

Rubicon Enters Into Kapuas Hulu Gold Joint Venture in Kalimantan, Indonesia

- Agreement executed with Indonesian company PT Hasil Kharisma Alam (“HKA”), whereby Rubicon has the right to earn up to an 85% interest in the company, which is sole holder of the 14,510ha Kapuas Hulu gold project located in West Kalimantan
- The project hosts gold mineralisation defined by historic trenching (best 9.5m @ 13.97g/t gold), rock chip sampling (up to 597g/t gold) and soil sampling (up to 1.41 g/t gold).
- The 16 rock chips collected by Rubicon during a recent due diligence visit confirm the presence of widespread gold anomalism with some high grades returned (including 17.4g/t and 319g/t gold).
- This project marks the first steps of the acquisition strategy within the Asia/Pacific Rim area for an advanced mineral project with near term production potential.

Rubicon Resources Limited (“Rubicon”) is pleased to announce that it has signed a term sheet with HKA to enter into a joint venture agreement on the Kapuas Hulu Gold Project, located within the Regency of Kapuas Hulu in West Kalimantan, Indonesia (Figure 1). The project hosts several advanced gold prospects that require follow-up exploration and initial drill testing.

The most advanced prospect is Pelaik (Figure 2), where fault and stratabound hosted gold mineralisation has been identified; the latter style being an attractive target in terms of potential to develop a significant sized deposit. Previous rock chip, float and trench sampling outlined several zones of gold mineralisation over a 3km by 1km area. Best trench results include:

• TR5	82m @ 1.04 g/t gold	(Up to 9.07 g/t gold)
• TR9	60.3m @ 0.55 g/t gold	(Up to 6.52 g/t gold)
• TR21	19.3m @ 2.29 g/t gold	(Up to 5.36 g/t gold)
• C34	9.5m @ 13.97 g/t gold	(Up to 65.2 g/t gold)

The less advanced Selunga prospect (Figure 2) has returned high grade rock chips (including **53.4g/t, 119.9g/t and 597g/t gold**) from mineralised outcrop within a creek. The area also shows trace elements indicative of a shallow level epithermal style of mineralisation.

Rubicon plans to commence field activities in February, including soil sampling, rock chip sampling and mapping that will better define drill targets.

Rubicon can acquire an initial 51% of the issued capital of HKA by expending A\$1,500,000 on exploration on the project and the issue of 3 million shares to HKA and associated companies. Rubicon may then earn up to 85%, by a combination of further expenditure, share issues and the execution of a bankable feasibility study.

Rubicon’s Chairman, Ian Macpherson said “the Kapuas Hulu project gives Rubicon the opportunity to gain a majority holding in a company with a highly prospective project in a known gold bearing area. The HKA team have built strong relationships with government and local stakeholders and will provide invaluable assistance to Rubicon as it advances the project and further opportunities within Indonesia as they develop”.

PROJECT DETAILS

Tenure

The 14,510ha Kapuas Hulu Exploration Mining Permit (IUP) is comprised of two areas; Land Block I which covers the Pelaik gold prospect, and Land Block II which covers an area north of the Empulu-Sapit gold prospects (Figure 2)

Geology

The Pelaik gold-mineralised zone is situated within a wide area of clay-altered sediments. Principal host structures for the gold are quartz-iron oxide-pyrite lenses in fractures and stratabound porous sandstone layers. The lenses appear to have been deposited in dilation fractures in the sediments above core dioritic intrusions.

The gold endowment of the region is illustrated by the number of gold dredging operations located on the river that flows through the project area and the numerous artisanal workings in the form of shallow trenches and deeper adits and shafts.

The main exploration target is an intrusive related gold system similar to Donlin Creek (41m oz gold in Alaska), Brewery Creek (0.79m oz gold in the Yukon of Canada) and Kori Kollo (2.6m oz gold in Bolivia).

Historic Exploration

Several companies, including Dominion Mining (1988-1991), have held the area of the current IUP and conducted stream sediment, soil and rock chip sampling and trenching (>50 trenches). This reconnaissance sampling identified several gold prospects, including the Pelaik and Selunga prospects on Block I and the Empuluh prospect on the southern boundary of Block II (Figure 2). No drilling has been conducted on any of the prospects identified to date.

The most advanced prospect area is Pelaik (Figure 2), which is comprised of several individual prospects. Rock chip, float and trench sampling outlined several zones of gold mineralisation over a 3km by 1km area. Best trench results are as follows:

- TR5 82.0m @ 1.04 g/t gold (Up to 9.07 g/t gold)
- TR6 47.0m @ 0.34 g/t gold (Up to 2.49 g/t gold)
- TR9 60.3m @ 0.55 g/t gold (Up to 6.52 g/t gold)
- TR21 19.3m @ 2.29 g/t gold (Up to 5.36 g/t gold)
- TR26 20.0m @ 0.45 g/t gold (Up to 1.71 g/t gold)
- C34 9.5m @ 13.97 g/t gold (Up to 65.2 g/t gold)

Rock chips taken from sulphidic / gossanous sandstone at Pelaik are generally anomalous in gold (>0.1 g/t gold) and frequently returned grades >1 g/t gold. The mineralisation appears to be focused along structures, within diorite intrusions, within certain shallowly dipping sandstone units and within breccias at the intrusive contacts. The stratabound sandstone hosted mineralisation is an attractive target in terms of potential deposit size.

The less advanced Selunga prospect (Figure 2) has historically returned high grade rock chips (including 53.4g/t, 119.9g/t and 597g/t gold) from outcrop within a creek. The area also shows elevated arsenic and antimony levels and may represent a shallower level epithermal style of mineralisation.

HKA Exploration

HKA have collected rock chips and soil samples over a 2km strike length of the Pelaik-Selunga prospect area (Figure 3). The gold-in-soil values averaged a very anomalous 0.07g/t gold, with a maximum of 1.41 g/t gold. The sampling confirmed the gold anomalous areas identified by previous explorers and artisanal miners and also identified several distinct trends of potential structures/mineralisation.

The area covered by soil sampling is only 1% of the total IUP area, and reconnaissance work by Dominion identified several other areas that are highly prospective and returned rock chip samples >1 g/t gold (up to 8.89g/t gold) that have had no follow-up.

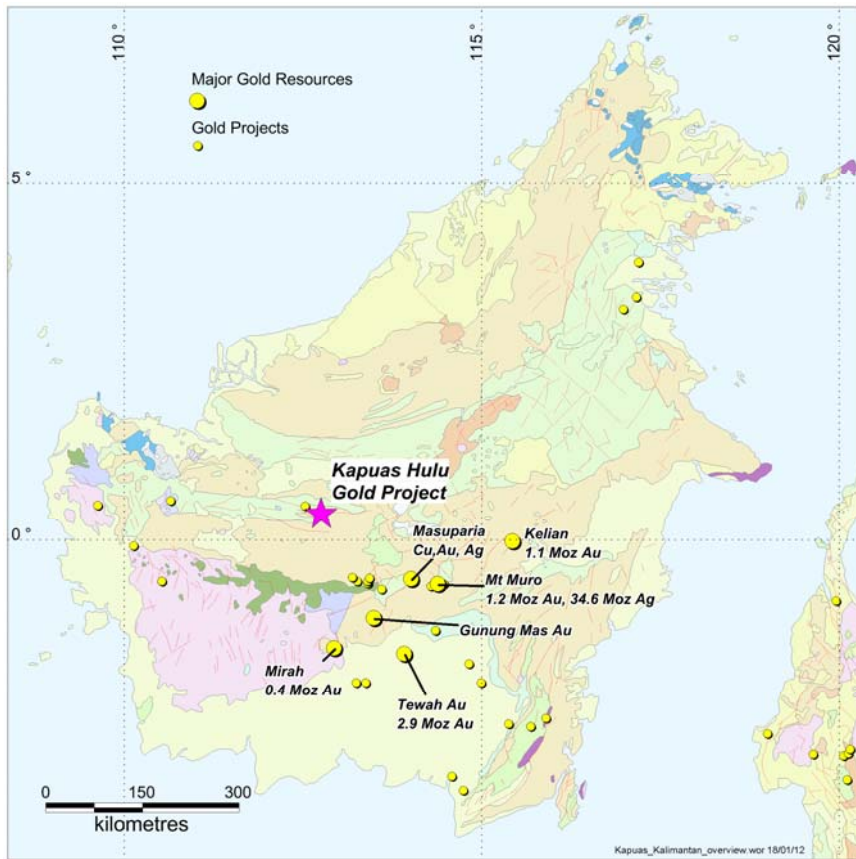


Figure 1 Location of Kapuas Hulu Project, Kalimantan, Indonesia in relation to major gold mines and projects

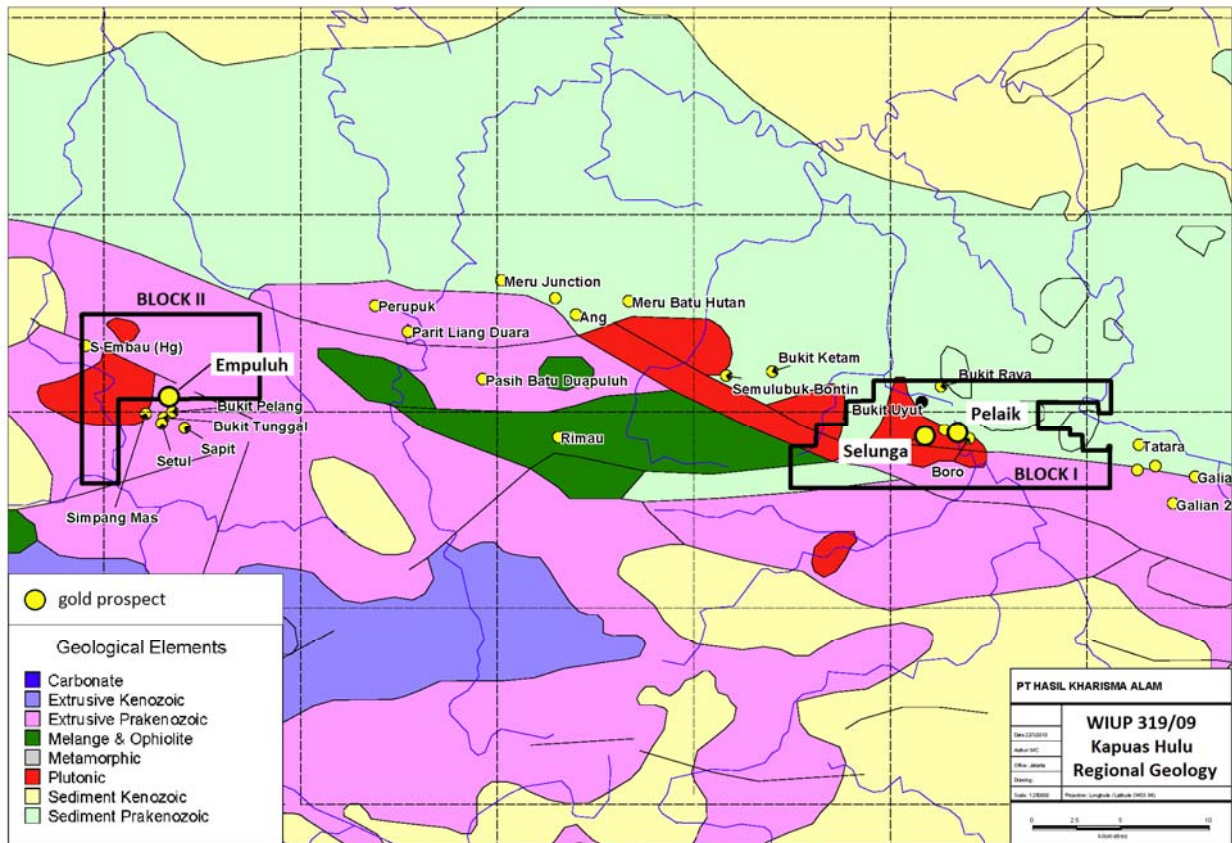


Figure 2 Kapuas Hulu Regional Geology

Due Diligence by Rubicon

A due diligence field visit was made to the project in December 2011. Sixteen rock chip samples were collected and analysed for gold and multi-elements. All samples that showed alteration and pyritisation were anomalous in gold (Figure 3).

The high grade nature of the Selunga prospect (Figures 2 & 3) was verified by Rubicon sampling of sandstone with ferruginous/pyritic veinlets returning grades of 1.44 g/t, 17.4g/t and 319 g/t gold. Details of the due diligence sampling are shown in Table 1.

Due diligence on land title and the corporate structure of HKA was also conducted by a legal firm in Jakarta and no issues were identified.

Proposed Program

Planned programs going forward include:

- Infill/extension soil sampling at the Pelaik and Selunga Areas to better define mineralised trends and optimize drill targets.
- Rock chip sampling and mapping
- Reconnaissance of other prospects
- Soil sampling on the Block II target area

Agreement Terms

The general terms of the agreement are as follows:

- Rubicon will have the right to acquire 51% of the issued capital of HKA by expending A\$1,500,000 within four years on exploration on the IUP.
- If Rubicon expends an additional A\$1,500,000 on exploration on the IUP (cumulative A\$3,000,000) then it will be deemed to have earned 70% of the issued capital of HKA.
- If Rubicon elects to undertake a Bankable Feasibility Study (BFS) on the project, Rubicon will be deemed to have acquired 75% of HKA at the commencement and 85% at the completion of the BFS.
- Rubicon will issue a total of 3 million shares to HKA and associated companies upon signing of the term Sheet; 6 million shares upon Rubicon earning 51% and another 6 million shares upon Rubicon earning 70% of HKA.

About Rubicon

Rubicon continues to review other project opportunities both within Indonesia and Australia as well as other overseas countries that show potential to host significant mineral deposits. Meanwhile, Rubicon's Joint Venture partners at the Peters Dam and Queen Lapage JV's (Integra Mining Limited); Mt McLeay JV (Brimstone Resources), Caesar Hill JV (Traka Resources Limited) and Bentley JV (Kingsgate Consolidated Limited) continue to add value to Rubicon through their Australian exploration.

Rubicon had cash reserves of A\$3.1 million as at 31 December 2011, and is well funded to carry out the planned exploration.

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The information in this report that relates to Exploration Results is based on information compiled by Mr Andrew Ford, the Chief Operating Officer of Rubicon Resources Limited, who is a Member of the Australian Institute of Mining and Metallurgy. Mr Ford has sufficient experience that is relevant to the style of mineralisation and of the activity being reported to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves, and consents to the release of information in the form and context in which it appears here.

Easting	Northing	Lithology	Comments	Date Sampled	Au ppm
2456	2198	Gossan+pyrite+prismatic quartz	KH001	8/12/2011	2.020
2445	2198	Gossan+pyrite+prismatic quartz	KH016	8/12/2011	0.592
2445	2198	Conglomeratic breccia - unaltered	KH002	8/12/2011	0.006
2311	3384	Gossan+pyrite	KH003	8/12/2011	3.800
2202	3309	Gossan+pyrite	KH004	8/12/2011	0.402
3111	3046	Sandstone with actinolite and pyrite	KH005	9/12/2011	0.158
3111	3046	Pyritic sandstone	KH006	9/12/2011	0.712
3130	3100	soft sandstone with hematite	KH007	9/12/2011	0.134
3584	3344	Silicified quartzite pyrite from working	KH008	9/12/2011	2.190
3584	3344	Sulphide tails from treatment of ore	KH009	9/12/2011	20.400
3720	3233	Fine grained quartzite with disseminated pyrite+epidote	KH010	9/12/2011	0.153
3862	2905	Gossan+quartzite+pyrite+prismatic quartz	KH011	9/12/2011	0.319
1610	2584	Quartzite with disseminated pyrite	KH012	10/12/2011	1.440
1550	2584	Clay sample in transported material above mineralised pyritic veined sandstone	KH013	10/12/2011	0.434
1550	2590	Ferruginous quartzite	KH014	10/12/2011	17.40
1610	2584	Quartzite with ferruginous veining	KH015	10/12/2011	3190

Table 1 Due Diligence rock chip assays (local grid).

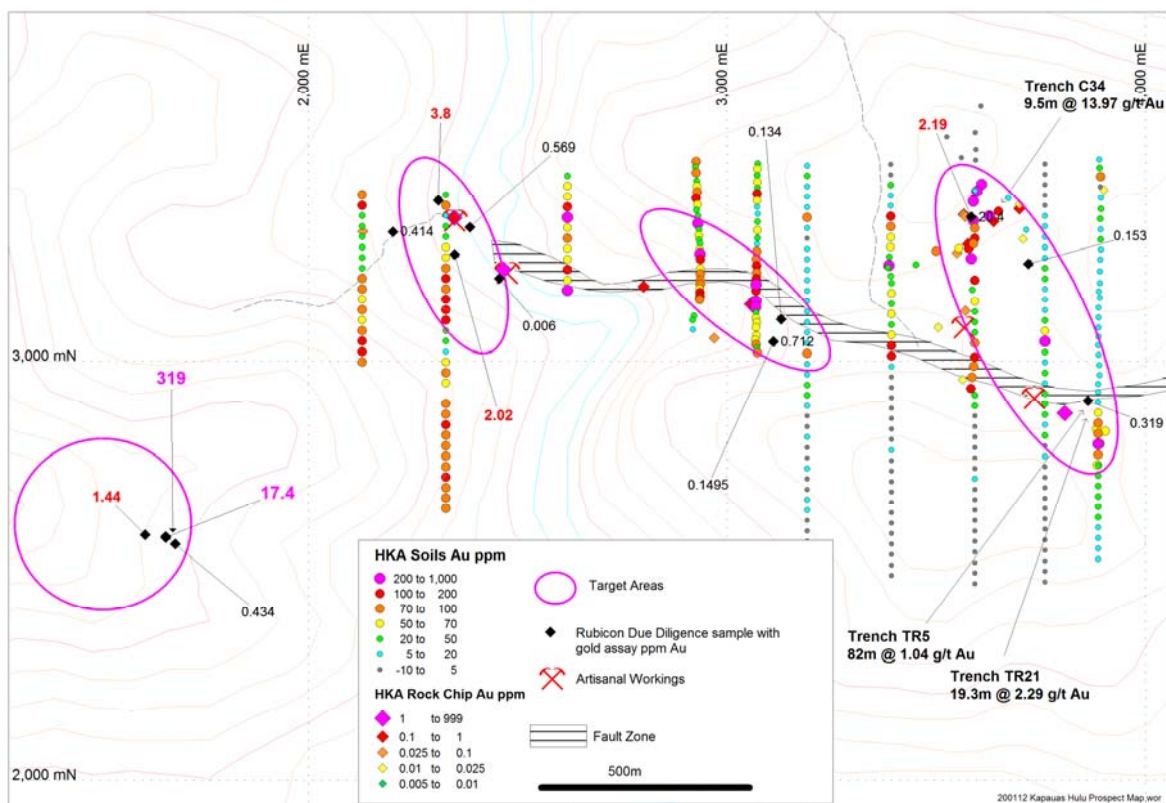


Figure 3 Pelaik-Selunga area showing soil geochemistry, HKA and Rubicon Due Diligence rock chip locations and gold grade. The Selunga area is circled in the west (at the far left).