



ABN 38 115 857 988

Financial Statements for the year ended 30 June 2014

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RUBICON RESOURCES LIMITED

ABN 38 115 857 988

CORPORATE DIRECTORY

DIRECTORS

Ian Macpherson
Executive Chairman

Ian Buchhorn
Non-Executive Director

Peter Eaton
Non-Executive Director

COMPANY SECRETARY

Sam Middlemas

PRINCIPAL REGISTERED OFFICE

Level 1, 37 Ord Street
West Perth
Western Australia 6005

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West Perth
Western Australia 6872

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AUDITOR

Butler Settineri (Audit) Pty Limited
Unit 16, 1st Floor
100 Railway Road
Subiaco
Western Australia 6008

SHARE REGISTRY

Security Transfer Registrars Pty Limited
770 Canning Highway
Applecross
Western Australia 6153

Telephone: (08) 9315 2333
Facsimile: (08) 9315 2233
Email: registrar@securitytransfer.com.au

STOCK EXCHANGE LISTING

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

ASX CODE

RBR - ordinary shares

RUBICON RESOURCES LIMITED
and its controlled entity

DIRECTORS' REPORT

The Directors present their report on Rubicon Resources Limited and the entity it controlled at the end of and during the year ended 30 June 2014.

DIRECTORS & SENIOR MANAGEMENT

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

Ian Macpherson – *B.Comm., CA*
Executive Chairman
Appointed 18 October 2010

Mr Macpherson is a Chartered Accountant with over thirty years experience in the provision of financial and corporate advisory services. Mr Macpherson was formerly a partner at Arthur Anderson & Co managing a specialist practice providing corporate and financial advice to the mining and mineral exploration industry.

In 1990, Mr Macpherson established Ord Partners (later to become Ord Nexia) and has specialised in the area of corporate advice with particular emphasis on capital structuring, equity and debt raising, corporate affairs and Stock Exchange compliance for public companies in the mining and industrial areas. He has further been involved in numerous asset acquisitions and disposal engagements. Ord Nexia merged with MGI Perth in October 2010 and Mr Macpherson continued in a consulting role with the merged group until November 2011.

He has acted in the role of Director and Company Secretary for a number of entities and is currently Deputy Chairman of Avita Medical Limited (5 March 2008 to present) and a Non-executive Director of Red 5 Limited (15 April 2014 to present).

Former Directorships: Non-Executive Chairman of Kimberly Rare Earth Limited (2 December 2010 to 29 November 2012), Non-Executive Director of Navigator Resources Limited (1 July 2003 to 14 January 2013) and Nimrodel Resources Limited (17 July 2007 to 2 August 2011).

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

Ian Buchhorn – *B.Sc. (Hons), Dipl. Geosci (Min. Econ), MAusIMM*
Non-Executive Director
Appointed 19 August 2005

Mr Buchhorn is a Mineral Economist and Geologist with more than 30 years experience. He was the founding Managing Director of Heron Resources Limited for a period of 11 years until early 2007 and returned to that role in October 2012 after a period as Executive Director. Mr Buchhorn previously worked with a number of international mining companies and has worked on nickel, bauxite and industrial mineral mining and exploration, gold and base metal project generation and corporate evaluations. For the last 24 years Mr Buchhorn has acquired and developed mining projects throughout the Eastern Goldfields of Western Australian and has operated as a Registered Mine Manager.

During the three year period to the end of the financial year, Mr Buchhorn is a Director of Heron Resources Limited (17 February 1995 to present) and Golden Cross Resources Limited (3 March 2014 to present).

Peter Eaton – *B.Sc. (Hons), MAusIMM*
Non-Executive Director
Appointed 3 July 2006

Mr Eaton is a geologist with more than 30 years of experience in exploration, mining and acquisitions roles in Australia and internationally (principally in the Asia-Pacific region). Prior to November 2011, Mr Eaton was Managing Director of Rubicon, but is now Exploration Manager for the Sampoerna Strategic group focussed on exploration in Indonesia. Mr Eaton remains as a Non-Executive Director of Rubicon. Before joining Rubicon he was General Manager – Geology and Business Development with Aditya Birla Minerals Limited. During his tenure there, Mr Eaton was a part of the team that completed a feasibility study on, and commissioned, the Nifty underground copper mine and completed the ASX listing of the company. Mr Eaton previously held senior technical management positions with WMC Limited, including site-based chief geologist roles and senior regional exploration roles and has also had significant corporate experience in a number of listed exploration companies, including the previous role of Managing Director.

RUBICON RESOURCES LIMITED
and its controlled entity

DIRECTORS' REPORT

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

Mr Ford is a geologist with over 20 years experience in exploration, management and mining. His role before joining Rubicon was Chief Operating Officer/Exploration Manager of uranium explorer Peninsula Minerals. Mr Ford was previously involved in the management and execution of mineral exploration for Barrick Gold of Australia, Homestake Gold of Australia Plutonic Resources, and Golden Shamrock Mines. He was also involved in the start-up of mining operations at the Plutonic Gold Mine in Western Australia and Iduapriem Gold mine in Ghana. Mr Ford has explored for a broad range of commodities (principally gold, base metals and uranium) throughout Australia and internationally in Africa, Indonesia, USA and Turkey and brings a wealth of exploration management knowledge to Rubicon.

COMPANY SECRETARY

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

Mr Middlemas was appointed Company Secretary and Chief Financial Officer on 17 July 2006. He is a chartered accountant with more than 20 years 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 Consolidated Entity during the financial year consisted of mineral exploration and development principally in Western Australia.

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

DIVIDENDS

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

REVIEW OF OPERATIONS AND ACTIVITIES

The Consolidated Entity recorded an operating loss after income tax for the Year ended 30 June 2014 of \$2,004,349 compared to an operating loss after income tax of \$1,824,278 for the Year ended 30 June 2013.

Rubicon is a mineral exploration Consolidated Entity, currently focussed on gold and copper exploration in Western Australia and Queensland. In Western Australia it continues to hold some 1,000km² of prospective tenements.

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

- Ongoing commitment to the identification and review of projects/corporate opportunities that have the capacity to successfully develop into a profitable mine.
- Maximise the commercial value of the existing tenement portfolio through the ongoing establishment and maintenance of suitable joint ventures and other alternate funding arrangements where appropriate.

Rubicon's major projects are as follows:

- The Yindarlgooda gold and base metal project located east of Kalgoorlie where Rubicon has tenements in its own right and three separate joint venture agreements with Silver Lake Resources Limited (two) and Brimstone Resources Limited earning an interest in Rubicon tenure.
- The Canobie project in Northwest Queensland where Exco Resources Limited is earning an interest in Rubicon Tenure.

RUBICON RESOURCES LIMITED
and its controlled entity

DIRECTORS' REPORT

Corporate and Financial Position

As at 30 June 2014 the Consolidated Entity had cash reserves of \$0.21 million (2013 - \$1.13 million).

Risk Management

The Board is responsible for the oversight of the Consolidated Entity's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management with the Managing Director (or equivalent) having ultimate responsibility to the Board for the risk management and control framework.

Areas of significant business risk to the Consolidated Entity are highlighted in the Business Plan presented to the Board by the Managing Director (or equivalent) 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.

EARNINGS/LOSS PER SHARE

	2014	2013
	Cents	Cents
Basic loss per share	(1.24)	(1.26)
Diluted loss per share	(1.24)	(1.26)

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 Consolidated Entity that occurred during the financial year under review.

OPTIONS OVER UNISSUED CAPITAL

Unlisted Options

During the financial year and to the date of this report there have been 11,000,000 unlisted options over unissued ordinary shares granted to the following Directors and staff. On 13 January 2014, 2,200,000 unlisted options exercisable at 14 cents lapsed. All options were issued for Nil consideration:

<i>Issued To</i>	<i>Number of Options Granted</i>	<i>Exercise Price</i>	<i>Value per Option at Grant Date</i>	<i>Value of Options Granted</i>	<i>Expiry Date</i>
Ian Macpherson	5,000,000	2 cents each	0.54 cents	\$27,050	30 June 2017
Andrew Ford	3,000,000	2 cents each	0.72 cents	\$21,632	30 June 2017
Other Staff	3,000,000	2 cents each	0.72 cents	\$21,632	30 June 2017

Since 30 June 2014 and up until the date of this report there have been no further options issued.

As at the date of this report unissued ordinary shares of the Company under option are:

<i>Number of Options on Issue</i>	<i>Exercise Price</i>	<i>Expiry Date</i>
11,000,000	2 cents each	30 June 2017
6,000,000	10 cents each	31 October 2014
1,500,000	15 cents each	31 October 2014
1,000,000	20 cents each	31 October 2014

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.

RUBICON RESOURCES LIMITED
and its controlled entity

DIRECTORS' REPORT

CORPORATE STRUCTURE

Rubicon Resources Limited (ACN 115 857 988) is a Company limited by shares that was incorporated on 19 August 2005 and is domiciled in Australia.

EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen since the end of the financial year any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Consolidated Entity to affect substantially the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial years except for the following:

- A share placement of 27 million shares at 0.5 cents per share was made on 28 August 2014 to raise \$135,000

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in the operations of the Consolidated Entity 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 Consolidated Entity.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Consolidated Entity 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 Consolidated Entity'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 Consolidated Entity are as follows:

Director	Title	Directors' Interests in Ordinary Shares	Directors' Interests in Unlisted Options
Ian Macpherson	Executive Chairman Appointed on 18 October 2010	17,542,389	7,500,000
Ian Buchhorn	Non-Executive Director Appointed on 19 August 2005	14,859,777	2,000,000
Peter Eaton	Non-Executive Director Appointed on 3 July 2006	1,475,000	4,000,000

DIRECTORS' MEETINGS

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

Director	Board of Directors' Meetings	
	Meetings Attended	Meetings held while a director
I Macpherson	6	6
I Buchhorn	6	6
P Eaton	6	5

REMUNERATION REPORT

Recommendation 8.1 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (2nd edition) states that the Board should establish a Remuneration Committee. The Board has formed the view that given the number of Directors on the Board, this function could be performed just as effectively with full Board participation. Accordingly it was resolved that there would be no separate Board sub-committee for remuneration purposes.

This report details the amount and nature of remuneration of each Director of the Consolidated Entity and executive officers of the Consolidated Entity during the year.

RUBICON RESOURCES LIMITED
and its controlled entity

DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED)

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 (or equivalent) and the executive team with a remuneration package consisting of a fixed and variable component that together reflects the person's responsibilities, duties and personal performance. An equity based remuneration arrangement for the Board and the executive team is in place. The remuneration policy is to provide a fixed remuneration component and a specific equity related component, with no performance conditions. The Board believes that this remuneration policy is appropriate given the stage of development of the Consolidated Entity 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 (or equivalent) 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 Consolidated Entity and expensed. Options are valued using either the Black-Scholes methodology or the Binomial model. In accordance with current accounting policy the value of these options is expensed over the relevant vesting period.

Non-Executive Directors

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

Senior Executives and Management

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

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

Following the resignation of Mr Peter Eaton as Managing Director, this role has been jointly run by Mr Ian Macpherson (Executive Chairman) and Mr Andrew Ford (Chief Operating Officer).

Structure

Remuneration consists of the following key elements:

- Fixed remuneration; and
- Issuance of unlisted options

RUBICON RESOURCES LIMITED
and its controlled entity

DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED)

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 (or equivalent) are based on the recommendation of the Managing Director (or equivalent), subject to the approval of the Board in the annual budget setting process.

Service Agreement

Mr Andrew Ford was appointed Chief Operating Officer from 11 November 2011 and is employed under a standard contract of employment requiring one month notice period.

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

	Primary		Post Employment	Equity Compensation	Total
	Base Salary/Fees \$	Motor Vehicle/Bonus \$	Superannuation Contributions \$	Options \$	
2013/2014					
Directors					
I Macpherson – Executive Chairman (i)	110,544	-	4,984	27,050	142,578
P Eaton – Non-Executive (ii)	35,000	-	3,237	-	38,237
I Buchhorn – Non-Executive	43,750	-	-	-	43,750
Executives					
S Middlemas - Company Secretary (iii)	46,120	-	-	-	46,120
A Ford – Chief Operating Officer	184,625	-	17,078	21,633	223,336
2012/2013					
Directors					
I Macpherson – Executive Chairman (i)	119,633	-	6,709	-	126,342
P Eaton – Non-Executive (ii)	38,097	-	3,600	-	41,697
I Buchhorn – Non-Executive	50,000	-	-	-	50,000
Executives					
S Middlemas - Company Secretary (iii)	46,120	-	-	-	46,120
A Ford – Chief Operating Officer	211,000	-	18,990	-	229,990

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

Other than the Directors and executive officers disclosed above there were no other executive officers who received emoluments during the financial year ended 30 June 2014.

INDEMNIFYING OFFICERS AND AUDITOR

During the year the Company paid an insurance premium to insure certain officers of the Consolidated Entity. The officers of the Consolidated Entity 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 Consolidated Entity. The insurance policy does not contain details of the premium paid in respect of individual officers of the Consolidated Entity. 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 Consolidated Entity has not provided any insurance for an auditor of the Consolidated Entity.

RUBICON RESOURCES LIMITED
and its controlled entity

DIRECTORS' REPORT

Share-based compensation

The terms and conditions of each grant of options affecting remuneration in this or future reporting periods are as follows:

	Granted <i>Number</i>	Terms & Conditions for each Grant				
		<i>Date of Grant</i>	<i>Date of Vesting</i>	<i>Option Value (\$)</i>	<i>Exercise Price (\$)</i>	<i>Expiry Date</i>
Ian Macpherson	5,000,000	20 Nov 2013	20 Nov 2013	0.0054	0.02	30 Jun 2017
Andrew Ford	3,000,000	10 Sep 2013	10 Sep 2013	0.0072	0.02	30 Jun 2017
Other Staff	3,000,000	10 Sep 2013	10 Sep 2013	0.0072	0.02	30 Jun 2017

There were no amounts payable on the issue of the options, and there are no performance conditions attached. All options previously issued are now fully vested and are exercisable at any time subject to employment being maintained. When exercisable, each option is convertible into one ordinary share of Rubicon Resources Limited.

AUDITORS' INDEPENDENCE DECLARATION

Section 370C of the *Corporations Act 2001* requires the Consolidated Entity's auditors Butler Settineri (Audit) Pty Limited, to provide the Directors of the Consolidated Entity with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is attached and forms part of this Directors' Report.

NON-AUDIT SERVICES

The external auditors have not undertaken any non-audit work during the financial year.

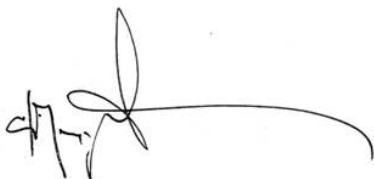
PROCEEDINGS ON BEHALF OF THE CONSOLIDATED ENTITY

No person has applied for leave of Court to bring proceedings on behalf of the Consolidated Entity or intervene in any proceedings to which the Consolidated Entity is a party for the purpose of taking responsibility on behalf of the Consolidated Entity for all or any part of those proceedings. The Consolidated Entity 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 Consolidated Entity support and have adhered to the principles of corporate governance. The Consolidated Entity's corporate governance practices have been disclosed in Appendix 4G in accordance with ASX listing rule 4.7.3 at the same time as the annual report is lodged with the ASX. Further information about the Company's corporate governance practices is set out on the Company's web site at www.rubiconresources.com.au/corporate-governance. In accordance with the recommendations of the ASX, information published on the web site includes codes of conduct and other policies and procedures relating to the Board and its responsibilities.

DATED at Perth this 17th day of September 2014
Signed in accordance with a resolution of the Directors



Ian Macpherson
Executive Chairman

Competent Persons Statement

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



AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of Rubicon Resources Limited and its controlled entity for the year ended 30 June 2014, 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.

This declaration is in respect of Rubicon Resources Limited and the entity it controlled during the year.

BUTLER SETTINERI (AUDIT) PTY LTD

MARIUS VAN DER MERWE
Director

Perth
Date: 17 September 2014

RUBICON RESOURCES LIMITED
and its controlled entity

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2014

	<u>NOTES</u>	THE CONSOLIDATED ENTITY	
		<u>2014</u>	<u>2013</u>
		\$	\$
Other income	2	<u>12,184</u>	74,648
Employee expenses		330,273	453,127
Non-Executive Directors' fees		197,515	218,037
Insurance expenses		19,348	18,039
Consolidated Entity Secretarial fees		46,120	46,120
Corporate expenses		50,640	37,722
Depreciation	3	5,235	6,281
Rent		109,074	108,699
Employee costs recharged to capitalised exploration		(331,033)	(425,568)
Expense of share-based payments	3	70,316	-
Exploration Written off	3	1,432,417	1,297,996
Other expenses		86,628	138,473
Loss before income tax		2,004,349	1,824,278
Income tax	5	-	-
Net loss attributable to members of the Consolidated Entity	14	2,004,349	1,824,278
Other Comprehensive Loss net of tax		-	-
Total Comprehensive Loss		2,004,349	1,824,278
Basic earnings/(loss) per share (cents per share)	20	(1.24) cents	(1.26) cents
Diluted earnings/(loss) per share (cents per share)	20	(1.24) cents	(1.26) cents

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

RUBICON RESOURCES LIMITED
and its controlled entity

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2014

	<u>NOTES</u>	<u>2014</u>	<u>2013</u>
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	21(a)	205,915	1,134,686
Other receivables	6	2,220	2,943
Other assets	7	13,517	14,859
TOTAL CURRENT ASSETS		221,652	1,152,488
NON-CURRENT ASSETS			
Plant and equipment and motor vehicles	8	17,808	23,043
Investments	9	-	-
Capitalised mineral exploration expenditure	10	904,200	1,676,337
TOTAL NON-CURRENT ASSETS		922,008	1,699,380
TOTAL ASSETS		1,143,660	2,851,868
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	32,521	47,943
Provisions	12	482	12,735
TOTAL CURRENT LIABILITIES		33,003	60,678
TOTAL LIABILITIES		33,003	60,678
NET ASSETS		1,110,657	2,791,190
EQUITY			
Contributed equity	13(a)	15,085,096	14,831,596
Share Option Reserve	15	656,956	586,640
Accumulated losses	14	(14,631,395)	(12,627,046)
TOTAL EQUITY		1,110,657	2,791,190

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

RUBICON RESOURCES LIMITED
and its controlled entity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2014

	Notes	Contributed Equity	Share Based Payment Reserve	Losses	Total
BALANCE AT 1 JULY 2012		14,831,596	586,640	(10,802,768)	4,615,468
TOTAL COMPREHENSIVE INCOME		-	-	(1,824,278)	(1,824,278)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the year		-	-	-	-
BALANCE AT 30 JUNE 2013		14,831,596	586,640	(12,627,046)	2,791,190
TOTAL COMPREHENSIVE INCOME				(2,004,349)	(2,004,349)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the year	13(b)	253,500	-	-	253,500
Directors and Employees options		-	70,316	-	70,316
BALANCE AT 30 JUNE 2014		15,085,096	656,956	(14,631,395)	1,110,657

The above Consolidated statement of changes in equity should be read in conjunction with the Consolidated Entity's accompanying notes.

RUBICON RESOURCES LIMITED
and its controlled entity

CONSOLIDATED STATEMENT OF CASHFLOWS
For the year ended 30 June 2014

	<u>NOTES</u>	<u>2014</u>	<u>2013</u>
		\$	\$
Cash flows from operating activities			
Interest received		12,184	74,648
Payments to suppliers and employees (inclusive of goods and services tax)		(534,176)	(587,230)
Net cash used in operating activities	21(b)	<u>(521,992)</u>	<u>(512,582)</u>
Cash flows from investing activities			
Payments for exploration and evaluation		(660,279)	(1,014,978)
Funds received from sale of exploration tenement		-	200,000
Payments for investments		-	(6,503)
Proceeds (Payments) for plant and equipment and motor vehicles		-	(15,313)
Net cash used in investing activities		<u>(660,279)</u>	<u>(836,794)</u>
Cash flows from financing activities			
Proceeds from the issue of shares (net of fees)		253,500	-
Net cash provided by financing activities		<u>253,500</u>	<u>-</u>
Net increase (decrease) in cash held		(928,771)	(1,349,376)
Cash at the beginning of the financial year		<u>1,134,686</u>	<u>2,484,062</u>
Cash at the end of the financial year	21(a)	<u>205,915</u>	<u>1,134,686</u>

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

RUBICON RESOURCES LIMITED
and its controlled entity

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in preparing the financial report of the Company, Rubicon Resources Limited and its controlled entity ("Rubicon" or "Consolidated Entity"), are stated to assist in a general understanding of the financial report. These policies have been consistently applied to all the years presented, unless otherwise indicated.

Rubicon Resources Limited is a Company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the official list of the Australian Stock Exchange. The financial statements are presented in Australian dollars which is the Consolidated Entity's functional currency.

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board and the *Corporations Act 2001*.

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

The financial report has been prepared on the basis of historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets.

The financial report was authorised for issue by the Directors.

Going Concern

The Company incurred a loss for the year of \$2,004,350 (2013: \$1,824,278) and a net cash outflow from operating activities of \$521,992 (2013: \$512,582).

At 30 June 2014 the Group had cash assets of \$205,914 (2013: \$1,134,686) and working capital of \$188,649 (2013: \$1,091,810).

Following the after balance date equity raising of \$135,000, the directors have prepared cash flow forecasts that indicated that the consolidated entity will have sufficient cash flows after additional capital raising for a period of 12 months from the date of this report with limited exploration activities. It is expected that the Company will be able to access funds through the equity markets during the year to allow for exploration activities to continue. Based on this information, the Directors consider it appropriate that the financial statements be prepared on a going concern basis.

(b) Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. None of the balances reported have been derived from estimates.

(c) Basis of Consolidation

Controlled Entity

The consolidated financial statements comprise the financial statements of Rubicon Resources Limited and its subsidiary as at 30 June each year.

The financial statements of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. The subsidiary is fully consolidated from the date on which control is transferred to the consolidated entity and ceases to be consolidated from the date on which control is transferred out of the consolidated entity.

The acquisition of the subsidiary has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of the subsidiary for the period from their acquisition.

RUBICON RESOURCES LIMITED
and its controlled entity

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Joint ventures

Joint ventures are those entities over whose activities the consolidated entity has joint control, established by contractual agreement.

In the consolidated entity's financial statements, investments in joint ventures are carried at cost. Details of these interests are shown in Note 27.

Interests in joint ventures have been brought to account by including the appropriate share of the relevant assets, liabilities and costs of the joint ventures in their relevant categories in the financial statements.

(d) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred asset or liability is recognised in relation to those temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and future tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(e) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Consolidated Entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(f) Cash and Cash Equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis.

(g) Employee Entitlements

Liabilities for wages and salaries, annual leave and other current employee entitlements expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Contributions to employee superannuation plans are charged as an expense as the contributions are paid or become payable.

RUBICON RESOURCES LIMITED
and its controlled entity

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Plant and equipment and motor vehicles

Each class of plant and equipment and motor vehicles is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment and motor vehicles

Plant and equipment and motor vehicles are stated at cost less accumulated depreciation and any impairment in value.

The carrying values of plant and equipment and motor vehicles are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

Depreciation

Depreciable non-current assets are depreciated over their expected economic life using either the straight line or the diminishing value method. Profits and losses on disposal of non-current assets are taken into account in determining the operating loss for the year. The depreciation rate used for each class of assets is as follows:

- Plant & equipment 20 - 33%
- Motor vehicles 22.5%

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. GST incurred is claimed from the ATO when a valid tax invoice is provided. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(j) Payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(k) Contributed Equity

Issued capital is recognised as the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

RUBICON RESOURCES LIMITED
and its controlled entity

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Exploration and Evaluation Expenditure

Mineral exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest and is subject to impairment testing. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- such costs are expected to be recouped through the successful development and exploitation of the area of interest, or alternatively by its sale; or
- exploration and/or evaluation activities in the area have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active or significant operations in, or in relation to, the area of interest are continuing.

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the year in which that assessment is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Where a mineral resource has been identified and where it is expected that future expenditures will be recovered by future exploitation or sale, the impairment of the exploration and evaluation is written back and transferred to development costs. Once production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

Costs of site restoration and rehabilitation are recognised when the Consolidated Entity has a present obligation, the future sacrifice of economic benefits is probable and the amount of the provision can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Exploration and evaluation assets are assessed for impairment if:

- (i) sufficient data exists to determine technical feasibility and commercial viability, and
- (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then re-classified from intangible assets to mining property and development assets within property, plant and equipment.

(m) Earnings per Share

Basic earnings per share ("EPS") are calculated based upon the net loss divided by the weighted average number of shares. Diluted EPS are calculated as the net loss divided by the weighted average number of shares and dilutive potential shares.

(n) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight-line basis over the term of the lease.

RUBICON RESOURCES LIMITED
and its controlled entity

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Share-based payment transactions

The Company provides benefits to employees (including Directors and consultants) of the Consolidated Entity in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("Equity-settled transactions").

There is currently one plan in place to provide these benefits being an Employee Share Option Plan ("ESOP") which provides benefits to Directors, consultants and senior executives.

The cost of these equity-settled transactions is measured by reference to fair value at the date at which they are granted. The fair value is determined by an external valuer using the either the Black - Scholes or Binomial model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Rubicon Resources Limited ("market conditions").

The cost of equity settled securities is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date").

Where the Consolidated Entity acquires some form of interest in an exploration tenement or an exploration area of interest and the consideration comprises share-based payment transactions, the fair value of the equity instruments granted is measured at grant date. The cost of equity securities is recognised within capitalised mineral exploration and evaluation expenditure, together with a corresponding increase in equity.

(p) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(q) Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework, to identify and analyse the risks faced by the Consolidated Entity. These risks include credit risk, liquidity risk and market risk from the use of financial instruments. The Consolidated Entity has only limited use of financial instruments through its cash holdings being invested in short term interest bearing securities. The primary goal of this strategy is to maximise returns while minimising risk through the use of accredited Banks with a minimum credit rating of A1 from Standard & Poors. The Consolidated Entity has no debt, and working capital is maintained at its highest level possible and regularly reviewed by the full board.

(r) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods, and have not been adopted by the Consolidated Entity. The Consolidated Entity's assessment of the impact of these new standards and interpretations is that they will have no material impact and will only effect disclosure provisions in the December 2014 half year and 2015 full year accounts.

RUBICON RESOURCES LIMITED
and its controlled entity

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

		<u>2014</u>	<u>2013</u>
		\$	\$
2.	OTHER INCOME		
	Other Income		
	Interest	12,184	74,648
	Rental/Office recharges	-	-
		<u>12,184</u>	<u>74,648</u>
3.	EXPENSES		
	Contributions to employees superannuation plans	36,604	46,786
	Depreciation - Plant and equipment	5,235	6,281
	- Motor vehicles	-	-
	Exploration Written off	1,432,417	1,297,996
	Share Based Payment expense	70,316	-
	Provision for employee entitlements	<u>(12,253)</u>	<u>9,448</u>
4.	AUDITORS' REMUNERATION		
	Audit – Butler Settineri (Audit) Pty Limited		
	Audit and review of the financial statements	<u>16,335</u>	<u>17,735</u>

RUBICON RESOURCES LIMITED
and its controlled entity

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

5. INCOME TAX

No income tax is payable by the Consolidated Entity as it has incurred losses for income tax purposes for the year, so current tax, deferred tax and tax expense is \$Nil (2012 - \$Nil).

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

	<u>2014</u> \$	<u>2013</u> \$
Loss from continuing operations	<u>(2,004,349)</u>	<u>(1,824,278)</u>
Tax at the tax rate of 30% (2013: 30%)	(601,305)	(547,283)
Tax effect of amounts which are deductible in calculating taxable income:		
Non-deductible expenses	21,163	-
Other allowable expenditure	(4,023)	-
Deferred tax asset not brought to account	<u>584,165</u>	<u>547,283</u>
Income tax expense	<u>-</u>	<u>-</u>

(b) Tax losses

Unused tax losses for which no deferred tax asset has been recognised	<u>8,810,109</u>	<u>7,723,182</u>
Potential tax benefit at 30%	<u>2,643,033</u>	<u>2,316,955</u>

(c) Unbooked Deferred Tax Assets and Liabilities

Unbooked deferred tax assets comprise:

Provisions/Accruals/Other	290	3,563
Tax losses available for offset against future taxable income	<u>3,016,900</u>	<u>2,815,542</u>
	<u>3,017,190</u>	<u>2,819,105</u>

Unbooked deferred tax liabilities comprise:

Capitalised mineral exploration and evaluation expenditure	<u>3,017,190</u>	<u>2,819,105</u>
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(d) Franking credits balance

The Consolidated Entity has no franking credits available as at 30 June 2014 (2013: \$Nil).

6. OTHER RECEIVABLES

Current

GST recoverable	<u>2,220</u>	<u>2,943</u>
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7. OTHER ASSETS

Current

Prepayments	<u>13,517</u>	<u>14,859</u>
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RUBICON RESOURCES LIMITED
and its controlled entity

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

	<u>2014</u>	<u>2013</u>
	\$	\$
8. PLANT AND EQUIPMENT AND MOTOR VEHICLES		
Plant and office equipment		
At cost	179,622	179,622
Accumulated depreciation	<u>(171,814)</u>	<u>(166,579)</u>
	<u>7,808</u>	13,043
Motor vehicles		
At cost	53,831	53,831
Accumulated depreciation	<u>(43,831)</u>	<u>(43,831)</u>
	<u>10,000</u>	10,000
	<u><u>17,808</u></u>	<u><u>23,043</u></u>

Reconciliation

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

Plant and office equipment

Carrying amount at beginning of the year	13,043	4,012
Additions	-	15,312
Depreciation	<u>(5,235)</u>	<u>(6,281)</u>
Carrying amount at the end of the year	<u><u>7,808</u></u>	<u><u>13,043</u></u>

Motor vehicles

Carrying amount at beginning of the year	10,000	10,000
Disposals	-	-
Depreciation	-	-
Carrying amount at the end of the year	<u><u>10,000</u></u>	<u><u>10,000</u></u>

9. INVESTMENTS

Non-Current

Rubicon Resources Limited holds an investment in Rubicon Madencilik A.S. which was incorporated during the year and is held at a written down value of \$Nil (2013 - \$6,503).

Particulars in relation to the controlled entity

Rubicon Resources Limited is the parent entity.

Name of Controlled entity	Class of Shares	Equity Holding	
		2014	2013
Rubicon Madencilik A.S. ⁽¹⁾	Ordinary	100%	100%

(1) On 1 April 2013 Rubicon Madencilik A.S. was incorporated in Turkey as a wholly-owned controlled entity of the Company.

RUBICON RESOURCES LIMITED
and its controlled entity

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

		<u>2014</u>	<u>2013</u>
		\$	\$
10. CAPITALISED MINERAL EXPLORATION EXPENDITURE			
Non-Current			
<i>In the exploration phase</i>			
Cost brought forward	1,676,337		2,161,634
Add: Expenditure incurred during the year (at cost)	660,280		1,012,699
Less Sale of Project	-		(200,000)
Exploration expenditure written off	<u>(1,432,417)</u>		<u>(1,297,996)</u>
	<u>904,200</u>		<u>1,676,337</u>

The recoupment of costs carried forward is dependent on the successful development and/or commercial exploitation or alternatively sale of the respective areas of interest.

11. TRADE AND OTHER PAYABLES

Current (Unsecured)

Trade creditors	5,541		6,784
Other creditors and accruals	<u>26,980</u>		41,159
	<u>32,521</u>		<u>47,943</u>

Included within trade and other creditors and accruals is an amount of \$325 (2013- \$Nil) relating to exploration expenditure.

12. PROVISIONS

Current

Employee entitlements	<u>482</u>		<u>12,735</u>
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13. CONTRIBUTED EQUITY

(a) Ordinary Shares

181,304,498 (2013: 142,304,498) fully paid ordinary shares	<u>15,085,096</u>		<u>14,831,596</u>
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(b) Share Movements during the Year

	2014		2013	
	Number of Shares	\$	Number of Shares	\$
Beginning of the financial year	145,304,498	14,831,596	145,304,498	14,831,596
<i>New share issues during the year</i>				
Shares issued to Staff 1 cents/share	3,000,000	30,000		
Placement at 0.7 cents/share	33,000,000	231,000		
Less costs of placement		(7,500)	-	-
	<u>181,304,498</u>	<u>15,085,096</u>	<u>145,304,498</u>	<u>14,831,596</u>

RUBICON RESOURCES LIMITED
and its controlled entity

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

13. CONTRIBUTED EQUITY (Continued)

(c) Unlisted Options

During the financial year the Company granted the following unlisted options over unissued shares:

<i>Number of Options Granted</i>	<i>Exercise Price</i>	<i>Expiry Date</i>
11,000,000	2 cents	30 June 2017

In addition to the above there were 2,200,000 unlisted options lapsed during the year (2013 – Nil) as a result of time expiry. As a consequence the numbers of Unlisted options on issue at 30 June 2014 and at the date of this report were 19,500,000 (2013 – 10,700,000). There were no other options issued to staff under the Rubicon Share Option Plan (refer Note 15).

(d) Share Based Payments

The expense recognised in the income statement in relation to share-based payments is disclosed in Note 3. The average remaining contractual life for the share options outstanding as at 30 June 2014 is between 0.4 and 3 years (2013: 0.5 and 1.4 years). The range of exercise prices for options outstanding at the end of the year was between 2 cents and 20 cents (2013: between 10 cents and 20 cents). The fair value of options granted during the year was \$70,316 (2013 - \$Nil).

The fair value of the equity-settled share options granted is estimated as at the date of grant using a Black-Scholes and Binomial models taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used for the options issued during the year ended 30 June 2014:

Date of Issue	10 Sept 2013	20 Nov 2013
Number of Options	6,000,000	5,000,000
Volatility (%)	130%	130%
Risk-free interest rate (%)	3.42%	3.42%
Expected life of option (years)	3.83	3.58
Exercise price (cents)	2	2
Share price at grant date (cents)	0.10	0.08
Value per option (cents)	0.0721	0.0541

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

(e) Terms and Conditions of Contributed Equity

Ordinary Shares

The Company is a public Company limited by shares. The Company was incorporated in Perth, Western Australia.

The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them.

Ordinary shares have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares held.

Ordinary shares which have no par value, entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

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

RUBICON RESOURCES LIMITED
and its controlled entity

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

13. CONTRIBUTED EQUITY (Continued)

(f) Capital Risk Management

Due to the nature of the Consolidated Entity's activities, being mineral exploration, the Consolidated Entity does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Consolidated Entity's capital risk management is the current working capital position against the requirements to meet exploration programmes and corporate overheads. The Consolidated Entity's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Consolidated Entity at 30 June 2014 and 30 June 2013 are as follows:

	<u>2014</u>	<u>2013</u>
	\$	\$
Cash and cash equivalents	205,915	1,134,686
Trade and other receivables	2,220	2,943
Other assets	13,517	14,859
Trade and other payables	(32,521)	(47,943)
Provisions	(482)	(12,735)
Working capital position	<u>188,649</u>	<u>1,091,810</u>

14. ACCUMULATED LOSSES

Accumulated losses at the beginning of the year	12,627,046	10,802,768
Net loss attributable to members	<u>2,004,349</u>	1,824,278
Accumulated losses at the end of the year	<u>14,631,395</u>	12,627,046

15. RESERVES

Share Option Reserve

Balance at the beginning of the year	586,640	586,640
Add: Amounts expensed in current year	<u>70,316</u>	-
Balance at the end of the year	<u>656,956</u>	586,640

Share Option reserve

The share option reserve comprises any equity settled share based payment transactions. The reserve will be reversed against share capital when the underlying share options are exercised.

16. OPTION PLAN

The establishment of the Rubicon Resources Limited Employee Share Option Plan ("the Plan") was approved by special resolution at a General Meeting of shareholders of the Consolidated Entity held on 22 November 2011. All eligible Directors, executive officers, employees and consultants of Rubicon Resources Limited who have been continuously employed by the Consolidated Entity are eligible to participate in the Plan.

The Plan allows the Consolidated Entity to issue free options to eligible persons. The options can be granted free of charge and are exercisable at a fixed price calculated in accordance with the Plan.

Options issued under the Plan have up to a 24 month vesting period prior to exercise, except under certain circumstances whereby options may be capable of exercise prior to the expiry of the vesting period.

RUBICON RESOURCES LIMITED
and its controlled entity

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

17. RELATED PARTIES

Full remuneration details for Directors and Executives are included in the Directors report where the information has been audited as indicated. During the current financial year there were no other transactions with Directors or Executives (2013 - \$Nil).

Movement in Shares

The aggregate numbers of shares and options of the Company held directly, indirectly or beneficially by Directors and Executive Officers of the Consolidated Entity or their personally-related entity are as follows:

2013/2014	Ordinary Shares				Unlisted Options	
	1 July 2013	Purchases	Disposals	30 June 2014	30 June 2014	30 June 2013
Mr I Macpherson	17,542,389		-	17,542,389	7,500,000	2,500,000
Mr P Eaton	1,475,000	-	-	1,475,000	4,000,000	4,000,000
Mr I Buchhorn	8,859,777	6,000,000	-	14,859,777	2,000,000	2,000,000
Mr R Middlemas	2,756,368	499,900	-	3,256,268	-	1,000,000
Mr A Ford	-	400,000	-	400,000	3,000,000	1,000,000
2012/2013	1 July 2012	Purchases	Disposals	30 June 2013	30 June 2013	30 June 2012
Mr I Macpherson	13,796,871	3,745,518	-	17,542,389	2,500,000	2,500,000
Mr P Eaton	1,475,000	-	-	1,475,000	4,000,000	4,000,000
Mr I Buchhorn	8,859,777	-	-	8,859,777	2,000,000	2,000,000
Mr R Middlemas	1,756,368	1,000,000	-	2,756,368	1,000,000	1,000,000
Mr A Ford	-	-	-	-	1,000,000	1,000,000

18. EXPENDITURE COMMITMENTS

(a) Exploration

The Consolidated Entity has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Consolidated Entity's exploration programmes and priorities. As at balance date, total exploration expenditure commitments on tenements held by the Consolidated Entity have not been provided for in the financial statements and those which cover the following twelve month period amount to \$242,880 (2013: \$317,880). These obligations are also subject to variations by farm-out arrangements or sale of the relevant tenements.

	<u>2014</u>	<u>2013</u>
	\$	\$
(b) Operating Lease Commitments		
Total operating lease expenditure contracted for at balance date but not provided for in the financial statements, payable:		
Not later than one year	-	83,553
Between one and five years	-	-
	<u>-</u>	<u>83,553</u>

The operating lease relates to the Consolidated Entity's registered office premises in West Perth, which was not renewed upon its expiry on 31 May 2014.

(c) Capital Commitments

The Consolidated Entity had no capital commitments at 30 June 2014 (2013 - \$Nil).

19. SEGMENT INFORMATION

The Consolidated Entity operates predominantly in one segment involved in the mineral exploration and development industry in Australia. During the year the focus returned to Australia after work overseas in Turkey was suspended.

RUBICON RESOURCES LIMITED
and its controlled entity

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

20.	EARNINGS/ (LOSS) PER SHARE	<u>2014</u>	<u>2013</u>
		\$	\$
	The following reflects the loss and share Data used in the calculations of basic and diluted earnings/ (loss) per share:		
	Earnings/ (loss) used in calculating basic and diluted earnings/ (loss) per share	<u>(2,004,349)</u>	<u>(1,824,278)</u>
		<u>Number of Shares</u>	<u>Number of Shares</u>
		<u>2014</u>	<u>2013</u>
	Weighted average number of ordinary shares used in calculating basic earnings/ (loss) per share:	161,304,498	145,304,498
	<i>Effect of dilutive securities</i>		
	Share options*	-	-
	Adjusted weighted average number of ordinary shares used in calculating diluted earnings/ (loss) per share	<u>161,304,498</u>	<u>145,304,498</u>
	Basic and Diluted loss per share (cents per share)	1.24 cents	1.26 cents

*Non-dilutive securities

As at balance date, 19,500,000 unlisted options (30 June 2013: 10,700,000) which represent potential ordinary shares were not dilutive as they would decrease the loss per share.

21. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Cash and Cash Equivalents

	<u>2014</u>	<u>2013</u>
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:	\$	\$
Cash on hand	200	200
Cash at bank	16,840	165,547
Deposits at call	188,875	968,939
	<u>205,915</u>	<u>1,134,686</u>

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

Loss from ordinary activities after income tax	(2,004,349)	(1,824,278)
<i>Non-cash items:</i>		
Depreciation	5,235	6,281
Exploration written-off	1,432,418	1,297,996
Expense of share-based payments	70,316	-
<i>Change in operating assets and liabilities:</i>		
Decrease (Increase) in prepayments	1,342	(1,527)
Decrease (Increase) in receivables	721	7,723
Increase in trade creditors and accruals	(15,422)	(8,225)
Increase in employee entitlements	(12,253)	9,448
Net cash outflows used in operating activities	<u>521,992</u>	<u>512,582</u>

(c) Stand-By Credit Facilities

As at 30 June 2014 the Consolidated Entity has a business credit card facility available totalling \$20,000 of which \$501 (2013 - \$18,020) was utilised.

(d) Non Cash Financing and Investing Activities

There were no non cash financing or investing activities undertaken in the financial year.

RUBICON RESOURCES LIMITED
and its controlled entity

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

22. FINANCIAL INSTRUMENTS

The Consolidated Entity's activities expose it to a variety of financial risks and market risks. The Consolidated Entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Consolidated Entity.

(a) Interest Rate Risk

The Consolidated Entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market, interest rates and the effective weighted average interest rates on those financial assets, is as follows:

2014

	Note	Weighted Average Effective Interest %	Funds Available at a Floating Interest Rate \$	Fixed Interest Rate \$	Assets/ (Liabilities) Non Interest Bearing \$	Total \$
<u>Financial Assets</u>						
Cash and cash equivalents	21(a)	2.6%	153,475	41,550	10,890	205,915
Other receivables	6	-	-	-	2,220	2,220
Total Financial Assets			153,475	41,550	13,110	208,135
<u>Financial Liabilities</u>						
Payables	11	-	-	-	(32,521)	(32,521)
Total Financial Liabilities			-	-	(32,521)	(32,521)
Net Financial Assets			153,475	41,550	(19,411)	175,614

2013

<u>Financial Assets</u>						
Cash and cash equivalents	21(a)	2.41%	1,093,294	41,192	200	1,134,686
Other receivables	6	-	-	-	2,943	2,943
Total Financial Assets			1,093,294	41,192	3,143	1,137,629
<u>Financial Liabilities</u>						
Payables	11	-	-	-	(47,943)	(47,943)
Total Financial Liabilities			-	-	(47,943)	(47,943)
Net Financial Assets			1,093,294	41,192	(44,800)	1,089,686

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date, is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and in the notes to the financial statements.

The Consolidated Entity does not have any material credit risk exposure to any single debtor or group of debtors, under financial instruments entered into by it.

RUBICON RESOURCES LIMITED
and its controlled entity

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

22. FINANCIAL INSTRUMENTS (Continued)

(c) Commodity Price Risk and Liquidity Risk

At the present state of the Consolidated Entity's operations it has minimal commodity price risk and limited liquidity risk due to the level of payables and cash reserves held. The Consolidated Entity's objective is to maintain a balance between continuity of exploration funding and flexibility through the use of available cash reserves.

(d) Net Fair Values

For assets and other liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The Consolidated Entity has no financial assets where the carrying amount exceeds net fair values at balance date.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

23. EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS

Employee Entitlements

The aggregate employee entitlement liability is disclosed in Note 12.

Directors, Officers, Employees and Other Permitted Persons Option Plan

Details of the Consolidated Entity's Directors, Officers, Employees and Other Permitted Persons Option Plan are disclosed in Note 16.

Superannuation Commitments

The Consolidated Entity contributes to individual employee accumulation superannuation plans at the statutory rate of the employees' wages and salaries, in accordance with statutory requirements, to provide benefits to employees on retirement, death or disability.

Accordingly no actuarial assessments of the plans are required.

Funds are available for the purposes of the plans to satisfy all benefits that would have been vested under the plans in the event of:

- termination of the plans;
 - voluntary termination by all employees of their employment; and
 - compulsory termination by the employer of the employment of each employee.
- during the year employer contributions (including salary sacrifice amounts) to superannuation plans totaled \$28,383 (2013: \$46,786).

24. CONTINGENT LIABILITIES

There were no material contingent liabilities not provided for in the financial statements of the Consolidated Entity as at 30 June 2014 other than:

Native Title and Aboriginal Heritage

Native title claims have been made with respect to areas which include tenements in which the Consolidated Entity has an interest. The Consolidated Entity 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 Consolidated Entity 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 Consolidated Entity has an interest.

25. 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 Consolidated Entity to affect substantially the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial years except for as follows:

- A share placement of 27 million shares at 0.5 cents per share was made on 22 August 2014 to raise \$135,000

RUBICON RESOURCES LIMITED
and its controlled entity

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

26. PARENT COMPANY

(a) Financial Position

As at 30 June 2014

	<u>2014</u>	<u>2013</u>
	\$	\$
Assets		
Total current assets	219,220	1,076,425
Total non-current assets	909,225	1,786,040
Total Assets	<u>1,128,445</u>	<u>2,862,465</u>
Liabilities		
Total current liabilities	33,003	60,677
Total non-current liabilities	-	-
Total Liabilities	<u>33,003</u>	<u>60,677</u>
Net Assets	<u>1,095,442</u>	<u>2,801,788</u>
Equity		
Issued capital	15,085,096	14,831,596
Reserves	656,956	586,640
Accumulated losses	(14,646,610)	(12,616,448)
Total Equity	<u>1,095,442</u>	<u>2,801,788</u>
Loss for the year	2,030,163	1,813,681
Other comprehensive income	-	-
Total comprehensive loss for the year	<u>2,030,163</u>	<u>1,813,681</u>

(b) Guarantees entered into by the Parent

Rubicon Resources Limited has not entered into a deed of cross guarantee with its wholly-owned subsidiary.

(c) Contingent liabilities of the Parent

Rubicon Resources Limited had no contingent liabilities at 30 June 2014 (2013 - Nil).

(d) Capital commitment of the Parent

Rubicon Resources Limited's capital commitments are disclosed in Note 18.

**RUBICON RESOURCES LIMITED
and its controlled entity**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

27. INTERESTS IN JOINT VENTURES

Interests in Joint Ventures

Rubicon has the following Joint Venture Interests:

Peters Dam Joint Venture (Silver Lake Resources Limited ("Silver Lake") 67%, Rubicon diluting)

The Peters Dam Joint Venture comprises approximately 200km² of Rubicon tenements in the southern Yindarlgooda project. Silver Lake has earned an initial 51% by spending \$1.5m. Silver Lake manages the joint venture and is currently sole funding it with Rubicon being diluted. Rubicon can elect to contribute to the exploration program at six monthly intervals (one off right) to maintain its interest.

Queen Lapage Joint Venture (Silver Lake Resources Limited ("Silver Lake") 59%, Rubicon diluting)

The Queen Lapage Joint Venture comprises approximately 100km² of Rubicon tenements in the northern Yindarlgooda project. Silver Lake has earned an initial 51% by spending \$1.0m. Silver Lake manages the joint venture and is currently sole funding it with Rubicon being diluted.

Mt McLeay Joint Venture Agreement (Brimstone Resources Limited 51%)

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

The joint ventures are not separate legal entities. They are contractual arrangements between the participants under the signed JV agreements.

The joint ventures do not hold any assets and accordingly the Consolidated Entity's share of exploration, evaluation and development expenditure is accounted for in accordance with the policy set out in note 1.

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

**RUBICON RESOURCES LIMITED
and its controlled entity**

DIRECTORS' DECLARATION

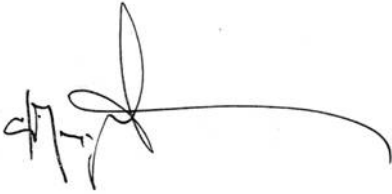
In the opinion of the Directors of Rubicon Resources Limited ("the Consolidated Entity"):

- (a) the financial statements and notes, set out on pages 11 to 31, are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards in Australia and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the financial position of the Consolidated Entity as at 30 June 2014 and of its performance, as represented by the results of its operations, for the financial year ended on that date.
- (b) there are reasonable grounds to believe that Rubicon Resources Limited will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Managing Director and the Company Secretary for the financial year ended 30 June 2014.

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

Signed at Perth this 17th day of September 2014.

A handwritten signature in black ink, consisting of a stylized 'I' and 'M' followed by a long horizontal line that curves upwards at the end.

**Ian Macpherson
Executive Chairman**

**RUBICON RESOURCES LIMITED
and its controlled entity**

INDEPENDENT AUDIT REPORT



BUTLER SETTINERI

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

Report on the Financial Report

We have audited the accompanying consolidated financial report of Rubicon Resources Limited (the "Company") and its controlled entity, (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2014 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the consolidated entity's preparation of the consolidated financial report which gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the consolidated financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

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Proactive ▾ Quality ▾ Supportive

**RUBICON RESOURCES LIMITED
and its controlled entity**

INDEPENDENT AUDIT REPORT

Auditor's Opinion

In our opinion, the consolidated financial report of Rubicon Resources Limited and its controlled entity is in accordance with the Corporations Act 2001 including:

- a) giving a true and fair view of the Group's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Material Uncertainty Regarding Going Concern

Without qualifying our opinion above, we wish to draw your attention to the following matter. As a result of matters referred to in note 1(a) of the financial statements "Going Concern", the consolidated entity's ability to continue as a going concern is dependent upon obtaining additional funds through the equity markets. This indicates the existence of a material uncertainty that may cast significant doubt on the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included on pages 6 to 8 of the directors' report for the year ended 30 June 2014.

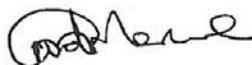
The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Rubicon Resources Limited and its controlled entity for the year ended 30 June 2014 complies with section 300A of the Corporations Act 2001.

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE
Director

Perth
Date: 17 September 2014