

Quarterly Report

For the period ending 30th September 2014

Summary

RUBICON RESOURCES LIMITED

(ABN 38 115 857 988)

ASX: RBR

Directors:

Ian Macpherson – Executive Chairman
Ian Buchhorn – Non-Executive
Peter Eaton – Non-Executive

Management:

Andrew Ford – Chief Operating Officer
Sam Middlemas – Company Secretary

Capital Structure:

Issued Shares: 208.3m
Issued Options: 19.5m
Market cap as at 30th September 2014:
\$2.1m

Cash at 30th September 2014:

A\$0.21m

Website:

www.rubiconresources.com.au

For further information, please contact:

Ian Macpherson
Executive Chairman

Andrew Ford
Chief Operating Officer

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- Rubicon to purchase an initial 60% of private Mozambique company PacMoz Group (“PacMoz”) with 2 year call option over the 40% balance
- PacMoz to provide access to quality Mozambique resource assets coupled with participation in the development of a cash flow generating project services and logistics business.
- PacMoz is in advanced discussions with a global business services company specialising in deployment of professionals in the field of Engineering, IT, Legal, Finance and all disciplines in the Oil & Gas and mining industry.
- Placement of shares with sophisticated investors raised \$135,000.

1.0 CORPORATE

Rubicon (“The Company”) announced on 2nd September 2014 that it will focus its offshore exploration and acquisition efforts on the rapidly growing resource sector in Mozambique, southeastern Africa, through the establishment of a strategic relationship with PacMoz LDA, a privately owned Mozambique company.

The Company announced on 24th September 2014 that it had entered into a conditional agreement for the acquisition of 60% of the issued capital of PacMoz. The Company also announced that it had entered an agreement giving it a call option over the remaining 40% of PacMoz.

The acquisition of PacMoz provides Rubicon immediate in-country expertise to access resource opportunities coupled with the participation in the development of a cash flow generating project services and logistics business.

Rubicon retains its non-funding joint venture interests in the Peters Dam, Queen Lapage and Mt McLeay JV’s at the Yindarlgooda project located east of Kalgoorlie in Western Australia, which are prospective for gold and base metals, and the Canobie JV in the Mt Isa District of Queensland, which is prospective for copper.

2.0 MOZAMBIQUE

PacMoz is a Mozambique entity that provides professional resources services principally to mining and energy entities with operations in Mozambique. These services include managing tenement titles, licensing and permitting, human resources/labour services and associated financial management and administrative services.

Through the provision of these services, and the extensive in-country experience and connections of the Vendor and principal of PacMoz, PacMoz has developed a significant database ("Mozambique IP") of all mining and exploration projects within Mozambique. The database developed by PacMoz is considered by the Company to have the capacity to provide the Company with access to prospective mining exploration projects in Mozambique and to be able to overcome some of the significant hurdles that Mozambique's limited infrastructure has placed in front of other resource development projects.

PacMoz is also in advanced discussions with a global business services company specialising in deployment of professionals in the field of Engineering, IT, Legal, Finance and all disciplines in the Oil & Gas and mining industry. The identity of this company cannot be disclosed at this time due to confidentiality restrictions, but will be disclosed if and when a binding agreement is executed. The Company understands that it is currently proposed that PacMoz will not be required to provide any funding to the Joint Venture and that PacMoz's contribution to the Joint Venture will be the provision of licensing and permits and in-country advice and connections. It is considered that the Joint Venture has the potential to deliver cash-flow to PacMoz, which will assist The Company to fund its existing and future exploration projects. At this stage it is not possible to forecast the potential future earnings of this business. Execution of a binding agreement for the establishment of the Joint Venture is a condition precedent to Rubicon's investment in PacMoz.

Whilst PacMoz is optimistic with regard to the potential increased revenues that may flow from the Joint Venture the company is currently generating positive and growing cash flow from its existing business, sufficient to cover its working capital requirements.

TRANSACTION STRUCTURE

Rubicon will acquire 60% of the issued capital of PacMoz through the purchase of 100% of the shares in PacMoz held by Mr Athol Emerton (Vendor). The Vendor is not a related party of Rubicon.

As consideration for the acquisition, Rubicon will pay the Vendor \$50,000 cash and will issue 30 million ordinary shares and 60 million performance shares to the Vendor subject to Shareholders' approval. The performance shares will vest in accordance with the milestones detailed below. The issuance of the proposed performance shares ensure the consideration is linked to the achievement of measurable value adding events.

Milestone	Number of performance shares	Vesting Condition	Milestone Date	Expiry Date
1	30 million	The earlier to occur of: announcement of a 250,000 gold ounce JORC compliant resource or equivalent mineral on a resource asset owned by PacMoz as at the date of the issue of the Performance Shares; or acquired by the Company in connection with the Companies analysis of the Mozambique IP made available to the Company as at the date of issue of the Performance Shares; or combined turnover/gross income of the PacMoz Group in a 12 month period or fiscal period of at least \$1,250,000.	24 months from the date of issue*	36 months from the date of issue
2	30 million	The earlier to occur of: announcement of a 500,000 gold ounce JORC compliant resource or equivalent mineral on a resource asset owned by PacMoz as at the date of the issue of the Performance Shares; or acquired by the Company in connection with the Companies analysis of the Mozambique IP made available to the Company as at the date of issue of the Performance Shares; or combined turnover/gross income of the PacMoz Group in a 12 month period or fiscal period of at least \$2,000,000.	36 months from the date of issue*	48 months from the date of issue

* Rubicon will have the discretion to extend a Milestone Date where it considers that unforeseen circumstances or events have caused a delay in achieving the Milestone by the relevant Milestone Date. The Milestone Date will not be extended beyond the relevant Expiry Date.

Rubicon is planning to seek the shareholder approvals required to give effect to the transaction at the Company's 2014 Annual General Meeting.

PERSONNEL CHANGES

The Mozambique strategy will be built on the management expertise of former BHP Billiton site operations general manager Mr Richard Carcenac who will join Rubicon as General Manager - Operations. Richard will assume the role of Chief Executive Officer of PacMoz and as operations progress it is anticipated Mr Carcenac will move to an executive role on the board of Rubicon.

Mr Athol Emerton, the controlling shareholder of PacMoz, has been working in Southern Africa and more specifically Mozambique for over 20 years and in that time has built up successful businesses in transport, bulk handling, logistics consulting, project services and support for new international companies entering Mozambique. Mr Emerton will become a substantial shareholder in Rubicon and will continue to provide project and fee-for-services opportunities to the Rubicon Group via his considerable in-Country network and expertise.

Both Mr Emerton and Mr Carcenac have long associations with mining and logistics within Southern Africa and Rubicon will be looking to draw on this expertise to acquire suitable resource assets and/or services opportunities.

3.0 AUSTRALIAN JOINT VENTURE INTERESTS

Rubicon retains joint venture interests in the Peters Dam, Queen Lapage and Mt McLeay JVs at the Yindarlgooda project located east of Kalgoorlie in Western Australia and the Canobie JV in the Mt Isa District of Queensland. Rubicon also holds tenements in its own right at the Yindarlgooda, Jeedamya and Caesar Hill projects in Western Australia.

On-ground exploration by Rubicon and its Joint Venture partners' remains limited due to continued market pressure on producers to reduce costs and for explorers to retain capital.



Rubicon Project locations

3.1 Caesar Hill

Rubicon has title to approximately 210km² of tenure in the western part of the Musgrave Province, to the east of the Warburton Township.

The Musgrave region of Western Australia is known to contain significant nickel, copper and platinum group element (PGE) mineralisation, principally within Cassini Resources Limited's (previously BHP-Billiton) giant Nebo-Babel and recently discovered Succoth deposits. The area also contains lesser known and smaller high-grade, nickel and copper deposits.

During the September Quarter no on ground exploration was conducted on the Caesar Hill tenement. In August 2014 Traka advised that Western Areas did not wish to conduct additional exploration on the tenement and Traka subsequently withdrew from the Caesar Hill Joint Venture. Rubicon is progressing discussions with other parties that may be interested in forming a new joint venture over the tenement.

3.2 Yindarlgooda Projects

The Yindarlgooda Project comprises approximately 600km² of tenure centred 55km east of Kalgoorlie on a felsic volcanic dome around Lake Yindarlgooda. The project area is subject to the Peters Dam and Queen Lapage JV's with Silver Lake Resources Limited (Silver Lake) and the Mt McLeay JV with Brimstone Resources Limited (Brimstone). Rubicon also retains a substantial tenement holding in its own right.

Queen Lapage JV (Silver Lake Resources Limited 59%, Rubicon Diluting)

No on-ground work to report.

Peters Dam JV (Silver Lake Resources Limited 67%, Rubicon Diluting)

No on-ground work to report.

Mt McLeay JV (Brimstone Resources Limited 51%, Rubicon Diluting)

No on-ground work to report. A program for 450m of reverse circulation (RC) drilling on P27/1979 is being planned to test below some historic gold workings.

3.3 Canobie JV (Exco Resources Limited Earning 70%)

The tenement covers prospective Mt Isa Block Eastern Succession Proterozoic stratigraphy and is considered prospective for various styles of base metal mineralisation, including Ernest Henry style iron oxide copper gold (IOCG), and Broken Hill type (BHT) silver lead zinc mineralisation. The EPM falls within a major NNE striking structural corridor with the majority of the tenement masked by a thin veneer of Mesozoic to Quaternary sediments.

There was no field work to report in the September Quarter.

4.0 CAPITAL RAISING

On 29th August 2014, 27 million Fully Paid Ordinary Shares at 0.5 cents per share were issued to professional and sophisticated investors raising \$135,000 to be used for general working capital and to progress Rubicon's activities in Mozambique. The investors were not related parties of Rubicon.

The Company is proposing to undertake another capital raising to provide additional funds to complete the acquisition (including due diligence and transaction costs), fund Rubicon's current exploration operations and corporate costs, as well as support the development of the PacMoz business over the next 12 months. Shareholders will be advised of the details regarding any such capital raising when finalised.

Competent Persons Statement

The information in this report that relates to Exploration is based on information compiled by Andrew Ford who is a Member of the Australasian Institute of Mining and Metallurgy. Andrew Ford is a full time employee of Rubicon Resources Limited and has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration, and to the exploration activity that is being undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Andrew Ford has consented to the inclusion in this report of the matters based on his information in the form and context that it appears.

Tenement Schedule September 2014 Quarter

SUB-PROJECT	TENEMENT ID	EQUITY %	DATE GRANTED
YINDARLGOODA			
Yindarlgooda	E25/00355	100	10-Nov-2009
Taurus	E25/00392	100	29-Dec-2009
Mt Monger	E25/00422	100	24-May-2010
Yindarlgooda	E27/00425	100	8-Sep-2010
Yindarlgooda	E27/00430	100	25-Jan-2011
Yindarlgooda	E27/00431	100	Pending
Yindarlgooda	E27/00443	100	04-Jul-11
Yindarlgooda	E27/00449	100	12-Sep-2012
Yindarlgooda	E27/00454	100	Pending
Yindarlgooda	E27/00456	100	Pending
Yindarlgooda	P27/01949	100	22-Sep-2008
Peter Dam JV	E26/00153	33	6-May-2011
Peter Dam JV	E26/00154	33	6-May-2011
Peter Dam JV	E15/00869	33	21-Dec-2005
Peter Dam JV	E25/00307	33	21-Jun-2005
Peter Dam JV	E25/00376	33	30-Jan-2009
Peter Dam JV	E25/00390	33	10-Nov-2009
Peter Dam JV	E25/00391	33	10-Nov-2009
Peter Dam JV	E25/00433	33	22-Nov-2010
Peter Dam JV	E25/00434	33	22-Nov-2010
Peter Dam JV	P25/02187	33	04-Jul-11
Peter Dam JV	P25/02188	33	04-Jul-11
Peter Dam JV	P26/03813	33	15-Jun-2011
Peter Dam JV	P26/03814	33	15-Jun-2011
Peter Dam JV	P26/03818	33	15-Jun-2011

SUB-PROJECT	TENEMENT ID	EQUITY %	DATE GRANTED
YINDARLGOODA (CONTINUED)			
Peter Dam JV	P26/03819	33	15-Jun-2011
Peter Dam JV	P26/03820	33	15-Jun-2011
Peter Dam JV	P26/03821	33	15-Jun-2011
Peter Dam JV	P26/03822	33	15-Jun-2011
Peter Dam JV	P26/03823	33	15-Jun-2011
Peter Dam JV	P26/03824	33	15-Jun-2011
Mt McLeay JV	P27/01711	49	28-May-2008
Mt McLeay JV	P27/01748	49	28-May-2008
Mt McLeay JV	P27/01749	49	28-May-2008
Mt McLeay JV	P27/01990	49	11-Dec-2009
Mt McLeay JV	P27/01954	49	19-Feb-2009
Mt McLeay JV	P27/01979	49	29-Oct-2009
Mt McLeay JV	P27/02006	49	29-Jun-2010
Queen Lapage JV	E25/00455	41	25-Mar-2011
Queen Lapage JV	E27/00426	41	8-Sep-2010
Queen Lapage JV	E25/00273	41	23-Mar-2006
Queen Lapage JV	E25/00326	41	1-Nov-2006
Queen Lapage JV	E27/00291	41	28-Apr-2006
JEEDAMYA			
Kookynie	E40/00195	100	20-Apr-2006
Kookynie	E40/00293	100	4-May-2011
WARBURTON			
Caesar Hill	E69/02253	100	19-Jul-07
CANOBIE			
Canobie JV	EPM177767	100	9-May-2012

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Rubicon Resources Limited

ABN

38 115 857 988

Quarter ended ("current quarter")

30 September 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Sept 2014 quarter \$A'000	Year to date (3 Mths) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(21)	(21)
(b) development	-	-
(c) production	-	-
(d) administration	(113)	(113)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(133)	(133)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(133)	(133)

+ See chapter 19 for defined terms.

Appendix 5B
Rubicon Resources Limited – September 2014 quarterly report

1.13	Total operating and investing cash flows (brought forward)	(133)	(133)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares (net of costs)	135	135
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	135	135
Net increase (decrease) in cash held			
		2	2
1.20	Cash at beginning of quarter/year to date	206	206
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	208	208

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	32
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

N/a

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/a

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/a

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	20
4.2	Development	-
4.3	Production	-
4.4	Administration	100
Total		120

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	13	18
5.2	Deposits at call	195	188
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		208	206

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	E27/488, E27/489, E27/490, E25/475 surrendered	Tenements formed part of the Peters Dam Joint Venture between Rubicon Resources Limited and Silver Lake Resources Limited	33%	0%
	E27/426 surrendered	Tenement formed part of the Queen Lepage Joint Venture between Rubicon Resources Limited and Silver Lake Resources Limited	41%	0%
	Nil			
6.2 Interests in mining tenements acquired or increased	Nil			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1 Preference⁺securities <i>(description)</i>	-	-		
7.2 Changes during quarter	-	-		
7.3 +Ordinary securities	208,304,498	208,304,498		
7.4 Changes during quarter				
(a) Increases through issues	27,000,000	27,000,000		
(b) Decreases through returns of capital, buy-backs	-	-		
7.5 +Convertible debt securities <i>(description)</i>	-	-		
7.6 Changes during quarter	-	-		
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
Employee Options	6,000,000	-	2 cents	30 June 2017
Director Options	5,000,000	-	2 cents	30 June 2017
Director Options	6,000,000	-	10 cents	31 Oct 2014
Director Options	1,500,000	-	15 cents	31 Oct 2014
Director Options	1,000,000	-	20 cents	31 Oct 2014
7.8 Issued during quarter	-	-		
7.9 Exercised during quarter	-	-		
7.10 Expired/Lapsed during quarter				
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



RS Middlemas
Company Secretary

Date: 30th of October 2014

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.