and appointed as a Non Executive Director on 1 February 2010.

Mr John Shipp resigned as Non Executive Chairman of the Board on 1 February 2010.

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 $2,622,297 (2009: $3,139,630).

DIVIDENDS

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

DIRECTORS' REPORT

REVIEW OF OPERATIONS AND ACTIVITIES

Rubicon is a mineral exploration company, currently focussed on gold and copper exploration in Western Australia. Rubicon controls some 5,300km² of prospective tenements in Western Australia.

Rubicon's project portfolio consists of large contiguous areas within highly mineralised provinces. Rubicon's major project areas of activity are:

- The Celia project in the southern Laverton Tectonic Zone, where Rubicon has accumulated 1,200km^2 of tenure around existing gold operations and is actively exploring for gold and iron.

- The Yindarlgooda gold and base metal project located east of Kalgoorlie where Rubicon has tenements in its own right and four separate joint venture agreements with companies earning an interest in Rubicon tenure by the potential expenditure of up to $7.9 million.

- The Warburton project in the Western Musgrave Province, where Rubicon is managing exploration for copper and nickel on behalf of a joint venture with major shareholder Vale S.A, where Vale is earning an interest.

- Emerging interests in iron projects at Wyloo, Channar and Bellary Springs, iron-vanadium-PGMs at Errolls and uranium at Paddy Well. All of these tenements (some under competitive applications) have been acquired through aggressive tenement monitoring activities.

Rubicon's strategy for ultimate exploration success is to combine the following elements:
- Aggressive drilling of first order targets on Rubicon's 100% owned projects, currently focussed on Celia.
- Continued acquisition of quality exploration tenure adjacent to existing Rubicon projects.
- Continued review of alternate funding arrangements where appropriate, which has resulted in approximately $11.0 million in potential joint venture expenditure by current contributing partners.
- Aggressive monitoring program for new tenement acquisitions in Western Australia recently put in place, which has already resulted in the acquisition of new projects.
- Ongoing high commitment to monitoring and review of other projects/corporate opportunities in both Australia and in low-risk countries overseas. Technical agreements have been entered into with international consultancies to aid in this process.

Rubicon's exploration programs during the year have comprised:
- Continued tenement acquisition, open file data compilation, aeromagnetic data purchase and interpretation, soil sampling, iron ore rock chip sampling, targeting and a 407-hole initial reconnaissance rotary airblast (RAB) and aircore drill program at Celia of approximately 18,000 metres.
- Strong drill results for planned follow up drilling at Celia include 10m @ 1.85g/t gold at Safari North and 7m @ 0.85g/t gold at Red October Extended, along with new first order targets as additional tenements are granted.
- A comprehensive rock chip sampling program on highly magnetic banded iron formations (BIFs) at Celia indicating significant iron grades averaging 31% in an area with established transport infrastructure. Two stratigraphic diamond holes were completed at Warburton, which were 50% funded under the Western Australian Co-funding Government-Industry Drilling Program. A 62-hole aircore drill program was also completed.
- Altered mafic intrusive was identified at the Jackie Junction prospect at Warburton and is considered prospective for copper-nickel-platinum group metals (PGM). This prospect, along with the Caesar Hill prospect, is to be tested by an airborne Electromagnetic (EM) survey in late 2010.
- Significant exploration activities, including drilling, by contributing joint venture partners on the Yindarlgooda joint ventures.

Rubicon's exploration expenditure comprised $2.14 million, including $0.82 million in joint venture contributions from Vale. The majority of this expenditure was incurred in the second half ($1.40 million) as exploration programs were accelerated following the improving world outlook for commodities, notably gold, copper and iron.

Corporate and Financial Position

As at 30 June 2010 the Company had cash reserves of $2.6 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 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 8 employees as at 30 June 2010 (2009: 5 employees).

EARNINGS/LOSS PER SHARE	2010 Cents	2009 Cents
Basic loss per share	(2.94)	(3.92)
Diluted loss per share	(2.94)	(3.92)

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:

Issued To	*Number of Options Granted*	*Exercise Price*	*Value per Option at Grant Date*	*Value of Options Granted*	*Expiry Date*
Other Employees	2,600,000	14 cents each	2.89 cents	$75,140	13 January 2014

Since 30 June 2010 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:

Number of Options on Issue	*Exercise Price*	*Expiry Date*
2,600,000	14 cents each	13 January 2014
2,900,000	25 cents each	7 November 2010
1,000,000	25 cents each	31 December 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.

DIRECTORS' REPORT

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.

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.

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
Ian Buchhorn	Non-Executive Chairman Appointed on 19 August 2005	6,976,064	250,000
Peter Eaton	Managing Director Appointed on 3 July 2006	1,100,000	4,000,000
Sam Middlemas	Non-Executive Director Appointed on 1 February 2010	881,368	1,000,000

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*
I Buchhorn	11	11
P Eaton	11	11
S Middlemas	5	5
J Shipp	6	6

REMUNERATION REPORT

Recommendation 8.1 of the *ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (2nd 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.

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 either the Black-Scholes methodology or the Binomial model. 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.

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 or provide payment in lieu of notice by the Company. 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 up to a maximum of twelve months pro rata of base salary.

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

	Primary		Post Employment	Equity Compensation	
2009/2010	**Base Salary/Fees $**	**Motor Vehicle/Bonus $**	**Superannuation Contributions $**	**Options $**	**Total $**
Directors					
I Buchhorn – Chairman	45,335	-	3,363	-	48,698
P Eaton – Managing Director	193,948	9,346	50,000	-	253,294
S Middlemas – Non Executive (i)	10,000	-	-	-	10,000
J Shipp – Retired Chairman (ii)	16,098	-	35,246	-	51,344
Executives					
S Middlemas (i) Company Secretary	57,882	-	-	28,900	86,782
A Ford – Exploration Manager (iii)	109,154	-	9,824	28,900	147,878
K Cassidy - Exploration Manager (iv)	107,284	-	4,236	-	111,520
2008/2009					
Directors					
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
Executives					
S Middlemas (i) Company Secretary	51,477	-	-	-	51,477
K Cassidy - Exploration Manager	174,561	17,500	15,710	-	207,771

(i) Mr Middlemas was appointed a Non executive director on 1 February 2010 – all fees as a director and company secretary were paid to Sparkling Investments Pty Ltd.
(ii) Mr Shipp retired as Chairman on 1 February 2010
(iii) Mr Ford was appointed Exploration Manager on 23 November 2009
(iv) Mr Cassidy resigned from the Company on 9 October 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 2010.

DIRECTORS' REPORT

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.

Share-based compensation

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

	Granted	**Terms & Conditions for each Grant**				
	Number	*Date of Grant*	*Date of Vesting*	*Option Value ($)*	*Exercise Price ($)*	*Expiry Date*
Sam Middlemas	1,000,000	13 Jan 2010	13 Jan 2010	0.029	0.14	13 Jan 2014
Andrew Ford	1,000,000	13 Jan 2010	13 Jan 2010	0.029	0.14	13 Jan 2014

There were no amounts payable on the issue of the options, and there are no performance conditions attached. 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 Settineri (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 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 29th day of September 2010
Signed in accordance with a resolution of the Directors

P Eaton
Managing Director

Chartered Accountants

BUTLER SETTINERI

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of Rubicon Resources Limited for the year ended 30 June 2010, 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: 29 September 2010

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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

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2010

	NOTES	THE COMPANY 2010 $	2009 $
Other income	2	**132,892**	297,421
Employee expenses		**828,128**	962,365
Non-Executive Directors' fees		**110,040**	98,671
Insurance expenses		**22,470**	27,991
Company Secretarial fees		**57,882**	51,477
Corporate expenses		**70,122**	89,021
Depreciation	3	**56,523**	60,149
Rent		**101,764**	87,953
Recruitment		**42,087**	180
Employee costs recharged to capitalised exploration		**(753,003)**	(852,336)
Expense of share-based payments	3	**75,140**	3,190
Exploration Written off	3	**2,039,920**	2,805,348
Other expenses		**104,116**	103,042
Loss before income tax		**2,622,297**	3,139,630
Income tax	5	**-**	-
Net loss attributable to members of the Company	13	**2,622,297**	3,139,630
Other Comprehensive Loss net of tax		**-**	-
Total Comprehensive Loss		**2,622,297**	3,139,630
Basic earnings/(loss) per share (cents per share)	19	(2.94) cents	(3.92) cents
Diluted earnings/(loss) per share (cents per share)	19	(2.94) cents	(3.92) cents

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

	NOTES	2010	2009
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	20(a)	**2,640,356**	3,294,255
Other receivables	6	**25,399**	6,785
Other assets	7	**19,883**	14,768
TOTAL CURRENT ASSETS		**2,685,638**	3,315,808
NON-CURRENT ASSETS			
Plant and equipment and motor vehicles	8	**59,421**	105,757
Capitalised mineral exploration expenditure	9	**3,479,375**	4,202,256
TOTAL NON-CURRENT ASSETS		**3,538,796**	4,308,013
TOTAL ASSETS		**6,224,434**	7,623,821
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	**292,278**	129,264
Provisions	11	**98,114**	86,458
TOTAL CURRENT LIABILITIES		**390,392**	215,722
TOTAL LIABILITIES		**390,392**	215,722
NET ASSETS		**5,834,042**	7,408,099
EQUITY			
Contributed equity	12(a)	**12,841,596**	11,868,496
Share Option Reserve	14	**439,490**	364,350
Accumulated losses	13	**(7,447,044)**	(4,824,747)
TOTAL EQUITY		**5,834,042**	7,408,099

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2010

	Notes	Contributed Equity	Share Based Payment Reserve	Losses	Total
BALANCE AT 1 JULY 2008		11,868,496	361,160	(1,685,117)	10,544,539
TOTAL COMPREHENSIVE INCOME		-	-	(3,139,630)	(3,139,630)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Directors and Employees options		-	3,190	-	3,190
BALANCE AT 30 JUNE 2009		11,868,496	364,350	(4,824,747)	7,408,099
TOTAL COMPREHENSIVE INCOME		-	-	(2,622,297)	(2,622,297)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the year	12(b)	973,100	-	-	973,100
Directors and Employees options		-	75,140	-	75,140
BALANCE AT 30 JUNE 2010		12,841,596	439,490	(7,447,044)	5,834,042

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

STATEMENT OF CASHFLOWS

For the year ended 30 June 2010

	NOTES	2010	2009
		$	$
Cash flows from operating activities			
Interest received		**132,892**	247,421
Payments to suppliers and employees (inclusive of goods and services tax)		**(613,650)**	(555,609)
Net cash used in operating activities	20(b)	**(480,758)**	(308,188)
Cash flows from investing activities			
Payments for exploration and evaluation		**(1,947,416)**	(2,452,637)
Funds received from sale of exploration tenement		**-**	50,000
Funds received from joint venture partners		**823,862**	409,604
Payments for plant and equipment and motor vehicles		**(10,187)**	(1,262)
Net cash used in investing activities		**(1,133,741)**	(1,994,295)
Cash flows from financing activities			
Proceeds from the issue of shares		**960,600**	-
Net cash provided by financing activities		**960,600**	-
Net decrease in cash held		**(653,899)**	(2,302,483)
Cash at the beginning of the financial year		**3,294,255**	5,596,738
Cash at the end of the financial year	20(a)	**2,640,356**	3,294,255

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

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 29h September 2010.

(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.

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 are 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.

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.

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 an external valuer using the either the Black -Scholes or Binomial 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.

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 2010 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 December 2010 half year and 2011 full year accounts.

2. OTHER INCOME

	2010 $	2009 $
Other Income		
Interest	**132,892**	247,421
Profit on sale of tenements	**-**	50,000
	132,892	297,421

3. EXPENSES

	2010 $	2009 $
Contributions to employees superannuation plans	**91,047**	169,144
Depreciation - Plant and equipment	**39,181**	42,806
- Motor vehicles	**17,342**	17,343
Exploration Written off	**2,039,920**	2,805,348
Share Based Payment expense	**75,140**	3,190
Provision for employee entitlements	**11,656**	8,957

4. AUDITORS' REMUNERATION

	2010 $	2009 $
Audit – Butler Settineri (Audit) Pty Ltd		
Audit and review of the financial statements	**16,761**	22,101

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 (2009 - $Nil).

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

	2010 $	2009 $
Loss from continuing operations	**(2,622,297)**	(3,139,630)
Tax at the tax rate of 30% (2009: 30%)	**(786,689)**	(941,889)
Tax effect of amounts which are deductible in calculating taxable income:		
Non-deductible expenses	**22,542**	957
Other allowable expenditure	**(40,366)**	(41,191)
Deferred tax asset not brought to account	**804,513**	982,123
Income tax expense	**-**	-

(b) Tax losses

Unused tax losses for which no deferred tax asset has been recognised	**6,335,371**	5,502,137
Potential tax benefit at 30%	**1,900,611**	1,650,641

(c) Unbooked Deferred Tax Assets and Liabilities

Unbooked deferred tax assets comprise:

Provisions/Accruals/Other	**22,718**	20,755
Tax losses available for offset against future taxable income	**1,924,330**	1,531,182
	1,947,048	1,551,937

Unbooked deferred tax liabilities comprise:

Capitalised mineral exploration and evaluation expenditure	**1,947,048**	1,551,937

(d) Franking credits balance

The Company has no franking credits available as at 30 June 2010 (2009: $Nil).

6. OTHER RECEIVABLES

Current

GST recoverable	**25,399**	6,785

7. OTHER ASSETS

Current

Prepayments	**19,883**	14,768

8. PLANT AND EQUIPMENT AND MOTOR VEHICLES

	2010 $	2009 $
Plant and office equipment		
At cost	**162,514**	152,327
Accumulated depreciation	**(129,649)**	(90,468)
	32,865	61,859
Motor vehicles		
At cost	**78,831**	78,831
Accumulated depreciation	**(52,275)**	(34,933)
	26,556	43,898
	59,421	105,757

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

	2010 $	2009 $
Plant and office equipment		
Carrying amount at beginning of the year	**61,859**	103,402
Additions	**10,187**	1,263
Depreciation	**(39,181)**	(42,806)
Carrying amount at the end of the year	**32,865**	61,859
Motor vehicles		
Carrying amount at beginning of the year	**43,898**	61,241
Additions	**-**	-
Depreciation	**(17,342)**	(17,343)
Carrying amount at the end of the year	**26,556**	43,898

9. CAPITALISED MINERAL EXPLORATION EXPENDITURE

Non-Current

In the exploration phase

	2010 $	2009 $
Cost brought forward	**4,202,256**	5,175,572
Add: Expenditure incurred during the year (at cost)	**2,140,901**	2,241,636
Less Joint venture contributions	**(823,862)**	(409,604)
Exploration expenditure written off	**(2,039,920)**	(2,805,348)
	3,479,375	4,202,256

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

	2010 $	2009 $
10. TRADE AND OTHER PAYABLES		
Current (Unsecured)		
Trade creditors	**233,622**	37,585
Other creditors and accruals	**58,656**	91,679
	292,278	129,264

Included within trade and other creditors and accruals is an amount of $207,427 (2009- $26,440) relating to exploration expenditure.

11. PROVISIONS

	2010 $	2009 $
Current		
Rehabilitation	**47,000**	47,000
Employee entitlements	**51,114**	39,458
	98,114	86,458
Number of employees at year end	**8**	5

12. CONTRIBUTED EQUITY

(a) Ordinary Shares

	2010 $	2009 $
94,804,498 (2009: 80,000,000) fully paid ordinary shares	**12,841,596**	11,868,496

(b) Share Movements During the Year

	2010		2009	
	Number of Shares	**$**	**Number of Shares**	**$**
Beginning of the financial year	**80,000,000**	**11,868,496**	80,000,000	11,868,496
New share issues during the year				
Share Issue at 5 cents (tenement purchase)	**250,000**	**12,500**	-	-
Share Purchase Plan at 6.6 cents	**14,554,498**	**960,600**	-	-
	94,804,498	**12,841,596**	80,000,000	11,868,496

(c) Unlisted Options

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

Number of Options Granted	***Exercise Price***	***Expiry Date***
2,600,000	14 cents	13 January 2014

In addition to the above there were 1,750,000 unlisted options lapsed during the year (2009 - Nil) as a result of staff movements and no longer meeting employment conditions. As a consequence the numbers of Unlisted options on issue at 30 June 2010 and at the date of this report were 9,100,000 (2009 – 8,250,000).

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.

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. The average remaining contractual life for the share options outstanding as at 30 June 2010 is between 0.4 and 3.6 years (2009: 1.4 and 2.5 years). The range of exercise prices for options outstanding at the end of the year was between 14 cents and 40 cents (2009: between 25 cents and 40 cents). The fair value of options granted during the year was $75,140 (2009 - $3,190).

The fair value of the equity-settled share options granted is estimated as at the date of grant using a Black-Scholes and Binomial models 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 2010 and 30 June 2009:

Date of Issue	13 January 10	8 March 09	18 Sept 08
Number of Options	2,600,000	100,000	600,000
Volatility (%)	100%	50%	50%
Risk-free interest rate (%)	5.10%	4.00%	4.00%
Expected life of option (years)	4.0	2.5	3
Exercise price (cents)	14	25	25
Share price at grant date (cents)	6.1	3	7.5
Value per option (cents)	2.89	0.01	0.53

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.

	2010 $	2009 $

13. ACCUMULATED LOSSES

	2010 $	2009 $
Accumulated losses at the beginning of the year	**4,824,747**	1,685,117
Net loss attributable to members	**2,622,297**	3,139,630
Accumulated losses at the end of the year	**7,447,044**	4,824,747

14. RESERVES

	2010 $	2009 $
Share Option Reserve		
Balance at the beginning of the year	**364,350**	361,160
Add: Amounts expensed in current year	**75,140**	3,190
Balance at the end of the year	**439,490**	364,350

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.

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 (2009 - $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:

2009/2010	Ordinary Shares				Unlisted Options	
	1 July 2009	Purchases	Disposals/ Other *	30 June 2010	30 June 2010	30 June 2009
Mr J Shipp	350,000	151,515	501,515	-	-	1,250,000
Mr P Eaton	853,226	246,774	-	1,100,000	4,000,000	4,000,000
Mr I Buchhorn	6,513,181	462,883	-	6,976,064	250,000	250,000
Mr R Middlemas	408,521	472,847	-	881,368	1,000,000	250,000
Mr A Ford	-	-	-	-	1,000,000	-
Mr K Cassidy	50,000	-	50,000	-	-	1,000,000
2008/2009	**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

* Other includes Director or Executive Officer that has left the Company, and consequently the Shares or Option holdings are reduced to Nil, as they are no longer required to be disclosed at year end

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 $781,067 (2009: $837,420). These obligations are also subject to variations by farm-out arrangements or sale of the relevant tenements.

	2010 $	2009 $
(b) Operating Lease Commitments		
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**	87,216
Between one and five years	**79,948**	167,164
More than five years	**-**	-
	167,164	254,380

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 2010 (2009 - $Nil).

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.

19. EARNINGS/ (LOSS) PER SHARE

	2010 $	2009 $
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	**(2,622,297)**	(3,139,630)
	Number of Shares 2010	**Number of Shares 2009**
Weighted average number of ordinary shares used in calculating basic earnings/ (loss) per share:	**89,187,019**	80,000,000
Effect of dilutive securities		
Share options*	**-**	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings/ (loss) per share	**89,187,019**	80,000,000
Basic and Diluted loss per share (cents per share)	**2.94 cents**	3.92 cents

***Non-dilutive securities**

As at balance date, 9,100,000 unlisted options (30 June 2009: 8,250,000) which represent potential ordinary shares were not dilutive as they would decrease the loss per share.

20. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Cash and Cash Equivalents

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:

	2010 $	2009 $
Cash on hand	**200**	500
Cash at bank	**41,861**	61,066
Deposits at call	**2,598,295**	3,232,689
	2,640,356	3,294,255

(b) Reconciliation of the loss from ordinary activities after income tax to the net cash flows used in operating activities

	2010 $	2009 $
Loss from ordinary activities after income tax	**(2,622,297)**	(3,139,630)
Non-cash items:		
Depreciation	**56,523**	60,149
Exploration written-off	**2,039,920**	2,805,348
Expense of share-based payments	**75,140**	3,190
Profit on sale of tenement	**-**	(50,000)
Change in operating assets and liabilities:		
Decrease (Increase) in prepayments	**(5,115)**	21,148
Decrease (Increase) in receivables	**(18,614)**	22,182
Increase in trade creditors and accruals	**(17,970)**	(39,531)
Increase in employee entitlements	**11,655**	8,956
Net cash outflows used in operating activities	**(480,758)**	(308,188)

(c) Stand-By Credit Facilities

As at 30 June 2010 the Company has a business credit card facility available totalling $20,000 of which $2,411 was utilised.

(d) Non Cash Financing and Investing Activities

During the year the Company issued 250,000 new shares at a deemed issue price of 5 cents per share in part payment of the purchase of the Gap Bore exploration tenements.

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:

2010

	Note	Weighted Average Effective Interest %	Funds Available at a Floating Interest Rate $	Fixed Interest Rate $	Assets/ (Liabilities) Non Interest Bearing $	Total $
Financial Assets						
Cash and cash equivalents	20(a)	5.02%	542,956	2,097,200	200	2,640,356
Other receivables	6	-	-	-	25,399	25,399
Total Financial Assets			542,956	2,097,200	25,599	2,665,755
Financial Liabilities						
Payables	10	-	-	-	(292,278)	(292,278)
Total Financial Liabilities			-	-	(292,278)	(292,278)
Net Financial Assets			542,956	2,097,200	(266,679)	2,373,477

2009

	Note	Weighted Average Effective Interest %	Funds Available at a Floating Interest Rate $	Fixed Interest Rate $	Assets/ (Liabilities) Non Interest Bearing $	Total $
Financial Assets						
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
Financial Liabilities						
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

(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.

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 statement of financial position 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 assessments 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 totalled $91,047 (2009: $169,144).

23. CONTINGENT LIABILITIES

There were no material contingent liabilities not provided for in the financial statements of the Company as at 30 June 2010 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.

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 approximately 2,700km^2 of exploration licences within the western Musgrave Province. Vale has 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 an overhead.

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

The Rocky Dam Project covers approximately 190km^2 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 a further two years. St Barbara manages and sole funds the joint venture.

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

The Peters Dam Joint Venture comprises approximately 200km^2 of Rubicon tenements at the southern end of the Yindarlgooda project. Integra can earn an initial 51% by spending $1.5m over 3 years and an additional 19% (at Rubicon's election) by spending an additional $1.0m over a further 2 years. Integra will manage the joint venture and sole fund it, with a minimum spend of $250,000 in the first year of operation of the joint venture.

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 manages and sole funds the joint venture.

Mt McLeay Joint Venture Agreement (Empire Resources Ltd earning 51% to 70%)

The Mt McLeay Project covers Rubicon tenements to the northwest of the Rocky Dam Yindarlgooda tenements. During the year, original joint venture partner Bluestar Resources Ltd transferred its interest in the joint venture to ASX-listed Empire Resources Ltd. Empire can earn an initial 51% by spending $300,000 within 30 months. At Rubicon's election Empire may earn an additional 19% by expenditure of an additional $500,000 over two years. Empire manages and sole funds the joint venture.

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.

DIRECTORS' DECLARATION

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

(a) the financial statements and notes, set out on pages 11 to 30, 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 2010 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 2010.

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

Signed at Perth this 29th day of September 2010.

P Eaton
Managing Director

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF RUBICON RESOURCES LIMITED

Chartered Accountants

BUTLER SETTINERI

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 statement of financial position as at 30 June 2010, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, 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.

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Butler Settineri (Audit) Pty Ltd
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Registered Company Auditor Number 289109
Liability limited by a scheme approved under Professional Standards Legislation

www.butlersettineri.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 2010 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 6 to 9 of the directors' report for the year ended 30 June 2010.

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 2010, complies with section 300A of the Corporations Act 2001.

BUTLER SETTINERI (AUDIT) PTY LTD

LUCY P GARDNER
Director

Perth
Date: 29 September 2010