



RUBIANNA RESOURCES LIMITED

December 2013 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

www.rubianna.com.au

CAPITAL STRUCTURE:

80.02 million shares
24.05 million options

CASH IN BANK:

At 31 December:
A\$0.5M

BOARD MEMBERS:

Terry Smith
Chairman

Dr Steve Batty
Managing Director

Graeme Smith
Non Executive Director /
Company Secretary

HIGHLIGHTS

- **Diamond Well tenements granted**
 - Significant expansion of prospective base metal rich horizons
 - Improved prospectivity post-rationalisation, while maintaining ~1,450 km² of contiguous tenements
 - Anomalous base metals identified at multiple historic targets within new tenements
- **Ruby Well tenement application**
 - Access to the Great Northern Highway for the Ruby Well resource
 - Significant expansion of prospective gold-rich horizons with potential to increase the resource outside of the Ruby Well tenement
- **On-going cost reduction strategies in place**

Rubianna Resources Limited (ASX: RRE), (“Rubianna” or “the Company”) is pleased to summarise the Corporate and Exploration activities completed during Q4, 2013 that focused on completion of the initial RC drill programme at the Kookynie copper project and on-going assessment and consolidation of the Company’s projects and tenement holding.

• **TENEMENT ACTIVITY**

As part of the Company’s on-going development programme, a number of tenement have been granted and additional applications are in progress that the Company believes will complement its project portfolio (Figure 1). Refer to ASX releases 13th and 21st November 2013.

TENEMENT		%HELD BY RRE
MURCHISON PROJECT		
E51/1542	Diamond Well	Granted
E51/1545	Diamond Well	Granted
E51/1549	Diamond Well	Granted
E51/1550	Diamond Well	Granted
E51/1611	Ruby Well	Application pending
E51/1612	Ruby Well	Application pending
L51/94	Ruby Well	Application pending
KOOKYNIE		
E40/324	Kookynie	Application pending

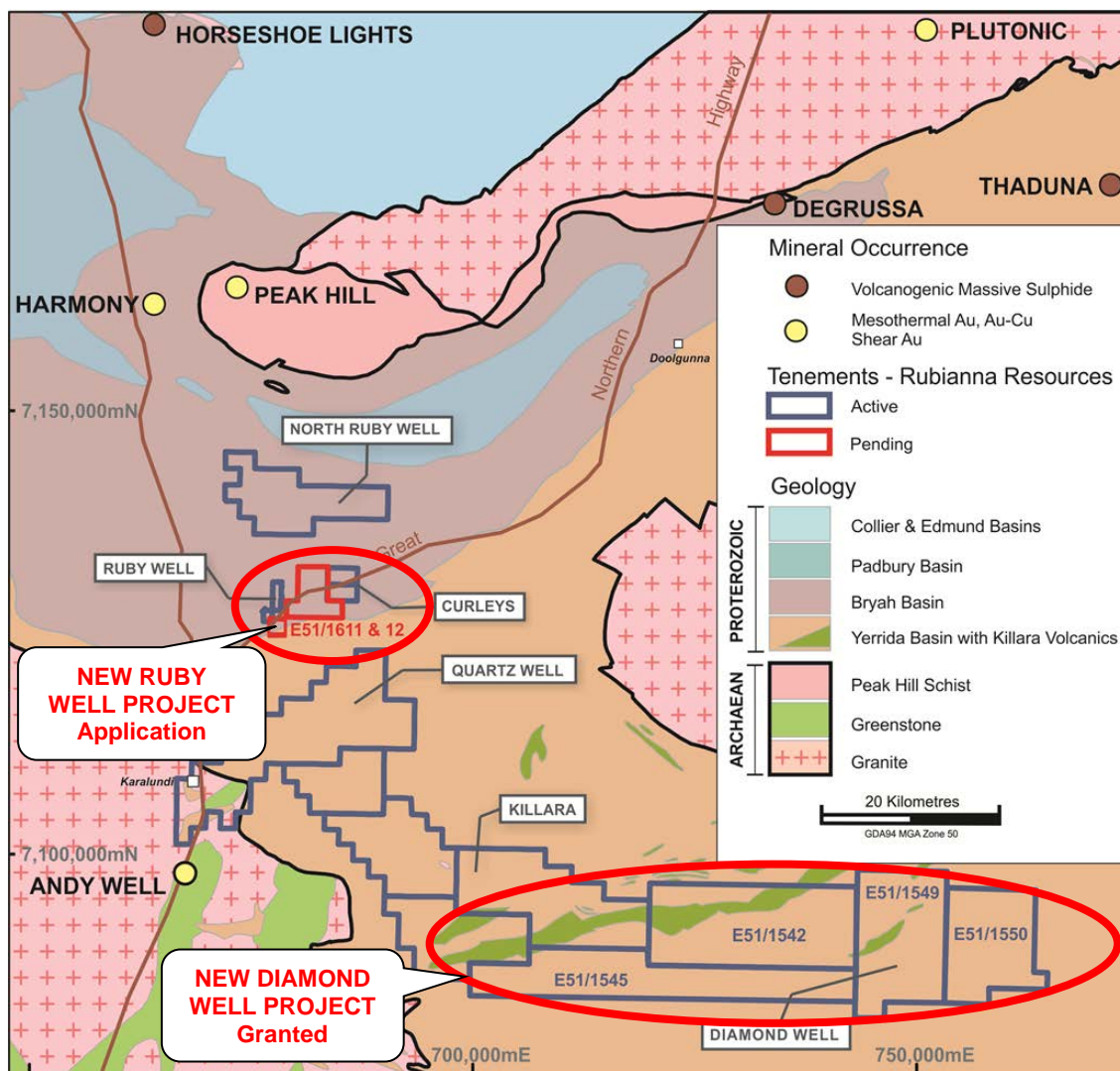


Figure 1: Location map of the significantly expanded Killara & Diamond Well base metal project incorporating the new tenements E51/1542, E51/1545, E51/1549 & E51/1550. Granting of these four tenements has returned the Company’s land holding in the area to approximately 1450km², following the rationalisation of tenements in the area since July 2013.

• DIAMOND WELL

Four tenements (E51/1542, E51/1545, E51/1549 & E51/1550) were granted, immediately east and south of the Killara base metal project (Figures 1 & 2). The granting of these four tenements has returned the Company's land holding in the area to approximately 1,450km² following rationalisation of tenements in the area since July 2013.

The new tenements significantly expand the along strike continuity to the geochemically anomalous units of the existing Killara base metal project and also provides increased exposure to prospective younger stratigraphic horizons. The geology of the new tenements comprises sediments of the Johnson Cairn and Maralou Formations and mafic intrusive units of the Killara Formation.

Historic geochemical anomalies identified from the limited and localised exploration within the new tenements (Figure 2) highlight the significant exploration potential for base metals, especially when combined with the anomalous base metal geochemistry identified within the existing Killara tenements by Rubianna. More significant historic geochemical anomalies within the new tenements (refer to ASX 13th December 2012 & Figure 2) include:

- Diamond Well prospect (within E51/1549), maximum results of **0.3% Cu, 1.0% Pb, 1.0% Zn 30ppm Ag and 110ppb Au**, predominantly from a 500 metre long anomalous quartz vein.
- Conquistador prospect (within E51/1549), regional RAB drilling, (80m x 1600m), intercepted anomalous targets, including **2m @ 0.22% Zn from 28m & 2m @ 0.11% Cu from 2m**.

Exploration will comprise surface geochemistry and mapping over the existing anomalous targets, Diamond Well and Conquistador prospects, in order to define and prioritise areas for follow-up drilling. Regional reconnaissance will be made over the extensive areas that are currently poorly explored.

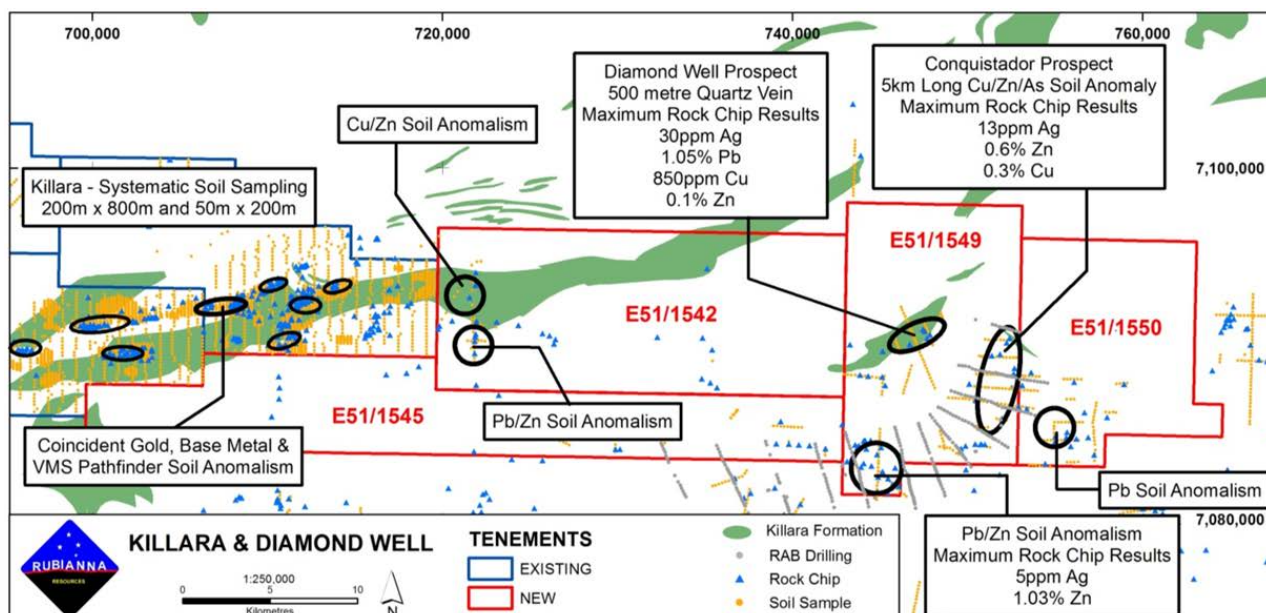


Figure 2: New tenements E51/1542, E51/1545, E51/1549 & E51/1550 showing historic targets and the variation in density of exploration between existing Rubianna tenements and the new project area.

Previous publicly available data from exploration within the new tenements undertaken by Noranda Australia Limited (1978-79), Duval Mining (Australia) Limited (1982-84), RGC Exploration Pty Ltd (1994-96) and Emergent Resources Limited (2007-12). Figure 2 shows all available previous base metal exploration (mapping, soil & rock chip sampling, plus RAB drilling) which is extremely limited and typically, with little to no follow-up of positive results.

RUBY WELL

Application for miscellaneous license L51/94 (Figure 3) is well advanced and once granted will significantly improve access for exploration and commercialisation activities the Company plans to undertake in the near future within the area.

Applications were submitted for two exploration tenements, E51/1611 (8 Blocks) and E51/1612 (1 block) that will significantly expand the prospectivity of the Ruby Well project (Figure 4) providing exposure to multiple target horizons with similar geology to those where Rubianna has had exploration success nearby.

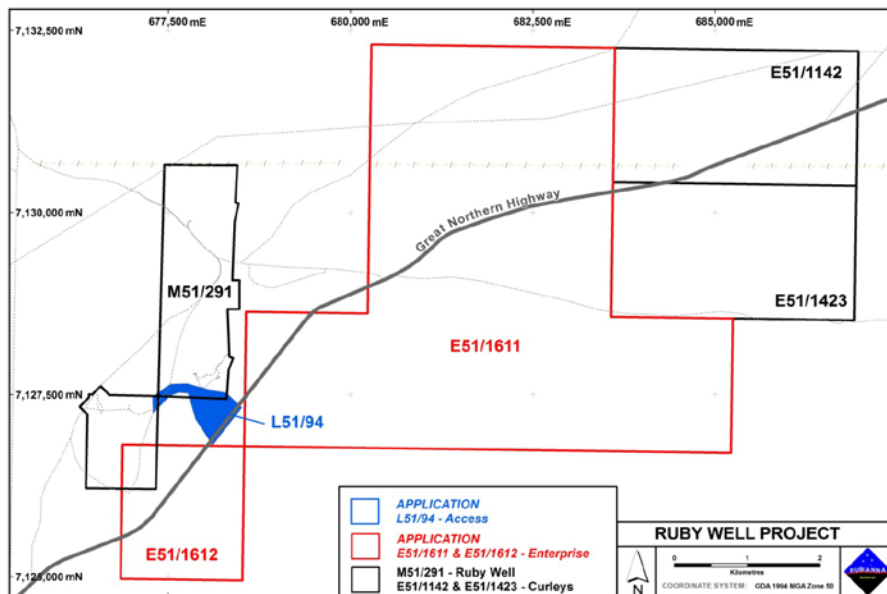


Figure 3: Tenements and applications for the Ruby Well project.

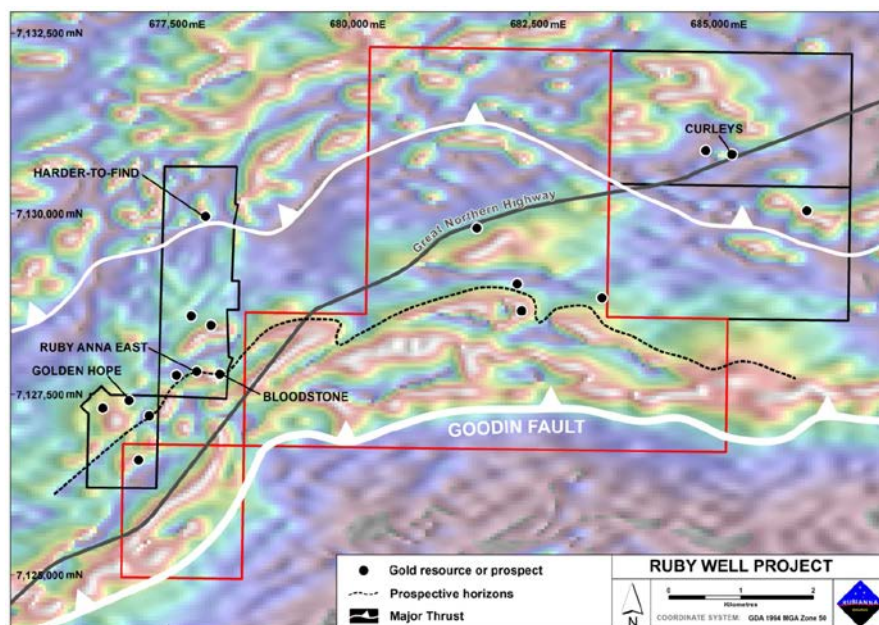


Figure 4: Exploration potential for the Ruby Well project area.

COST SAVINGS

The Company continues to apply significant cost reduction strategies during the quarter:

- Exploration staff were sub-contracted to another exploration Company.
- All staff continue on a 20% reduced salary.
- Directors continue to receive no income for fees.
- All non-essential items and contracts were cancelled or suspended.



FUTURE ACTIVITY will focus on the following:

Kookynie Project

- Complete electromagnetic surveys over existing mineralised areas and trends.
- Complete mapping, rock chip and soil sampling over untested horizons.
- Apply for a government co-funded EIP grant.
- Complete Aboriginal heritage surveys to enable drilling to be undertaken.
- Undertake further RC drilling on priority targets.

Ruby Well Project

- Monetise existing gold assets by; Selling, Joint Venture or Small-scale Mining & Processing.
- Complete statutory permits to develop and monetise the existing gold assets.
- Capitalise on the new \$125,000 government grant to complete regional drilling to further develop the Company's resource base.
- Expand exploration to cover new tenement applications once issued.

Killara & Diamond Well Projects

- Continue geochemical sampling and geological mapping to refine and rank targets.
- Complete Aboriginal heritage surveys to enable drilling to be undertaken.
- Apply for a government co-funded EIP grant.
- Undertake Aircore or RC drilling on priority targets.
- Complete down-hole electromagnetics (DHEM) on mineralised holes.
- Assess options to advice project development by Joint Venture.

Additional Prospects

- Continue project assessments that may lead to acquisition(s).
- Continue the Company's on-going exploration programmes with a focus on base metal (Cu – Zn - Ag) and gold mineralisation.

For further information please contact

Steve Batty
Managing Director
Rubianna Resources Limited
P: +61 8 9322 2061
E: info@rubianna.com.au
www.rubianna.com.au

Media Contact
Colin Hay & Colin Jacoby
Professional Public Relations
P: +61 8 9388 0944
E: colin.hay@ppr.com.au

The Information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on and fairly represents information and supporting documentation prepared by Dr Steven Batty and Mr Matthew Svensson, who are Competent Persons who are members of the Australasian Institute of Geoscientists (AIG). Dr Batty and Mr Svensson are full-time employees of the company.

Dr Batty and Mr Svensson have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activities being undertaken to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Batty and Mr Svensson consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

This announcement contains forward-looking statements which involve a number of risks and uncertainties. These forward looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

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")

31 December 2013

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	(324)	(473)
(b) development	-	-
(c) production	-	-
(d) administration	(87)	(178)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid)/refunded	567	567
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	159	(79)
Cash flows related to investing activities		
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	180	180
(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	177	177
1.13 Total operating and investing cash flows (carried forward)	336	98

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	336	98
	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)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	336	98
1.20	Cash at beginning of quarter/year to date	171	409
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	507	507

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	55
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 1.6 is a Research & Development refund received by the Company.
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	150
4.2	Development	-
4.3	Production	-
4.4	Administration	100
Total		250

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	477	141
5.2 Deposits at call	30	30
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	507	171

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	E51/844	Surrendered	100%	-
		E51/1539	Sold	100%	-
6.2	Interests in mining tenements acquired or increased	E51/1542 E51/1545 E51/1549 E51/1550	Granted tenements	-	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 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	80,024,177	80,024,177		
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>	1	-	<i>Description</i> \$600,000 Convertible Note repayable 14 June 2015	
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	800,000 500,000	- -	<i>Exercise price</i> 10 cents 20 cents	<i>Expiry date</i> 30 June 2014 30 November 2014
7.8 Issued during quarter	22,750,000		7.5 cents	30 November 2018
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 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: 
(Director)

Date: 24 January 2013

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.

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