RUBICON
Resources Limited

ABN 38 115 857 988

2012 FINANCIAL REPORT

CORPORATE DIRECTORY

DIRECTORS AND EXECUTIVE MANAGEMENT	Ian Macpherson *Executive Chairman* Ian Buchhorn *Non-Executive Director* Peter Eaton *Non-Executive Director* Andrew Ford *Chief Operation Officer*
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

The Directors present their report on Rubicon Resources Limited for the year ended 30 June 2012.

DIRECTORS AND SENIOR MANAGEMENT

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

Ian Macpherson – *BComm. CA*
Executive Chairman
Appointed 18 October 2010

Mr Macpherson is a Chartered Accountant with more than 30 years of experience in the provision of financial and corporate advisory services. In his early career, Mr Macpherson was a partner at KMG Hungerfords, which built up a specialist practice in the provision of corporate and financial advice to the mining and mineral exploration industry. In 1987 the firm merged with Arthur Andersen & Co.

In 1990, Mr Macpherson established Ord Partners (later to become Ord Nexia) and has specialised in the area of corporate advice with particular emphasis on capital structuring, equity and debt raising, corporate affairs and Stock Exchange compliance for public companies in the mining and industrial areas. He has further been involved in numerous asset acquisitions and disposal engagements. Ord Nexia merged with MGI Perth in October 2010 and Mr Macpherson continued in a consulting role with the merged group until November 2011. He has acted in the role of Director and Company Secretary for a number of his clients and is currently a Non-Executive Chairman of Kimberly Rare Earth Limited (2 December 2010 to present), a Non-Executive Director of Navigator Resources Ltd (1 July 2003 to present), Avita Medical Ltd (5 March 2008 to present) and formerly Nimrodel Resources Ltd (17 July 2007 to 2 August 2011) and Sihayo Gold Limited (24 April 2009 to 3 June 2010).

Mr Macpherson is a Member of the Institute of Chartered Accountants in Australia and past member of the Executive Council of the Association of Mining Exploration Companies (WA) Inc.

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 more than 30 years of 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. 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*
Non-Executive 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 November 2011, Mr Eaton was Managing Director of Rubicon, but is now Senior Operations Manager of the Tujuh Bukit project in Indonesia with Intrepid Mines Ltd. Mr Eaton remains as a Non-Executive Director of Rubicon. Before 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 the 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.

***Andrew Ford** – B.Sc (Hons), MAusIMM*
Chief Operating Officer
Appointed 23 November 2009

Mr Ford is a geologist with 25 years of experience in exploration, management and mining. His role before joining Rubicon was Chief Operating Officer/Exploration Manager of uranium explorer Peninsula Minerals. Mr Ford was previously involved in the management and execution of mineral exploration for Barrick Gold of Australia, Homestake Gold of Australia, Plutonic Resources, and Golden Shamrock Mines. He was also involved in the start-up of mining operations at the Plutonic Gold Mine in Western Australia and Iduapriem Gold mine in Ghana. Mr Ford has explored for a broad range of commodities (principally gold, base metals and uranium) throughout Australia and internationally in Africa, Indonesia and USA and brings a wealth of exploration management knowledge to Rubicon.

COMPANY SECRETARY

***Robert (Sam) Middlemas –** B.Com, PGradDipBus, CA*

Mr Middlemas was appointed Company Secretary and Chief Financial Officer on 17 July 2006. He is a chartered accountant with more than 20 years of 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.

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

The Company recorded an operating loss after income tax for the Year ended 30 June 2012 of $1,688,609 compared to an operating loss after income tax of $1,667,115 for the Year ended 30 June 2011.

The Company's cash position remained strong at the end of the year at $2,484,062 following the successful sale of the Celia tenement package for $900,000 during the year, with a royalty upside retained on the project.

Rubicon is a mineral exploration company, currently focussed on gold and copper exploration in Western Australia and Indonesia. In Western Australia it continues to hold some 2,000km² of prospective tenements.

Rubicon's strategy for ultimate growth is to combine the following elements:

- Ongoing commitment to the identification and review of projects/corporate opportunities that we believe have the capacity to successfully develop into a profitable mine, both in Australia and overseas,
- Maximise the commercial value of the existing tenement portfolio through the ongoing establishment and maintenance of suitable joint ventures and other alternate funding arrangements where appropriate, and
- Continued exploration of Rubicon properties where appropriate.

Rubicon's major projects are as follows:

- The Yindarlgooda gold and base metal project located east of Kalgoorlie where Rubicon has tenements in its own right and three separate joint venture agreements with Integra Mining Ltd (two) and Brimstone Resources Ltd earning an interest in Rubicon tenure.
- The Warburton project in the Western Musgrave Province, where Rubicon has joint ventures with Kingsgate Consolidated and Traka Resources Ltd.
- The Jeedamya project where Rubicon is currently following up exploration results at the Plum Pudding prospect.
- The Kapuas Hulu project in Indonesia where first pass exploration is being undertaken.

CORPORATE AND FINANCIAL POSITION

As at 30 June 2012 the Company had cash reserves of $2.48 million.

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 (or most senior Executive Officer) 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 (or most senior Executive Officer) 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.

EARNINGS/LOSS PER SHARE	2012 Cents	2011 Cents
Basic loss per share	**(1.18)**	(1.36)
Diluted loss per share	**(1.18)**	(1.36)

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 and to the date of this report there have been no unlisted options over unissued ordinary shares granted. There were 400,000 14 cent options and 1,000,000 25 cent options that expired during the year.

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*
6,000,000	10 cents each	31 October 2014
1,500,000	15 cents each	31 October 2014
1,000,000	20 cents each	31 October 2014
2,200,000	14 cents each	13 January 2014

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.

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 Macpherson	Executive Chairman Appointed on 18 October 2010	13,796,871	2,500,000
Ian Buchhorn	Non-Executive Director Appointed on 19 August 2005	8,859,777	2,000,000
Peter Eaton	Non-Executive Director Appointed on 3 July 2006	1,475,000	4,000,000

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 Macpherson	9	9
I Buchhorn	9	9
P Eaton	9	9

RENUMERATION 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.

OVERVIEW OF REMUNERATION POLICY

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and the executive team. The Board 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 (or most senior Executive Officer) 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.

RENUMERATION REPORT (CONTINUED)

The remuneration policy in regard to setting the terms and conditions for the Managing Director (or most senior Executive Officer) 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 on page 6. 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.

SENIOR EXECUTIVES & MANAGEMENT

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.

Following the resignation of Mr Peter Eaton as Managing Director, Mr Andrew Ford was promoted to the role of Chief Operating Officer and is the executive in charge of the day to day management and operations of the Company. Mr Ford is supported in this role by the Executive Chairman, Mr Ian Macpherson.

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 e.g. 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 (or most senior Executive Officer) are based on the recommendation of the Managing Director (or most senior Executive Officer), subject to the approval of the Board in the annual budget setting process.

SHARE BASED COMPENSATION

There was no share based compensation granted during this 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.

REMUNERATION REPORT (CONTINUED)

SERVICE AGREEMENT

The former Managing Director, Mr Peter Eaton left the employment of the Company during the financial year on 11 November 2011 and to date has not been replaced while the Company identifies new project opportunities. Mr Andrew Ford has been appointed Chief Operating Officer from 1 December 2011 and assumed the Senior Executive role within the Company and Management and is employed under a standard contract of employment requiring one month notice period.

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	
2011/2012	**Base Salary/Fees $**	**Motor Vehicle/Bonus $**	**Superannuation Contributions $**	**Options $**	**Total $**
Directors					
I Macpherson – Executive Chairman (i)	79,725	-	18,933	-	98,658
P Eaton – Managing Director (ii)	107,071	2,465	9,572	-	119,108
P Eaton – Non-Executive (ii)	23,333	-	2,100	-	25,433
I Buchhorn – Non-Executive	50,000	-	-	-	50,000
Executives					
S Middlemas - Company Secretary (iii)	45,000	-	-	-	45,000
A Ford – Exploration Manager/COO	202,333	-	18,210	-	220,543
2010/2011					
Directors					
I Macpherson – Chairman (i)	43,348	-	3,901	46,000	93,249
P Eaton – Managing Director	247,999	9,346	22,320	64,350	344,015
I Buchhorn – Non-Executive	57,500	-	-	36,800	94,300
S Middlemas – Non-Executive (iii)	7,200	-	-	-	7,200
Executives					
S Middlemas Company Secretary (iii)	48,980	-	-	-	48,980
A Ford – Exploration Manager (iv)	186,000	-	16,740	-	202,740

(i) Mr Macpherson was appointed Executive Chairman on 18 October 2010; from 1 December 2011 he has taken on additional executive duties which are compensated by a consultancy arrangement at $5,000 per month.
(ii) Mr Eaton resigned from his position as Managing Director on 11 November 2011 – he remains on the board as a Non-Executive Director from that date.
(iii) Mr Middlemas was appointed a Non-Executive director on 1 February 2010, and resigned on 18 October 2010 – all fees as a Director and Company Secretary were paid to Sparkling Investments Pty Ltd.
(iv) Mr Ford was appointed Exploration Manager on 23 November 2009, and appointed Chief Operating Officer (COO) on 1 December 2011.

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 2012.

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.

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 6th day of September 2012

Signed in accordance with a resolution of the Directors

Ian Macpherson
Executive Chairman

Chartered Accountants

BUTLER SETTINERI

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of Rubicon Resources Limited for the year ended 30 June 2012, 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: 6 September 2012

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Butler Settineri (Audit) Pty Ltd
ACN 112 942 373

Registered Company Auditor Number 289109

Liability limited by a scheme approved under Professional Standards Legislation

FOR THE YEAR ENDED 30 JUNE 2012

		THE COMPANY	
	NOTES	2012	2011
		$	$
Other income	2	**191,177**	182,039
Employee expenses		**498,518**	736,187
Non-Executive Directors' fees		**174,091**	111,949
Insurance expenses		**20,000**	21,473
Company Secretarial fees		**45,000**	48,980
Corporate expenses		**65,835**	79,578
Depreciation	3	**19,087**	23,118
Rent		**116,237**	103,006
Recruitment		**21,683**	-
Employee costs recharged to capitalised exploration		**(444,488)**	(657,216)
Expense of share-based payments	3	**-**	147,150
Exploration Written off	3	**1,182,973**	1,096,620
Other expenses		**180,850**	138,309
Loss before income tax		**1,688,609**	1,667,115
Income tax	5	**-**	-
Net loss attributable to members of the Company	13	**1,688,609**	1,667,115
Other Comprehensive Loss net of tax		**-**	-
Total Comprehensive Loss		**1,688,609**	1,667,115
Basic earnings/(loss) per share (cents per share)	19	**(1.18) cents**	(1.36) cents
Diluted earnings/(loss) per share (cents per share)	19	**(1.18) cents**	(1.36) cents

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

AS AT 30 JUNE 2012

	NOTES	2012 $	2011 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	20(a)	**2,484,062**	2,760,616
Other receivables	6	**4,161**	3,430
Other assets	7	**13,332**	15,333
TOTAL CURRENT ASSETS		**2,501,555**	2,779,379
NON-CURRENT ASSETS			
Plant and equipment and motor vehicles	8	**14,012**	38,099
Capitalised mineral exploration expenditure	9	**2,161,634**	3,488,405
TOTAL NON-CURRENT ASSETS		**2,175,646**	3,526,504
TOTAL ASSETS		**4,677,201**	6,305,883
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	**58,446**	59,103
Provisions	11	**3,287**	32,703
TOTAL CURRENT LIABILITIES		**61,733**	91,806
TOTAL LIABILITIES		**61,733**	91,806
NET ASSETS		**4,615,468**	6,214,077
EQUITY			
Contributed equity	12(a)	**14,831,596**	14,741,596
Share Option Reserve	14	**586,640**	586,640
Accumulated losses	13	**(10,802,768)**	(9,114,159)
TOTAL EQUITY		**4,615,468**	6,214,077

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

FOR THE YEAR ENDED 30 JUNE 2012

	Notes	Contributed Equity	Share Based Payment Reserve	Losses	Total
BALANCE AT 1 JULY 2010		12,841,596	439,490	(7,447,044)	5,834,042
TOTAL COMPREHENSIVE INCOME		-	-	(1,667,115)	(1,667,115)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the year	12(b)	1,900,000	-	-	1,900,000
Directors and Employees options		-	147,150	-	147,150
BALANCE AT 30 JUNE 2011		**14,741,596**	**586,640**	**(9,114,159)**	**6,214,077**
TOTAL COMPREHENSIVE INCOME		**-**	**-**	**(1,688,609)**	**(1,688,609)**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the year	12(b)	**90,000**	**-**	**-**	**90,000**
BALANCE AT 30 JUNE 2012		**14,831,596**	**586,640**	**(10,802,768)**	**4,615,468**

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

FOR THE YEAR ENDED 30 JUNE 2012

	NOTES	2012 $	2011 $
Cash flows from operating activities			
Interest received		**134,177**	140,289
Payments to suppliers and employees (inclusive of goods and services tax)		**(653,814)**	(496,153)
Net cash used in operating activities	20(b)	**(519,637)**	(355,864)
Cash flows from investing activities			
Payments for exploration and evaluation		**(666,917)**	(2,096,943)
Funds received from sale of exploration tenement		**900,000**	-
Funds received from joint venture partners		**-**	674,863
Proceeds (Payments) for plant and equipment and motor vehicles		**10,000**	(1,796)
Net cash from (used) in investing activities		**243,083**	(1,423,876)
Cash flows from financing activities			
Proceeds from the issue of shares		**-**	1,900,000
Net cash provided by financing activities		**-**	1,900,000
Net (decrease) increase in cash held		**(276,554)**	120,260
Cash at the beginning of the financial year		**2,760,616**	2,640,356
Cash at the end of the financial year	20(a)	**2,484,062**	2,760,616

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

FOR THE YEAR ENDED 30 JUNE 2012

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*.

Rubicon Resources Limited is for-profit entity for the purpose of preparing the financial statements.

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.

(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.

FOR THE YEAR ENDED 30 JUNE 2012

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.

FOR THE YEAR ENDED 30 JUNE 2012

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.

FOR THE YEAR ENDED 30 JUNE 2012

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.

FOR THE YEAR ENDED 30 JUNE 2012

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 2012 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 2012 half year and 2013 full year accounts.

	2012 $	2011 $
2. OTHER INCOME		
Other Income		
Interest	**134,177**	140,289
Rental/Office recharges	**57,000**	41,750
	191,177	182,039
3. EXPENSES		
Contributions to employees superannuation plans	**64,624**	62,345
Depreciation - Plant and equipment	**14,087**	16,563
- Motor vehicles	**5,000**	6,555
Exploration Written off	**1,182,973**	1,096,620
Share Based Payment expense	**-**	147,150
Provision for employee entitlements	**29,416**	(18,411)
4. AUDITORS' REMUNERATION		
Audit – Butler Settineri (Audit) Pty Ltd		
Audit and review of the financial statements	**17,701**	16,891

FOR THE YEAR ENDED 30 JUNE 2012

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 (2011 - $Nil).

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

	2012 $	2011 $
Loss from continuing operations	**(1,688,609)**	(1,667,115)
Tax at the tax rate of 30% (2010: 30%)	**(506,583)**	(500,135)
Tax effect of amounts which are deductible in calculating taxable income:		
Non-deductible expenses	**-**	44,145
Other allowable expenditure	**(6,973)**	(66,481)
Deferred tax asset not brought to account	**513,556**	522,471
Income tax expense	**-**	-

(b) Tax losses

Unused tax losses for which no deferred tax asset has been recognised	**6,226,242**	6,471,019
Potential tax benefit at 30%	**1,876,873**	1,941,306

(c) Unbooked Deferred Tax Assets and Liabilities

Unbooked deferred tax assets comprise:

Provisions/Accruals/Other	**1,187**	9,411
Tax losses available for offset against future taxable income	**2,514,109**	2,269,332
	2,515,109	2,278,743

Unbooked deferred tax liabilities comprise:

Capitalised mineral exploration and evaluation expenditure	**2,515,295**	2,278,743

(d) Franking credits balance

The Company has no franking credits available as at 30 June 2012 (2011: $Nil).

6. OTHER RECEIVABLES

Current

GST recoverable	**4,161**	3,430

7. OTHER ASSETS

Current

Prepayments	**13,332**	15,333

FOR THE YEAR ENDED 30 JUNE 2012

	2012 $	2011 $
8. PLANT AND EQUIPMENT AND MOTOR VEHICLES		
Plant and office equipment		
At cost	**164,309**	164,309
Accumulated depreciation	**(160,297)**	(146,210)
	4,012	18,099
Motor vehicles		
At cost	**53,831**	78,831
Accumulated depreciation	**(43,831)**	(58,831)
	10,000	20,000
	14,012	38,099

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

	2012 $	2011 $
Plant and office equipment		
Carrying amount at beginning of the year	**18,099**	32,865
Additions	**-**	1,796
Depreciation	**(14,087)**	(16,562)
Carrying amount at the end of the year	**4,012**	18,099
Motor vehicles		
Carrying amount at beginning of the year	**20,000**	26,556
Disposals	**(5,000)**	-
Depreciation	**(5,000)**	(6,556)
Carrying amount at the end of the year	**10,000**	20,000

9. CAPITALISED MINERAL EXPLORATION EXPENDITURE

Non-Current

In the exploration phase

	2012 $	2011 $
Cost brought forward	**3,488,405**	3,479,375
Add: Expenditure incurred during the year (at cost)	**756,202**	1,780,513
Less Joint venture contributions	**-**	(674,863)
Less Sale of Project	**(900,000)**	-
Exploration expenditure written off	**(1,182,973)**	(1,096,620)
	2,161,634	3,488,405

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.

FOR THE YEAR ENDED 30 JUNE 2012

	2012 $	2011 $
10. TRADE AND OTHER PAYABLES		
Current (Unsecured)		
Trade creditors	**9,674**	6,119
Other creditors and accruals	**48,772**	52,984
	58,446	59,103

Included within trade and other creditors and accruals is an amount of $2,279 (2011- $2,994) relating to exploration expenditure.

	2012 $	2011 $
11. PROVISIONS		
Current		
Employee entitlements	**3,287**	32,703
	3,287	32,703

12. CONTRIBUTED EQUITY

(a) Ordinary Shares

	2012 $	2011 $
145,304,498 (2011: 142,304,498) fully paid ordinary shares	**14,831,596**	14,741,596

(b) Share Movements during the Year

	2012		2011	
	Number of Shares	**$**	**Number of Shares**	**$**
Beginning of the financial year	**142,304,498**	**14,741,596**	94,804,498	12,841,596
New share issues during the year				
Share Purchase Plan at 4 cents	**-**	**-**	25,000,000	1,000,000
Share Placement at 4 cents	**-**	**-**	22,500,000	900,000
Share Issue at 3 cents (tenement purchase)	**3,000,000**	**90,000**	-	-
	145,304,498	**14,831,596**	142,304,498	14,741,596

(c) Unlisted Options

During the financial year the Company granted no unlisted options over unissued shares.

There were 1,400,000 unlisted options lapsed during the year (2011 – 5,500,000) as a result of time expiry, staff movements and no longer meeting employment conditions. As a consequence the numbers of Unlisted options on issue at 30 June 2012 and at the date of this report was 10,700,000 (2011 – 12,100,000). There were no options issued to staff under the Rubicon Share Option Plan (refer Note 15).

FOR THE YEAR ENDED 30 JUNE 2012

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 2012 is between 1.5 and 2.4 years (2011: 2.5 and 3.4 years). The range of exercise prices for options outstanding at the end of the year was between 10 cents and 20 cents (2011: between 10 cents and 25 cents). The fair value of options granted during the year was Nil as none were granted (2011 - $147,150).

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 2011 (there were no options issued during the year ended 30 June 2012):

Date of Issue	25 Nov 2010	25 Nov 2010	25 Nov 2010
Number of Options	6,000,000	1,500,000	1,000,000
Volatility (%)	90%	90%	90%
Risk-free interest rate (%)	5.24%	5.24%	5.24%
Expected life of option (years)	3.93	3.93	3.93
Exercise price (cents)	10	15	20
Share price at grant date (cents)	5.0	5.0	5.0
Value per option (cents)	1.84	1.55	1.35

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.

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

FOR THE YEAR ENDED 30 JUNE 2012

12. CONTRIBUTED EQUITY (Continued)

(f) Capital Risk Management

Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is the current working capital position against the requirements to meet exploration programmes and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Company at 30 June 2012 and 30 June 2011 are as follows:

	2012 $	2011 $
Cash and cash equivalents	**2,484,062**	2,760,616
Trade and other receivables	**4,161**	3,430
Other assets	**13,332**	15,333
Trade and other payables	**(58,446)**	(59,103)
Provisions	**(3,287)**	(32,703)
Working capital position	**2,439,822**	2,687,573

13. ACCUMULATED LOSSES

Accumulated losses at the beginning of the year	**9,114,159**	7,447,044
Net loss attributable to members	**1,688,609**	1,667,115
Accumulated losses at the end of the year	**10,802,768**	9,114,159

14. RESERVES

Share Option Reserve

Balance at the beginning of the year	**586,640**	439,490
Add: Amounts expensed in current year	**-**	147,150
Balance at the end of the year	**586,640**	586,640

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 22 November 2011. 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.

FOR THE YEAR ENDED 30 JUNE 2012

16. RELATED PARTIES

Full remuneration details for Directors and Executives are included in the Directors report where the information has been audited as indicated. During the current financial year there were no other transactions with Directors or Executives (2011 - $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:

2011/2012	Ordinary Shares				Unlisted Options	
	1 July 2011	Purchases	Disposals	30 June 2012	30 June 2012	30 June 2011
Mr I Macpherson	12,831,630	965,241	-	13,796,871	2,500,000	2,500,000
Mr P Eaton	1,475,000	-	-	1,475,000	4,000,000	4,000,000
Mr I Buchhorn	8,859,777	-	-	8,859,777	2,000,000	2,000,000
Mr R Middlemas	1,756,368	-	-	1,756,368	1,000,000	1,000,000
Mr A Ford	-	-	-	-	1,000,000	1,000,000
2010/2011	**1 July 2010**	**Purchases**	**Disposals**	**30 June 2011**	**30 June 2011**	**30 June 2010**
Mr I Macpherson	-	12,831,630	-	12,831,630	2,500,000	-
Mr P Eaton	1,100,000	375,000	-	1,475,000	4,000,000	4,000,000
Mr I Buchhorn	6,976,064	1,883,713	-	8,859,777	2,000,000	250,000
Mr R Middlemas	881,368	875,000	-	1,756,368	1,000,000	1,000,000
Mr A Ford	-	-	-	-	1,000,000	1,000,000

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 $354,960 (2011: $1,235,547). These obligations are also subject to variations by farm-out arrangements or sale of the relevant tenements.

	2012 $	2011 $
(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	**88,481**	79,948
Between one and five years	**81,107**	-
More than five years	**-**	-
	169,588	79,948

The operating lease relates to the Company's registered office premises in West Perth. The operating lease was for a five year period expiring on 31 May 2012, and it has been extended for a two year period to 31 May 2014. The operating lease entitles the Company to renew the term of the lease for a further period of three years after the expiry of the extension. 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 2012 (2011 - $Nil).

FOR THE YEAR ENDED 30 JUNE 2012

18. SEGMENT INFORMATION

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

	2012 $	2011 $

19. EARNINGS/ (LOSS) PER SHARE

The following reflects the loss and share Data used in the calculations of basic and diluted earnings/ (loss) per share:

	2012 $	2011 $
Earnings/ (loss) used in calculating basic and diluted earnings/ (loss) per share	**(1,688,609)**	(1,667,115)
	Number of Shares 2012	Number of Shares 2011
Weighted average number of ordinary shares used in calculating basic earnings/ (loss) per share:	**143,476,629**	122,174,361
Effect of dilutive securities		
Share options*	**-**	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings/ (loss) per share	**143,476,629**	122,174,361
Basic and Diluted loss per share (cents per share)	**1.18 cents**	1.36 cents

***Non-dilutive securities**

As at balance date, 10,700,000 unlisted options (30 June 2011: 12,100,000) which represent potential ordinary shares were not dilutive as they would decrease the loss per share.

FOR THE YEAR ENDED 30 JUNE 2012

	2012 $	2011 $

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:

	2012 $	2011 $
Cash on hand	**200**	200
Cash at bank	**56,517**	20,994
Deposits at call	**2,427,345**	2,739,422
	2,484,062	2,760,616

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

	2012 $	2011 $
Loss from ordinary activities after income tax	**(1,688,609)**	(1,667,115)
Non-cash items:		
Depreciation	**19,087**	23,118
Exploration written-off	**1,182,973**	1,096,620
Expense of share-based payments	**-**	147,150
Profit on sale of motor vehicle	**(5,000)**	-
Change in operating assets and liabilities:		
Decrease (Increase) in prepayments	**2,002**	4,549
Decrease (Increase) in receivables	**(731)**	21,969
Increase in trade creditors and accruals	**57**	36,256
Increase in employee entitlements	**(29,416)**	(18,411)
Net cash outflows used in operating activities	**(519,637)**	(355,864)

(c) Stand-By Credit Facilities

As at 30 June 2012 the Company has a business credit card facility available totaling $20,000 of which $75 (2011 - $11,702) was utilised.

(d) Non Cash Financing and Investing Activities

An amount of 3,000,000 shares were issued to a vendor as part of the consideration to purchase an interest in a mining project in Indonesia during the year. The deemed issue price was 3 cents per share equating to a non-cash financing of $90,000. There were no non cash financing or investing activities undertaken in the previous financial year.

FOR THE YEAR ENDED 30 JUNE 2012

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:

2012

	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)	4.27%	**983,862**	**1,500,000**	**200**	**2,484,062**
Other receivables	6	-	-	-	**4,161**	**4,161**
Total Financial Assets			**983,862**	**1,500,000**	**4,361**	**2,488,223**
Financial Liabilities						
Payables	10	-	-	-	**(58,446)**	**(58,446)**
Total Financial Liabilities			-	-	**(58,446)**	**(58,446)**
Net Financial Assets			**983,862**	**1,500,000**	**(54,085)**	**2,429,777**

2011

	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)	5.52%	660,564	2,099,852	200	2,760,616
Other receivables	6	-	-	-	3,430	3,430
Total Financial Assets			660,564	2,099,852	3,630	2,764,046
Financial Liabilities						
Payables	10	-	-	-	(59,103)	(59,103)
Total Financial Liabilities			-	-	(59,103)	(59,103)
Net Financial Assets			660,564	2,099,852	(55,473)	2,704,943

(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.

FOR THE YEAR ENDED 30 JUNE 2012

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 totaled $64,624 (2011: $66,246).

23. CONTINGENT LIABILITIES

There were no material contingent liabilities not provided for in the financial statements of the Company as at 30 June 2012 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.

FOR THE YEAR ENDED 30 JUNE 2012

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:

Peters Dam Joint Venture (Integra Mining Limited ("Integra") 51% Rubicon diluting)

The Peters Dam Joint Venture comprises approximately 200km^2 of Rubicon tenements in the Southern Yindarlgooda Project. Integra have earned an initial 51% by spending $1.5m. Integra manages the joint venture and are currently sole funding it with Rubicon being diluted. Rubicon can elect to contribute to the exploration program at six monthly intervals (one off right) to maintain its interest.

Queen Lapage Joint Venture (Integra Mining Limited ("Integra") earning 51% to 70%)

The Queen Lapage Joint Venture comprises approximately 100km^2 of Rubicon tenements in the Northern Yindarlgooda Project. Integra can earn an initial 51% by spending $1.0m over 3 years and an additional 19% (at Rubicon's election) by spending an additional $1.0m over a further 2 years. Integra manages the joint venture and sole funds it, with a minimum spend of $335,000 in the first year of operation of the joint venture.

Mt McLeay Joint Venture Agreement (Brimstone Resources Ltd ("Brimstone") 51% increasing to 70%)

The Mt McLeay Project covers Rubicon tenements to the northwest of the Rocky Dam Yindarlgooda tenements. Brimstone has earned an initial 51% by spending $300,000. Brimstone may earn an additional 19% by expenditure of an additional $500,000 over two years. Brimstone manages and sole funds the joint venture.

Bentley Joint Venture (Kingsgate Consolidated ("Kingsgate") earning 70%)

The Bentley Joint Venture comprises Rubicon tenements (E69/2578 and 2656) at the Warburton Project. Kingsgate can earn 70% by spending $0.81m over 5 years. Kingsgate will manage the joint venture and sole fund it, with a minimum spend of $162,000 in the first year of operation of the joint venture, following granting of Native Title Access. Two additional tenement applications (in ballot) will be include in the joint venture if the ballot tenements are granted to Rubicon.

Caesar Hill Joint Venture (Traka Resources Ltd ("Traka") earning 70%)

The Caesar Hill Joint Venture comprises Rubicon tenement E69/2253 at the Warburton project. Traka can earn 70% by spending $0.80m over 5 years. Traka will manage the joint venture and sole fund it, with a minimum spend of $150,000 in the first year of operation of the joint venture, following granting of Native Title Access.

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.

There are no capital commitments or contingent liabilities associated with any of the Company's Joint Venture arrangements.

DIRECTORS' DECLARATION

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

(a) the financial statements and notes, set out on pages 9 to 28, 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

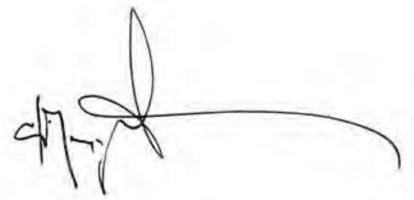
- (ii) giving a true and fair view of the financial position of the Company as at 30 June 2012 and of its performance, as represented by the results of its operations, for the financial year ended on that date.

(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 2012.

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

Signed at Perth this 6th day of September 2012.



Ian Macpherson
Executive Chairman

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF RUBICON RESOURCES LIMITED

Chartered Accountants

BUTLER SETTINERI

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Butler Settineri (Audit) Pty Ltd
ACN 112 942 373

Registered Company Auditor Number 289109

Liability limited by a scheme approved under Professional Standards Legislation

Report on the Financial Report

We have audited the accompanying financial report of Rubicon Resources Limited which comprises the statement of financial position as at 30 June 2012 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report which gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those 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 of the financial report which gives a true and fair view 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.

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 2012 and of its performance for the year ended on that date; and

b) complying with Australian Accounting Standards the Corporations Regulations 2001.

Report on the Remuneration Report

We have audited the Remuneration Report included on pages 4 to 6 of the directors' report for the year ended 30 June 2012.

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 2012, complies with section 300A of the Corporations Act 2001.

BUTLER SETTINERI (AUDIT) PTY LTD

LUCY P GARDNER
Director

Perth
Date: 6 September 2012