

Rubicon Resources Limited

ANNUAL REPORT 2007

ABN 38 115 857 988

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STOCK EXCHANGE

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

ASX CODE

RBR - ordinary shares

CONTENTS

| | |
|------------------------------------|----|
| CHAIRMAN'S LETTER | 1 |
| REVIEW OF OPERATIONS | 2 |
| CONCISE FINANCIAL REPORT | |
| CORPORATE GOVERNANCE STATEMENT | 17 |
| DIRECTORS' REPORT | 26 |
| AUDITOR'S INDEPENDENCE DECLARATION | 34 |
| INCOME STATEMENT | 35 |
| BALANCE SHEET | 36 |
| STATEMENT OF CHANGES IN EQUITY | 37 |
| CASH FLOW STATEMENTS | 38 |
| NOTES TO THE FINANCIAL STATEMENTS | 39 |
| DIRECTORS' DECLARATION | 41 |
| AUDIT REPORT | 42 |
| ASX ADDITIONAL INFORMATION | 43 |





19 September 2007

Dear Shareholder,

On behalf of the Board of Directors of Rubicon Resources Limited, it is with pleasure that I present the Company's inaugural Annual Report.

Rubicon listed on the Australian Stock Exchange on 2 February 2007, raising \$10 million in an over-subscribed capital raising. Since then, Rubicon has been extremely active in its initial exploration activities, but more importantly, in positioning itself to be a substantial and successful explorer leading to production.

Once listed, Rubicon immediately commenced on-ground exploration activities in line with our prospectus commitments. This has included surface sampling programs, electromagnetic (EM) surveys and RAB, aircore and RC drill programs totalling over 10,000 metres testing initial targets at our Yindargooda and Desdemona projects.

Rubicon's goals have always focused on building real and sustainable shareholder wealth, primarily through the discovery of economically viable mineral resources. To ensure we achieve these goals we have combined the Company's large prospective ground holding with a substantial capital raising and the recruitment of an exploration team of five geologists. Combined with the Board's previous track-record in acquiring, developing and operating profitable mining operations, the building blocks are in place for sustained success.

Rubicon is now a well-resourced and staffed mineral explorer with a diverse portfolio of prospective tenements covering in excess of 10,000km², all in well mineralised provinces. Rubicon's key projects are large contiguous holdings and include the gold and Volcanic Massive Sulphide-style base metal Yindargooda and Desdemona Projects located in the Eastern Goldfields and the Warburton Iron Oxide Copper-Gold-Uranium Project in the Musgrave province.

Our exploration strategy is twofold; consisting of the testing of immediate near-surface mineralisation targets, and the continuing review of the vast wealth of existing and previously disparate exploration data for our very large areas to provide a steady flow of exploration targets. This work is generating an array of new target concepts, often in areas of surface cover and minimal previous exploration.

Our management team is further reviewing advanced-stage acquisition opportunities for the Company that we believe will add shareholder value and accelerate our growth.

We are naturally disappointed with the Company's share price performance since listing. We came to the market in February 2007 with a specific well-stated strategy, which we supported with a large capital raising. The Company has stayed the course of that strategy and has done all that it said it would in that time. The share price situation is best remedied through sustained exploration success and we are confident that our portfolio can generate that success.

I would like to thank the founding directors of Rubicon for their contribution to the formation and listing of Rubicon, and the current Board, management and staff for their efforts over the year. The volume of field work recorded in the following Operations Review indicates our commitment to efficient exploration that should result in the discovery we all seek. Finally, I would like to thank our Shareholders for their ongoing support in these volatile times.

John Shipp

Chairman



Peter Eaton, Sam Middlemas, John Shipp, Kevin Cassidy (Exploration Manager) and Ian Buchhorn.

HIGHLIGHTS

Rubicon Resources Limited is a dedicated mineral explorer with an exploration holding that comprises seven project areas in Western Australia and one in Queensland totaling over 10,000km² (Figure 1). Rubicon listed on the ASX in February 2007, and since that time has significantly advanced its operational and corporate position to achieve its goal of discovering and developing economic mineral resources

Specifically during the year, the Company has achieved the following:

- Successful listing and capital raising of \$10 million
- Completion of a capital management program, including the distribution of 25 million Rubicon shares to Heron Resources Limited shareholders and an unmarketable parcel sweep.
- Recruitment of an exploration team comprising five geologists.
- Several RAB, aircore and RC drill programs totaling over 10,000 metres testing initial targets at its key Yindarlgooda and Desdemona projects.
- State of the art electromagnetic (EM) surveys completed at Desdemona and Yindarlgooda in the search for VMS-style base metals. These surveys have defined a number of conductive anomalies to be followed up and confirm that the system will provide good quality data under saline lake cover and significant depth penetration advantages over previous surveys methods.
- Numerous surface sampling programs completed at Yindarlgooda, Desdemona, Eristoun and Bencubbin.
- Assimilation of a vast wealth of existing exploration data on many of the Company's project areas is continuing to provide a steady flow of exploration targets.
- Additional tenement acquisition at Yindarlgooda, Desdemona, Warburton and Marrilla.

Rubicon's project areas comprise large contiguous holdings in highly mineralised provinces, with a balance of quality exploration projects in the highly mineralised Western Australian Goldfields (Yindarlgooda, Desdemona, Eristoun and Bencubbin), with higher risk and higher reward projects at Warburton, Canobie (Queensland), Boddington South and the Iron Oxide Copper-Gold-Uranium (IOCGU) targets.

With the exception of four option tenements at Bencubbin, Rubicon either holds 100% of the tenements or 100% of the non-nickel rights in the case of certain Yindarlgooda, Desdemona and Eristoun projects (see Summary of Mining Tenements for details). In addition, this gives Rubicon enormous flexibility in potential future funding of exploration on these projects.

Rubicon's projects include:

The 1,590km² Yindarlgooda Project is centred 55km east of Kalgoorlie on a felsic volcanic centre around Lake Yindarlgooda. The project comprises both gold and Volcanic Massive Sulphide-style (VMS) base metals occurrences. Known gold mineralisation is present at Queen Lapage and Taurus and a significant strike extent of the Yindarlgooda VMS horizon considered prospective for economic copper and zinc mineralisation occurs on the Company's leases.

The 1,440km² Desdemona Project is located to the southeast of Leonora. This includes leases adjacent to the historical gold mining centres of Cosmopolitan, Butterfly, Orient Well, Niagara and Yerilla and leases along the Keith-Kilkenny Fault Zone. This area is also considered prospective for VMS base metals and in part contains similar rock sequences to those that host the Teutonic Bore and Jaguar base metal deposits to the northwest.

The Eristoun Project comprises non-nickel rights to tenements north of Laverton with significant gold mineralisation known to the north and south.

The 3,200km² Warburton Project is located within the western Musgrave province of Central Australia; a sparsely explored area with strong potential for Iron Oxide Copper-Gold-Uranium (IOCGU) mineralisation (eg. Olympic Dam). The project area has numerous recorded copper occurrences and small scale mining. Limited previous diamond drilling has intersected pervasive hematite alteration that is typical of the IOCGU systems, associated with copper intercepts of up to 3.5m @ 8.22% copper. Our tenements to the north of the Babel and Nebo copper-nickel deposits occur within the same Giles Complex intrusive rocks.

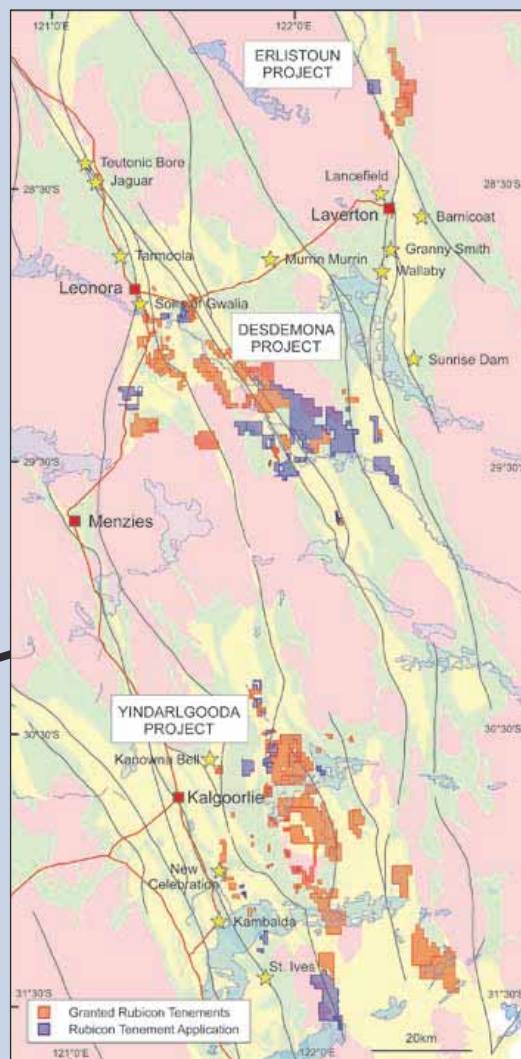
The 820km² Bencubbin Project covers the entire Bencubbin greenstone belt located 70km north of Merredin. A strong gold-in-auger anomaly generated by CRA in the early 1990s returned up to 12m @ 2.2g/t gold in follow up drilling, with little further work since.

The Boddington South Project, located 200km southeast of Perth covers the southern extension of prominent northwest trending faults passing through the 25 million ounce Boddington gold camp that are coincident with geochemical targets from CSIRO laterite sampling.

The IOCGU Targets comprise five separate project areas in the northern part of Western Australia. These project areas generally comprise untested magnetic IOCGU targets within Proterozoic Basins and under younger cover rocks. Four of the targets are located along the major G10 mineralised lineament.

The Canobie Project in Queensland comprises five exploration permits totalling 1,620km² over magnetic, gravity and structural targets in the covered northeastern part of the Mt Isa Inlier.

**FIGURE 1
RUBICON PROJECT LOCATIONS AND TENEMENTS**



2.1 Exploration Summary & Objectives

Rubicon's strategic objective is to create an income-generating mining company as soon as possible, through efficient exploration that is focused on the discovery of mineral resources capable of conversion to mining reserves on either its existing Projects and on new opportunities to be assessed.

To achieve this goal, and mindful of the large prospective project portfolio, the Company completed a \$10 million capital raising, culminating in a listing in February 2007. Since then, the Company has consolidated its position and recruited an exploration team of five geologists to compliment the existing senior management team to deliver this objective. The Company is now poised to accelerate its exploration programs on existing projects and to evaluate new opportunities.

Exploration success on the existing Goldfields projects will come from the application of new geological concepts and exploration philosophies and techniques and the assessment of existing shallow exploration data. The Company is targeting gold and VMS-style base metals specifically at Yindarlgooda and Desdemona. Rubicon will apply the latest geological, geophysical and geochemical concepts to explore for VMS deposits that do not outcrop (eg. the Jaguar deposit that is located north of the Desdemona project) and has successfully commenced use of the high resolution Landtem Squid electromagnetic (EM) system to target such deposits.

Compilation of the vast exploration database over the Goldfields projects is now near completion; this data represents a major strategic asset of the Company with a significant replacement value. Given Rubicon's contiguous holdings in these areas, it will ultimately be in the unique position of consolidating the known information over these large areas of the Eastern Goldfields. This work is generating empirical gold and base metal targets, providing a consistent pipeline of prospects that will be followed up. As an example, the recent Salt Creek gold discovery by a competitor adjacent to Rubicon's tenements at Yindarlgooda was found by following up of existing RAB drilling anomalies. The extensive resource and mining experience in the group will be utilised to filter these targets for potential size and amenability to profitable mining as well as evaluating the potential for depth extensions and larger systems beneath smaller surface showings.

At the Warburton, Canobie, IOCGU targets and Boddington South projects, the interpretation of existing geophysical data and the collection and application of new high resolution data is critical to targeting and will be a key component of the exploration proposals for these areas.

Since listing, Rubicon has undertaken several drilling programs and EM surveys at Yindarlgooda and Desdemona, as well as numerous surficial sampling programs at these projects and at Bencubbin and Eristoun. Numerous gold anomalous zones have been delineated in drilling and sampling and conductive zones recorded in EM surveys. Details of the programs undertaken to date are listed below.

The Company is further evaluating other opportunities to potentially acquire advanced exploration, development and operating opportunities, preferably within Australia. It is further continuously reviewing its existing portfolio to maximise shareholder return through potential exploration funding arrangements with third parties.

2.2 Corporate Overview

The company listed on 2 February 2007 after completing an Initial Public Offering (IPO) to raise \$10.0 million (\$8.75 million after costs and repayment of loans) to fund a two year exploration program on its project portfolio.

An in specie distribution of 25 million fully paid ordinary shares in Rubicon to Heron Resources Limited shareholders was undertaken on 16 May 2007. Following the distribution an unmarketable parcel sweep was completed with effect at 19 July 2007.

The Company is well placed with \$7.7 million in cash as at 30 June 2007.



Rubicon Exploration Team



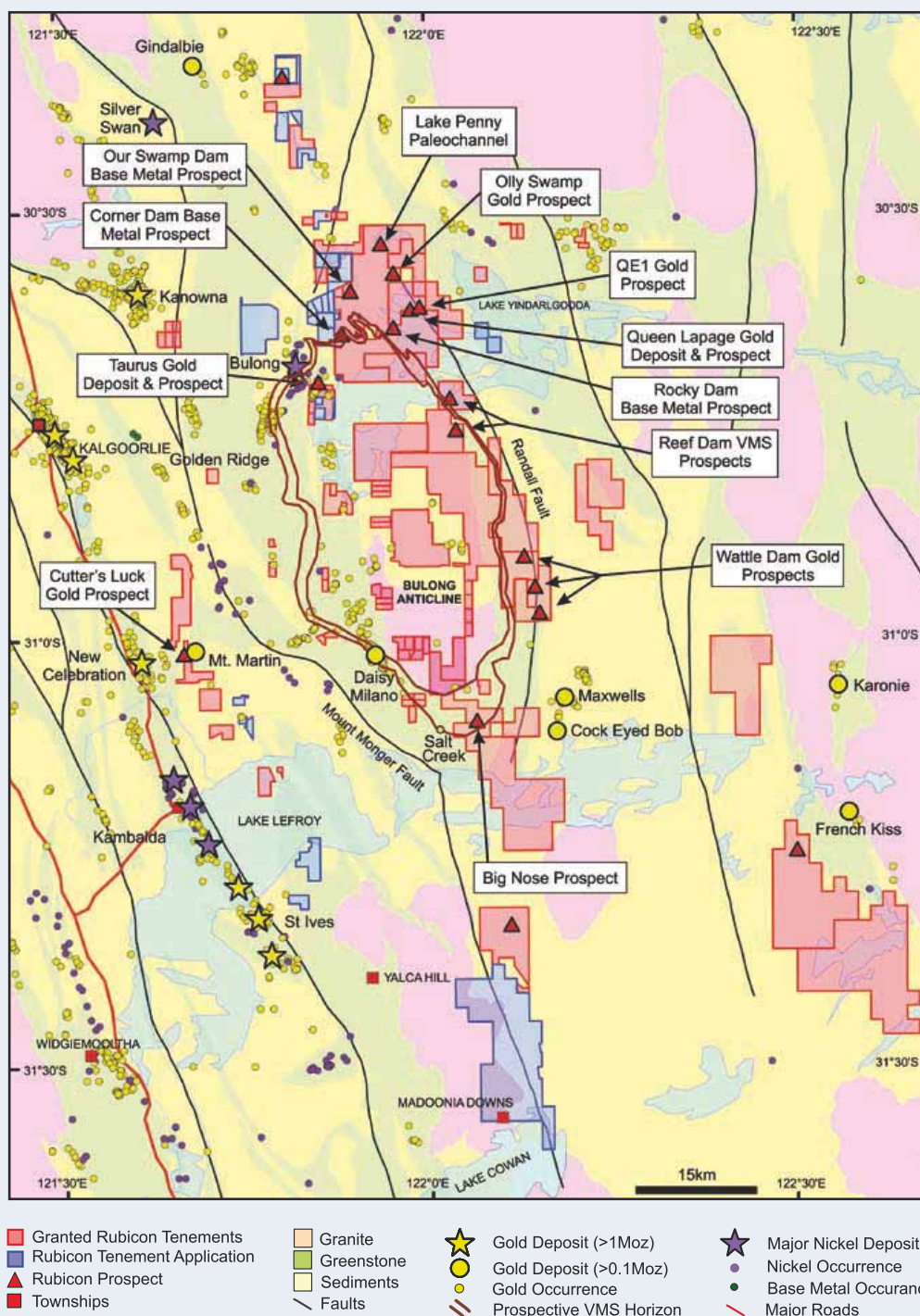
Malcolm Prospect, Desdemona

2.3 Project Descriptions

YINDARLGOODA PROJECT

Rubicon's exploration since listing has focused on gold and VMS base metal exploration at Yindarlgooda (Figure 1 & 2) and has included reverse circulation (RC) drilling (29 holes for 2,245 metres) and rotary airblast (RAB) and aircore drill programs (160 holes for 6,271 metres) to initially test a range of targets. Other activities comprised electromagnetic (EM) surveys at base metal prospects, soil sampling programs, acquisition of multiclient aeromagnetic data and ongoing compilation and interpretation of previous exploration data.

FIGURE 2 YINDARLGOODA PROJECT



Gold Exploration

Gold exploration has included initial drilling programs at and around the Queen Lapage open cut and at the QE1, Taurus, Lake Penny, Wattle Dam, Cutters Luck and the Big Nose prospects, as well as numerous soil sampling programs (Figure 2).

Approximately 10,000 ounces of gold was mined from a flat-lying, northwest-trending linear supergene zone in the **Queen Lapage** open pit. The geometry of the high grade supergene mineralisation implies a control by a northwest-trending steep structure beneath the pit; however, there had been no previous drill testing for this structure.

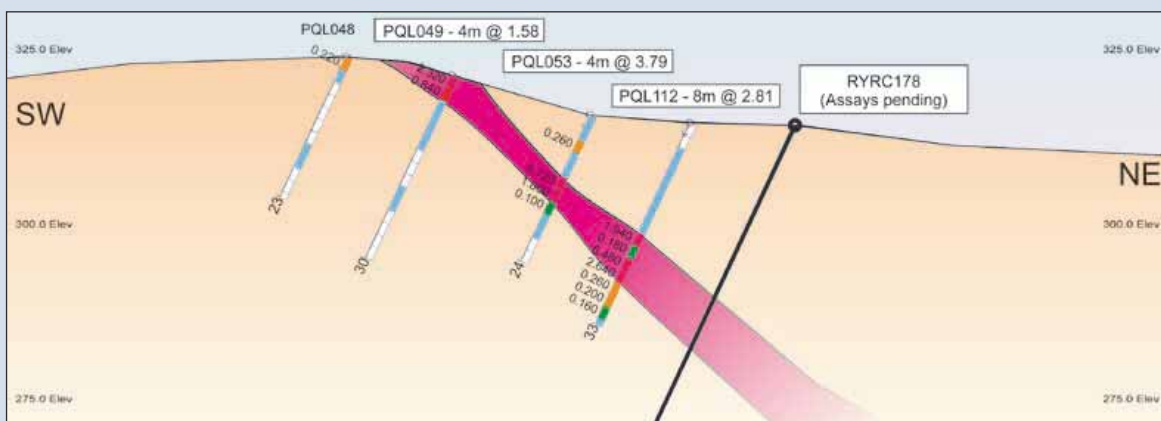
Four RC holes for 471m tested for this structure beneath and immediately north and south of the pit, with best results in RYRC010 of 1m @ 7.84g/t Au in the expected position for the steep structure and a supergene intersection of 8m @ 1.71g/t gold beyond the northern limit of the current pit.

Two RC holes (158m) and 11 RAB/aircore holes (592m) tested an existing drill intersection to the south of the pit of 3m @ 28.5g/t gold in a vein/structure within a dolerite. A best result of 4m @ 2.39g/t gold in RYAC017, within an overall zone of 28m @ 0.57g/t gold, was recorded.

At the **QE1 Prospect** (Figure 2), previous explorers defined significant gold mineralisation, associated with the regionally important Randalls Fault that trends through the tenement. Better intercepts from existing 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. Mineralisation is associated with sulphidic quartz veins in weathered shales and banded iron formation at depths ranging from outcrop to 30 metres below surface.

An RC drill program comprising 14 holes for 701m was recently completed to test the down-plunge extension of this mineralisation. Drilling intersected alteration, quartz veining and pyrite coincident with expected mineralisation zones; at the time of writing all assays were awaited (Figure 3).

FIGURE 3 QE1 PROSPECT CROSS SECTION



RAB Drilling at Cutters Luck, Yindarlgooda

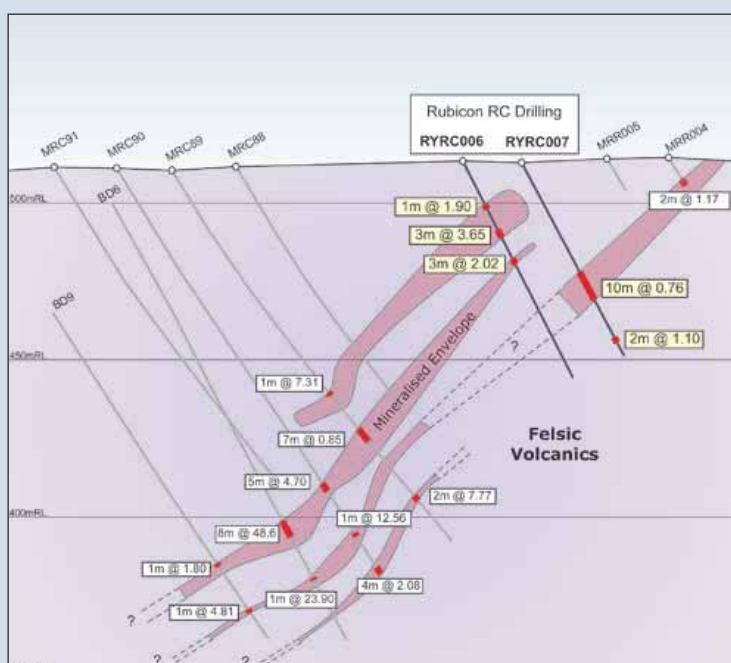


Lake Yindarlgooda

At the **Taurus Prospect** (Figure 2), previous explorers established the presence of a gold mineralised deposit associated with quartz veining and alteration in a 100 metre thick felsic volcanic unit. Previous RC and diamond drill testing intersected up to 8m @ 48.6g/t gold (Figure 4). Mineralisation estimates were established in the early 1990s; however, the mineralisation is sporadic in nature and these estimates do not conform to the JORC standard.

Initial Rubicon RC drilling (four holes for 300m) tested adjacent to a high grade near surface intersection (5m @ 15.3g/t gold), located up-plunge from the core of the high grade mineralisation. Best intercepts from this drilling were 3m @ 3.65g/t and 3m @ 2.02g/t gold in RYRC006 and 8m @ 1.09g/t gold in RYRC008. While the deposit is stratabound, there are clearly complex internal structural controls to higher grade mineralisation within the alteration envelopes. This will be further evaluated and drill tested as warranted.

FIGURE 4 TAURUS CROSS SECTION



At **Wattle Dam** (Figure 2), previous explorers defined soil geochemical and RAB drilling gold anomalies over a strike length of some 12 kilometres within mafic volcanics adjacent to the Randall Fault. Zones of flat-lying, low grade, largely supergene gold-arsenic mineralisation have been intersected in previous drilling. Three RC holes for 407m tested drill lines where significant supergene anomalism had not been tested within fresh rock. RYRC004 intersected 10m @ 0.74g/t gold down plunge from a supergene intercept of a similar magnitude. This significant gold mineralisation over an extensive strike extent warrants further evaluation.

Following a soil sampling program at **Cutters Luck** (Figure 2), 23 aircore and RAB holes for 1,177m tested gold anomalism west of the Mt Martin gold mine and other areas to the north. Results include 4m @ 1.02g/t gold in RYRB142 and 8m @ 0.52g/t gold in RYRB139 (within a broader zone of 40m @ 0.235g/t gold), adjacent to the Mt Martin deposit.

Following soil sampling at **Big Nose** (Figure 2), a shallow RAB drill program (55 holes for 1,391m) was undertaken to follow up on gold-in-soil geochemical anomalies. Drilling indicated alteration and variable quartz veining in some holes, with a best result of 4m @ 0.73g/t in RYRB108. This prospect is adjacent to the recent Salt Creek gold discovery by a competitor. Interpretation of all drilling is in progress to be followed by further drill testing of this prospect.

Base Metal Exploration

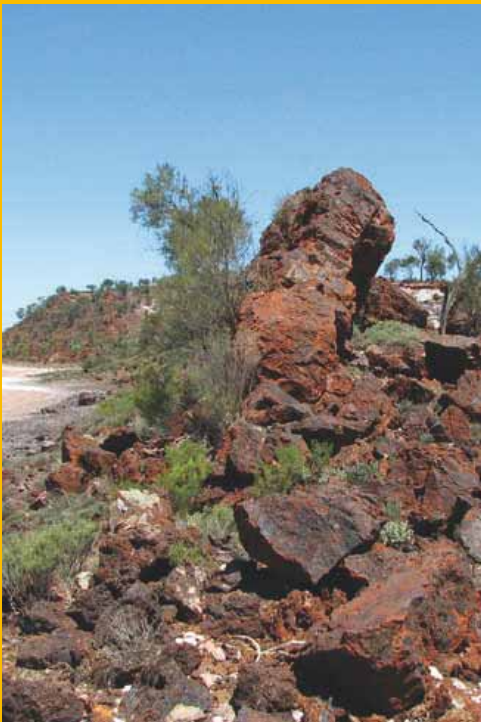
A number of companies explored for base metals at Yindarlgooda between 1970 and the early 1990s focused on the outcropping gossanous sedimentary/volcanic rock package in the northern part of the project at Rocky Dam and Our Swamp Dam. Drilling intersected massive and disseminated pyrite with low grade base metal mineralisation (best result of 18m @ 0.74% zinc and 0.20% copper) at Rocky Dam. Rubicon's tenements cover a significant strike extent of this prospective volcanosedimentary sequence; much of which is under cover of Lake Yindarlgooda to the south (Figure 2).

Rubicon has completed initial EM surveys over a number of targets, utilising the high resolution Landtem Squid system. These surveys indicated that the opportunity to detect bedrock conductors in highly conductive background conditions such as deeply oxidized terrains, saline ground water and salt lakes; conditions that are prevalent at Yindarlgooda; is strongly enhanced using the Squid system. The surveys further indicated the potential to detect conductors at greater depth than previous conventional EM systems.

At the **Rocky Dam** and **Corner Dam Prospects** (Figure 2), EM survey lines confirmed existing anomalies coincident with existing low grade mineralisation in previous diamond drill holes. Three EM lines at Our Swamp Dam extended a known conductor to the northwest. A single 166m RC hole was drilled into the original conductor and intersected black shales with zones of anomalous zinc up to a maximum of 0.22%.

The **Reef Dam Prospect** is directly along strike to the southeast of the Rocky Dam Prospect under the cover of Lake Yindarlgooda (Figure 2). Five 400-metre spaced lines of EM were read across this prospect. Substantial deep bedrock conductors are interpreted on each of the lines, coincident with the known prospective stratigraphic horizons, as shown by the conductive (red-white) zones in Figure 5.

While many of these conductors constitute potential drill targets, further surveys will test an additional 14 kilometres of strike of the prospective horizon between Rocky Dam to south of Our Reef Dam prior to a comprehensive drilling program on all prioritised conductive targets.

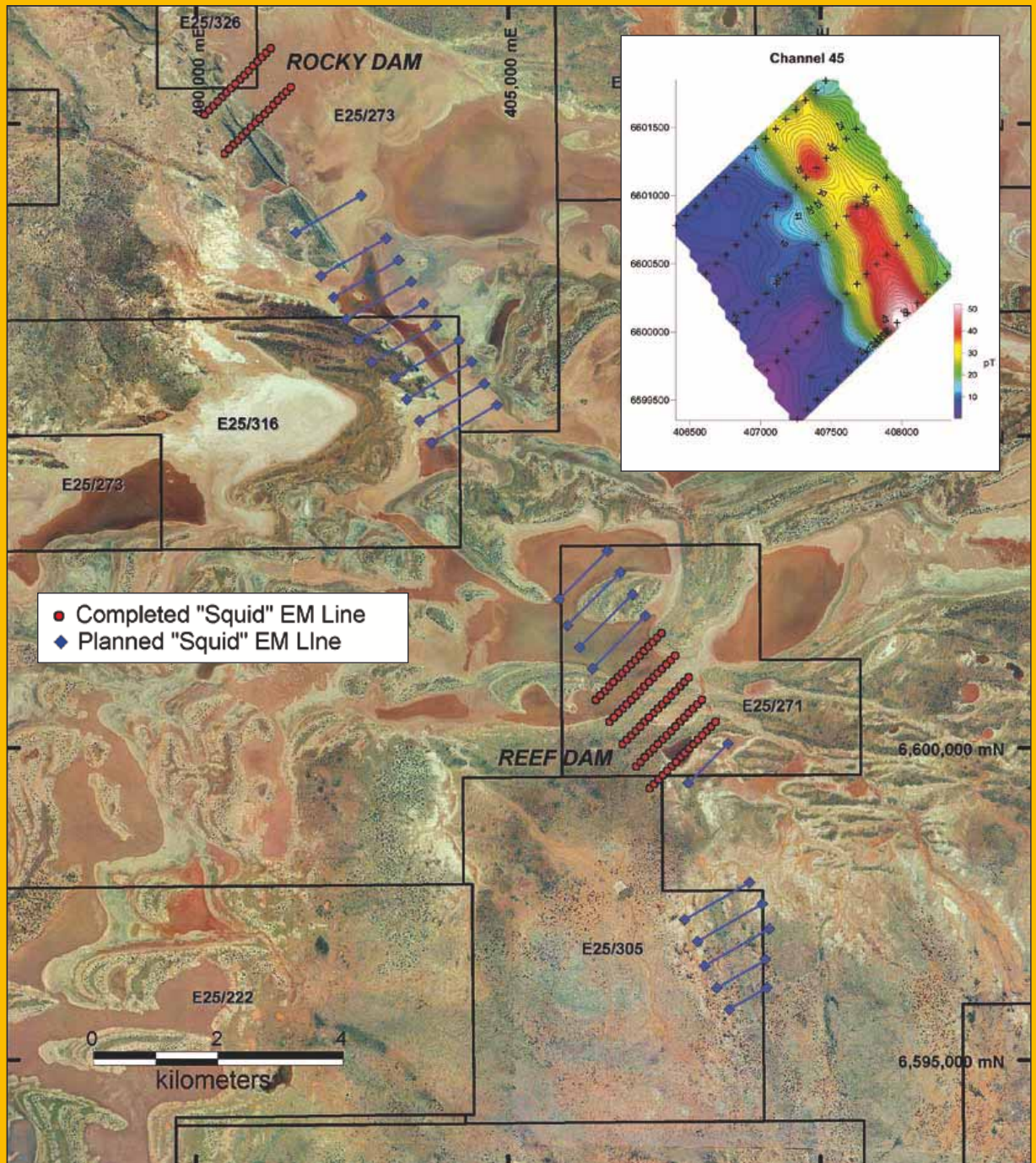


Rocky Dam Gossan, Yindarlgooda



RC Drilling at QE1, Yindarlgooda

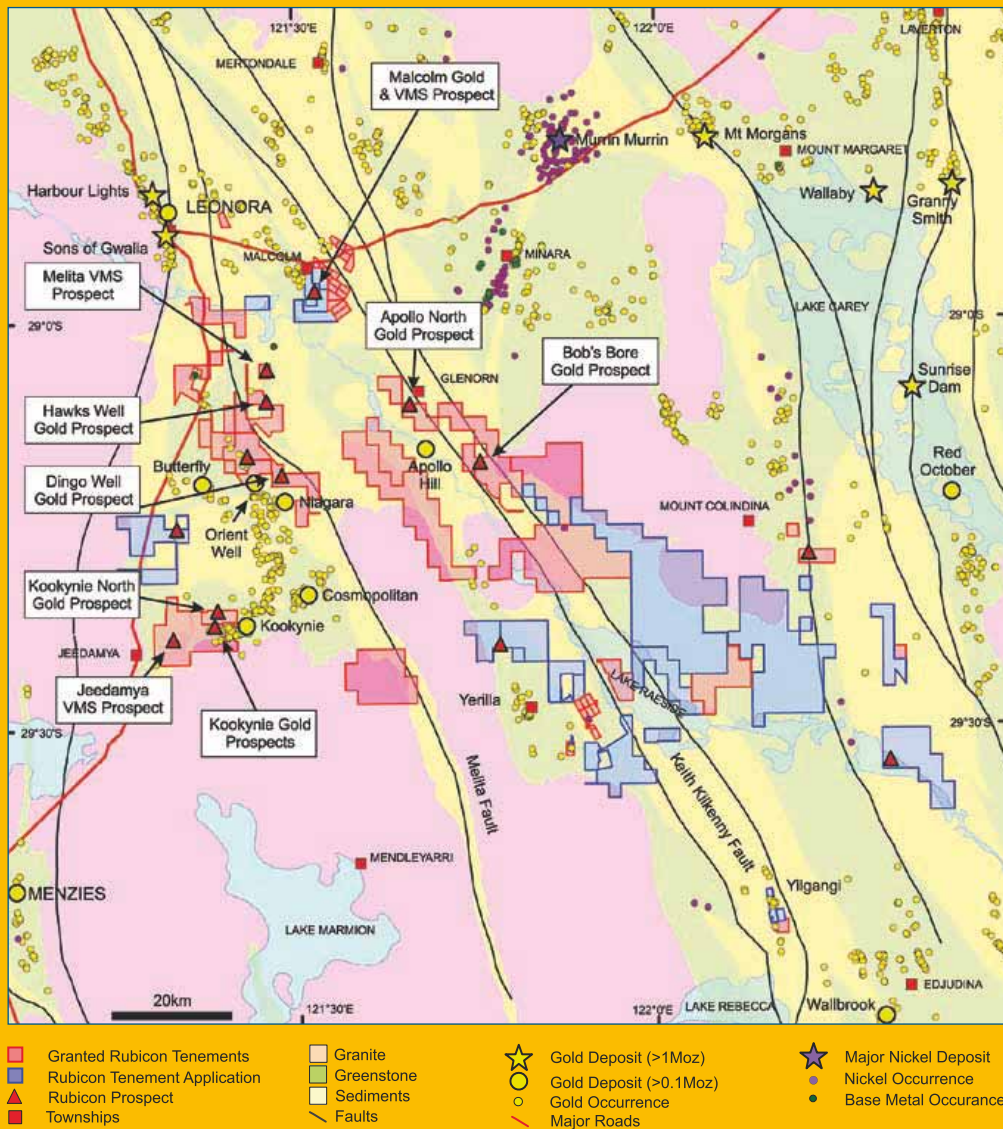
FIGURE 5 REEF DAM EM – DEPTH SLICE CONTOUR



DESDEMONA PROJECT

The Desdemona project (Figure 1) comprises distinct domains based on geology and target commodities and styles (Figure 6).

FIGURE 6 DESDEMONA PROJECT



The basalt-rhyolite succession in the western part of the project is the southern continuation of the sequence that hosts the Teutonic Bore and Jaguar VMS deposits north of the Company's tenements. The Desdemona project area has not been systematically explored for base metals and has potential for the discovery of world class VMS base metals through application of modern concepts and exploration techniques.

The western part of the Project also covers the Kookynie and Melita areas, along strike from where historic gold production from the Kookynie mine camp exceeds 500,000 ounces, while the eastern part of the Project extends along the Keith-Kilkenny Fault Zone, where a number of gold deposits such as Yilgangi and Yerilla, are associated with subsidiary structures within the fault zone. Recent gold discoveries in this area include the Apollo Hill and Wallbrook deposits. Much of the Keith-Kilkenny Fault Zone is concealed beneath younger cover related to Lake Raeside.

Rubicon's exploration has consisted of the acquisition of multiclient aeromagnetic data, significant soil sampling programs for gold and base metals, drilling for gold at Bob's Bore and EM surveys for base metals at Malcolm and Jaguar South. The compilation of the large database of exploration data is near completion. The discrimination of surface exploration that has effectively tested bedrock in this largely covered terrain is important to prioritise bedrock targets.

Gold Exploration

Gold exploration has focused on the southern Kookynie tenements and the areas adjacent to and along strike from the Apollo Hill gold deposit (Figure 6).

At the **Bob's Bore Prospect**, a RAB/aircore program (27 holes for 1,841m) tested a magnetic trend parallel to the adjacent Apollo Hill trend (Figure 6). While gold results were not highly significant, several of the drill holes had minor anomalous gold at or towards the end of the hole. A soil geochemical program was also undertaken on this tenement, but more extensive lake cover than expected masked any potential anomalies. At **Apollo North**, a 42 hole aircore drilling program will test targets along strike from the Apollo Hill gold deposit in late 2007 (Figure 6).

Gold and base metal soil and auger programs have been completed at **Hawks Well, Dingo Well, Malcolm, Kookynie North** and **Kookynie**. At Hawks Well, anomalous gold-in-soils up to 246ppb is centred on the Maltese Well prospect explored in the 1980s, where previous drilling encountered quartz stockworks with sporadic mineralisation (up to 4m @ 3.93g/t gold).

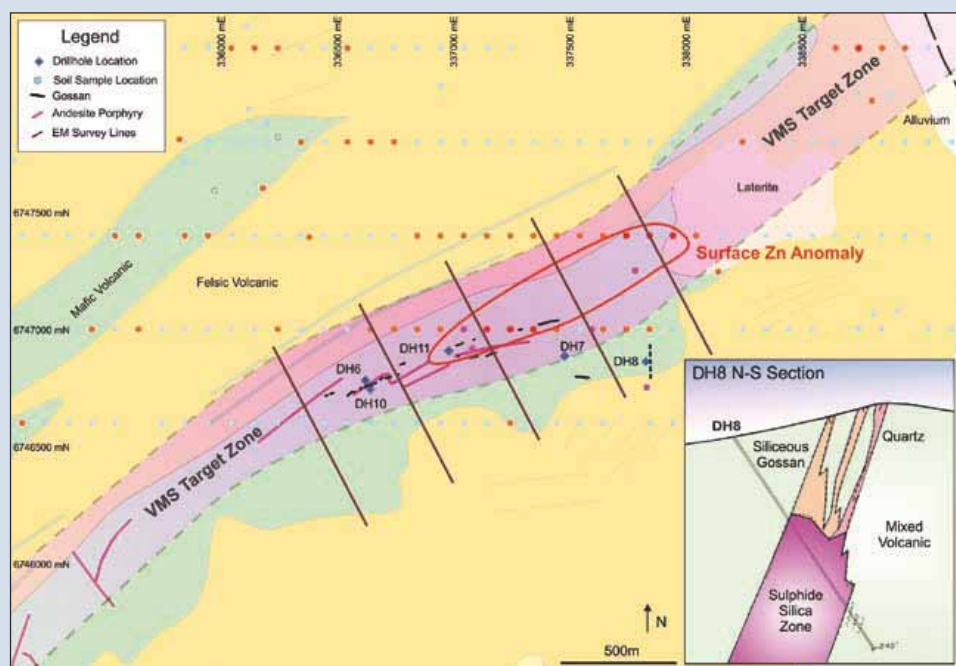
Base Metal Exploration

The **Malcolm** group of tenements (Figure 6) is considered prospective for base metals as it contains the strike equivalent of the lithological package hosting the Teutonic Bore and Jaguar deposits to the north.

An EM survey, comprising four one-kilometre spaced lines, was undertaken over the interpreted base metal-prospective horizon in the southern part of the Malcolm area. A significant and persistent late time anomaly, indicative of a conductive bedrock source is present on the two northern lines. Planned infill surveys around this anomaly will further test this prospective area.

A soil geochemical program over the Kookynie Gold Prospects delineated a northeast-trending base metal anomaly that extends for over two kilometres at the **Jeedamya Prospect** (Figure 6 & 7). The anomaly is coincident with outcropping gossans and associated cherts within mafic volcanic rocks. Previous shallow drilling intersected zones of massive sulphide in excess of 10m thickness. Although these sulphide zones contain only weakly anomalous base metals, outcropping gossans contain up to 0.25% copper and 0.48% zinc. The base metal target zone is interpreted to extend for over 4.5 kilometres (Figure 7). Four lines of EM will preliminarily test this prospect area.

FIGURE 7 JEEDAMYA PROSPECT - RUBICON SOIL SAMPLING RESULTS (ZINC - PPM), GOSSAN LOCATIONS, PREVIOUS DRILLING AND TARGET AREA



An EM survey will also test an area to the south of a base metal mineralised gossanous horizon, known as the **Melita Prospect** (Figure 6). Previous exploration determined that gossans from this horizon contain up to 8% copper and up to 2.7% zinc. Rock chip and surface geochemical surveys have delineated a zone of base metal anomalism over a kilometre in length immediately to the north of the Melita tenement.



Lake Yindarlgooda



RAB Drilling near Queen Lapage, Yindarlgooda

ERLISTOUN PROJECT

The Eristoun Project comprises the gold and non-nickel base metal rights to approximately 200km² of tenements located 30 to 70km north of Laverton (Figure 1).

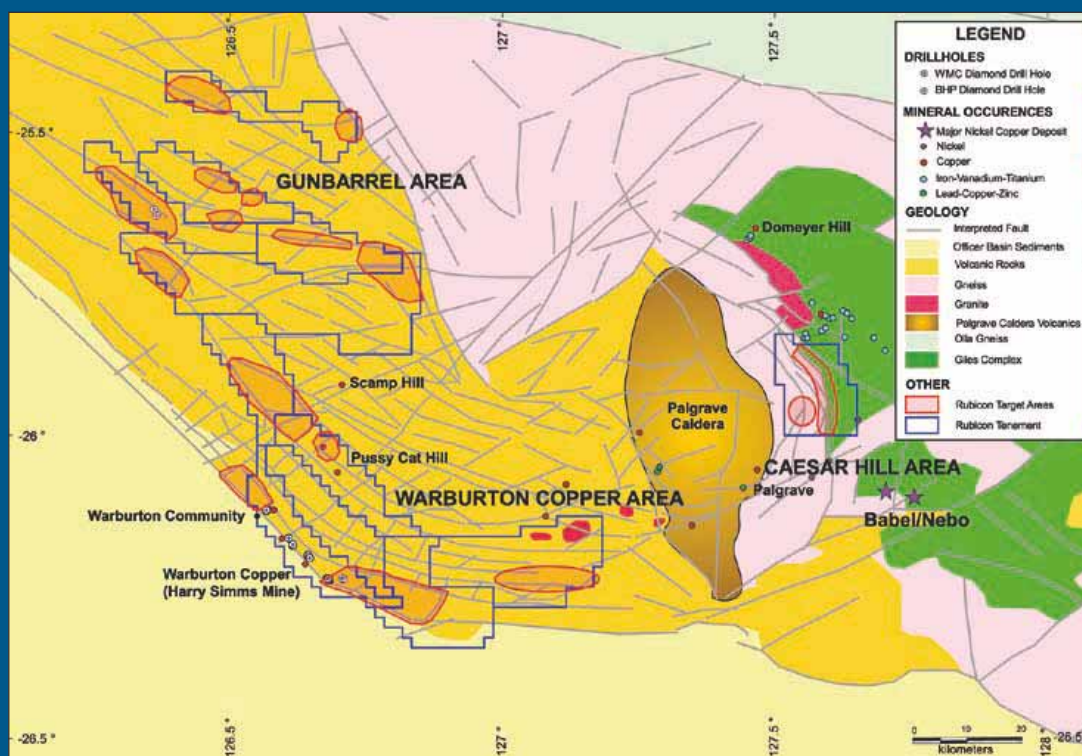
The tenements are located along the gold-prospective Laverton-Hootanui Shear Zone of the Laverton Tectonic Zone, which hosts historical gold mining centres at Cork Tree Well and King of Creation and the Granny Smith and Sunrise Dam deposits to the south of Laverton.

Work undertaken at Eristoun has been restricted to a soil sampling program on E38/948.

WARBURTON PROJECT

The Warburton Project comprises 3,200km² of tenure located in the far western Musgrave province in central Australia (Figure 1). The project area is prospective for Iron Oxide Copper-Gold-Uranium (IOCGU) mineralisation (e.g. Olympic Dam) and for other styles of base metal mineralisation such as Mount Isa-style sediment-hosted copper mineralisation. The Caesar Hill tenement (Figure 8) is also prospective for magmatic nickel-copper-PGM mineralisation (eg. BHP Billiton's nearby Babel-Nebo deposits). The Musgrave province represents one of the few unexplored to under-explored base metal-prospective areas of Australia.

FIGURE 8 SUMMARY GEOLOGY, MINERALISATION AND EXPLORATION TARGETS OF THE WARBURTON PROJECT



The **Warburton Copper Area** is located on the partly outcropping southwest part of the Musgrave province, centred on the Warburton community and the Warburton Copper Prospect (Harry Simms Mine). Copper mineralisation was discovered here in the early 1960s and limited mining of narrow chalcocite-rich veins was conducted in the 1960s at the Harry Simms mine.

The area immediately adjacent to the Harry Simms Mine was subjected to a major exploration campaign in the late 1960s and early 1970s that culminated in the drilling of 12 diamond core holes, of which four intersected significant copper mineralisation, of up to 3.5m @ 8.2% copper and 16g/t silver. Pervasive red hematite alteration occurs in most rock types in the drilling. Hematite alteration associated with copper mineralisation is a feature common to most IOCGU systems.

The **Gunbarrel Area** was identified as being prospective for IOCGU mineralisation based on discrete magnetic and gravity anomalies on a broad magnetic/gravity high. A limited previous exploration program resulted in two deep diamond holes being drilled to test one of the coincident magnetic and gravity high targets. The drilling intersected various mafic igneous and metasedimentary rocks with weak to moderate levels of alteration and hematite-carbonate veining, consistent with IOCGU systems. There were no significant copper-gold assays.

The **Caesar Hill** tenement is located to the east of the Palgrave Caldera where the volcanic rocks of the caldera are in faulted contact with mafic intrusive rocks of the Giles Formation, which hosts the Babel-Nebo copper-nickel deposit located immediately to the southeast.

Exploration on the project to date has consisted of the acquisition and re-processing of publicly available aeromagnetic and gravity data, a review of previous exploration and a targeting exercise based on that information. Based on this work, the target areas in Figure 8 have been highlighted for initial work.

The tenements are located on Indigenous Reserve Land and Native Title negotiations are currently in progress. It is planned to commence active field work on this project in the 2008 field season.

BENCUBBIN PROJECT

The Bencubbin Project located 70km north of Merredin and 270km east of Perth comprises approximately 820km² of tenements (Figure 1). The Bencubbin project area comprises dominantly gneissic and granitic rocks, with scattered enclaves of mafic gneiss and metamorphosed banded iron formations. The western tenements cover the entire Bencubbin greenstone belt.

Previous exploration in the early 1990s highlighted the **North Merredin 2** prospect where auger sampling defined a gold-copper-arsenic anomaly over 3.5 kilometres in length. Grid RAB drilling followed by RC and two diamond holes tested the anomaly, intersecting broad zones of low grade gold mineralisation (best result of 12m @ 2.2g/t gold from surface).

Rubicon's exploration has comprised detailed data compilation and structural/magnetic interpretation. An auger sampling program was completed to test extensions of the North Merredin 2 anomaly and a range of magnetic targets on the exploration licence to the north. Sporadic anomalous gold (up to 357ppb gold) was indicated to the east of the North Merredin 2 anomaly. Further auger sampling and RAB drilling will be undertaken once crops are harvested later in the year.

BODDINGTON SOUTH

The Boddington South project consists of tenement applications covering some 840km², located 200km southeast of Perth (Figure 1). The tenements were applied for based on the presence of prominent north-northwesterly striking faults trending through the area; one of which hosts the 25 million ounce Boddington gold camp to the northwest, and anomalous gold values in CSIRO laterite sampling in the region. Exploration will target Boddington-style gold-copper and lode-gold mineralisation.

The only known phase of exploration was undertaken over the Jingalup tenement in the late 1990s. A 400 metre long low order gold anomaly was identified in the central part of the tenement. This was tested with RAB drilling, which returned several gold values in excess of 0.1g/t gold, up to a maximum grade of 1.24g/t gold. There is no previous recorded work over the Martup Hills tenement.

There has been no work undertaken on this project pending grant of the tenements.

CANOBIE PROJECT

The Canobie project comprises five exploration permit applications covering approximately 1,620km² in the northern covered part of the Eastern Fold Belt of the Mt Isa Inlier, between 80 and 220kms north of Cloncurry (Figures 1 & 9).

The tenements are located on the margin of the Cretaceous Carpentaria Basin, where the Proterozoic Eastern Fold Belt rocks of the Mt Isa Inlier continue north under the cover of the Carpentaria Basin rocks. Based on limited information, cover is considered to range from approximately 100-500 metres thick. The tenements are considered to be very prospective for IOCGU and Mt Isa-style copper-lead-zinc mineralisation as the exposed part of the Mt Isa block is very well endowed with base metal mines. This exploration play is viewed as similar to the Stuart Shelf in South Australia where explorers regularly drill >500 metres of cover to test Proterozoic basement targets.

The western tenement covers the northern extension of the Coolalluh Fault system (Figure 9) which hosts the Dugald River deposit to the south. The eastern block of four tenements is located along the highly magnetic northeastern faulted margin of the fold belt, adjacent to the Quamby Fault, a crustal-scale throughgoing linear feature in the Mt Isa belt.

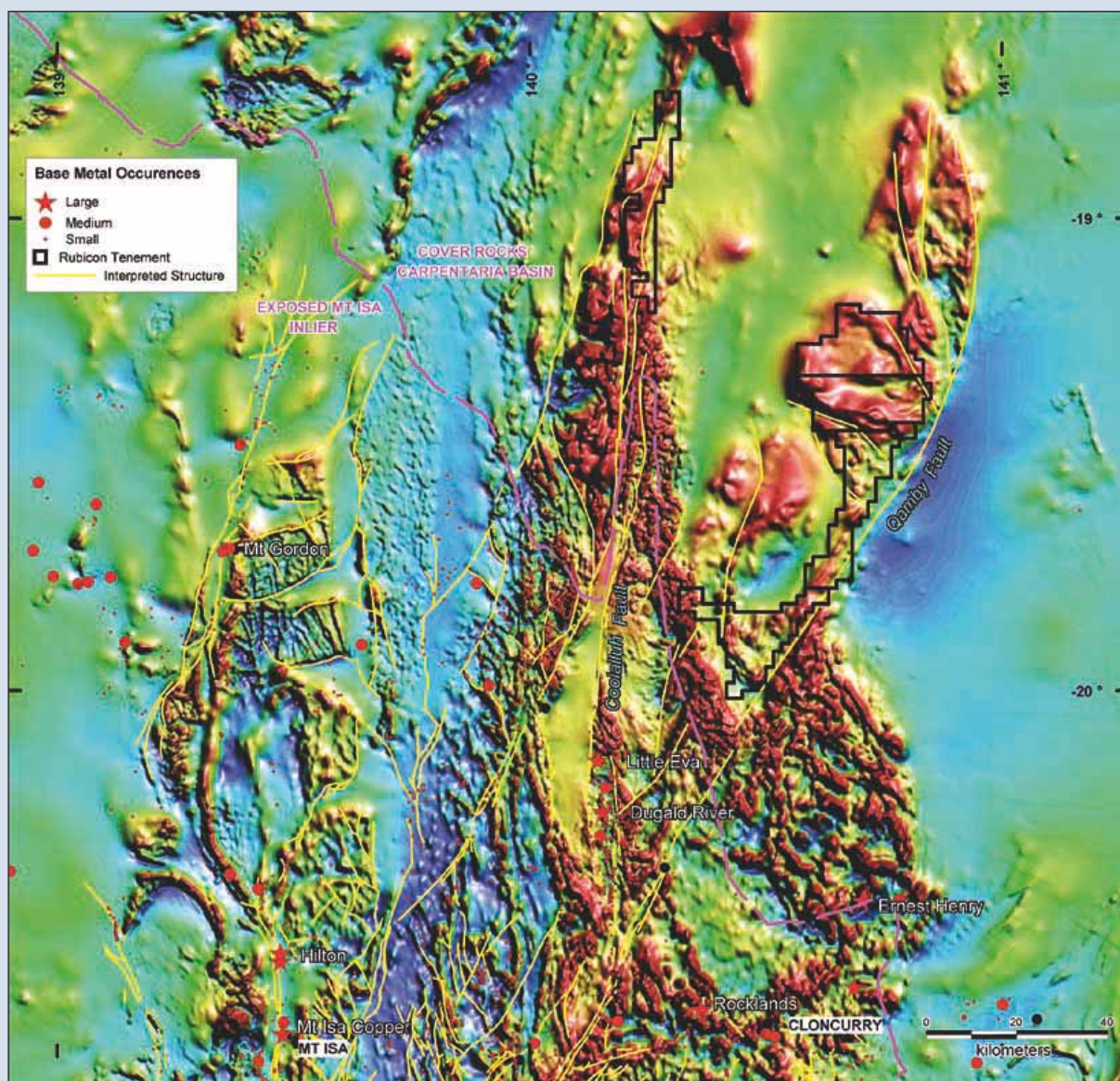


Auger Sampling, Desdemona



Bencubbin Project

FIGURE 9 CANOBIE PROJECT – TENEMENTS ON TMI MAGNETICS



There has been little work completed at Canobie pending grant of the tenements, which is expected later this year. Available government and multiclient geophysics (including a newly released gravity survey) has been acquired, which will be followed by interpretation and target generation. It is expected that ground-based geophysical surveys will be required to enable targeting of drill sites. Native title access agreements are near completion.

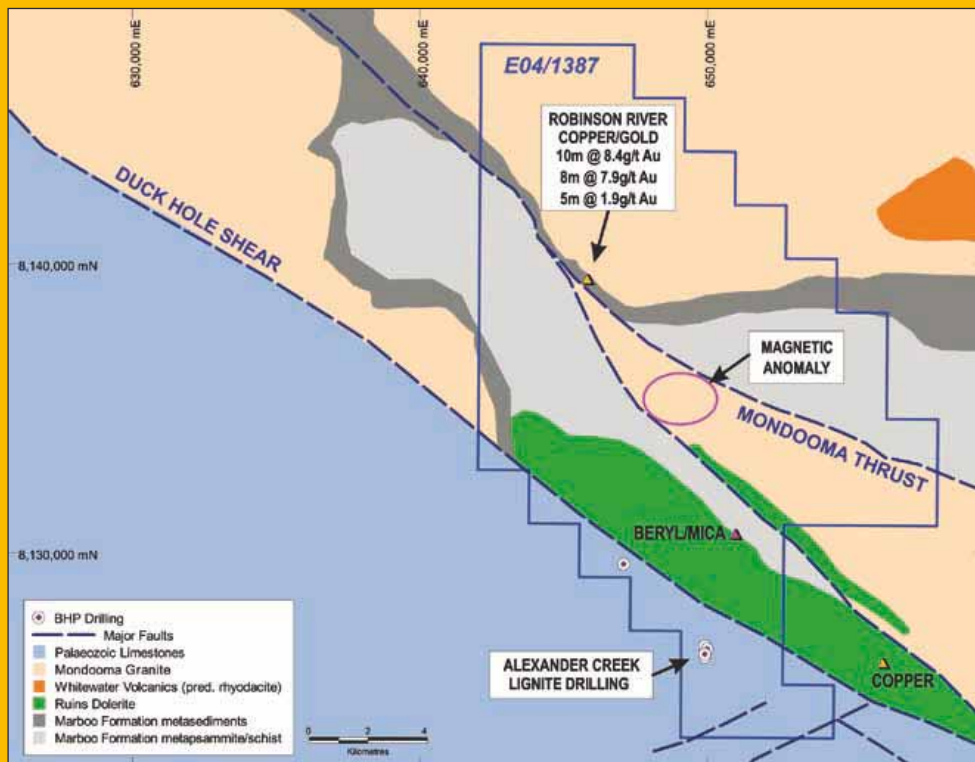
IRON OXIDE COPPER-GOLD-URANIUM PROJECTS

The Company has five individual exploration licences located in the northern part of Western Australia, which in most instances cover magnetic anomalies that are prospective for IOCGU deposits (Figure 1).

The **Mondooma Project** is located approximately 90km northeast of Derby in the Kimberley region of Western Australia (Figure 1). The project is located on the major Duck Hole and Mondooma Fault Zones, which are coincident with a strong gravity ridge and a discrete magnetic anomaly (Figure 10).

Previous exploration has highlighted the Robinson River Prospect (Figure 10), which is described as a series of small pits and shafts traced over a kilometre along the Mondooma Thrust, with outcropping malachite, cuprite and azurite (surficial copper minerals). Mineralised quartz veins occur along the fault, resulting in quartz stockwork zones up to 20 metres wide. Three channel chip samples were taken across the central part of the stockwork (reportedly over a strike of 200 metres) returning the results of 10m @ 8.4g/t, 8m @ 7.9g/t and 5m @ 1.9g/t gold.

FIGURE 10 MONDOOMA PROJECT AREA



At Alexander Creek (Figure 10), previous drilling intersected a small lignite deposit up to 20 metres thick within the Canning Basin sediments. The deposit has a limited lateral extent (less than 200 metres), but may have implications for uranium prospectivity, based on the Mulga Rocks uranium deposit model and known uranium mineralisation at Oobagooma to the west of the project.

A Native Title Access Agreement is in place for this tenement and initial field work will consist of systematic sampling of the Robinson River Prospect, geochemical sampling over the central part of the tenement and a review of the optimal geophysical exploration methodology.

The **Nuninga Springs** project (Figure 1) has a broader prospectivity for IOCGU, structural copper and Mt Isa-style copper-lead-zinc mineralisation. The project is located within the Proterozoic Bangemall Basin and covers the Neds Creek Fault, which hosts a number of small historic vein-style copper deposits. Little systematic regional exploration has been undertaken on this area, with most historic exploration restricted to the small copper workings themselves and known drilling has been restricted to two RAB traverses across the Neds Creek Fault.

The remaining IOCGU projects are **Welcome Creek** and **Marrilla**, which are isolated and discrete magnetic highs and **Gibson Desert**, which is a discrete magnetic "hole".



This statement outlines the main corporate governance practices in place since the Company's initial date of listing on the Australian Stock Exchange on 2 February 2007 to the end of the financial year, which comply with the ASX Corporate Governance Council recommendations unless otherwise stated.

1. BOARD OF DIRECTORS

1.1 Role of the Board and Management

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.

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 report.

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. The Managing Director is responsible to the Board for the day-to-day management of the Company.

The Board has sole responsibility for the following:

- Appointing and removing the Managing Director 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.

1. BOARD OF DIRECTORS - CONTINUED

1.1 Role of the Board and Management - continued

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

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 Managing Director 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. In carrying out his responsibilities the Managing Director 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 Managing Director and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

1.2 Composition of the Board

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 governance skills required by the Company and on the independence of their decision-making and judgement.

The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. Mr Shipp the Non-Executive Chairman is considered independent. Mr Buchhorn is a Non-Executive Director and is not considered to be independent. From the Company's perspective Directors are considered to be independent when they are independent of management and free from any business or other relationship which could materially interfere with - or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgement.

The Board considers that the current structure is sufficient despite not complying with the ASX Corporate Governance Council Recommendation 2.1.

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.

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 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.

1.3 Responsibilities of the Board

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 as well as reviewing the performance of the Managing Director 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 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

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.

1.4.4 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. BOARD OF DIRECTORS - CONTINUED

1.4 Board Policies - continued

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 (eg. 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 Managing Director and Company Secretary*

In accordance with the Board's policy, 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.

2.1 Audit Committee

The Company does not have an audit committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues and an audit committee cannot be justified based on a cost-benefit analysis.

In the absence of an audit committee, the Board when required sets aside time at Board meetings 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

The Company does not have a remuneration committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues.

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, reviewing the Rubicon Resources Limited Employee Option Share Option Plan, reviewing superannuation arrangements, reviewing the remuneration of Non-Executive Directors and undertaking an annual review of the Managing Director's performance, including, setting with the Managing Director 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

The Company does not have a nomination committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues.

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 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 – 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

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.

3. ETHICAL STANDARDS - CONTINUED

3.1 Code of Conduct for Directors and Key Executives - continued

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;
- 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

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

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 consolidated entity'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

The continuous disclosure policy requires all executives and Directors to inform the Managing Director 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 Managing Director 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

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.



5. RISK MANAGEMENT

5.1 Identification of Risk

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 Managing Director and Company Secretary having ultimate responsibility to the Board for the risk management and control framework.

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

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

5.2 Integrity of Financial Reporting

The Company's Managing Director 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 Role of Auditor

The Company's 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.

6. PERFORMANCE REVIEW

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 contribution made to the success of the Company.

The Directors present their report on Rubicon Resources Limited at the end of, or during the year ended 30 June 2007.

DIRECTORS

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

John Shipp - *Assoc. Camborne School of Mines, FAusIMM*

Non-Executive Chairman

Appointed 17 July 2006

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

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

Peter Eaton - *B.Sc (Hons), MAusIMM*

Managing Director

Appointed 3 July 2006

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

Ian Buchhorn - *B.Sc (Hons), Dipl. Geosci (Min. Econ), MAusIMM*

Non Executive Director

Appointed 19 August 2005

Mr Buchhorn is a Mineral Economist and Geologist with 33 years experience. He was the founding Managing Director of Heron Resources Limited for a period of 11 years until 2007 and now continues as Executive Director Strategy. Mr Buchhorn previously worked with a number of International Mining companies and has worked on nickel, bauxite and industrial mineral mining and exploration, gold and base metal project generation and corporate evaluations. For the last 20 years Mr Buchhorn has acquired and developed mining projects throughout the Eastern Goldfields of Western 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 directorships in Heron Resources Limited (17 February 1995 to present) and Polaris Minerals NL (18 September 2006 to present). He previously held directorships in Avoca Resources Limited (8 June 2001 to 15 February 2005) and Pioneer Nickel Limited (17 January 2003 to 30 June 2006).

Mr Norman Mathew Longworth BSc (Hons), MAusIMM, was appointed as a Non Executive director on 19 August 2005 and resigned on 3 July 2006. Mr Craig Leslie Readhead B.Juris. LL.B. was appointed as a Non Executive director on 19 August 2005 and resigned on 29 November 2006 and Mr Allan Trench BSc (Hons), PhD, MSc (Min Econ), MBA (Oxon) was appointed as a Non Executive Director on 19 August 2005 and resigned on 29 November 2006.

COMPANY SECRETARY

Robert (Sam) Middlemas - *B.Com, ACA, Grad. Dip. Acc.*

Mr Middlemas was appointed Company Secretary and Chief Financial Officer on 17 July 2006. Mr Middlemas is a chartered accountant with more than 15 years experience in various financial and company secretarial roles with a number of listed public companies operating in the resources sector. He is the principal of a corporate advisory company which provides financial and secretarial services specialising in capital raisings and initial public offerings. Previously Mr Middlemas worked for an international accountancy firm. His fields of expertise include corporate secretarial practice, financial and management reporting in the mining industry, treasury and cash flow management and corporate governance.



PRINCIPAL ACTIVITIES

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

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

RESULTS OF OPERATIONS

The net loss after income tax for the financial year was \$560,681 (2006: \$1,447).

DIVIDENDS

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

REVIEW OF OPERATIONS AND ACTIVITIES

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

During the period since listing on the ASX to the end of the financial year the Company has used its cash reserves in a way consistent with its business objectives detailed in its Initial Public offer Prospectus dated 13 December 2006.

Corporate and Financial Position

As at 30 June 2007 the Company had cash reserves of \$7.7 million.

Business Strategies and Prospects

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

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

Risk Management

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

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

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

EMPLOYEES

The Company employed 7 employees as at 30 June 2007 (2006: 1 employee).

EARNINGS/LOSS PER SHARE

| | Cents |
|------------------------|--------------|
| Basic loss per share | (1.37) |
| Diluted loss per share | (1.37) |

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 except for:

- On 7 November 2006 the Company completed a 100,000 for 1 share split, to increase the number of shares on issue in the Company to 10,000,000, in preparation for an Australian Stock Exchange listing.
- On 9 November 2006 the Company issued 750,000 to founding directors Mr Peter Eaton and Mr John Shipp at an issue price of 10 cents per share to raise a total of \$75,000. These shares were issued as part of employment contracts for the directors.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS - CONTINUED

- On 10 January 2007 the Company issued 15,000,000 new shares to Heron Resources Limited ("Heron"), at a deemed issue price of 10.3 cents per share (\$1,537,931) representing exploration and acquisition costs undertaken by Heron at the time the tenements were deemed to be purchased. The issue was in accordance with the terms of the Heron Tenement Purchase Agreement dated 5 December 2006, under which Rubicon purchased 183 exploration tenements and the mineral rights over 35 additional tenements.
- On 2 February 2007, the Company listed on the Australian Stock Exchange following the successful raising of \$10,000,000 in new funds through the issue of 50,000,000 ordinary shares at an issue price of 20 cents each. The proceeds raised are to be applied towards significant exploration programmes on the Company's tenements.
- On 21 February 2007, the Company issued 250,000 new shares to Xserv Pty Ltd, at an issue price of 20 cents per share as part payment for the purchase of the Olly Dam tenement (E25/326) at its Yindarlgooda Project.

OPTIONS OVER UNISSUED CAPITAL

Unlisted Options

During the financial year and following shareholder approval obtained on 7 November 2006 the Company granted the following unlisted options over unissued shares to the following Directors as part of their remuneration. All options have a 1 year period of vesting, and each has been subject to ASX imposed escrow provisions until 2 February 2009:

| Director | Number of Options Granted | Exercise Price | Value per Option at Grant Date | Value of Options Granted | Expiry Date |
|------------|---------------------------|----------------|--------------------------------|--------------------------|-----------------|
| P Eaton | 1,500,000 | 25 cents each | 5.49 cents | \$82,350 | 7 November 2010 |
| | 500,000 (a) | 25 cents each | 4.94 cents | \$24,700 | 7 November 2010 |
| | 1,000,000 (b) | 30 cents each | 3.80 cents | \$38,000 | 7 November 2010 |
| | 1,000,000 (c) | 40 cents each | 1.33 cents | \$13,300 | 7 November 2010 |
| J Shipp | 500,000 | 25 cents each | 5.49 cents | \$27,450 | 7 November 2010 |
| | 150,000 (a) | 25 cents each | 4.94 cents | \$ 7,410 | 7 November 2010 |
| | 300,000 (b) | 30 cents each | 3.80 cents | \$11,400 | 7 November 2010 |
| | 300,000 (c) | 40 cents each | 1.33 cents | \$ 3,990 | 7 November 2010 |
| I Buchhorn | 250,000 | 25 cents each | 5.49 cents | \$13,725 | 7 November 2010 |

(a) vest upon VWAP of Rubicon shares trading above 25 cents for 30 consecutive days

(b) vest upon VWAP of Rubicon shares trading above 30 cents for 30 consecutive days

(c) vest upon VWAP of Rubicon shares trading above 40 cents for 30 consecutive days

Unlisted Options

In addition, during the financial year the Company granted the following unlisted options over unissued shares to the following employees and consultants. All employee options have a 1 year period of vesting:

| Issued To | Number of Options Granted | Exercise Price | Value per Option at Grant Date | Value of Options Granted | Expiry Date |
|-----------------------------------|---------------------------|----------------|--------------------------------|--------------------------|------------------|
| R Middlemas | 250,000 | 25 cents each | 5.49 cents | \$13,725 | 7 November 2010 |
| K Cassidy | 500,000 | 25 cents each | 5.49 cents | \$27,450 | 7 November 2010 |
| Intersuisse Corporate Pty Ltd (a) | 1,000,000 | 25 cents each | 7.93 cents | \$79,300 | 31 December 2011 |

(a) Options issued as part of Corporate Advisory fee upon successful listing on ASX listing. These options are subject to a 2 year ASX imposed restriction agreement to 2 February 2009.



Since 30 June 2007 and up until the date of this report the Company granted a further 850,000 unlisted options to employees under the Rubicon Employee Share Option Plan. All options convert into fully paid Rubicon shares at an exercise price of 25 cents each at any time prior to 7 November 2010. All options have a 12 month vesting period from the date of issue on 23 July 2007.

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 |
|----------------------------|----------------|------------------|
| 4,500,000 | 25 cents each | 7 November 2010 |
| 1,000,000 | 25 cents each | 31 December 2011 |
| 1,300,000 | 30 cents each | 7 November 2010 |
| 1,300,000 | 40 cents each | 7 November 2010 |

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

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

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

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

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 in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or 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 | Interests in Unlisted Options |
|------------|---|---|-------------------------------|
| J Shipp | Non-Executive Chairman Appointed on 17 July 2006 | 350,000 | 1,250,000 |
| P Eaton | Managing Director Appointed on 3 July 2006 | 550,000 | 4,000,000 |
| I Buchhorn | Non-Executive Director Appointed on 19 August 2005 | 6,075,535 | 250,000 |

DIRECTORS' MEETINGS

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

| Director | Board of Directors' Meetings | |
|--|------------------------------|--------------------------------|
| | Meetings Attended | Meetings held while a director |
| J Shipp (appointed 17 July 2006) | 9 | 9 |
| P Eaton (appointed 3 July 2006) | 10 | 10 |
| I Buchhorn | 10 | 10 |
| C Readhead (resigned 29 November 2006) | 5 | 6 |
| A Trench (resigned 29 November 2006) | 4 | 6 |
| M Longworth (resigned 3 July 2006) | 1 | 1 |

REMUNERATION REPORT

Recommendation 9.2 of the *ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations* 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 broad remuneration policy is to ensure that remuneration properly reflects the relevant person's duties and responsibilities, and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Board believes that the best way to achieve this objective is to provide the Managing Director and the executive team with a remuneration package consisting of a fixed and variable component that together reflects the person's responsibilities, duties and personal performance. An equity based remuneration arrangement for the Board and the executive team is in place. The remuneration policy is to provide a fixed remuneration component and a specific equity related component. The Board believes that this remuneration policy is appropriate given the stage of development of the Company and the activities which it undertakes and is appropriate in aligning Director and executive objectives with shareholder and business objectives.

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

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

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

Non-Executive Directors

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



Managing Director and Senior Management

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

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

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

Structure

Remuneration consists of the following key elements:

- Fixed remuneration; and
- Issuance of unlisted options

Fixed Remuneration

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

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

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

Service Agreement

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

Under the terms of the present contract:

- The Service Agreement has no fixed term.
- Mr Eaton may resign from his position and thus terminate the contract by giving three months written notice.
- On resignation any options that have not yet vested will lapse.
- The Company may terminate the contract by providing three months written notice or provide payment in lieu of notice by the Company. Any options that have vested, or will vest during the notice period will be available for exercise, whilst the options that have not yet vested will be forfeited.
- The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, the Managing Director is only entitled to that portion of remuneration which is fixed, and only up to the date of termination. On termination with cause, any unvested options will immediately lapse.
- If the Managing Director and the Company agree to terminate the contract by mutual consent, or if the Managing Director is removed, or if the Company enters into a deed of arrangement with creditors, placed under the control of receivers or is in breach of regulations, the Company will pay a sum to the Managing Director calculated in accordance with section 200G9(3) of the Corporations Act 2001.

REMUNERATION REPORT - CONTINUED

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

| Director | Primary | | Post Employment | Equity Compensation | Total |
|--|---------------------------|---------------------|---|---------------------|---------|
| | Base Emolument/Fees \$ | Motor Vehicle \$ | Superannuation/Salary Sacrifice Contributions \$ | Options \$ | |
| J Shipp (Non-Executive Chairman) | 36,536 | 0 | 24,955 | 32,628 (i) | 94,119 |
| P Eaton (Managing Director) | 203,800 | 4,024 | 36,000 | 102,819 (i) | 346,643 |
| I Buchhorn (Non-Executive Director) | 0 | 0 | 14,583 | 8,912 (i) | 23,495 |

(i) Options issued during the year have a 12 month vesting period, and consequently will be expensed over the vesting period on a pro-rata basis in 2006/2007 and 2007/2008. There are no performance conditions attached to these options.

There were no payments made to C Readhead, A Trench or M Longworth during the year.

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

| Executive Officer | Primary | | Post Employment | Equity Compensation | Total |
|---|---------------------------|---------------------|--|---------------------|---------|
| | Base Emolument/Fees \$ | Motor Vehicle \$ | Superannuation/ Salary Sacrifice Contributions \$ | Options \$ | |
| R Middlemas (i) Company Secretary | 82,200 | 0 | 0 | 8,912 (iii) | 91,112 |
| K Cassidy (ii) (Exploration Manager) | 89,745 | 0 | 8,077 | 17,824 (iii) | 115,646 |

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

(ii) Mr Cassidy joined the Company on 6 November 2006.

(iii) Options issued during the year have a 12 month vesting period, and consequently will be expensed over the vesting period on a pro-rata basis in 2006/2007 and 2007/2008. There are no performance conditions attached to these options.

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 2007.



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 set out on page 34 and forms part of this Directors' Report.

NON-AUDIT SERVICES

The external auditors (Butler Settineri (Audit) Pty Ltd) prepared an Independent Accountants Report for inclusion in the Prospectus dated 13 December 2006 and received a fee of \$8,039 for this work undertaken during the year ended 30 June 2007. There were no other non-audit services provided during the financial year, and the directors do not believe this work undertaken will adversely impact the auditor's independence.

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 19th day of September 2007.

Signed in accordance with a resolution of the Directors.

P Eaton
Managing Director

AUDITORS'S INDEPENDENCE DECLARATION

As lead auditor for the audit of Rubicon Resources Limited for the year ended 30 June 2007, 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



PAUL J CHABREL
Director

Perth
Date: 19 September 2007

Chartered
Accountants



**BUTLER
SETTINERI**

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Directors:
Colin Butler
FCA
Paul Chabrel
FCA
Lucy Gardner
CA

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INCOME STATEMENT

For the year ended 30 June 2007



| | Note | The Company | |
|--|------|----------------|----------------|
| | | 2007 \$'000 | 2006 \$'000 |
| Other income - Interest Income | 3 | 220,994 | - |
| Employee expenses | | 418,140 | - |
| Non-Executive Directors' fees | | 76,074 | - |
| Insurance expenses | | 11,303 | - |
| Company Secretarial fees | | 82,200 | - |
| Corporate expenses | | 79,004 | - |
| Depreciation | | 6,969 | - |
| Rent | | 43,233 | - |
| Employee costs recharged to capitalised exploration | | (281,146) | - |
| Expense of share-based payments | | 222,585 | - |
| Other expenses | | 123,313 | - |
| Loss before income tax | | 781,675 | 1,447 |
| Income tax | | - | - |
| Net loss attributable to members of the Company | | 560,681 | 1,447 |
| Basic earnings/(loss) per share (cents per share) | | (1.37) cents | (0.01) cents |
| Diluted earnings/(loss) per share (cents per share) | | (1.37) cents | (0.01) cents |

Discussion and Analysis of the income statement

The Company's activities increased significantly with the recruitment of a management team prior to the completion of the Initial Public Offering (IPO) and successful listing on the ASX in February 2007 and the subsequent recruitment of additional exploration staff due to the increase in exploration activities following the listing. This has resulted in a significant increase in the employee expenses and the recharge to exploration.

The interest income increase is due to the new funds received from the IPO of \$10 million in February 2007. Most other costs are related to the corporate and administration of operating a public listed Company.

There were a number of employee and other options issued prior to the IPO (refer Directors report), and these have been valued using the Black Scholes Option valuation model, and expensed in the year in accordance with the relevant Accounting standard, as share based payments.

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

BALANCE SHEET

As at 30 June 2007

| | Note | The Company | |
|---|------|-------------------|----------------|
| | | 2007 \$'000 | 2006 \$'000 |
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | | 7,728,850 | 7,229 |
| Other receivables | | 34,724 | - |
| Other assets | | 29,367 | - |
| Total Current Assets | | 7,792,941 | 7,229 |
| Non-current Assets | | | |
| Plant and equipment and motor vehicles | | 112,255 | - |
| Capitalised mineral exploration expenditure | | 2,863,770 | 228,429 |
| Total Non-Current Assets | | 2,976,025 | 228,429 |
| Total Assets | | 10,768,966 | 235,658 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and other payables | | 177,945 | 237,005 |
| Provisions | | 62,068 | - |
| Total Current Liabilities | | 240,013 | 237,005 |
| Total Liabilities | | 240,013 | 237,005 |
| Net Assets | | 10,528,953 | (1,347) |
| EQUITY | | | |
| Contributed equity | 4 | 10,868,496 | 100 |
| Share Option Reserve | | 222,585 | - |
| Accumulated losses | | (562,128) | (1,447) |
| Total Equity | | 10,528,953 | (1,347) |

Discussion and Analysis of the Balance Sheet

The Company raised \$10m through an Initial Public Offering (IPO) and successful listing on the ASX in February 2007. Part of the proceeds were used to pay the costs of the IPO (\$0.79m) and repay loans from Heron Resources (\$0.47m), with the balance of expenditure used predominantly for exploration (refer Cashflow Statements for further cash movements).

As part of the IPO process, the Company purchased over 200 exploration tenements from Heron Resources Limited (refer Operations report), funded through the issue of 15,000,000 new shares with an equivalent value of \$1.63m (including stamp duty costs). Substantial exploration was undertaken during the period from February to the end of June 2007, reflecting the additional increase in balance sheet value of the capitalised mineral exploration expenditure.

The increase in Contributed equity represents the new shares issued under the IPO and to Heron Resources, less the costs of the IPO.

The Share Option reserve represents the options issued during the year, valued by the Black Scholes Option valuation model.

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

STATEMENT OF CHANGES IN EQUITY

For the year ended June 2007



| | The Company | |
|--|----------------|----------------|
| | 2007 \$'000 | 2006 \$'000 |
| Total equity at the beginning of the year | (1,347) | - |
| Loss for the year | (560,681) | (1,447) |
| Total recognised income and expense for the year | (562,028) | (1,447) |
| Share Option Reserve | 222,585 | - |
| Transactions with equity holders in their capacity as equity holders: | | |
| Contributions of equity, net of transaction costs | 10,868,396 | 100 |
| Total equity at the end of the year | 10,528,953 | (1,347) |

Discussion and Analysis of Statement of Changes in Equity

The increased loss for the year was the result of the recruitment of a management team prior to the Initial Public Offering (IPO) and successful listing on the ASX in February 2007, accompanied by increased corporate and administration costs relating to the operation of a publicly listed company and the associated costs of supporting the Company's expanded exploration activities (refer Income Statements).

The increase in Contributed equity represents the new shares issued under the IPO and to Heron Resources, less the costs of the IPO.

The Share Option reserve represents the options issued during the year, valued based on the Black Scholes Option.

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

CASH FLOW STATEMENT

For the year ended 30 June 2007

| | The Company | |
|--|------------------|----------------|
| | 2007 \$'000 | 2006 \$'000 |
| Cash flows from operating activities | | |
| Interest received | 220,994 | - |
| Payments to suppliers and employees (inclusive of goods and services tax) | (423,199) | 295 |
| Net cash used in operating activities | (202,205) | 295 |
| Cash flows from investing activities | | |
| Payments for exploration and evaluation | (764,035) | (18,066) |
| Payments for plant and equipment and motor vehicles | (119,224) | - |
| Net cash used in investing activities | (883,259) | (18,066) |
| Cash flows from financing activities | | |
| Proceeds from the issue of shares | 10,075,000 | - |
| Payments for transaction costs relating to the issue of shares | (794,535) | - |
| Loans (repaid)/advanced during period | (473,380) | 25,000 |
| Net cash provided by financing activities | 8,807,085 | 25,000 |
| Net increase in cash held | 7,721,621 | 7,229 |
| Cash at the beginning of the financial year | 7,229 | - |
| Cash at the end of the financial year | 7,728,850 | 7,229 |

Discussion and Analysis of the Cash Flows

The Company raised \$10m through an Initial Public Offering (IPO) and successful listing on the ASX in February 2007, with part of the proceeds used to pay the costs of the IPO (\$0.79m) and repay loans from Heron Resources (\$0.47m).

As part of the IPO process, the Company purchased over 200 exploration tenements from Heron Resources Limited (refer Operations report), funded through the issue of 15,000,000 new shares with no cash flows recorded but an agreed equivalent value of \$1.63m (including stamp duty costs). Substantial exploration was undertaken during the period from February to the end of June 2007 (\$0.76m) along with the recruitment of four new exploration geologists.

The main income for the period is from interest on the funds on deposit since February, and the main non-exploration costs were made up of corporate and other administration costs of operating a publically listed Company.

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

NOTES TO THE FINANCIAL STATEMENTS



For the year ended 30 June 2007

1. BASIS OF PREPARATION OF CONCISE FINANCIAL REPORT

The concise financial report has been prepared in accordance with the Corporations Act 2001 and Accounting Standard AASB 1039 Concise Financial Reports. The financial statements and specific disclosures required by AASB 1039 have been derived from the Company's full financial report for the financial year. Other information included in the financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

The financial report is prepared on the historical cost basis and does not take into account changing money values or, except where stated, current valuations of non-current assets. A full description of the accounting policies adopted by the Company may be found in the Company's full financial report.

2. 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.

| | 2007 \$'000 | 2006 \$'000 |
|--|----------------|----------------|
|--|----------------|----------------|

3. OTHER INCOME

Other Income

| | | |
|----------|---------|---|
| Interest | 220,994 | - |
|----------|---------|---|

4. CONTRIBUTED EQUITY

(a) Ordinary Shares

| | | |
|---|------------|-----|
| 76,000,000 (2006: 100) fully paid ordinary shares | 10,868,496 | 100 |
|---|------------|-----|

(b) Share Movement During the Year

| | 2007 | | 2006 | |
|--|---------------------|-------------------|---------------------|-----|
| | Number of Shares | \$ | Number of Shares | \$ |
| Beginning of the financial year | 100 | 100 | - | - |
| <i>New share issues during the year</i> | | | | |
| Incorporation of the Company 19 August 2005 | - | - | 100 | 100 |
| Share Split 100,000 for 1 | 9,999,900 | - | - | - |
| Shares issued to Directors prior to IPO | 750,000 | 75,000 | - | - |
| Shares issued to Heron under the Heron Tenement Purchase Agreement | 15,000,000 | 1,537,931 | - | - |
| Shares issued to Investors under IPO at 20 cents issue price | 50,000,000 | 10,000,000 | - | - |
| Less: Share issue costs | - | (794,535) | - | - |
| Issue of shares upon Olly Dam tenement purchase | 250,000 | 50,000 | - | - |
| | 76,000,000 | 10,868,496 | 100 | 100 |

5. 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 \$1,967,968 (2006: \$29,322). These obligations are also subject to variations by farm-out arrangements or sale of the relevant tenements.

| | 2007 \$'000 | 2006 \$'000 |
|--|----------------|----------------|
| (b) Operating Lease Commitments | | |
| Total operating lease expenditure contracted for at balance date but not provided for in the consolidated financial statements, payable: | | |
| Not later than one year | 74,775 | - |
| Between one and five years | 292,868 | - |
| More than five years | - | - |
| | 367,643 | - |

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

(c) Capital Commitments

The Company had no capital commitments at 30 June 2007.

6. SEGMENT INFORMATION

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

7. CONTINGENT LIABILITIES

There were no material contingent liabilities not provided for in the financial statements of the Company as at 30 June 2007 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.

8. 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.



In the opinion of the Directors of Rubicon Resources Limited, the accompanying concise financial report for the Company for the financial year ended 30 June 2007:

- (a) has been derived from or is consistent with the full financial report for the financial year;
- (b) complies with Australian Accounting Standard AASB 1039 Concise Financial Reports.

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

Signed at Perth this 19th day of September 2007.

A handwritten signature in blue ink, appearing to read 'P. Eaton'.

P Eaton
Managing Director

Scope

We have audited the attached financial report, being a concise financial report comprising the income statement, balance sheet, statement of changes in equity, cash flow statement, notes to the financial statements and the directors' declaration for Rubicon Resources Limited for the financial year ended 30 June 2007.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standard AASB 1039: Concise Financial Reports.

Auditor's Responsibility

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

We also performed an independent audit of the full financial report of the company for the financial year ended 30 June 2007. Our audit report on the full financial report was signed on 19 September 2007 and was not subject to any qualification.

In conducting our audit of the concise financial report, we performed procedures to assess whether in all material respects the concise financial report is presented fairly in accordance with Australian Accounting Standard AASB 1039: Concise Financial Reports.

We formed our opinion on the basis of procedures which included:

- testing that the information included in the concise financial report is consistent with the information in the full financial report, and
- examining, on a test basis, information to provide evidence supporting the amounts and other disclosures in the concise financial report which were not directly derived from the full financial report

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the concise financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Auditor's Opinion

In our opinion, the concise financial report of Rubicon Resources Limited for the year ended 30 June 2007 complies with Australian Accounting Standard AASB 1039: Concise Financial Reports.

BUTLER SETTINERI (AUDIT) PTY LTD

PAUL J CHABREL

Director

Perth

Date: 19 September 2007

Chartered
Accountants



**BUTLER
SETTINERI**

Level 1
Construction House
35-37 Havelock Street
West Perth 6005

**Locked Bag 18
West Perth 6872
Western Australia**

Phone: **(08) 9426 4444**

Fax: **(08) 9321 5215**

Email: mail@butlersettineri.com.au

Directors:

Colin Butler
FCA

Paul Chabrel
FCA

Lucy Gardner
CA

www.butlersettineri.com.au

ASX ADDITIONAL INFORMATION



Summary of mining tenements

| Sub Project | Tenement ID | Nature of Interest | Date granted | Sub Project | Tenement ID | Nature of Interest | Date granted |
|-----------------------------|-------------|--------------------|--------------|---|-------------|--------------------|--------------|
| YINDARLGOODA PROJECT | | | | YINDARLGOODA PROJECT - continued | | | |
| Cowarna | E28/01310 | 3 | 20-Dec-2004 | Mt Monger | P25/01844 | 2 | 7-Sep-2006 |
| Cowarna | E28/01341 | 3 | 13-Sep-2004 | Mt Monger | P25/01845 | 2 | 7-Sep-2006 |
| Cowarna | E28/01427 | 3 | 19-Nov-2004 | Mt Monger | P26/03298 | 3 | 12-Aug-2005 |
| Cutters Luck | E25/00321 | 3 | 23-Mar-2006 | Mt Monger | P26/03299 | 3 | 12-Aug-2005 |
| Cutters Luck | E26/00110 | 2 | 12-Jan-2006 | Mt Monger | P26/03332 | 1 | 7-Sep-2006 |
| Cutters Luck | E26/00115 | 2 | 29-Sep-2006 | Mt Monger | P26/03333 | 1 | 7-Sep-2006 |
| Cutters Luck | E26/00121 | 1 | 13-Apr-2007 | Mt Monger | P26/03334 | 1 | 7-Sep-2006 |
| Cutters Luck | M26/00667 | 2 | Pending | Mt Monger | P26/03335 | 1 | 7-Sep-2006 |
| Cutters Luck | P26/02909 | 2 | Pending | Mt Monger | P26/03336 | 1 | 7-Sep-2006 |
| Cutters Luck | P26/03497 | 2 | Pending | Mt Monger | P26/03338 | 1 | 7-Sep-2006 |
| Cutters Luck | P26/03498 | 2 | Pending | Mt Monger | P26/03339 | 1 | 7-Sep-2006 |
| Kanowna Racetrack | P27/01650 | 1 | 31-Oct-2005 | Mt Monger | P26/03340 | 1 | 7-Sep-2006 |
| Kanowna Racetrack | P27/01651 | 1 | 31-Oct-2005 | Mt Monger | P26/03341 | 2 | 7-Sep-2006 |
| Kanowna Racetrack | P27/01652 | 1 | 31-Oct-2005 | Mt Monger | P26/03342 | 2 | 7-Sep-2006 |
| Kanowna Racetrack | P27/01653 | 1 | 31-Oct-2005 | Mt Monger | P26/03343 | 2 | 7-Sep-2006 |
| Kanowna Racetrack | P27/01654 | 1 | 31-Oct-2005 | Clinker Hill | E25/00324 | 2 | 14-Dec-2006 |
| Kurnalpi West | P28/01004 | 2 | 22-Nov-2004 | Taurus | M25/00019 | 2 | 17-Mar-1986 |
| Kurnalpi West | P28/01005 | 2 | 22-Nov-2004 | Taurus | M25/00032 | 2 | 1-May-1987 |
| Kurnalpi West | P28/01050 | 2 | 9-Aug-2006 | Taurus | M25/00036 | 2 | 31-Dec-1987 |
| Kurnalpi West | P28/01051 | 2 | 9-Aug-2006 | Taurus | M25/00058 | 2 | 15-Feb-1989 |
| Kurnalpi West | P28/01052 | 2 | 9-Aug-2006 | Taurus | M25/00064 | 2 | 29-Mar-1989 |
| Mt Mcleay | E27/00243 | 2 | 18-Jan-2006 | Taurus | M25/00081 | 2 | 6-Mar-1990 |
| Mt Mcleay | E27/00305 | 2 | 23-Nov-2006 | Taurus | M25/00082 | 2 | 6-Mar-1990 |
| Mt Mcleay | E27/00322 | 2 | Pending | Taurus | M25/00149 | 2 | 14-Feb-1995 |
| Mt Mcleay | M27/00371 | 2 | Pending | Taurus | M25/00184 | 2 | Pending |
| Mt Mcleay | M27/00372 | 2 | Pending | Taurus | M25/00245 | 2 | Pending |
| Mt Mcleay | P27/01675 | 2 | 12-Apr-2006 | Taurus | M25/00300 | 2 | Pending |
| Mt Mcleay | P27/01712 | 2 | Pending | Taurus South | M25/00123 | 2 | 7-Apr-1994 |
| Mt Mcleay | P27/1746 | 2 | Pending | Taurus South | P25/01841 | 2 | 12-Apr-2006 |
| Mt Mcleay | P27/1747 | 2 | Pending | Wattle Dam | E25/00222 | 1 | 19-Nov-2004 |
| Mt Monger | E15/00869 | 2 | 21-Dec-2005 | Wattle Dam | E25/00241 | 2 | 17-Feb-2004 |
| Mt Monger | E25/00293 | 2 | 19-Nov-2004 | Wattle Dam | E25/00271 | 2 | 4-Feb-2004 |
| Mt Monger | E25/00307 | 2 | 21-Jun-2005 | Wattle Dam | E25/00298 | 2 | 10-Aug-2005 |
| Mt Monger | E25/00313 | 1 | 23-Mar-2006 | Wattle Dam | E25/00303 | 2 | 20-Apr-2005 |
| Mt Monger | P25/01735 | 3 | 3-Oct-2005 | Wattle Dam | E25/00305 | 1 | 21-Jun-2005 |
| Mt Monger | P25/01736 | 3 | 14-Jul-2004 | Wattle Dam | E25/00319 | 2 | 21-Feb-2006 |
| Mt Monger | P25/01842 | 1 | 7-Sep-2006 | Wattle Dam | E28/01079 | 3 | 7-Nov-2003 |
| Mt Monger | P25/01843 | 1 | 7-Sep-2006 | Wattle Dam | E28/01639 | 3 | 14-Dec-2006 |

Nature of Interest Notes

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4. Tenements under option from Raymond Barrie Jefferies, Trevor Rodney Lamond, Garry Leonard Jefferies, Michael Raymond Jefferies and Nicol Charles Woodfield.

ASX ADDITIONAL INFORMATION - CONTINUED

Summary of mining tenements

| Sub Project | Tenement ID | Nature of Interest | Date granted | Sub Project | Tenement ID | Nature of Interest | Date granted |
|-----------------------------|-------------|--------------------|--------------|---|-------------|--------------------|--------------|
| YINDARLGOODA PROJECT | | | | YINDARLGOODA PROJECT - continued | | | |
| Wattle Dam | P25/01814 | 1 | 14-Mar-2005 | Yindarlgooda | M27/00345 | 2 | Pending |
| Wattle Dam | P25/01815 | 1 | 9-Feb-2006 | Yindarlgooda | M27/00383 | 2 | Pending |
| Wattle Dam | P25/01817 | 1 | 14-Mar-2005 | Yindarlgooda | M27/00386 | 2 | Pending |
| Wattle Dam | P25/01818 | 1 | 14-Mar-2005 | Yindarlgooda | M27/00432 | 2 | Pending |
| Wattle Dam | P25/01827 | 1 | 27-Jul-2005 | Yindarlgooda | M27/00466 | 2 | Pending |
| Wattle Dam | P25/01828 | 1 | 27-Jul-2005 | Yindarlgooda | M28/00341 | 3 | Pending |
| Wattle Dam | P25/01829 | 1 | 27-Jul-2005 | Yindarlgooda | P25/01777 | 1 | 5-Feb-2004 |
| Wattle Dam | P25/01830 | 1 | 27-Jul-2005 | Yindarlgooda | P25/01991 | 1 | Pending |
| Wattle Dam | P25/01831 | 1 | 27-Jul-2005 | Yindarlgooda | P25/01992 | 1 | Pending |
| Yalla Burra | E15/00918 | 1 | 2-Mar-2007 | Yindarlgooda | P27/01491 | 2 | 19-May-2000 |
| Yalla Burra | E15/01028 | 1 | Pending | Yindarlgooda | P27/01517 | 2 | 28-Jan-2004 |
| Yindarlgooda | E25/00273 | 2 | 23-Mar-2006 | Yindarlgooda | P27/01575 | 2 | 5-Feb-2004 |
| Yindarlgooda | E25/00316 | 1 | 8-Aug-2006 | Yindarlgooda | P27/01576 | 2 | 5-Feb-2004 |
| Yindarlgooda | E25/00326 | 1 | 1-Nov-2006 | Yindarlgooda | P27/01578 | 2 | 25-Feb-2004 |
| Yindarlgooda | E25/00335 | 2 | 26-Feb-2007 | Yindarlgooda | P27/01579 | 2 | Pending |
| Yindarlgooda | E27/00291 | 2 | 28-Apr-2006 | Yindarlgooda | P27/01655 | 1 | 9-Feb-2005 |
| Yindarlgooda | E27/00330 | 3 | Pending | Yindarlgooda | P27/01661 | 2 | 12-Apr-2005 |
| Yindarlgooda | E27/00337 | 2 | 26-Feb-2007 | Yindarlgooda | P27/01711 | 2 | Pending |
| Yindarlgooda | E28/01522 | 2 | 7-Nov-2005 | Yindarlgooda | P27/01748 | 2 | Pending |
| Yindarlgooda | M25/00196 | 2 | Pending | Yindarlgooda | P27/01749 | 2 | Pending |
| Yindarlgooda | M25/00197 | 2 | Pending | Yindarlgooda | P27/01924 | 1 | Pending |
| Yindarlgooda | M25/00344 | 1 | Pending | Yindarlgooda | P27/01925 | 1 | Pending |
| Yindarlgooda | M27/00295 | 2 | Pending | Yindarlgooda | P27/01926 | 1 | Pending |
| Yindarlgooda | M27/00344 | 2 | Pending | Yindarlgooda | P27/01927 | 1 | Pending |

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| Sub Project | Tenement ID | Nature of Interest | Date granted |
|--------------------------|-------------|--------------------|--------------|
| DESDEMONA PROJECT | | | |
| Apollo Hill | E31/00720 | 2 | 16-Nov-2006 |
| Apollo Hill | E31/00725 | 1 | 16-Nov-2006 |
| Apollo Hill | E39/01101 | 1 | 9-Feb-2006 |
| Apollo Hill | E39/01146 | 1 | 19-Jun-2006 |
| Apollo Hill | E39/01147 | 1 | 19-Jun-2006 |
| Jaguar South | E37/00829 | 1 | 14-Sep-2006 |
| Kookynie | E40/00195 | 1 | 20-Apr-2006 |
| Kookynie | E40/00199 | 1 | Pending |
| Kookynie | E40/00200 | 1 | 3-May-2006 |
| Kookynie East | E31/00706 | 1 | 15-Dec-2006 |
| Malcolm | M37/00727 | 1 | Pending |
| Malcolm | M37/00728 | 2 | Pending |
| Malcolm | M37/00729 | 1 | Pending |
| Malcolm | M37/00730 | 2 | Pending |
| Malcolm | M37/00953 | 1 | Pending |
| Malcolm | P37/06705 | 1 | 13-May-2005 |
| Malcolm | P37/06774 | 2 | 7-Oct-2005 |
| Malcolm | P37/06775 | 1 | 7-Oct-2005 |
| Malcolm | P37/06776 | 1 | 7-Oct-2005 |
| Malcolm | P37/06777 | 1 | 7-Oct-2005 |
| Malcolm | P37/06778 | 1 | 7-Oct-2005 |
| Malcolm | P37/06876 | 1 | 5-May-2006 |
| Malcolm | P37/06877 | 1 | 5-May-2006 |
| Malcolm | P37/06878 | 1 | 5-May-2006 |
| Malcolm | P37/06878 | 1 | 5-May-2006 |
| Malcolm | P37/06880 | 1 | 5-May-2006 |
| Malcolm | P37/06881 | 1 | 5-May-2006 |
| Malcolm | P37/06882 | 1 | 5-May-2006 |
| Malcolm | P37/06883 | 1 | 5-May-2006 |
| Malcolm | P37/06884 | 1 | 5-May-2006 |
| Malcolm | P37/06885 | 1 | 5-May-2006 |
| Malcolm | P37/06886 | 1 | 5-May-2006 |
| Malcolm | P37/06887 | 1 | 5-May-2006 |
| Melita | E37/00790 | 1 | 4-Jan-2006 |
| Melita | E37/00937 | 1 | Pending |
| Melita | E40/00202 | 1 | 2-Nov-2006 |
| Melita | E40/00204 | 1 | 4-Sep-2006 |

| Sub Project | Tenement ID | Nature of Interest | Date granted |
|--------------------------------------|-------------|--------------------|--------------|
| DESDEMONA PROJECT - continued | | | |
| Melita | E40/00206 | 1 | 15-Jan-2006 |
| Melita | E40/00209 | 1 | 3-Apr-2006 |
| Melita | E40/00211 | 1 | 6-Sep-2006 |
| Mt Howe | E39/01132 | 1 | 27-Oct-2006 |
| Mt Howe | E39/01182 | 1 | Pending |
| Mt Howe | E39/01317 | 1 | Pending |
| Yerilla | E31/00518 | 1 | 9-Dec-2003 |
| Yerilla | E31/00529 | 2 | 13-Dec-2005 |
| Yerilla | E31/00628 | 2 | Pending |
| Yerilla | E31/00684 | 3 | Pending |
| Yerilla | E31/00708 | 3 | Pending |
| Yerilla | E31/00715 | 2 | Pending |
| Yerilla | E31/00734 | 2 | Pending |
| Yerilla | E39/00831 | 3 | 7-Sep-2006 |
| Yerilla | E39/00883 | 3 | 4-May-2007 |
| Yerilla | E39/01120 | 3 | 3-Oct-2006 |
| Yerilla | E39/01139 | 3 | 12-Oct-2006 |
| Yerilla | E39/01179 | 1 | 12-Feb-2007 |
| Yerilla | E39/01228 | 3 | Pending |
| Yerilla | E39/01269 | 2 | Pending |
| Yerilla | M31/00249 | 1 | Pending |
| Yerilla | P31/01752 | 3 | 11-Jan-2007 |
| Yerilla | P31/01753 | 3 | 11-Jan-2007 |
| Yerilla | P31/01754 | 3 | 11-Jan-2007 |
| Yerilla | P31/01755 | 3 | 11-Jan-2007 |
| Yerilla | P31/01756 | 3 | 11-Jan-2007 |
| Yerilla | P31/01757 | 3 | 11-Jan-2007 |
| Yerilla | P31/01758 | 3 | 11-Jan-2007 |
| Yerilla | P31/01759 | 3 | 11-Jan-2007 |
| Yilgangi | E31/00721 | 1 | 23-Nov-2006 |
| Yilgangi | M31/00173 | 1 | Pending |
| Yilgangi | M31/00355 | 1 | Pending |
| Yilgangi | P31/01815 | 1 | Pending |
| Yilgangi | P31/01832 | 1 | Pending |
| Yilgangi | P31/01833 | 1 | Pending |
| Yilgangi | P31/01834 | 1 | Pending |

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ASX ADDITIONAL INFORMATION - CONTINUED

Summary of mining tenements

| Sub Project | Tenement ID | Nature of Interest | Date granted | Sub Project | Tenement ID | Nature of Interest | Date granted |
|-------------------------------------|-------------|--------------------|--------------|--------------------------|-------------|--------------------|--------------|
| ERLISTOUN PROJECT | | | | IOCG PROJECTS | | | |
| Erlistoun | E38/00948 | 1 | 19-Jun-2003 | Nuninga Spring | E52/01660 | 1 | 27-Jun-2005 |
| Erlistoun | E38/01695 | 3 | 22-Jan-2007 | Marrila | E08/01581 | 1 | 23-Aug-2006 |
| Erlistoun | E38/01724 | 3 | 11-Jan-2006 | Marrila | E08/01795 | 1 | Pending |
| Erlistoun | E38/01742 | 3 | 27-Oct-2005 | Gibson Desert | E69/02127 | 1 | Pending |
| Erlistoun | E38/01911 | 3 | Pending | Welcome Creek | E69/02128 | 1 | Pending |
| BENCUBBIN PROJECT | | | | WARBURTON PROJECT | | | |
| Bencubbin | E70/02767 | 1 | 6-Sep-2005 | Caesar Hill | E69/02253 | 1 | Pending |
| Bencubbin | E70/02851 | 1 | Pending | Gunbarrel | E69/01932 | 1 | 31-May-2007 |
| Bencubbin | E70/02942 | 4 | 27-Aug-2007 | Gunbarrel | E69/02192 | 1 | Pending |
| Bencubbin | E70/03004 | 1 | Pending | Gunbarrel | E69/02193 | 1 | Pending |
| Bencubbin | M70/01080 | 4 | 12-Jun-2001 | Gunbarrel | E69/02194 | 1 | Pending |
| Bencubbin | M70/01081 | 4 | 12-Jun-2001 | Gunbarrel | E69/02252 | 1 | 12-Jun-2007 |
| Bencubbin | P70/01480 | 4 | 30-Nov-2004 | Warburton | E69/02129 | 1 | Pending |
| Bencubbin East | E70/03010 | 1 | Pending | Warburton | E69/02130 | 1 | Pending |
| BODDINGTON SOUTHWEST PROJECT | | | | Warburton | E69/02131 | 1 | Pending |
| Martup Hills | E70/03008 | 1 | Pending | Warburton | E69/02132 | 1 | Pending |
| Jingalup | E70/03009 | 1 | Pending | Warburton | E69/02203 | 1 | Pending |
| CANOBE PROJECT QUEENSLAND | | | | Warburton | E69/02443 | 1 | Pending |
| Wombool | EPM15714 | 1 | Pending | | | | |
| Canobie | EPM15719 | 1 | Pending | | | | |
| Canobie | EPM15720 | 1 | Pending | | | | |
| Canobie | EPM15721 | 1 | Pending | | | | |
| Canobie | EPM15722 | 1 | Pending | | | | |

Nature of Interest Notes

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Pursuant to the Listing Requirements of the Australian Stock Exchange Limited, the shareholder information set out below was applicable as at 1st September 2007.

A. Distribution of Equity Securities

Analysis of numbers of shareholders by size of holding:

| Distribution | Number of Shareholders |
|-------------------|------------------------|
| 1 – 1,000 | 184 |
| 1,001 – 5,000 | 532 |
| 5,001 – 10,000 | 279 |
| 10,001 – 100,000 | 890 |
| More than 100,000 | 120 |
| Totals | 2,005 |

There were 642 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 |
| IJ Buchhorn and related entities | 6,075,535 | 7.99% |

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 |
| Kurana Pty Ltd (Buchhorn Unit Fund) | 4,460,265 | 5.87% |
| Inco Australia Holdings Pty Ltd | 2,423,995 | 3.19% |
| National Nominees Limited | 1,674,331 | 2.20% |
| MBM Corporation Pty Ltd | 1,668,893 | 2.20% |
| Plato Prospecting Pty Ltd | 1,300,000 | 1.71% |
| Masen Prospecting Pty Ltd | 1,296,566 | 1.71% |
| Invia Custodian Pty Ltd (White Account) | 1,250,000 | 1.64% |
| Hollywell Investments Pty Ltd | 905,000 | 1.19% |
| Brooks, William (Brooks Superannuation Account) | 827,511 | 1.09% |
| Chaos Investments Pty Ltd (Alexandrou Family Account) | 822,151 | 1.08% |
| Sambaitow Pty Ltd | 600,000 | .79% |
| Mizon, Annette (Bobbin Superannuation Fund Account) | 600,000 | .79% |
| Jacana Glen Pty Ltd (Jacana Glen Account) | 550,000 | .72% |
| Koltai Holdings Pty Ltd | 507,157 | .67% |
| Elphinstone Holdings Pty Ltd | 500,000 | .66% |
| Calm Holdings Pty Ltd (Clifton Superannuation Fund Account) | 500,000 | .66% |
| Bruce Birnie Pty Ltd | 500,000 | .66% |
| Dixtru Pty Ltd | 500,000 | .66% |
| Archem Trading NZ Ltd | 500,000 | .66% |
| Kavalex Pty Ltd | 470,215 | .62% |
| | 21,856,084.00 | 28.77% |

D. Unquoted Options

| Options | Number of Options |
|---|--------------------------|
| Unlisted options exercisable at 25 cents each by 7 November 2010 | 4,500,000 |
| Unlisted options exercisable at 25 cents each by 31 December 2011 | 1,000,000 |
| Unlisted options exercisable at 30 cents each by 7 November 2010 | 1,300,000 |
| Unlisted options exercisable at 40 cents each by 7 November 2010 | 1,300,000 |
| | 8,100,000 |

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.

The financial statements and other specific disclosures are an extract of, and have been derived from the full financial report of Rubicon Resources Limited for the financial year. Other information included in the concise financial report is consistent with the Company's full financial report.

The concise financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

A copy of the Company's 30 June 2007 Annual Financial Report, including the independent audit report, is available to the shareholders and will be sent to shareholders without charge upon request and can be accessed on the Company's website at www.rubiconresources.com.au.





Rubicon Resources Limited

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Western Australia 6872

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