



QUARTERLY REPORT FOR THE PERIOD ENDED 31 DECEMBER 2010

Rubianna Resources Ltd

ACN 139 546 428

ASX Code: RRE

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Capital Structure:

70.2 million shares
10.65 million options

Cash in Bank:

At 31 December: \$3.4m

Board Members:

Alex Nutter

Chairman

Len Skotsch

Managing Director

Terry Smith

Non Executive Director

Angus Middleton

Non Executive Director

HIGHLIGHTS

- 127 hole, 6,023 metre aircore drill programme was undertaken and completed at the Company's Murchison gold and base metals project northeast of Meekatharra in Western Australia.
 - The programme was designed to test geochemical anomalies within the Ruby Well, Narracoota and Quartz Well project areas.
- The results of the drill programme confirmed significant gold mineralisation over a short strike length at the Bloodstone prospect within the Ruby Well project.
 - Initial 4 metre composite samples submitted for re-assaying at 1 metre intervals.
- Aeromagnetic survey covering 1,300km² was completed over the southern portion of the Murchison project, and final processed data received.
 - Data presently being interpreted to identify stratigraphic and structural targets within the Company's southern leases.
- Ethnographic surveys completed enabling an aircore drill programme to commence at the Judges Find, North Ruby Well, Curleys and Quartz Well projects in February 2011.



COMPANY OVERVIEW

Rubianna Resources Ltd is a Perth based exploration company that is focused on gold and base metal exploration at its Murchison project located 45km northeast of the mining centre of Meekatharra in Western Australia, where it has a portfolio of prospective projects covering approximately 1,400km² (Figure 1). Rubianna's Projects are all located in this well established mining district where recent extensive exploration activity has identified this region as having strong potential for further discoveries of VMS copper-gold mineralisation.

Rubianna is utilising the same exploration techniques to explore its Murchison project area that have led to copper-gold discoveries in the region by Sandfire Resources (ASX: SFR) and the high-grade gold intersections reported by Doray Minerals (ASX: DRM) during 2010.

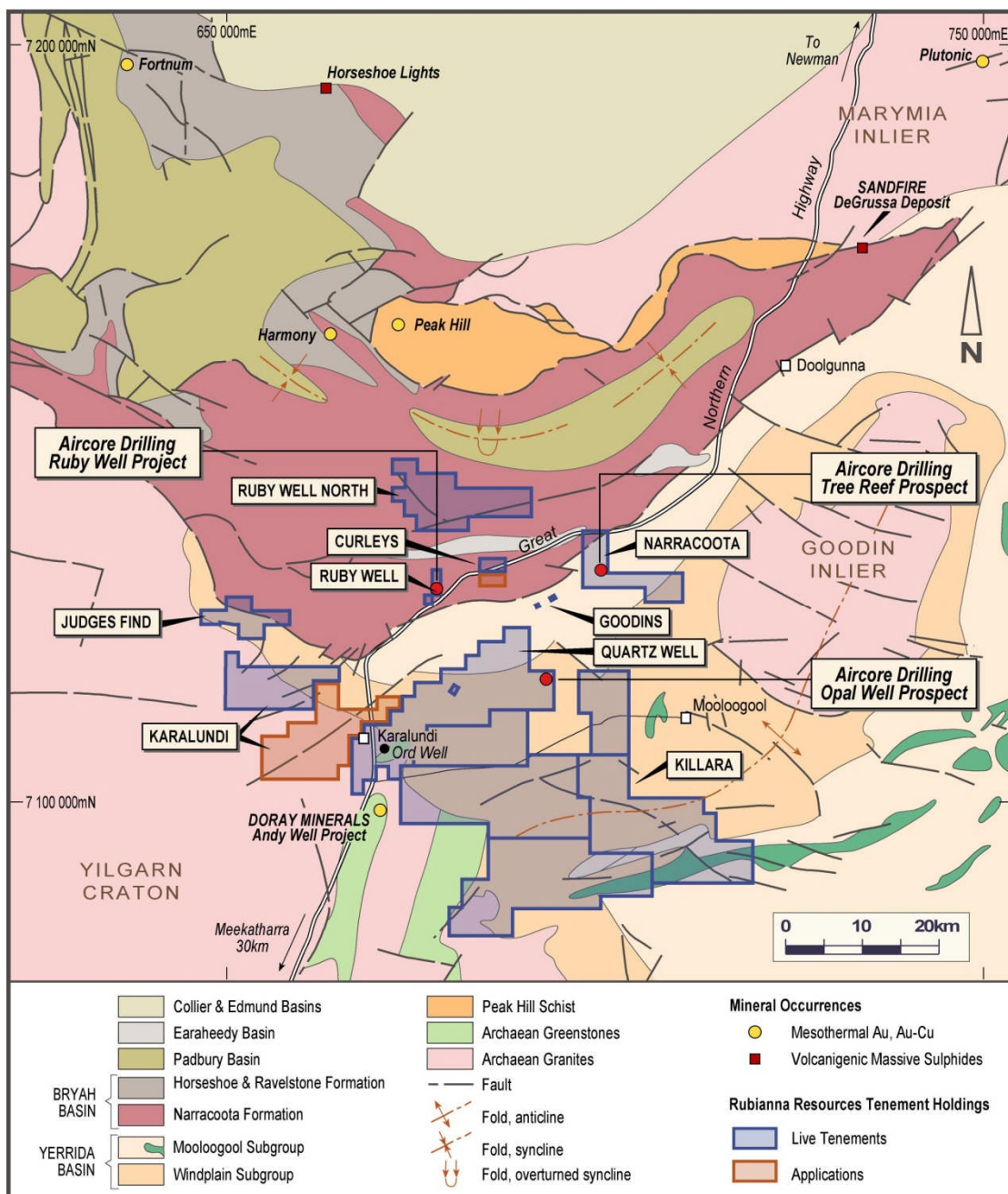


Figure 1 Project Location Map



EXPLORATION ACTIVITY REVIEW

The following exploration activities were carried out on the Company's Murchison project during the December quarter;

Ruby Well Project (M51/291)

An aircore programme comprising 111 drill holes for a total of 5,375 metres was completed over nine target areas (including the Ruby Anna East and Bloodstone prospects) at the Ruby Well project in November.

At the Bloodstone prospect 11 aircore holes (555 metres) were drilled along strike from the high-grade intersections (RWRC027, 1m @ 65.3g/t Au & RWRC028, 1m @ 13.99g/t Au) returned from the Company's previous RC drill programme. Four metre composited samples from drill hole RWAC025, located 35m northwest from RWRC027, returned the following significant gold mineralisation; **4m @ 63.85g/t (from 28m) and 4m @ 34.39g/t (from 36m).**

Geological logging indicates that the gold mineralisation in RWAC025 is associated with a quartz vein that attains a down hole width between 0.5-1.0 metres (from 29 metres), and a zone of hematite alteration with minor quartz between 36-40 metres. The initial 4 metre composited samples from RWAC0025 are presently being re-assayed at one metre sample intervals to better define the grade and width of the mineralisation in this drill hole prior to further work being planned.

This drill programme has constrained the dip of the main mineralised quartz vein and confirmed that the gold mineralisation at Bloodstone is developed along a zone some 60 metres in strike length.

Elsewhere at the Ruby Well project, a total of eight anomalous areas were tested including five recently generated auger geochemical anomalies, which are referred to as Anomalies 1-5 in Figure 2. A number of significant assays (> 0.5g/t Au) representing composited sample intervals were returned from these areas and are summarised in Table 1.

The assay values documented in Table 1 are associated with pervasive narrow quartz vein systems that occur in close proximity to several regionally extensive dolerite bodies. It is considered that this drill programme has sufficiently tested all the geochemical anomalies and has defined the dimensions and tenor of the quartz vein targets in these areas.

Narracoota Project (E51/844)

An aircore programme comprising eight angled aircore drill holes (two drill lines) for 363 metres tested the Tree Reef prospect. The Tree Reef target is a southwesterly trending geochemical gold anomaly within the Narracoota project defined by soil sampling and previous RAB drilling. This drilling intersected minor, weakly mineralised quartz veins. The best result was 4m @ 0.69g/t Au in drill hole RWAC0114.

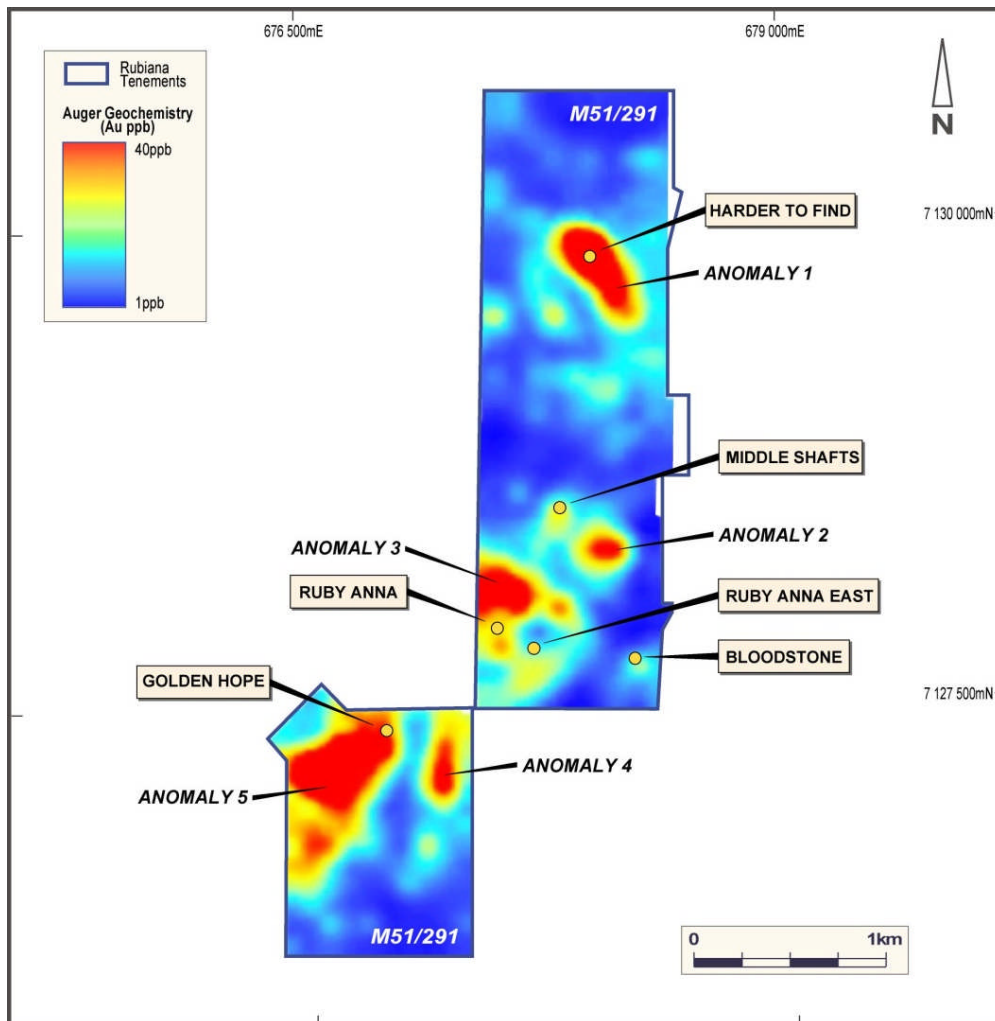


Figure 2 Ruby Well Project Gold Geochemical Anomalies

An 87 sample interface geochemical sampling programme at 400m x 200m spacing was completed over the central southern portion of the Narracoota project. Several weak (4 – 6ppb) NNW trending gold anomalies were returned and further infill sampling is proposed to refine the geochemical targets.

Quartz Well Project (E51/1246)

One drill line comprising seven angled holes (249 metres) was completed across a coherent NE trending gold anomaly and a shallow prospecting pit at the Opal Well prospect. Previous prospecting activities in this area had exposed a thin gold mineralised quartz vein. This drill programme did not return any significant gold intersections.

Rubianna has previously reported (ASX announcement 29/10/2010) that it planned to interface sample (by auger drilling) the south eastern portion of its Quartz Well project (Ord Well prospect) where it overlies a similar Archaean greenstone sequence to Doray's Andy Well prospect.



One reconnaissance aircore hole was completed in November to test the depth of the transported cover and to check the suitability of an auger drill programme to collect interface geochemical samples in this area. As this drill hole penetrated approximately 16 metres of transported cover within the main channel system, the Company has elected to utilise an aircore drill rig to ensure the sample quality at the Ord Well prospect, when drilling resumes at the Murchison project in late February 2011.

A soil survey comprising 129 samples was completed in the south western section of the Ord Well prospect on a 200m x 100m grid to test the Archaean Meekatharra – Wydgee Greenstone Belt interpreted to underlie the southern portion of the Quartz Well project (Figure 1). Gold assays up to 5.7ppb were returned and additional soil sampling is planned to define the extent of the soil anomaly.

Judges Find Project (E51/1105)

A 401 sample infill soil programme at 200m x 100m spacing has been completed over several areas where initial 800m x 400m sampling had identified broad gold anomalies. This sampling programme has confirmed and constrained several areas of geochemical and geophysical anomalism for drill testing.

UPDATE ON OTHER EXPLORATION ACTIVITIES

Geophysical Survey

Rubianna completed an airborne magnetic and radiometric survey, which was commenced in October, over the southern portion (1,300km²) of its Murchison project area (refer figure 1). The survey comprised approximately 16,000 line kilometres and acquired data at 100 metre line spacing. The final processed data was received in December and is presently being interpreted to identify stratigraphic and structural targets within the Company's southern leases.

PLANNED WORK

Over the next quarter the Company's exploration activities include:

- An ethnographic survey completed in December provides access to drill targets identified at the Judges Find, North Ruby Well, Curleys and Quartz Well projects. An aircore drill programme (approximately 5,000m) to evaluate various geochemical and geophysical targets in these areas is proposed to commence late February 2011.
- Field investigation and geological mapping over geochemical and geophysical targets at the Quartz Well, Judges Find and Killara projects. An ethnographic survey to access exploration targets at the Killara project is also planned. This work will focus on confirming drill targets for a second drill programme planned in the second quarter of 2011.



- In-house interpretation of the newly acquired aeromagnetic and radiometric data. Rubianna will focus its efforts on generating priority exploration targets for immediate assessment by geochemical surveys and for areas that are potentially direct drill targets.
- Regolith and geomorphology mapping has commenced and is designed to enhance the interpretation of the Company's geochemical database. The ongoing surveys to acquire geochemical data over the Company's entire Murchison project will focus on the North Ruby Well, Quartz Well, Narracoota and Killara project areas.
- All of the Company's exploration programmes are focused on the ongoing evaluation of its project areas to confirm the next phase of RAB and RC drill targets, with the aim of delineating an economic resource within its leases.

For further information please contact

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The Information in this report that relates to exploration results is based on information compiled by Len Skotsch, who is a Member of the Australasian Institute of Mining and Metallurgy. Len Skotsch has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Len Skotsch consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



Table 1 Murchison Project Aircore Drill Intersections (Composite Samples) (>0.5 g/t Au)								
Hole	Easting	Northing	Dip/ Azimuth	Depth (m)	From (m)	To (m)	Length (m)	Grade Au (g/t)
Ruby Well Project (Bloodstone Prospect)								
RWAC025	678116	7127760	60/180	66	28	32	4	63.85
RWAC025	678116	7127760	60/180	66	32	36	4	0.82
RWAC025	678116	7127760	60/180	66	36	40	4	34.39
RWAC025	678116	7127760	60/180	66	44	48	4	0.71
RWAC025	678116	7127760	60/180	66	64	66	2	1.20
RWAC027	678153	7127720	60/180	59	48	52	4	1.09
RWAC030	678149	7127780	60/180	53	40	44	4	0.53
RWAC090	678179	7127729	60/180	46	0	4	4	1.11
Other Ruby Well Targets								
RWAC022	677174	7127098	60/090	14	12	14	2	0.60
RWAC033	677411	7127849	60/090	42	28	32	4	0.56
RWAC034	677443	7127832	60/090	42	24	28	4	1.08
RWAC040	677616	7127769	60/270	50	32	36	4	0.63
RWAC040	677616	7127769	60/270	50	48	50	2	0.53
RWAC049	677223	7127250	60/090	60	4	8	4	0.60
RWAC050	677197	7127249	60/090	60	4	8	4	0.65
RWAC066	677518	7128118	60/135	56	12	16	4	1.06
RWAC072	677607	7128034	60/135	33	24	28	4	0.88
RWAC077	677702	7128297	60/135	49	40	44	4	1.44
Narracoota Project (Tree Reef Prospect)								
RWAC114	700421	7131145	60/180	54	28	32	4	0.69

- Drill samples: composite samples assayed for gold using aqua-regia digest/SAAS (0.1 ppm detection limit)
- Drill hole co-ordinates (GDA94, Zone 50)

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Rubianna Resources Limited

ABN

50 139 546 428

Quarter ended ("current quarter")

31 December 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(593)	(1,033)
(b) development	-	-
(c) production	-	-
(d) administration	(162)	(344)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	85	104
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(670)	(1,273)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(12)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	(12)
1.13 Total operating and investing cash flows (carried forward)	(670)	(1,285)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(670)	(1,285)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material) Share issue transaction costs	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(670)	(1,285)
1.20	Cash at beginning of quarter/year to date	4,024	4,639
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,354	3,354

Payments to directors of the entity and associates of the directors

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	92
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 includes aggregate amounts paid to directors including salary, directors' fees, consulting fees and superannuation.

Non-cash financing and investing activities

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

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

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Financing facilities available

Add notes as necessary for an understanding of the position.

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

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	350
4.2	Development	-
4.3	Production	-
4.4	Administration	170
Total		520

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	312	465
5.2 Deposits at call	3,042	3,559
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	3,354	4,024

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

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

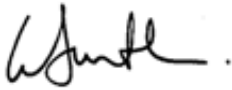
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	70,200,010	34,020,010		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	7,250,000 3,000,000 400,000	- - -	<i>Exercise price</i> 20 cents 20 cents 30 cents	<i>Expiry date</i> 1 December 2012 29 March 2013 31 August 2013
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

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

Sign here:


(Company secretary)

Date: **19 January 2011**

Print name: **Graeme Smith**

Notes

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

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