RUBICON
Resources Limited

ABN 38 115 857 988

2012 ANNUAL 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

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West Perth
Western Australia 6005

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Western Australia 6872

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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

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

ASX Code

RBR - ordinary shares

CONTENTS

DEAR SHAREHOLDERS,

On behalf of the Board of Directors of Rubicon Resources Limited ("Rubicon" or "the Company"), I present the Company's Annual Report for 2012.

The significant difficulties that faced junior exploration companies during 2011, as referred to in our Annual Report for 2011, have continued in 2012. Rubicon and the sector in general, continue to be affected by limits on access to new capital, weakening commodity prices and resultant downward pressure on market capitalisation.

As a result, your Board and Management have maintained a focus on conservation of capital whilst the Company has benefitted from the existing joint venture arrangements in place on our various project interests and from the proceeds of sale of non-core tenement interests.

The important transaction for the year was the completion of the sale of the Celia tenement package and a number of our other smaller tenement holdings. This has allowed us to retain our treasury while the majority of our efforts have been in identifying new opportunities for the Company, with most investigations looking overseas.

Our initial acquisition focus on Indonesia has been scaled back due to regulatory developments recently introduced, and exploration is being kept to a minimum while we assess the possible broader implications of those developments on our Kapulas Hula project.

Direct exploration funding by Rubicon on our Australian assets during the year was minimal, while we continued to seek joint ventures or sale of the tenement packages held. We continue to attract high quality joint venture partners to complement the joint ventures already completed. During the year this led to over $2.5 million being spent on our tenement holdings by partners and there have been some positive results from recent Integra drilling that will be followed up in the next quarter.

In November 2011, our founding Managing Director Mr Peter Eaton resigned from his position for personal reasons and has relocated overseas; however, he remains within the Industry. We retain the excellent knowledge and services of Peter as a Non-Executive Director, and I would like to express our appreciation for the work he undertook since the initial IPO of the Company in 2007. To cover for Peter's departure, the Board promoted Mr Andrew Ford to the senior executive role of Chief Operating Officer. In addition I have stepped into the role as Executive Chairman to further assist Andrew with the executive management of the Company.

Due diligence continues on a number of new project opportunities and we are confident that we will be able to identify a value accretive project in the coming year.

Though our share price and consequent market capitalisation remain depressed, the Company in terms of peer group is in a relatively healthy position with strong joint venture project interests and in excess of $2.5 million in cash.

Once again I thank you for your continued support of the Company and while it has been another difficult and frustrating year we believe the outlined strategy will lead to the best outcomes for the future.

Ian Macpherson
Executive Chairman

OPERATIONAL OVERVIEW

Rubicon's goal is to create shareholder returns through the successful acquisition of projects that we believe have the capacity to become profitable mining operations. Rubicon also believes that its existing tenement portfolio in Western Australia has significant exploration merit but requires larger drilling budgets than our current capital base allows. For this reason, Rubicon has sought to add value for shareholders through its existing joint ventures with quality partners. Where tenements could not be joint ventured successfully, third parties with a strategic interest in the area have been approached for outright purchase of the tenements. This has resulted in the return of over $1.15 million to Rubicon's cash reserves.

Rubicon controls some 1,882km² of prospective tenements in Western Australia, 245km^2 in Queensland and 140km^2 in Indonesia (Figure 1). Key results for the year were as follows:

- Exploration by our joint venture partner at the Yindarlgooda Peters Dam Joint Venture defined several high priority drill targets, planned for further testing before the end of 2012.
- Aircore drilling by our joint venture partner at the Yindarlgooda Queen Lapage Joint Venture returned an encouraging intersection of 13m @ 2.83 g/t gold; follow-up RC drilling is planned.
- Rubicon's reverse circulation (RC) drilling at the 100% owned Plum Pudding prospect at Jeedamya intersected some narrow gold intersections, with a best of 5m @ 7.4 g/t gold.
- Access to the Caesar Hill Joint Venture ground at Warburton has been granted and on ground testing of the airborne electromagnetic (VTEM) targets defined in 2010 is scheduled to commence by our joint venture partner.
- Soil sampling and mapping programs at the new Kapuas Hulu Project in West Kalimantan, Indonesia defined widespread gold anomalism in a small sampled portion of the total licence area.

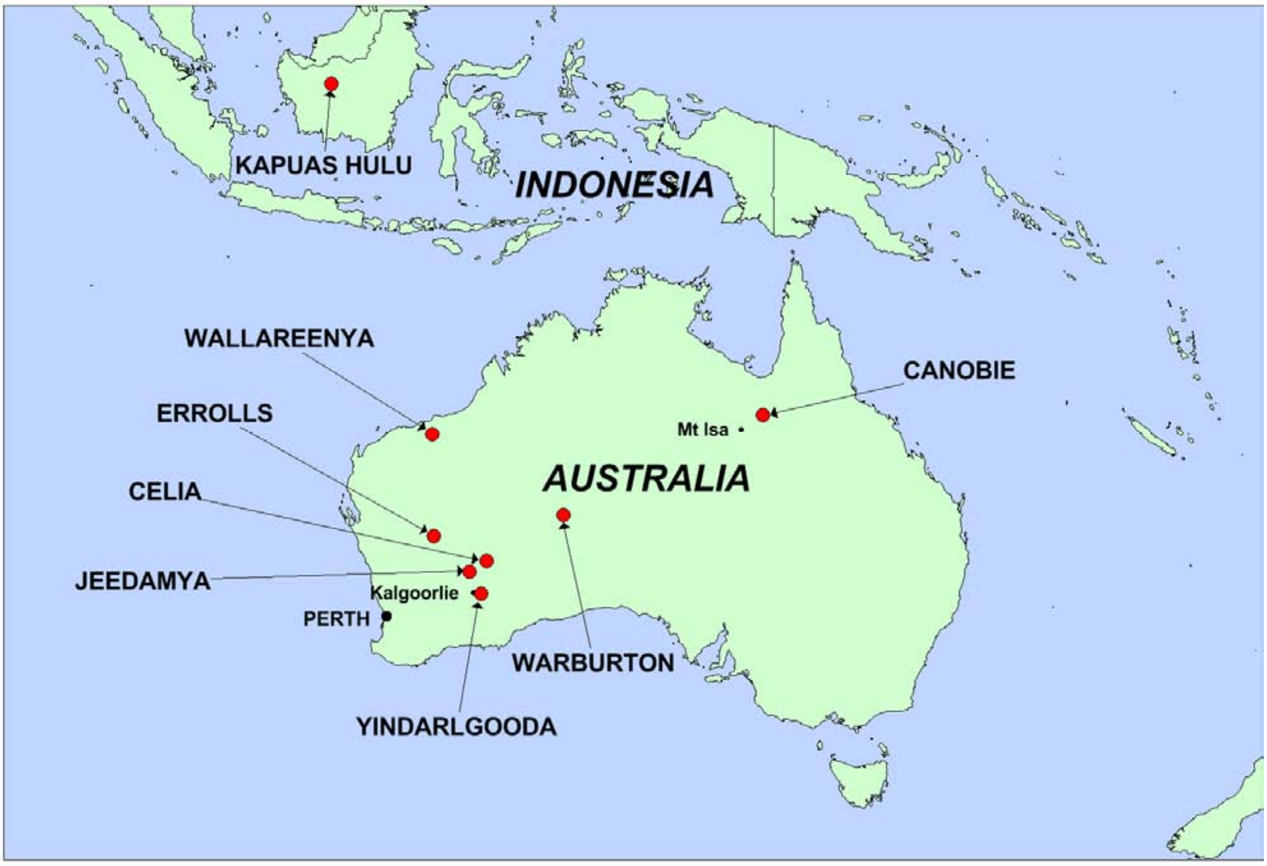

Figure 1 - Rubicon Project Locations

OPERATIONAL OVERVIEW (Continued)

Following a decision to change the strategy of the Company in late 2010, Rubicon has focussed its activities on pursuing more advanced projects, both in Australia and Internationally. Rubicon has reviewed in excess of 120 project opportunities, principally for gold and copper as well as other commodities.

In February this year, Rubicon signed a term sheet with PT Hasil Kharisma Alam (HKA) to enter into a joint venture agreement on the Kapuas Hulu Gold Project, located in West Kalimantan, Indonesia. Soil sampling and rock chip sampling conducted so far by Rubicon are encouraging with widespread gold anomalism identified.

The Celia Project, where remaining exploration potential was under cover and expensive to test, was sold to Saracen Gold Mines Pty Limited (Saracen) for $850,000 with a retained royalty, and several individual tenements were sold to other entities for a combined $310,000 in cash. In addition, a new joint venture was agreed with Exco Resources Limited (Exco) over the prospective Canobie Project near Cloncurry in Queensland.

Rubicon's exploration expenditure for the year 100% owned tenements was $0.76 million.

CORPORATE OVERVIEW

Rubicon listed on 2 February 2007 and now has 145.3 million shares on issue and 10.7 million unlisted options as at the date of this report. As at 30 June 2012, the Company retained $2.5 million cash.

YINDARLGOODA PROJECT

The Yindarlgooda Project comprises approximately 760km^2 of tenure centred 55km east of Kalgoorlie on a felsic volcanic dome around Lake Yindarlgooda (Figure 2). The project area is subject to the Peters Dam and Queen Lapage Joint Ventures with Integra Mining Limited (Integra) and the Mt McLeay Joint Venture with Brimstone Resources Limited (Brimstone). Rubicon also retains a substantial tenement holding in its own right.

In August 2012, the small Queen Lapage mining lease M25/344 and the adjacent P28/1213 were sold to a private party for $100,000 in cash.

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

In July 2009, Rubicon entered into the Peters Dam Joint Venture with Integra Mining Limited, on tenements adjacent to Integra's Salt Creek gold deposit (Figure 2). Following the minimum expenditure of $1.5 million, partner Integra has earned its 51% interest.

Under the terms of the joint venture agreement, the Peters Dam Joint Venture ("PDJV") has now been formed and a budget of $1.7million has been agreed for the next stage of exploration work. Rubicon has elected not to contribute to the initial proposed exploration program and its 49% interest will be diluted under the terms of the joint venture. Rubicon can elect to re-commence contributions to the joint venture at the 6 monthly joint venture budget meetings.

It is intended to review the results of the first exploration program before Rubicon will make its next election to contribute or dilute.

During the year, Integra conducted 1,861m of RC drilling and 8,273m of RAB/aircore drilling. In addition, significant effort was placed on alteration and litho-geochemical mapping to define and rank prospects. RAB/aircore drilling returned gold anomalism at the Gladiator, Samurai and Horses prospects and follow-up RC at Gladiator and Target 15 continued to define the controls on mineralisation at depth.

The planned $1.7 million budget for exploration to the end of December 2012 will focus on drill testing the most prospective targets and Rubicon is confident that this investment will progress the project significantly towards new discoveries

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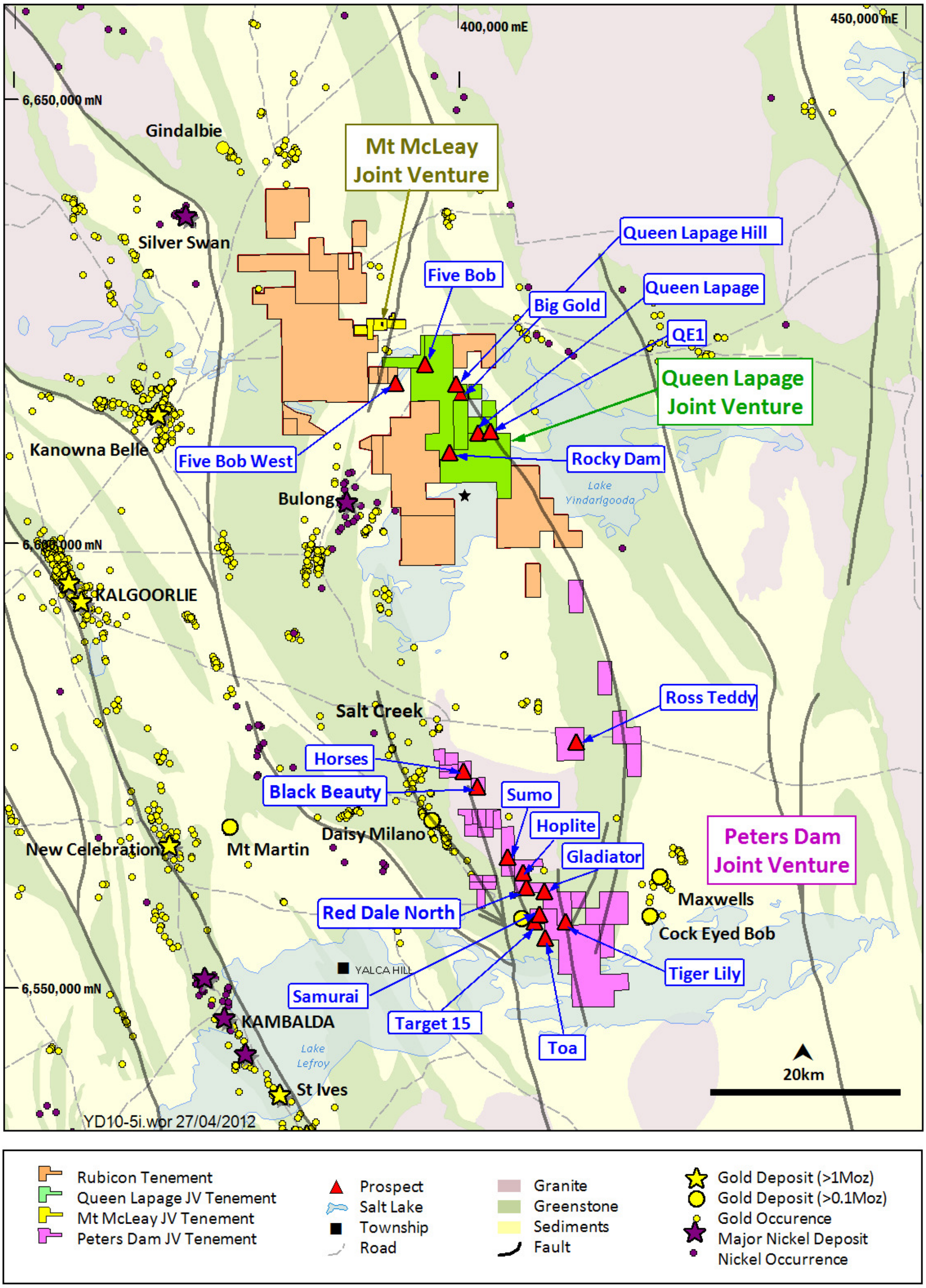

Figure 2 - Yindarlgooda Project – Geology, Tenements & Prospects

Queen Lapage Joint Venture (Integra Mining Limited 51% (Rubicon diluting))

The Queen Lapage Joint Venture with Integra covers five tenements of approximately 100km^2 located to the north of the Peters Dam Joint Venture ground (Figure 2).

Under the terms of the agreement, Integra has expended $1.0 million (over three years) and has thereby earned a 51% interest in the tenements. Under its rights in the joint venture agreement, Rubicon has nominally elected to contribute to ongoing exploration on a program-by-program basis. However, Rubicon has elected not to contribute to the initial proposed exploration program and its 49% interest will be diluted under the terms of the joint venture.

The Queen Lapage Joint Venture tenure encompasses the QE1 gold deposit, which occurs on the regionally important Randall's Fault. Various other prospects with significant supergene gold anomalism are associated with this corridor. Better intercepts at QE1 from previous Rubicon shallow RC drilling include 6m @ 6.33g/t, 6m @ 3.24g/t, 4m @ 3.79g/t, 8m @ 2.48g/t and 8m @ 2.81g/t gold and are associated with sulphidic quartz veins in weathered shales and banded iron formation. Integra have modelled the mineralisation to outline possible targets down plunge of known drilling.

Integra completed geological mapping, 6,618m of aircore, 320m of RC and 650m of diamond drilling during the year over the Five Bob, QE1 and Queen Lapage areas. Four diamond holes were required at Five Bob due to the difficulties that the initial RC drilling had in penetrating an overlying unconsolidated paleochannel. No anomalous gold results were returned in the diamond drilling, however one aircore drill hole at Queen Lapage Hill returned an encouraging interval of **13m @ 2.83g/t gold from 31m**. This intersection will be followed up by RC drilling.

Integra has prepared a budget of $0.2m to conduct additional RC drilling to December 2012.

Mt McLeay Joint Venture (Brimstone Resources Limited 51%, increasing to 70%)

Brimstone Resources Limited has earned a 51% interest in the Mt McLeay Joint Venture through the expenditure of $300,000. Brimstone has also elected to earn an additional 19% to attain 70% by spending an additional $500,000 by end of December 2013.

During the year, Brimstone conducted a Mobile Metal Ion soil sampling program comprising approximately 700 samples which was successful in identifying several new areas with anomalous gold results that are to be followed up with closer spaced soil sampling for better definition. Drilling of the best targets is planned.

Rubicon Tenure (100%)

Joint venture partners are being sought for Rubicon tenure. In August 2012, leases M25/344 and P27/1213 were sold to G & D Mine Services for $100,000 cash.

JEEDAMYA PROJECT

The Jeedamya project is located 50km of Leonora (Figure 3). The main Jeedamya prospect contains sulphide mineralisation consistent with a Volcanogenic Massive Sulphide origin (VMS). Drilling to date has intersected zones of intense silica-pyrrhotite-pyrite alteration with minor chalcopyrite, within a mafic volcanic-sedimentary chert package at the contact with either an intermediate volcanic or a porphyritic felsic unit.

The granting of E40/293 to the west and along strike of the known Jeedamya VMS prospect allowed access to a significant area of mapped chert and gossan which had been poorly tested by previous explorers.

In December 2011, a total of 85 rock chips were collected over the western extension of the VMS prospective stratigraphy into E40/293 (Figure 4). The rock chips were taken from gossanous outcrops along the known Jeedamya VMS trend and from quartz veins near the historic "Plum Pudding/ Mulga Plum" gold workings. The gossan samples had low gold and base metals values suggesting distal iron sulphide sources. The samples from the Plum Pudding area were consistent in terms of high gold grade, with quartz vein samples averaging 11g/t gold (with a 50.1g/t gold maximum) over a 300m by 200m area (Figure 4). The quartz veins generally strike north-north westerly and dip moderately to the east, and appear to be very late stage, post-dating the pervasive foliation.

The potential for a small, high grade vein system extending beyond the excised Special Prospecting Licence (SPL) (held by a third party) which covers the immediate area of the Mulga Plum workings was tested by a 748m RC drilling program. Holes were drilled to the north and south of the SPL boundaries, with two holes drilled to test some veins and workings to the west.

The drilling was successful in intersecting some gold bearing intervals, although most intervals were only 1m wide. The most promising intersection was a best grade of 1m @ 29.5 g/t gold in hole RDRC039 as part of a broader interval of 5m @ 7.4 g/t from 10-15m (Table 1). Follow up RC drilling is planned.

Significant drill intersections are as follows:

Hole ID	Easting	Northing	From	To	Width	Grade Au ppm
RDRC036	335185	6744854	5	6	1	4.88
RDRC039	335042	6744813	10	12	2	3.24
			13	14	1	29.5
RDRC041	335240	6744640	5	6	1	1.13
RDRC042	335280	6744640	64	65	1	3.33

Table 1 - Plum Pudding prospect RC drill results >1.0g/t gold

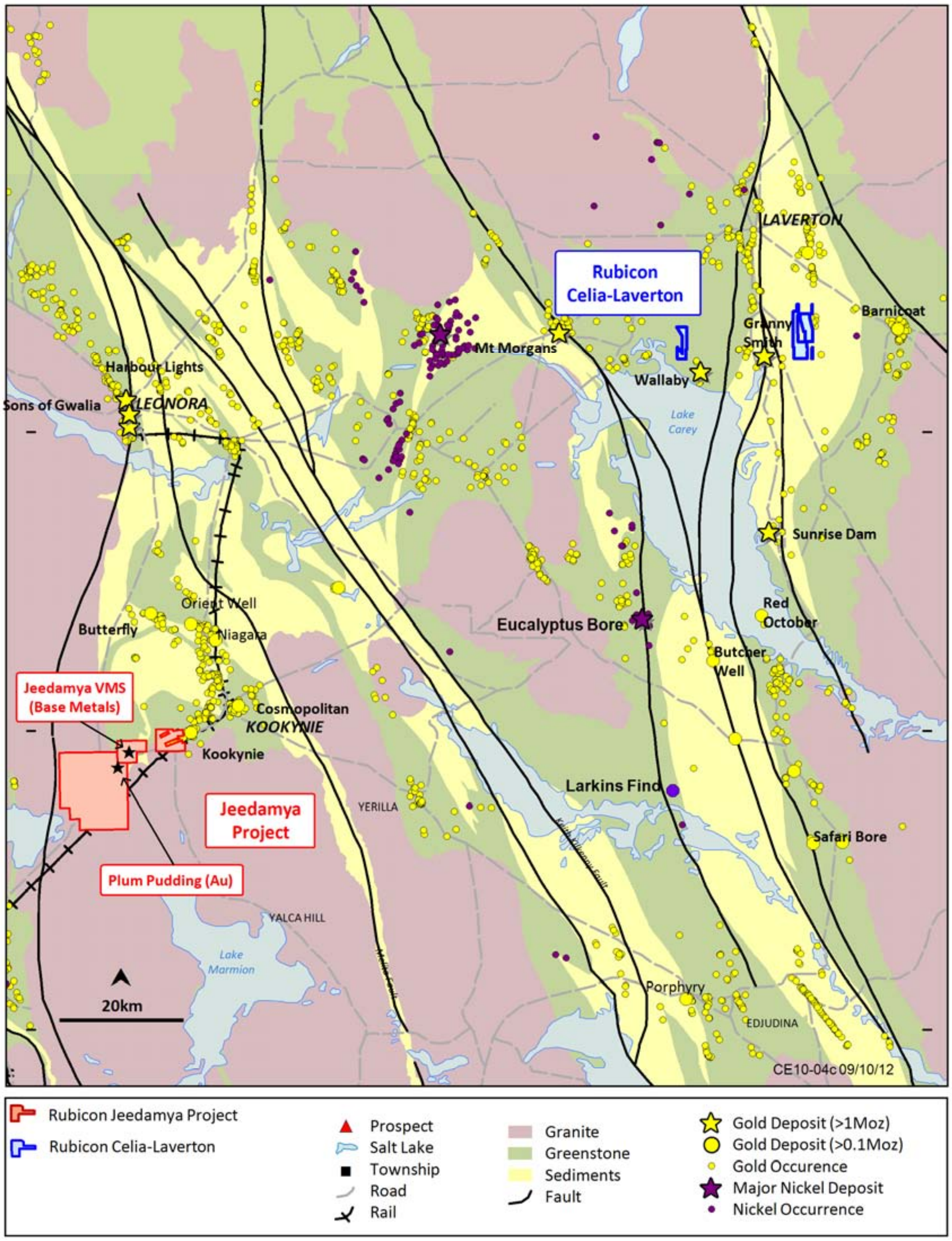

Figure 3 - Jeedamya and Celia project locations.

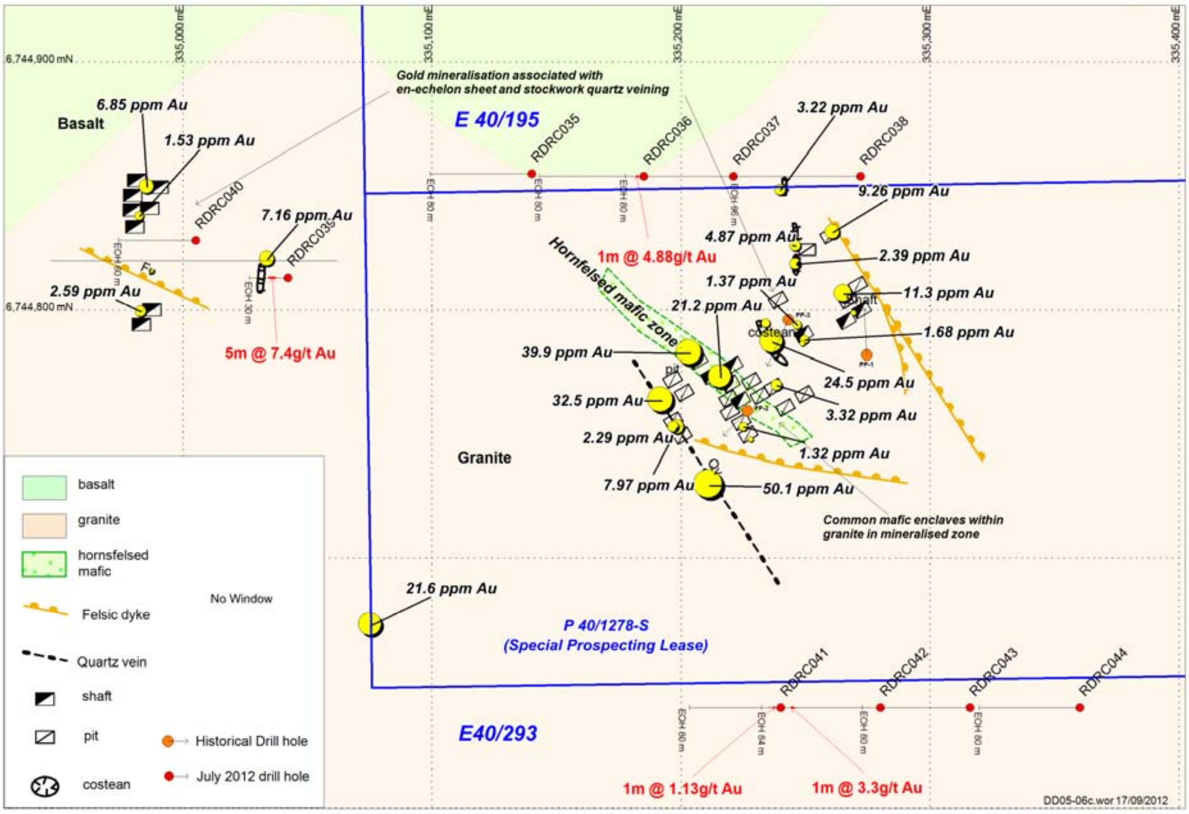

Figure 4 - Plum Pudding drilling and rock chip sampling, Jeedamya

WARBURTON PROJECT

The Warburton Project comprises approximately 500km^2 of exploration licences within the western Musgrave Province (Figure 5). The project has potential for magmatic nickel-copper (e.g. Babel/Nebo, Voisey's Bay) and felsic-related gold mineralisation (e.g. Handpump prospect). The area is subject to the Caesar Hill and Bentley Joint Ventures with Traka Resources Limited (Traka) and Kingsgate Consolidated Limited (Kingsgate) respectively.

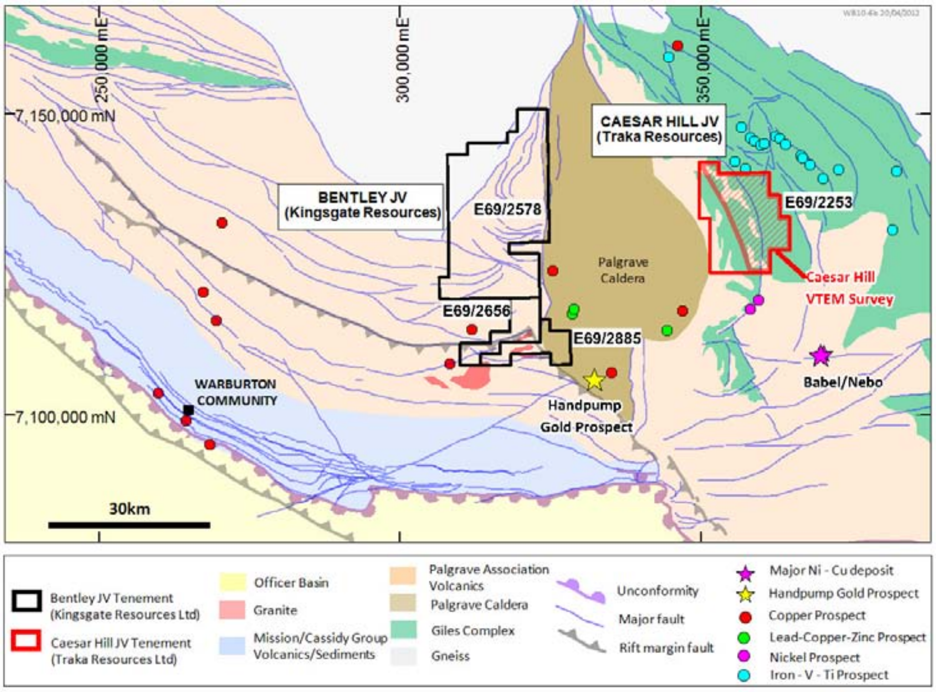

Figure 5 - Warburton Project Location, Tenements, Geology & Targets

Caesar Hill Joint Venture (Traka Resources Limited earning 70%)

Traka is an active explorer in the Musgrave block with a large tenement portfolio. The Caesar Hill tenement is semi-contiguous with Traka's Jameson prospect, where Traka is testing outcropping titaniferous magnetite rocks, containing titanium, vanadium and precious metals (gold, platinum and palladium) (Figure 6).

Under the terms of the agreement, Traka has the right to earn a 70% interest in the Caesar Hill tenement through expenditure of $800,000 over a five year period, commencing from, and contingent on, gaining access for exploration through a Land Access Agreement. Traka will spend a minimum of $150,000 (net of Land Access Agreement costs) within 12 months from the commencement date.

The Native Title access permits have now been issued to enable on-ground exploration. Initial work will include ground electromagnetic (EM) surveys at a higher power and a better resolution than the airborne Versatile Time Domain Electromagnetic (VTEM) survey conducted by Rubicon and then joint venture partner Vale in 2010. Geochemical and geological surveys will also be conducted on the 10 priority VTEM targets defined by the survey.

Bentley Joint Venture (Kingsgate Consolidated Limited earning 70%)

Kingsgate is progressing Native Title negotiations with the Ngaanyatjarra Council prior to the commencement of field work on this project. Kingsgate has the right to earn a 70% interest in the Bentley tenement through the expenditure of $750,000 over five years.

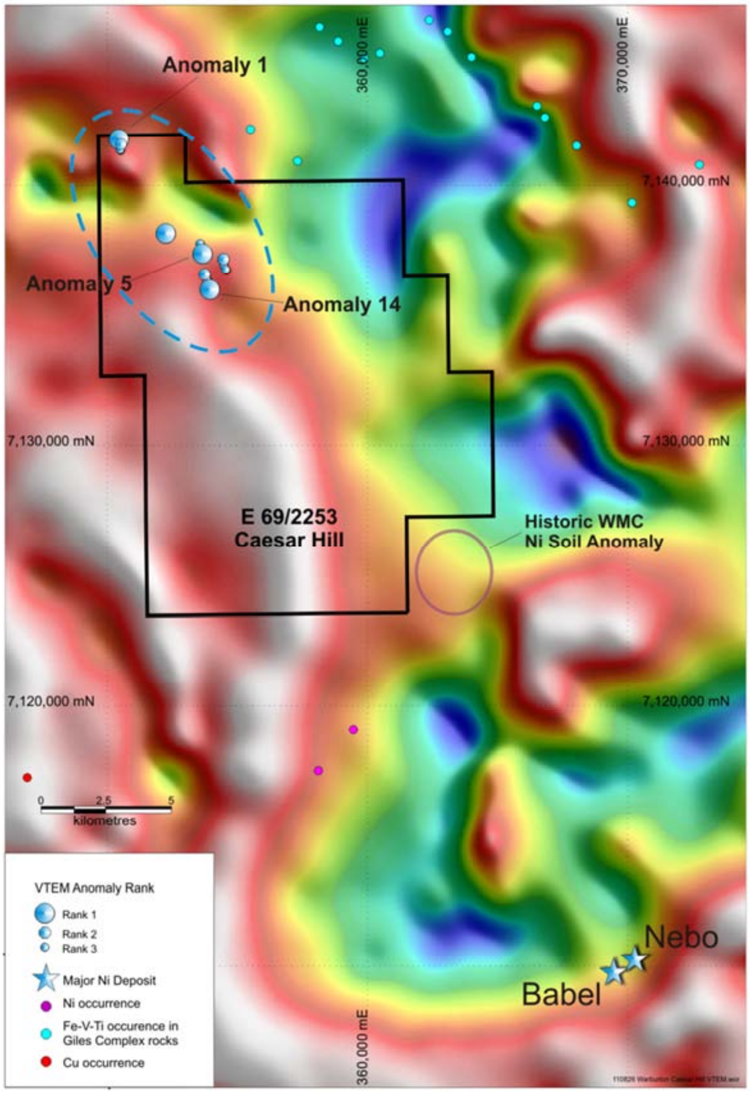

Figure 6 - Location of Caesar Hill VETM anomalies on gravity Tilt processed Image

CANOBIE PROJECT (Exco Resources Limited -12 month option to commence JV)

In March 2012, Rubicon entered into an option agreement with Exco Resources Limited (Exco) over the 245km² Canobie tenement EPM17767, located 60 kilometres north of Cloncurry in northwest Queensland (Figure 7). Exco has agreed to spend $100,000 exploring the Canobie Project within 12 months (the Option Period) and can then elect to exercise the option and commit to spending an additional $0.9 million over three years to earn 70% equity in the project.

The tenement is situated between Exco's Hazel Creek and Cloncurry Projects, which cover over 2,600km^2 of prospective Mt Isa Block Eastern Succession Proterozoic stratigraphy. Initial targets have been selected based on last year's airborne magnetic survey data and compensation agreements and heritage clearances are being prepared. It is anticipated the targets will be drilled during the next quarter.

The tenement is considered prospective for various styles of base metal mineralisation, including Ernest Henry style iron oxide-copper-gold (IOCG), and Broken Hill type silver-lead-zinc mineralisation.

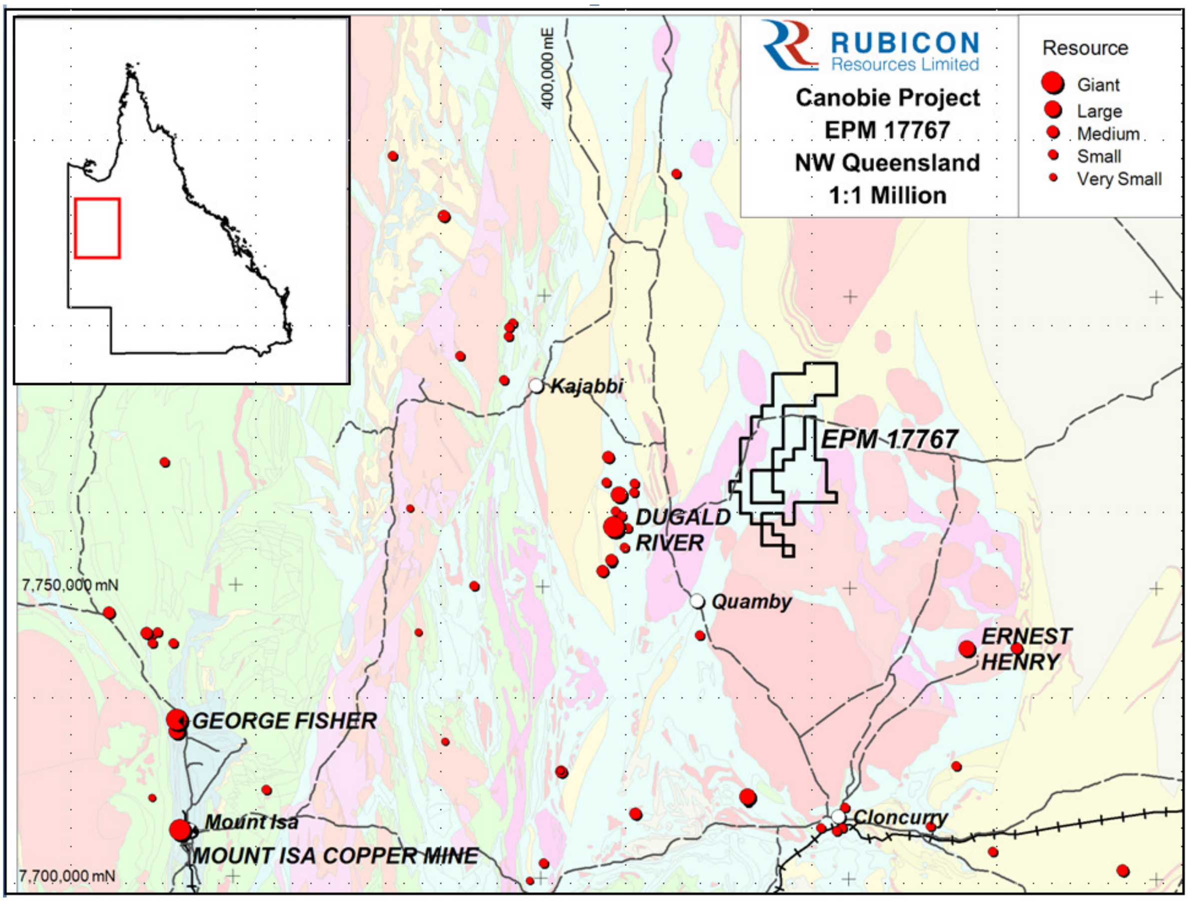

Figure 7 - Location of Canobie Tenement, Queensland

CELIA PROJECT

In late 2011 and early 2012, Rubicon announced the sale to Saracen Mineral Holdings Limited, Exterra Resources Limited, and Barrick (Granny Smith) Pty Limited the majority of tenements within the Celia Project that comprise areas of interest contiguous to the purchasers respective operations/tenements (Figure 8).

Rubicon acquired the Celia project and completed a significant first pass drilling program in 2010. In late 2010, the Board took the view that the strategy of grass roots exploration for gold in the Eastern Goldfields had run its course for the Company as the project now clearly required the large drill budget that is more suited to a larger company. Opportunities to joint venture the project were reviewed, however the outright sale of some of the tenements was deemed the best way to realise shareholder value.

Saracen purchased tenements that are located strategically to Saracen's Red October, Butcher Well, Tin Dog, Safari Bore and Porphyry projects and comprise 53 tenements covering an area of 1,147km^2. Saracen paid Rubicon $850,000 cash and a royalty of 1% of gross receipts on gold production in excess of 150,000oz.

CELIA PROJECT (Continued)

In addition, Exterra purchased E39/1539, comprising an area of 9km^2 which is adjacent to its Linden project for $50,000 cash. In April 2011, Barrick (Granny Smith) Pty Limited purchased E38/2221, which was adjacent to its Granny Smith operation for the same consideration.

Lynas Corporation has agreed to purchase E38/2224, covering 39km^2 which is adjacent to their Mt Weld project for $100,000 cash.

The remaining tenements in the Laverton region have been assessed as having minimal remnant exploration potential and will be divested as appropriate. A total of $1.05million cash has been realised through the sale of the Celia tenements over the past year.

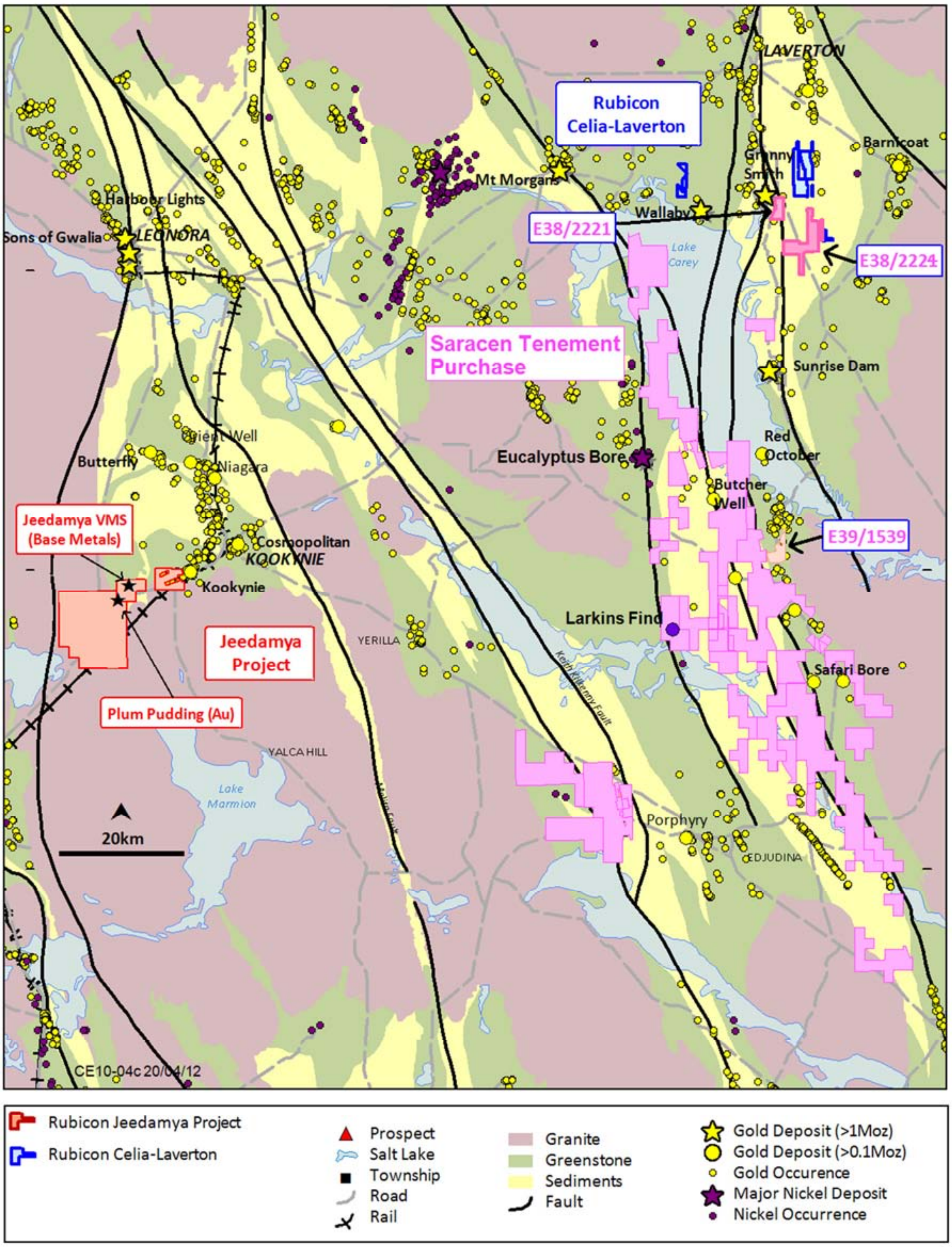

Figure 8 - Celia project tenements sold shown in pink

KAPUAS HULU PROJECT

In February 2012, Rubicon signed a term sheet with PT Hasil Kharisma Alam (HKA) to enter into a joint venture agreement on the Kapuas Hulu Gold project, located in West Kalimantan, Indonesia (Figure 9).

Rubicon can acquire an initial 51% of the issued capital of HKA by expending $1,500,000 on exploration on the project and the issue of 3 million shares to HKA and associated companies. Rubicon may then earn up to 85%, by a combination of further expenditure, share issues and the execution of a bankable feasibility study.

The main prospect at Pelaik-Tebuang-Empakan is a gold-mineralised zone situated within a wide area of clay-altered sediments. The gold is hosted in quartz-pyrite lenses in faults, fractures and shallowly dipping stratabound porous sandstone layers. The strongest mineralised areas appear to be around the intersections of east-west, north-northeast and northwest structures. The mineralized lenses appear to have been deposited in dilational fractures in the sediments above and adjacent to dioritic intrusions; and underlying, steeply dipping feeder structures that provide a conduit for mineralising fluids are a key exploration target.

Trenches completed previously over the main prospect area have returned some attractive results, including:

TR5	82.0m @ 1.04 g/t gold	(Up to 9.07 g/t gold)
TR6	47.0m @ 0.34 g/t gold	(Up to 2.49 g/t gold)
TR9	60.3m @ 0.55 g/t gold	(Up to 6.52 g/t gold)
TR21	19.3m @ 2.29 g/t gold	(Up to 5.36 g/t gold)
TR26	20.0m @ 0.45 g/t gold	(Up to 1.71 g/t gold)
C34	9.5m @ 13.97 g/t gold	(Up to 65.2 g/t gold)

Soil and rock chip sampling conducted over the main prospects by Rubicon has continued to expand the known gold mineralised trends defining clear high priority drill targets.

A forestry permit application to allow access to the Pelaik-Tebuang-Empakan area for drilling is being progressed.

The area of Rubicon sampling to date only covers approximately 4% of the IUP area (Figure 9). Future work will focus on definition of the best drill targets, as well as some reconnaissance exploration over the greater IUP area.

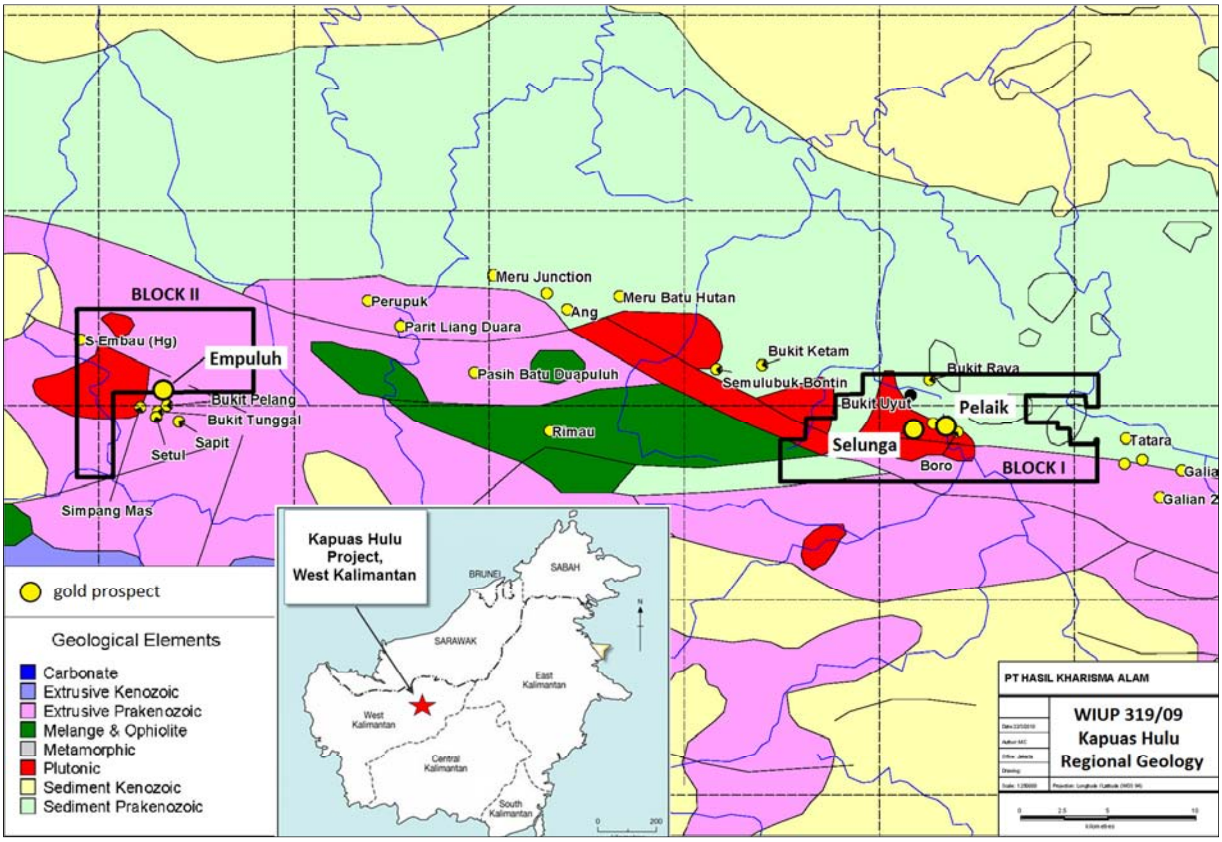

Figure 9 - Kapuas Hulu Project, West Kalimantan

OTHER PROJECTS

The Errolls project tenement is located immediately northwest of the Barrambie Vanadium deposit, approximately 80km north of Sandstone in Western Australia. The tenement contains the interpreted northern extension of the highly magnetic gabbro complex that hosts the Barrambie magnetite-vanadium resource under shallow cover and is considered prospective for vanadium, magnetite and platinum group metals (PGMs) (Figure 1).

The Wyloo Channel iron project was surrendered in 2011 following assessment of the results of a Rubicon gravity survey. The Paddy Well uranium project was also surrendered.

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Andrew Ford the Chief Operating Officer of Rubicon Resources Limited, who is a Member of the Australian Institute of Mining and Metallurgy. Mr Ford has sufficient experience that is relevant to the styles of mineralisation and the activity being reported to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, and consents to the release of information in the form and context in which it appears here.

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2012

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 *– B.Comm, 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 Pty Limited) and has specialised in the area of corporate advice with particular emphasis on capital structuring, equity and debt raising, corporate affairs and Securities 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 Pty Limited 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 Limited (1 July 2003 to present), Avita Medical Limited (5 March 2008 to present) and formerly Nimrodel Resources Limited (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 Limited (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 Limited. 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 Rubicon 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.Comm, 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 2,000km^2 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 100% owned 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 Limited (two) and Brimstone Resources Limited earning an interest in Rubicon tenure;
- The Warburton project in the Western Musgrave Province, where Rubicon has joint ventures with Kingsgate Consolidated Limited and Traka Resources Limited;
- The Jeedamya project where Rubicon is currently following up exploration results at the Plum Pudding prospect; and
- 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 a 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

	NOTES	THE COMPANY 2012 $	THE COMPANY 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 a 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

	2012 $	2011 $
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 1 July 2011	Purchases	Disposals	30 June 2012	Unlisted Options 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:

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 totalling $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;
- Compulsory termination by the employer of the employment of each employee; and
- During the year employer contributions (including salary sacrifice amounts) to superannuation plans totalled $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 $1.5 million. Integra manages the joint venture and is 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 have earned an initial 51% by spending $1.0 million over 3 years and may earn an additional 19% (at Rubicon's election) by spending an additional $1.0 million 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 Limited ("Brimstone") 51% increasing to 70%)

The Mt McLeay Project covers Rubicon tenements to the northwest of the North 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 Limited ("Kingsgate") earning 70%)

The Bentley Joint Venture comprises Rubicon tenements (E69/2578 and 2656) at the Warburton Project. Kingsgate can earn 70% by spending $0.81 million 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 Limited ("Traka") earning 70%)

The Caesar Hill Joint Venture comprises Rubicon tenement E69/2253 at the Warburton project. Traka can earn 70% by spending $0.80 million 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

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.

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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

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

This Statement summarises the main corporate governance practices in place during the Financial Year, which comply with the ASX Corporate Governance Council recommendations unless otherwise stated. A copy can be found on the Company website at www.rubiconresources.com.au

1. BOARD OF DIRECTORS

1.1 Role of Board and Management - ASX Principle 1

The Board of Rubicon Resources Limited is responsible for its corporate governance, that is, the system by which the Company is managed. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the Company. In addition the board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

To assist the Board to carry out its functions, it has developed a Code of Conduct to guide the Directors and key executives in the performance of their roles. The Code of Conduct is detailed in Section 3.1 of this Statement.

The Board represents shareholders' interests in developing and then continuing a successful mineral resources business, which seeks to optimise medium to long-term financial gains for shareholders. By not focusing on short-term gains for shareholders, the Board believes that this will ultimately result in the interests of all stakeholders being appropriately addressed when making business decisions.

The Board is responsible for ensuring that the Company is managed in such a way to best achieve this desired result. Given the size of the Company's exploration and development activities, the Board currently undertakes an active, not passive role.

The Board is responsible for evaluating and setting the strategic directions for the Company, establishing goals for management and monitoring the achievement of these goals. Following the resignation of the Managing Director in November 2011, the Chief Operating Officer Mr Andrew Ford is responsible to the Board for the day-to-day management of the Company with the support of the Executive Chairman.

The Board has sole responsibility for the following:

- Appointing and removing the Managing Director, the Chief Operating Officer and any other executive director and approving their remuneration;
- Appointing and removing the Company Secretary/Chief Financial Officer and approving their remuneration;
- Determining the strategic direction of the Company and measuring the performance of management against approved strategies;
- Reviewing the adequacy of resources for management to properly carry out approved strategies and business plans;
- Adopting operating and exploration expenditure budgets at the commencement of each financial year and monitoring the progress by both financial and non-financial key performance indicators;
- Monitoring the Company's medium term capital and cash flow requirements;
- Approving and monitoring financial and other reporting to regulatory bodies, shareholders and other organisations;
- Determining that satisfactory arrangements are in place for auditing the Company's financial affairs;
- Reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and compliance with legislative requirements; and
- Ensuring that policies and compliance systems consistent with the Company's objectives and best practice are in place and that the Company and its officers act legally, ethically and responsibly on all matters.

The Board's role and the Company's corporate governance practices are being continually reviewed and improved as the Company's business develops.

1. BOARD OF DIRECTORS (Continued)

The Board convenes regular meetings with such frequency as is sufficient to appropriately discharge its responsibilities.

The Board may from time to time, delegate some of its responsibilities listed above to its senior management team.

The Chief Operating Officer is responsible for running the affairs of the Company under delegated authority from the Board and implementing the policies and strategy set by the Board, with the support of the Executive Chairman. In carrying out his responsibilities the Chief Operating Officer must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's operational results and financial position.

The role of management is to support the Chief Operating Officer and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

During the year the Managing Director left the Company for personal reasons to live overseas, and the role of the Managing Director has been split between the Executive Chairman and the Chief Operating Officer. The former Managing Director's services have been retained as a Non-Executive Director.

1.2 Composition of the Board - ASX Principle 2

To add value to the Company, the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties. The names of the Directors and their qualifications and experience are disclosed in the Directors' Report. Directors are appointed based on the specific professional qualifications, corporate experience, resource industry knowledge and experience, public company management experience, technical and operational skills required by the Company at this time.

During the year the Company's board changed with the Managing Director Mr Peter Eaton departing his executive role and becoming a Non-Executive Director and Mr Ian Macpherson changing from a Non-Executive to an Executive Chairman. As a consequence, the board comprised one Executive (Executive Chairman) and two Non-Executive Directors. The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can off offer.

None of the board meets the independence criteria under the ASX Corporate Governance Council Recommendations 2.1, as all Directors are either executives, substantial shareholders or have been consultants to the Company within the last three years. The Board views shareholdings of Directors as important, although this is outside the ASX Recommendations criteria for independence, as it believes it more correctly aligns the Board with shareholder interests. In addition the Executive Chairman Ian Macpherson does not meet the ASX Corporate Governance Council Recommendation 2.2 as his is not an independent director.

At present the Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the expense of the appointment of additional independent Non-Executive Directors. The existing Directors provide the necessary diversity of qualifications, skill and experience and bring quality and independent judgement to all relevant issues.

If the Company's activities increase in size, nature and scope the size of the Board will be reviewed and the optimum number of directors required for the Board to properly perform its responsibilities and functions will be re-assessed.

The Board acknowledges that a greater proportion of independent Non-Executive Directors is desirable over the longer term and will be seeking to demonstrate that it is monitoring the Board's composition as required.

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include the quality of the individual's background, experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, intellectual ability to contribute to Board duties and physical ability to undertake Board duties and responsibilities.

Directors are initially appointed by the full Board subject to election by shareholders at the next Annual General Meeting. Under the Company's Constitution the tenure of Directors (other than Managing Director) is subject to re-appointment by shareholders not later than the third anniversary following their last appointment. Subject to the requirements of the *Corporations Act 2001*, the Board does not subscribe to the principle of retirement age and there is no maximum period of service as a Director. A managing director may be appointed for any period and on any terms the Directors think fit and, subject to the terms of any agreement entered into, the Board may revoke any appointment.

1. BOARD OF DIRECTORS (Continued)

1.3 Responsibilities of the Board - ASX Principle 1

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following:

1. Leadership of the Company - overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board, management and employees.
2. Strategy Formulation - working with senior management to set and review the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company.
3. Overseeing Planning Activities - overseeing the development of the Company's strategic plans (including exploration programmes and initiatives) and approving such plans as well as the annual budget.
4. Shareholder Liaison - ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company.
5. Monitoring, Compliance and Risk Management - overseeing the Company's risk management, compliance, control and accountability systems and monitoring and directing the operational and financial performance of the Company.
6. Company Finances - approving expenses in excess of those approved in the annual budget and approving and monitoring acquisitions, divestitures and financial and other reporting.
7. Human Resources - appointing, and, where appropriate, removing the Managing Director or Chief Operating Officer as well as reviewing the performance of the Managing Director or Chief Operating Officer and monitoring the performance of senior management in their implementation of the Company's strategy.
8. Ensuring the Health, Safety and Well-Being of Employees - in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to ensure the well-being of all employees.
9. Delegation of Authority - delegating appropriate powers to the Managing Director or Chief Operating Officer to ensure the effective day-to-day management of the Company and establishing and determining the powers and functions of the Committees of the Board.

1.4 Board Policies – ASX Principle 3

1.4.1 Conflicts of Interest

Directors must:

- disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company; and
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as per the *Corporations Act 2001*, absent himself from the room when discussion and/or voting occurs on matters about which the conflict relates.

1.4.2 Commitments

Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

1.4.3 Confidentiality

In accordance with legal requirements and agreed ethical standards, Directors and key executives of the Company have agreed to keep confidential, information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

1. BOARD OF DIRECTORS (Continued)

1.4.4 Independent Professional Advice

The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, to assist them to carry out their responsibilities.

1.4.5 Related Party Transactions

Related party transactions include any financial transaction between a Director and the Company. Unless there is an exemption under the *Corporations Act 2001* from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction.

1.4.6 Trading in the Company Shares

The Company's share trading policy imposes basic trading restrictions on all employees of the Company with 'inside information', and additional trading restrictions on the Directors of the Company.

'Inside information' is information that:

- is not generally available; and
- if it were generally available, it would, or would be likely to influence investors in deciding whether to buy or sell the Company's securities.

If an employee possesses inside information, the person must not:

- trade in the Company's securities;
- advise others or procure others to trade in the Company's securities; or
- pass on the inside information to others – including colleagues, family or friends – knowing (or where the employee or Director should have reasonably known) that the other persons will use that information to trade in, or procure someone else to trade in, the Company's securities.

This prohibition applies regardless of how the employee or Director learns the information (e.g. even if the employee or Director overhears it or is told in a social setting).

In addition to the above, Directors must notify the Company Secretary as soon as practicable, but not later than 2 business days, after they have bought or sold the Company's securities or exercised options. In accordance with the provisions of the *Corporations Act 2001* and the *ASX Listing Rules*, the Company on behalf of the Directors must advise the ASX of any transactions conducted by them in the securities of the Company.

Breaches of this policy will be subject to disciplinary action, which may include termination of employment.

1.4.7 Attestations by Executive Chairman and Company Secretary

In accordance with the Board's policy, the Executive Chairman or the Managing Director and the Company Secretary/Chief Financial Officer made the attestations recommended by the ASX Corporate Governance Council as to the Company's financial condition prior to the Board signing this Annual Report.

2. BOARD COMMITTEES

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate or special committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

The Board has however established a framework for the management of the Company including a system of internal controls, a business risk management process and the establishment of appropriate ethical standards.

The full Board currently holds meetings at such times as may be necessary to address any general or specific matters as required.

If the Company's activities increase in size, scope and nature, the appointment of separate or special committee's will be reviewed by the Board and implemented if appropriate.

2. BOARD COMMITTEES (Continued)

2.1 Audit Committee - ASX Principle 4

The Company does not have an audit committee. While this is a departure from ASX Corporate Governance Council Recommendations 4.1 and 4.2, it provides a more efficient mechanism based on the size of the Board and the complexity of the Company.

In the absence of an audit committee, the Board sets aside time at two Board meetings during the year to meet with the auditors and to deal with the issues and responsibilities usually delegated to the audit committee so as to ensure the integrity of the financial statements of the Company and the independence of the external auditor.

The Board in its entirety reviews the audited annual financial statements and the audit reviewed half-yearly financial statements and any reports which accompany published financial statements.

The Board in its entirety considers the appointment of the external auditor and reviews the appointment of the external auditor, their independence, the audit fee and any questions of resignation or dismissal.

The Board is also responsible for establishing policies on risk oversight and management.

2.2 Remuneration Committee - ASX Principle 8

The Company does not have a remuneration committee. While this is a departure from ASX Corporate Governance Council Recommendation 8.1, it provides a more efficient mechanism based on the size and complexity of the Company.

The responsibilities of the Board in its entirety include setting policies for senior officers' remuneration, setting the terms and conditions of employment for the Managing Director and Chief Operating Officer, reviewing the Rubicon Resources Limited Employee Share Option Plan, reviewing superannuation arrangements, reviewing the remuneration of Non-Executive Directors and undertaking an annual review of the Managing Director's and Chief Operating Officer's performance, including, setting with the Managing Director or Chief Operating Officer goals for the coming year and reviewing progress in achieving those goals.

The Company is committed to remunerating its executives in a manner that is market competitive and consistent with best practice as well as supporting the interests of shareholders.

There is no scheme to provide retirement benefits, other than statutory superannuation, to Non-Executive Directors.

For a full discussion of the Company's remuneration philosophy and framework and the remuneration received by Directors in the current period please refer to the Remuneration Report, which is contained within the Directors' Report.

2.3 Nomination Committee - ASX Principle 2

The Company does not have a nomination committee. While this is a departure from ASX Corporate Governance Council Recommendation 2.4, it provides a more efficient mechanism based on the size and complexity of the Company.

The responsibilities of the Board in its entirety include devising criteria for Board membership, regularly reviewing the need for various skills and experience on the Board and identifying specific individuals for nomination as Directors for review by the Board. The Board also oversees management succession plans including the Managing Director or Chief Operating Officer and his direct reports, and evaluates the Board's performance and makes recommendations for the appointment and removal of Directors.

Directors are appointed based on the specific governance skills required by the Company. Given the size of the Company and the business that it operates, the Company aims at all times to have at least one Director with experience in the mining and exploration industry, appropriate to the Company's market. In addition, Directors should have the relevant blend of personal experience in:

- accounting and financial management;
- legal skills; and
- Managing Director or Chief Operating Officer – appropriate business experience.

3. ETHICAL STANDARDS

The Board acknowledges the need for continued maintenance of the highest standard of corporate governance practice and ethical conduct by all Directors and employees of the Company.

3.1 Code of Conduct for Directors and Key Executives - ASX Principle 3

The Board has adopted a Code of Conduct for Directors and key executives to promote ethical and responsible decision-making. The code is based on a code of conduct for Directors prepared by the Australian Institute of Company Directors.

In accordance with legal requirements and agreed ethical standards, Directors and key executives of the Company:

- will act honestly, in good faith and in the best interests of the whole Company;
- owe a fiduciary duty to the Company as a whole;
- have a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office;
- will undertake diligent analysis of all proposals placed before the Board;
- will act with a level of skill expected from directors and key executives of a publicly listed company;
- will use the powers of office for a proper purpose, in the best interests of the Company as a whole;
- will demonstrate commercial reasonableness in decision making;
- will not make improper use of information acquired as Directors and key executives;
- will not disclose non-public information except where disclosure is authorised or legally mandated;
- will keep confidential, information received in the course of the exercise of their duties and such information remains the property of the Company from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the person from whom the information is provided, or is required by law;
- will not take improper advantage of the position of Director or use the position for personal gain or to compete with the Company;
- will not take advantage of Company property or use such property for personal gain or to compete with the Company;
- will protect and ensure the efficient use of the Company's assets for legitimate business purposes;
- will not allow personal interests, or the interests of any associated person, to conflict with the interests of the Company;
- have an obligation to be independent in judgment and actions, and Directors will take all reasonable steps to be satisfied as to the soundness of all decisions of the Board;
- will make reasonable enquiries to ensure that the Company is operating efficiently, effectively and legally towards achieving its goals;
- will not engage in conduct likely to bring discredit upon the Company;
- will encourage fair dealing by all employees with the Company's suppliers, competitors and other employees;
- will encourage the reporting of unlawful/unethical behaviour and actively promote ethical behaviour and protection for those who report violations in good faith;
- will give their specific expertise generously to the Company; and
- have an obligation, at all times, to comply with the spirit, as well as the letter of the law and with the principles of this Code.

3.2 Code of Ethics and Conduct - ASX Principle 3

The Company has implemented a Code of Ethics and Conduct, which provides guidelines aimed at maintaining high ethical standards, corporate behavior and accountability within the Company.

All Directors and employees are expected to:

- respect the law and act in accordance with it;
- respect confidentiality and not misuse Company information, assets or facilities;
- value and maintain professionalism;
- avoid real or perceived conflicts of interest;
- act in the best interests of shareholders;
- by their actions contribute to the Company's reputation as a good corporate citizen which seeks the respect of the community and environment in which it operates;
- perform their duties in ways that minimise environmental impacts and maximise workplace safety;
- exercise fairness, courtesy, respect, consideration and sensitivity in all dealings within their workplace and with customers, suppliers and the public generally; and
- act with honesty, integrity, decency and responsibility at all times.

3. ETHICAL STANDARDS (Continued)

3.2 Code of Ethics and Conduct - ASX Principle 3 (Continued)

An employee that breaches the Code of Ethics and Conduct may face disciplinary action. If an employee suspects that a breach of the Code of Ethics and Conduct has occurred or will occur, he or she must advise that breach to management. No employee will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach. All reports will be acted upon and kept confidential.

As part of its commitment to recognising the legitimate interests of stakeholders, the Company has established the Code of Ethics and Conduct to guide compliance with legal and other obligations to legitimate stakeholders. These stakeholders include employees, government authorities, creditors and the community as whole. This Code includes the following:

Responsibilities to Shareholders and the Financial Community Generally

The Company complies with the spirit as well as the letter of all laws and regulations that govern shareholders' rights. The Company has processes in place designed to ensure the truthful and factual presentation of the Company's financial position and prepares and maintains its accounts fairly and accurately in accordance with the generally accepted accounting and financial reporting standards.

Employment Practices

The Company endeavours to provide a safe workplace in which there is equal opportunity for all employees at all levels of the Company. The Company does not tolerate the offering or acceptance of bribes or the misuse of the Company's assets or resources.

Responsibilities to the Community

As part of the community the Company:

- is committed to conducting its business in accordance with applicable environmental laws and regulations and encourages all employees to have regard for the environment when carrying out their jobs;
- encourages all employees to engage in activities beneficial to their local community; and
- supports community charities.

The Company supports the Indigenous Community:

- is committed to conducting its business in accordance with applicable heritage laws and regulations and encourages all employees to have regard for the specific rights of indigenous communities when carrying out their jobs; and
- encourages all employees to engage in activities beneficial to the indigenous community.

Responsibility to the Individual

The Company is committed to keeping private information, which has been provided by employees and investors confidential and protecting it from uses other than those for which it was provided.

Conflicts of Interest

Employees and Directors must avoid conflicts as well as the appearance of conflicts between their personal interests and the interests of the Company.

How the Company Monitors and Ensures Compliance with its Code

The Board, management and all employees of the Company are committed to implementing this Code of Ethics and Conduct and each individual is accountable for such compliance.

Disciplinary measures may be imposed for violating the Code.

4. DISCLOSURE OF INFORMATION

4.1 Continuous Disclosure to ASX - ASX Principle 5

The continuous disclosure policy requires all Executives and Directors to inform the Executive Chairman and the Chief Operating Officer or in their absence the Company Secretary of any potentially material information as soon as practicable after they become aware of that information.

Information is material if it is likely that the information would influence investors who commonly acquire securities on ASX in deciding whether to buy, sell or hold the Company's securities.

Information is not material and need not be disclosed if:

(a) A reasonable person would not expect the information to be disclosed or it is material but due to a specific valid commercial reason is not to be disclosed; and
(b) The information is confidential; or
(c) One of the following applies:

i. It would breach a law or regulation to disclose the information;
ii. The information concerns an incomplete proposal or negotiation;
iii. The information comprises matters of supposition or is insufficiently definite to warrant disclosure;
iv. The information is generated for internal management purposes;
v. The information is a trade secret;
vi. It would breach a material term of an agreement, to which the Company is a party, to disclose the information;
vii. It would harm the Company's potential application or possible patent application; or
viii. The information is scientific data that release of which may benefit the Company's potential competitors.

The Executive Chairman is responsible for interpreting and monitoring the Company's disclosure policy and where necessary informing the Board. The Company Secretary is responsible for all communications with ASX.

4.2 Communication with Shareholders - ASX Principle 6

The Company places considerable importance on effective communications with shareholders.

The Company's communication strategy requires communication with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions on the operations and results of the Company. The strategy provides for the use of systems that ensure a regular and timely release of information about the Company to be provided to shareholders. Mechanisms employed include:

- Announcements lodged with ASX;
- ASX Quarterly Reports;
- Half Yearly Report and Annual Report; and
- Presentations at the Annual General Meeting/General Meetings.

The Board encourages the full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and understanding of the Company's strategy and goals.

The Company also posts all reports, ASX and media releases and copies of significant business presentations on the Company's website.

4.3 Diversity Policy - *ASX Principle 3*

The Company has implemented a Diversity Policy which is committed to an inclusive workplace that embraces and promotes diversity. Diversity may result from a range of factors including gender, age ethnicity and cultural backgrounds.

All Directors and employees are expected to:

- Ensure diversity is incorporated into behaviours and practises of the Company;
- Facilitate equal employment opportunities based on job requirements;
- Value and maintain professionalism;
- Create an inclusive workplace culture.

4. DISCLOSURE OF INFORMATION (Continued)

4.3 Diversity Policy - *ASX Principle 3 (Continued)*

The Board has not established measurable objectives for achieving gender diversity at this stage of the Company's development due to the size and nature of the Company's activities. The Policy focusses on identifying and removing any barriers to diversity to create a workplace culture of inclusion and equal opportunities. The proportion of women employees in the whole organisation is 25%, women in senior executive positions 0% and women on the board 0%.

5. RISK MANAGEMENT

5.1 Identification of Risk - ASX Principle 7

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 within the Company with the Chief Operating Officer supported by the Executive Chairman and Company Secretary having ultimate responsibility to the Board for the risk management and control framework.

Areas of strategic, operational, legal, business and financial risks are identified, assessed and monitored to assist the Company to achieve its business objectives, and are highlighted in the Business Plan presented to the Board by the Managing Director or Chief Operating Officer each year. The main operational risks have been identified as retaining quality staff, commodity prices and exchange rate fluctuations and the generally increasing cost of operations in the mining industry, Native Title issues and access to capital.

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.

5.2 Integrity of Financial Reporting - ASX Principle 7

The Company's Executive Chairman and Company Secretary report in writing to the Board that:

- the financial statements of the Company for each half and full year present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with accounting standards;
- the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- the Company's risk management and internal compliance and control framework is operating efficiently and effectively in all material respects.

5.3 Audit and Role of Auditor - ASX Principle 6

The Company's internal preparation of the Half Yearly audit review and the Financial Year audit includes preparing the Financial Statements and accompanying explanatory notes, conducting a series of routine reviews and financial tests and reviewing the carrying value of all assets. The Company auditor is required to attend the Annual General Meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

Rubicon provides updates on the changes in its circumstances as and when they occur by continuous disclosure in compliance with the ASX Listing Rules, press releases, investor presentations and making all announcements and corporate information available on the Company's web site.

6. PERFORMANCE REVIEW - ASX Principle 8

The Board has adopted a self-evaluation process to measure its own performance during each financial year. This process includes a review in relation to the composition and skills mix of the Directors of the Company.

Arrangements put in place by the Board to monitor the performance of the Company's executives include:

- a review by the Board of the Company's financial performance; and
- Annual performance appraisal meetings incorporating analysis of key performance indicators with each individual to ensure that the level of reward is aligned with respective responsibilities and individual contributions made to the success of the Company.

SUB-PROJECT	TENEMENT ID	NATURE OF INTEREST	DATE GRANTED
Yindarlgooda Project			
Yindarlgooda	E25/00355	1	10-Nov-2009
Taurus	E25/00392	1	29-Dec-2009
Mt Monger	E25/00422	1	24-May-2010
Yindarlgooda	E25/00456	1	8-Jun-2011
Yindarlgooda	E27/00425	1	8-Sep-2010
Yindarlgooda	E27/00430	1	25-Jan-2011
Yindarlgooda	E27/00431	1	Pending
Yindarlgooda	E27/00443	1	04-Jul-11
Yindarlgooda	E27/00449	1	Pending
Yindarlgooda	E27/00454	1	Pending
Yindarlgooda	E27/00456	1	Pending
Yindarlgooda	P25/01992	1	28-Jan-2009
Yindarlgooda	P27/01949	1	22-Sep-2008
Peter Dam JV	E26/00153	2	6-May-2011
Peter Dam JV	E26/00154	2	6-May-2011
Peter Dam JV	E15/00869	2	21-Dec-2005
Peter Dam JV	E25/00307	2	21-Jun-2005
Peter Dam JV	E25/00376	2	30-Jan-2009
Peter Dam JV	E25/00390	2	10-Nov-2009
Peter Dam JV	E25/00391	2	10-Nov-2009
Peter Dam JV	E25/00433	2	22-Nov-2010
Peter Dam JV	E25/00434	2	22-Nov-2010
Peter Dam JV	E25/00475	2	Pending
Peter Dam JV	P25/02185	2	04-Jul-2011
Peter Dam JV	P25/02186	2	04-Jul-2011
Peter Dam JV	P25/02187	2	04-Jul-2011
Peter Dam JV	P25/02188	2	04-Jul-2011
Peter Dam JV	P26/03813	2	15-Jun-2011
Peter Dam JV	P26/03814	2	15-Jun-2011
Peter Dam JV	P26/03815	2	15-Jun-2011
Peter Dam JV	P26/03816	2	15-Jun-2011
Peter Dam JV	P26/03817	2	15-Jun-2011
Peter Dam JV	P26/03818	2	15-Jun-2011
Peter Dam JV	P26/03819	2	15-Jun-2011
Peter Dam JV	P26/03820	2	15-Jun-2011
Peter Dam JV	P26/03821	2	15-Jun-2011

SUB-PROJECT	TENEMENT ID	NATURE OF INTEREST	DATE GRANTED
Yindarlgooda Project (Continued)			
Peter Dam JV	P26/03822	2	15-Jun-2011
Peter Dam JV	P26/03823	2	15-Jun-2011
Peter Dam JV	P26/03824	2	15-Jun-2011
Peter Dam JV	E25/00319	2	21-Feb-2006
Peter Dam JV	E25/00379	2	22-Dec-2009
Mt McLeay JV	P27/01711	2	28-May-2008
Mt McLeay JV	P27/01748	2	28-May-2008
Mt McLeay JV	P27/01749	2	28-May-2008
Mt McLeay JV	P2701990	2	11-Dec-2009
Mt McLeay JV	P27/01954	2	19-Feb-2009
Mt McLeay JV	P27/01979	2	29-Oct-2009
Mt McLeay JV	P27/02006	2	29-Jun-2010
Queen Lapage JV	E25/00455	2	25-Mar-2011
Queen Lapage JV	E27/00426	2	8-Sep-2010
Queen Lapage JV	E25/00273	2	23-Mar-2006
Queen Lapage JV	E25/00326	2	1-Nov-2006
Queen Lapage JV	E27/00291	2	28-Apr-2006
Celia Project			
Laverton Tectonic	E38/02304	1	26-Mar-2010
Laverton Tectonic	E38/02491	1	19-Dec-2011
Jeedamya Project			
Kookynie	E40/00195	1	20-Apr-2006
Kookynie	E40/00293	1	4-May-2011
Warburton Project			
Caesar Hill JV	E69/02253	2b	19-Jul-07
Bentley JV	E69/02578	2b	Pending
Bentley JV	E69/02656	2b	3-Nov-2010
Bentley JV	E69/02885	2b	13-Jun-2012
Bentley JV	E69/02886	2a	Pending
Canobie Project			
Canobie JV	EPM177767	2b	Pending
Errolls Project			
Errolls Project	E57/00837	1	31-Aug-2011
Wallareenya Project			
Wallareenya	E45/03809	2a	Pending
Wallareenya	E45/03833	1	2-Mar-2012

Tenement schedule current as of 30th September 2012

1. Tenements 100% owned by Rubicon Resources Limited
2. Tenements 49% owned by Rubicon Resources Limited, subject to joint venture

2a. Tenements 100% owned by Rubicon Resources Limited, subject to joint venture - contested application
2b Tenements 100% owned by Rubicon Resources Limited, subject to joint venture

Pursuant to the Listing Requirements of the Australian Stock Exchange Limited, the shareholder information set out below was applicable as at 18th October 2012.

A. Distribution of Equity Securities

Analysis of numbers of shareholders by size of holding:

Distribution	*Number of Shareholders*	*Number of Shares*
1 – 1,000	105	21,095
1,001 – 5,000	77	183,952
5,001 – 10,000	55	432,255
10,001 – 100,000	466	22,517,049
More than 100,000	226	122,150,147
Totals	**929**	**145,304,498**

There were 322 holders of less than a marketable parcel of ordinary shares.

B. Substantial Shareholders

An extract of the Company's Register of Substantial Shareholders (who holds 5% or more of the issued capital) is set out below.

Shareholder Name	Issued Ordinary Shares	
	Number of Shares	*Percentage of Shares*
I Macpherson & Associates	13,796,871	9.49%
IJ Buchhorn and related entities	8,859,777	6.10%

C. Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are listed below:

Shareholder Name	Listed Ordinary Shares	
	Number	*Percentage Quoted*
FATS PL (MACIB Super A/C)	7,500,000	5.16%
FATS PL (MACIB FAM A/C)	6,296,871	4.33%
Kurana Pty Ltd (Buchhorn Unit Fund)	5,062,537	3.48%
CVRD Australia EA Pty Ltd	4,000,000	2.75%
VALE Aust EA PL	2,423,995	1.67%
Barker, Bruce G & WA (Barker Retmnt Fund)	2,405,753	1.66%
PIAT Corp PL	2,250,000	1.55%
Masen Properties Pty Ltd	2,010,000	1.38%
Prince, Raymond John (RJ Prince Retire)	2,000,000	1.38%
Hazurn PL (Buchhorn S/F A/C)	1,855,906	1.28%
Sinclair, MG & AC (M&A Sinclair S/F)	1,521,240	1.05%
Kavalex PL	1,500,000	1.03%
Citicorp Nom PL	1,476,136	1.02%
Eaton, Peter Charles & Teresa (Eaton S/F A/C)	1,475,000	1.02%
Dupuy, Oliver R & JE (Enerjee S/F A/C)	1,475,000	1.02%
Hopetoun Nom PL	1,438,485	0.99%
Clark, John CH & RK	1,405,054	0.97%
Kumar, Asok & Renu (Asok Kumar Fam S/F)	1,385,620	0.95%
PASO Holdings PL	1,148,626	0.79%
HSBC Custody Nom Aust Ltd	1,133,579	0.78%
	49,763,802	**34.26%**

D. Unquoted Options

Options	Number of Options
Unlisted options exercisable at 14 cents each by 13 January 2014	2,200,000
Unlisted options exercisable at 10 cents each by 31 October 2014	6,000,000
Unlisted options exercisable at 15 cents each by 31 October 2014	1,500,000
Unlisted options exercisable at 20 cents each by 31 October 2014	1,000,000
	10,700,000

E. Voting Rights

In accordance with the Company's Constitution, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

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