



Rubicon Resources Limited

04 February 2008
Media Release

VALE TO INCREASE STAKE IN RUBICON RESOURCES AND UNDERPIN EXPLORATION AT WARBURTON BASE METALS PROJECT

- Vale to become Rubicon's biggest shareholder by subscribing for 4 million Rubicon shares at \$0.25 per share
- Vale to spend up to \$3 million on exploration to earn 51% of Warburton project over three years
- Vale may earn up to 75% of Warburton by sole funding all work up to completion of bankable feasibility studies

Rubicon Resources Limited (Rubicon) is pleased to announce it has entered into a landmark Share Subscription Deed and Evaluation and Farm-in Agreement over its Warburton Project with CVRD Australia EA Pty Limited (CVRD EA), a wholly owned subsidiary of Vale (formerly CVRD), the world's second largest mining company by market capitalisation.

Under the terms of the Share Subscription Deed, CVRD EA will immediately subscribe for four million Rubicon shares at a price of \$0.25 per share, thereby raising \$1 million. The transaction will increase Vale's stake in the company to approximately 8%, making it Rubicon's single largest shareholder.

Under the terms of the Evaluation and Farm-in Agreement, Rubicon will expend \$1 million on the initial evaluation and exploration of its Warburton project over a maximum period of 18 months. An Evaluation Work Program will be agreed between Rubicon and Vale and managed and implemented by Rubicon. At the end of this evaluation period, subject to obtaining CVRD EA Board approval, Vale will spend \$3 million over a three year period on further exploration and potential development. Upon spending this \$3 million, Vale may exercise an option to enter into an Exploration Joint Venture Agreement with Rubicon, thereby earning 51% of the project.

Vale may proceed to a 70% interest in the project by sole funding exploration and development studies up to the commencement of a Bankable Feasibility Study (BFS). Vale may earn an additional 5% interest in the project by sole funding the BFS. Rubicon cannot be diluted below 25% equity before the completion of a BFS.

Rubicon Managing Director, Mr Peter Eaton, said that the agreements facilitated a number of positive outcomes for Rubicon.

"The Warburton Project is a large and remote project area where our immediate target is a world-class copper deposit. While operating costs may be relatively higher in this part of Australia, this is offset by the enormous potential of exploring a part of one of Australia's truly unexplored Proterozoic provinces, where the only significant exploration program has already defined copper mineralisation. Native Title access agreements with the Ngaanyatjarra people are in place for all of the western leases, which will enable the commencement of active exploration programs in the 2008 field season."

"This agreement secures initial exploration funding for the project, the involvement of a major partner that will be providing technical input and resources and the strong potential for ongoing funding of a major base metal exploration and development project right through to the completion of a successful BFS."

"Vale is already a shareholder through the initial float of Rubicon and this placement at a significant premium to market price will make it the largest Rubicon shareholder with an 8% holding. Vale is the world's second largest mining group and we welcome the input that this strategic investment in Rubicon will give to the Warburton project."



The Warburton project area subject to the joint venture comprises 3,200km² of exploration licences within the remote western Musgrave Province in Western Australia. The project area is analogous to the South Australian Gawler Craton-Stuart Shelf and has the potential for Iron Oxide Copper Gold Uranium mineralisation (eg. Olympic Dam and Prominent Hill) as well as sediment-hosted stratabound copper deposits (eg. Mt Isa and White Pine, Michigan). The project area is largely unexplored other than a program completed by WMC Limited in the late-1960's which defined significant copper occurrences. A fuller description of the project is appended.

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About Rubicon Resources

Rubicon listed on the ASX in February 2007, raising \$10 million. The company controls 11,000 km² of highly prospective tenements in seven project areas located in Western Australia and Queensland (Figure 1). The target commodities are specifically gold, copper and zinc, along with other base metals.

The Company's current portfolio is balanced with a mix of high reward, higher risk projects together with Goldfields projects with known gold mineralisation. The Company's key projects consist of large contiguous holdings in well mineralised provinces. The three major projects comprise Warburton and the Desdemona and Yindarlgooda projects (3,000 km²) located in the Kalgoorlie Goldfields. Rubicon is aggressively exploring its project areas, focusing in 2007 on the Yindarlgooda and Desdemona projects.



Figure 1 Rubicon Project Locations

Rubicon has a Board and management team with strong track records and extensive experience in exploration, international project acquisition, resource development and mine management. At completion of the share issue to Vale, Rubicon will have 80 million shares on issue and cash reserves of approximately \$7.2 million. Rubicon has an exploration budget of up to \$4 million for the 2007/08 year.

Warburton Project

The Warburton Project is located at the Warburton Community in the far western Musgrave province, approximately 750 kilometres northeast of Kalgoorlie in Western Australia. The Project comprises 12 exploration licence applications totalling approximately 3,200km² that are subject to the option and joint venture agreements. The Project is sub-divided into the Warburton Copper area, the Gunbarrel area and the Caesar Hill area (Figure 2).

The project area was identified as being prospective for Iron Oxide Copper-Gold-Uranium (IOCGU) mineralisation (e.g. Olympic Dam, Ernest Henry, and Prominent Hill) and sediment-hosted, stratabound copper mineralisation (eg. Mt Isa and the White Pine deposits in Michigan, USA). The



Caesar Hill tenement is also prospective for magmatic nickel-copper-PGM mineralisation (eg. BHP Billiton's Babel-Nebo deposits).

The West Musgrave area is considered by Rubicon as highly prospective based on the following:

- The host rocks are mid-Proterozoic, continental rift-related sequences, which typically host many of the world's large base metal deposits, with volcano-sedimentary sequences prospective for base metals and gold.
- The Giles mafic-ultramafic intrusive Complex hosts nickel-copper-platinum group elements (PGEs) mineralisation at Babel and Nebo and copper mineralisation is known at Warburton and the Tollu prospect to the east.
- Previous exploration has displayed positive indications of alteration and copper mineralisation styles consistent with IOCGU deposits (eg. Olympic Dam).
- The area is genuinely under-explored due to its remoteness, large tracts of covered terrane and access restrictions in the past.

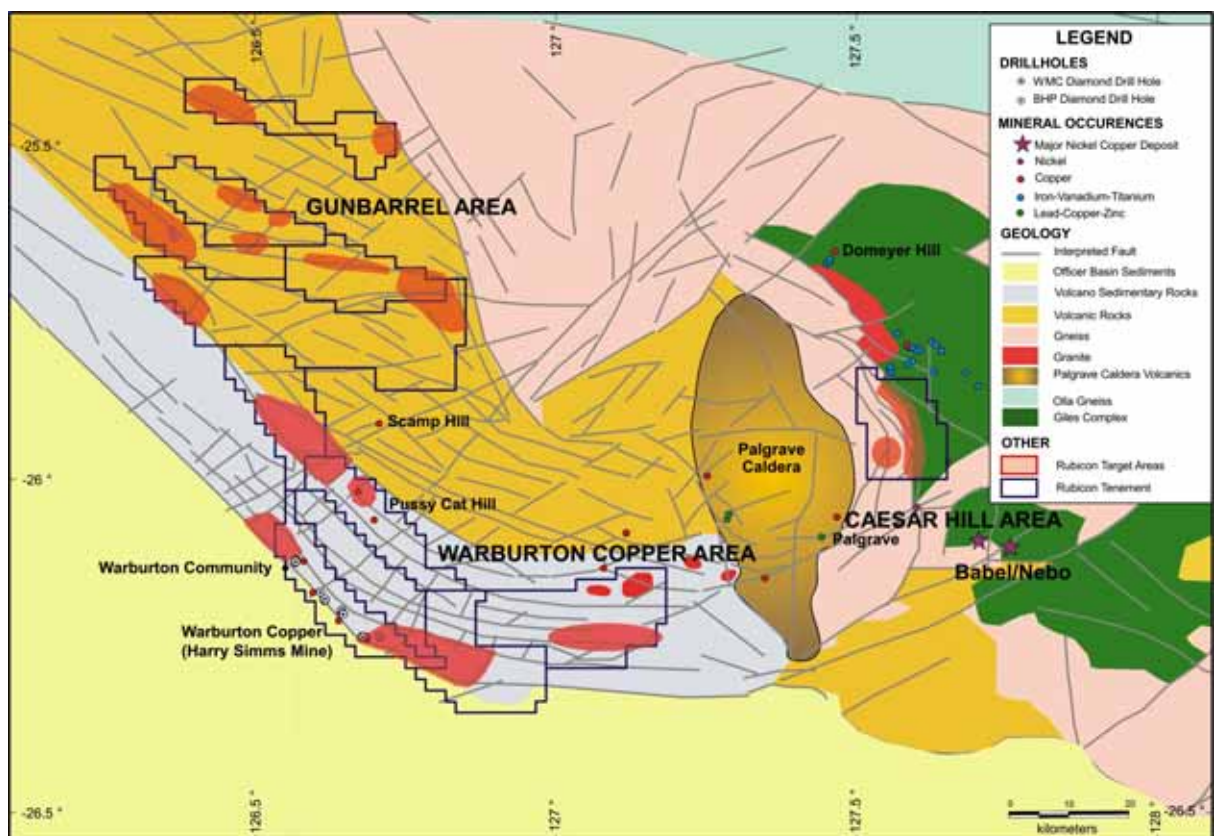


Figure 2 Warburton Project Area
(showing the tenements subject to the Evaluation and Farm-in Agreement)

The only significant exploration on the project area was undertaken by WMC Limited in the late 1960s and early 1970s in the Warburton Copper Area. Copper mineralisation was discovered by local prospectors in the early 1960s and limited mining of narrow high grade chalcocite veins was undertaken at the Harry Simms mine.

Around 200 copper mineral occurrences and geochemically anomalous soils over a 20km strike length were identified by WMC. The program culminated in the drilling of 12 diamond core holes, of which four intersected significant copper mineralisation up to 3.5m @ 8.2% copper and 16g/t silver. WMC's exploration appeared to only focus on the narrow vein style of mineralisation.

In the Gunbarrel Area, BHP Billiton generated IOCGU targets based on discrete magnetic and gravity anomalies on a broad magnetic/gravity high. Two diamond holes tested one of the coincident magnetic and gravity high targets. The drilling intersecting various mafic igneous and



metasedimentary rocks with weak to moderate levels of alteration (albite-hematite-magnetite-feldspar) and some areas of hematite-carbonate veining. While this alteration is consistent with IOCGU systems, there were no significant copper 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 Giles Formation intrusives, immediately northwest of the Babel-Nebo copper-nickel mineralisation. Similar mineralisation within the Giles Complex is the main exploration target along with a regional gravity anomaly associated with the caldera margin.

The Warburton Project is largely located within the Warburton Aboriginal Reserve on Ngaanyatjarra Lands. Access and compensation agreements have been signed for all of the Gunbarrel and Warburton tenements and heritage clearance surveys are scheduled to commence in March 2008, enabling the immediate commencement of on-ground exploration.

Site visits have been made to a number of the small copper workings (including the Harry Simms Mine) that are located southeast of the Warburton Community (Figure 2). Small quantities of high grade chalcocite ore were mined from narrow veins that cross-cut the rock strata (Figure 3a) and strong copper mineralisation hosted by a conglomerate was also observed in small workings (Figure 3b). The known workings are scattered over some ten kilometres within a volcanic/sedimentary unit that strikes over 60 kilometres within Rubicon's tenements.



Figure 3a Vein-style Copper Mineralisation
Harry Simms Mine

Figure 3b Conglomerate Hosted Copper Mineralisation

Initial proposed field work will comprise orientation surface sampling over the known mineralisation and an extension of the existing WMC sampling to the east over the prospective horizon. Field mapping focusing on structural geology and regional gravity and magnetic orientation traverses will be utilized to better interpret basin geology in three dimensions and define potential structural sites for mineralisation. Gravity surveys and potentially other geophysical techniques will be employed to test the known structural and geophysical targets that are under cover, including that at Caesar Hill, prior to suitable drill testing of defined targets. Rubicon will aim at completing the Evaluation work program within the 2008 field season if possible.