



## RUBIANNA RESOURCES LIMITED SEPTEMBER 2011 QUARTERLY REPORT

**Rubianna Resources Ltd**  
ACN 139 546 428

**ASX Code: RRE**

**Office:**  
Unit 5/8 Clive Street  
West Perth 6005  
Western Australia

**Postal Address:**  
PO Box 926  
West Perth 6872  
Western Australia

T: +61 8 9322 2061  
F: +61 8 9322 2071  
E: [info@rubianna.com.au](mailto:info@rubianna.com.au)  
[www.rubianna.com.au](http://www.rubianna.com.au)

**Capital Structure:**  
70.2 million shares  
10.25 million options

**Cash in Bank:**  
At 30 September: \$1.84M

**Board Members:**  
**Terry Smith**  
Chairman  
**Len Skotsch**  
Managing Director  
**Angus Middleton**  
Non Executive Director  
**Gordon Dunbar**  
Non Executive Director

### HIGHLIGHTS

- Corporate Strategic Review highlights exploration priorities in large Murchison Project area.
- Preparation underway for next phase of drilling at the Ruby Well, North Ruby Well and Curleys Projects.
- Geochemical review identifies gold and base metal anomalies for detailed assessment.
- Geochemical assessment and geological mapping progressing at the Killara Project.





## **CORPORATE STRATEGIC REVIEW**

A Strategic Review of Rubianna Resources Limited was commissioned in June 2011 by the Company's Board to examine its activities and performance over the 18 months since listing in December 2009. The Review was conducted by RRE's corporate advisor, Emerald Partners, which engaged Gordon Dunbar of Dunbar Resource Management to undertake the technical aspects of the review. Both Emerald Partners and Gordon Dunbar have the requisite knowledge and experience to undertake the review having advised and consulted to the Company for many years prior its listing. Emerald Partners also advised and lead managed the Rubianna Resources IPO in 2009.

This review concluded that:

- Rubianna's exploration work has been undertaken diligently and with due regard to expenditure and the need to progress exploration.
  
- The focus for the immediate exploration activities should be prioritised as follows (refer Figure 1):
  1. Drilling at the Bloodstone and Harder-to-Find prospects at the Ruby Well Project.
  2. Infill interface sampling should be undertaken within the 3.5km x 1km gold and copper anomaly outlined within the North Ruby Well Project.
  3. At the Killara Project, base metal targets are to be worked up to drill targets using geological mapping and sampling, geochemistry and geophysical methods.
  
- Importantly, the review considered that Rubianna's lease holding in the Peak Hill/Doolgunna Region is sizeable and covers all the right places.
  
- The strategic review also highlighted the importance of identifying more advanced mining sector opportunities to both enhance the Company's existing Murchison Project and to expand its gold and base metal exploration activities within Australia and internationally.

## **EXPLORATION ACTIVITY REVIEW**

### **Planned Drill Programmes**

During Q3, Rubianna completed a detailed review and interpretation of the geological and geophysical data collected over the Ruby Well, North Ruby Well and Curleys Projects. This work has enabled the Company to finalise drill programmes in these areas and to apply for the necessary statutory permits for this drilling to be carried out in Q4.

The following gold anomalous areas will be evaluated further by RAB/Aircore drilling:



### **1. Ruby Well Project (M51/291)**

At the Bloodstone prospect, drilling by Rubianna earlier this year returned some spectacular gold grades, (including 1m @ 146.39g/t Au, from 29m; See ASX announcement 8 March 2011) in quartz veins, within halos of 10 to 20m down hole length. Initially, aircore drilling to the northwest of the Bloodstone mineralisation will assess the strike continuity in this direction. This work will be completed in preparation for expending the Western Australian Government's Exploration Incentive Scheme (EIS) grant awarded to test the depth extensions at Bloodstone by RC drilling (See ASX announcement 22 June, 2011).

### **2. North Ruby Well Project (E52/2387)**

An anomalous gold zone approximately 3.5km long (maximum gold value 592ppb; RWRB0218, 28-29m; See ASX announcement 16 May 2011), and associated elevated Ni, Cu and Zn values, will be further tested at closer drill hole spacing. The gold anomalism in this area coincides with interpreted NW and ENE trending regional structures, defined by distinct, linear aeromagnetic units associated with mafic and ultramafic rock units comprising the Narracoota Formation.

### **3. Curleys Project (E51/1142)**

A series of elevated gold anomalies, up to 143ppb, encountered in the April geochemical drilling programme at Curleys will be followed-up. The geochemical response is interpreted to be due to either gold dispersion from a tuff unit or from structurally controlled quartz veining along NW-SE trending regional faults.

### **Murchison Project Geochemical Review**

A Geochemical consultant engaged to review and to assist in the interpretation of the Company's geochemical database has identified a number of existing gold and/or base metals anomalies that require further investigation. Work will be undertaken during Q4 to ensure the identified anomalies have been adequately evaluated.

### **Killara Project (E51/1345 – 1349)**

Rubianna has continued to progress its geochemical assessment and geological mapping over five geophysical target areas at the Killara Project. The Company aims to advance its assessment of these areas during Q4 and develop base metal targets suitable for drill testing in Q1, 2012.

### **FUTURE ACTIVITIES**

The Company has a range of exploration activities planned that will continue to define the potential of the Murchison Project including:

- Finalising drilling permits to commence drilling at the Ruby Well, North Ruby Well and Curleys Projects.
- Completing a detailed review of potential gold targets such as Harder-to-Find at the Ruby Well Project in preparation for drilling to commence in Q1, 2012.
- Progressing the Company's ongoing geochemical sampling programme and geological mapping over the Killara Project.

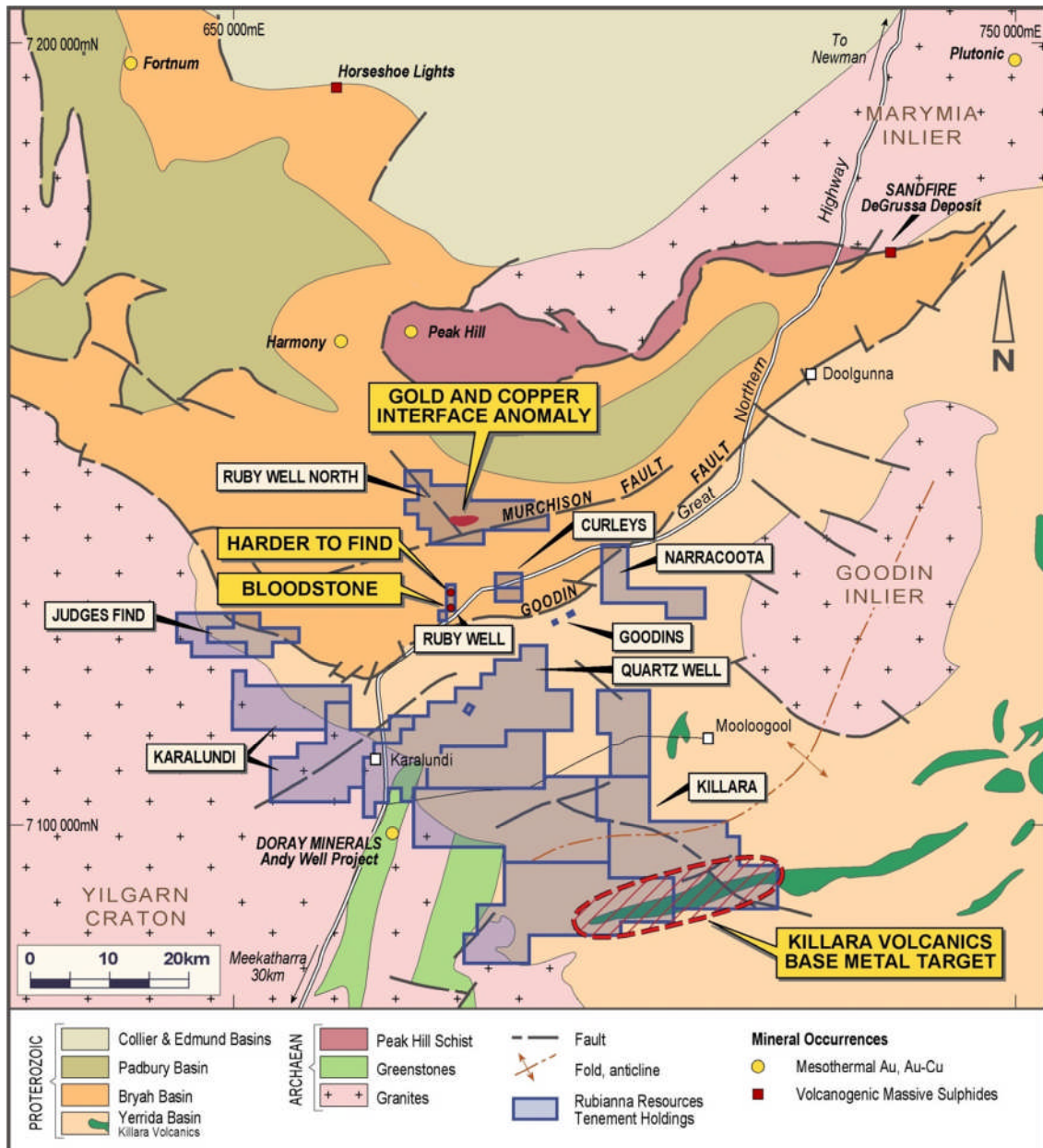


Figure 1 Geology and Tenement Plan showing priority exploration areas.



**For further information please contact**

Steve Batty  
General Manager  
Rubianna Resources Limited  
P: +61 8 9322 2061  
E: [info@rubianna.com.au](mailto:info@rubianna.com.au)  
[www.rubianna.com.au](http://www.rubianna.com.au)

Media Contact  
Colin Hay  
Professional Public Relations  
P: +61 8 9388 0944  
E: [colin.hay@ppr.com.au](mailto:colin.hay@ppr.com.au)

*The Information in this report that relates to exploration results is based on information compiled by Steve Batty who is a Member of the Australasian Institute of Geologists. Steve Batty 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. Steve Batty consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

**Rubianna Resources Limited**

ABN

50 139 546 428

Quarter ended ("current quarter")

30 September 2011

### Consolidated statement of cash flows

|   | Current quarter<br>\$A'000 | Year to date<br>(3 months)<br>\$A'000 |
|---|----------------------------|---------------------------------------|
| <b>Cash flows related to operating activities</b>               |                            |                                       |
| 1.1 Receipts from product sales and related debtors             | -                          | -                                     |
| 1.2 Payments for (a) exploration & evaluation                   | (249)                      | (249)                                 |
| (b) development   | -                          | -                                     |
| (c) production  | -                          | -                                     |
| (d) administration  | (158)                      | (158)                                 |
| 1.3 Dividends received  | -                          | -                                     |
| 1.4 Interest and other items of a similar nature received       | 2                          | 2                                     |
| 1.5 Interest and other costs of finance paid                    | -                          | -                                     |
| 1.6 Income taxes paid   | -                          | -                                     |
| 1.7 Other (provide details if material)                         | -                          | -                                     |
| <b>Net Operating Cash Flows</b>                                 | <b>(405)</b>               | <b>(405)</b>                          |
| <b>Cash flows related to investing activities</b>               |                            |                                       |
| 1.8 Payment for purchases of: (a) prospects                     | -                          | -                                     |
| (b) equity investments  | -                          | -                                     |
| (c) other fixed assets  | (3)                        | (3)                                   |
| 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)                        | -                          | -                                     |
| <b>Net investing cash flows</b>                                 | <b>(3)</b>                 | <b>(3)</b>                            |
| 1.13 Total operating and investing cash flows (carried forward) | <b>(408)</b>               | <b>(408)</b>                          |

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

|      |  |       |       |
|------|--|-------|-------|
| 1.13 | Total operating and investing cash flows (brought forward) | (408) | (408) |
|      | <b>Cash flows related to financing activities</b>          |       |       |
| 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)                        | -     | -     |
|      | <b>Net financing cash flows</b>                            | -     | -     |
|      | <b>Net increase (decrease) in cash held</b>                | (408) | (408) |
| 1.20 | Cash at beginning of quarter/year to date                  | 2,254 | 2,254 |
| 1.21 | Exchange rate adjustments to item 1.20                     | -     | -     |
| 1.22 | <b>Cash at end of quarter</b>                              | 1,846 | 1,846 |

**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<br>\$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 99                         |
| 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

|  |
|--|
|  |
|--|

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

|  |
|--|
|  |
|--|

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

|     |                             | Amount available<br>\$A'000 | Amount used<br>\$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 | 250        |
| 4.2          | Development                | -          |
| 4.3          | Production                 | -          |
| 4.4          | Administration             | 200        |
| <b>Total</b> |                            | <b>450</b> |

### 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<br>\$A'000 | Previous quarter<br>\$A'000 |
|---|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank  | 114                        | 341                         |
| 5.2 Deposits at call  | 1,732                      | 1,913                       |
| 5.3 Bank overdraft  | -                          | -                           |
| 5.4 Other (provide details)   | -                          | -                           |
| <b>Total: cash at end of quarter (item 1.22)</b>  | <b>1,846</b>               | <b>2,254</b>                |

### Changes in interests in mining tenements

|     | Tenement<br>reference | Nature of interest<br>(note (2))                              | Interest at<br>beginning<br>of quarter | Interest at<br>end of<br>quarter |
|-----|-----------------------|---|--|----------------------------------|
| 6.1 |                       | Interests in mining tenements relinquished, reduced or lapsed |  |                                  |
| 6.2 | E77/1847              | Granted tenement  | Nil                                    | 100%                             |

+ 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 <b>Preference +securities</b><br><i>(description)</i>  |                                   |               |   |  |
| 7.2 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs, redemptions |                                   |               |   |  |
| 7.3 <b>+Ordinary securities</b>  | 70,200,010                        | 34,020,010    |   |  |
| 7.4 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs              |                                   |               |   |  |
| 7.5 <b>+Convertible debt securities</b><br><i>(description)</i>  |                                   |               |   |  |
| 7.6 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through securities matured, converted              |                                   |               |   |  |
| 7.7 <b>Options</b><br><i>(description and conversion factor)</i>   | 7,250,000<br>3,000,000<br>400,000 | -<br>-<br>-   | <i>Exercise price</i><br>20 cents<br>20 cents<br>30 cents | <i>Expiry date</i><br>1 December 2012<br>29 March 2013<br>31 August 2013 |
| 7.8 Issued during quarter  |                                   |               |   |  |
| 7.9 Exercised during quarter   |                                   |               |   |  |
| 7.10 Expired during quarter  |                                   |               |   |  |
| 7.11 <b>Debentures</b><br><i>(totals only)</i>   |                                   |               |   |  |
| 7.12 <b>Unsecured notes</b><br><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 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

  
(Company Secretary)

Date: 19 October 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Financial Reporting 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.

====

---

+ See chapter 19 for defined terms.