

QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2009



HIGHLIGHTS DURING THE QUARTER

- **Cost reduction on Acoje Heap Leach Project identified by Chinese Engineering group**
- **Construction of Acoje Trial Leach Pads completed**
- **Agreement reached to acquire additional Acoje project interest**

RUSINA CORPORATE

The Company's cash balance at the end of the quarter was \$3.01m as compared to \$4.4M at the end of the prior quarter. Receivables from our Heap Leach joint venture partner, European Nickel plc (EN), increased to \$0.55m due to work being undertaken by Rusina employees on the Definitive Feasibility Study (DFS). \$0.45m has been paid subsequent to the end of the quarter. The average Rusina operating cash expenses continues to be as forecast in the vicinity of \$220k per month.

The Company has entered into a verbal agreement with its Philippines partner, DMCI Mining, to reacquire, at cost, the incomplete 8% underlying economic interest in the Acoje project and 20% interest in Zambales Chromite Mining Corporation, through the Philippine entity Montemina Resource Corporation (Montemina), which currently holds a 12% interest in the Acoje property. With the cessation of the Direct Shipping Ore agreement DMCI have elected not to continue with their planned investment. Montemina, which is a minority owned related party of the Company is in the process of preparing an initial public offering on the Philippine Stock Exchange. The net affect of these transactions is positive to the Company with inter-group loans able to be repaid and a broader more liquid Philippine ownership structure. The Philippine entity will also have an enhanced ability to fund its way through the Acoje Project development.

In addition to the above transactions the Company, Montemina and DMCI have entered into discussions for the acquisition of the DMCI owned port at Santa Cruz for use by the Acoje Heap Leach Project. Details of this significant and important asset will be provided upon conclusion of these discussions.

During April EN completed the acquisition of a 10% underlying economic interest in the Acoje project for US\$3.33 million taking its interest in Acoje to 20%. The funds received by the Company were expended on the DFS.

As a result of additional corporate changes within the Philippine group structure during the quarter certain associated entities will now be consolidated rather than equity accounted. This has resulted in additional expenditure that has been reflected in the Appendix 5B statement.

The Company has continued to discuss with other industry participants the possibility of undertaking strategic consolidation within the industry sector and remains committed to pursuing all opportunities to create greater shareholder wealth.

There were no share issues during the quarter. A total of 1,050,000 unquoted options expired unexercised during the quarter. Since the end of the quarter a further 10,005,889 unquoted options have expired. The total number of ordinary shares on issue as of 30 June 2009 was 245,202,715.

ACOJE HEAP LEACH TRIAL and TEST CENTRE

The Acoje Heap Leach Trial (HLT) is now mechanically complete. 3,000 tonnes of laterite ore is in the process of being crushed for the first 3m high Pad. The contracted crusher was unable to reduce the final product to the specified size and dimensions and a rolls-crusher is being transferred from EN's Caldag site in Turkey. The sizing of the ore for agglomeration is critical and a two month delay to commencement of irrigation has resulted.

Construction continues on a 30m x 15m steel roof structure to house the 2m³ / hr downstream Resin in Pulp / Ion Exchange facility and is scheduled to be operational late this year.

China Tianchen Engineering Corporation (TCC) has recently completed the re-costing of the PFS using Chinese construction and material costs. Overall they believe they could reduce the capital costs by 15%. TCC will now be appointed to complete the DFS engineering study commencing in October.

Environmental permitting for the Full Scale Heap Leach is well underway with the Environmental Impact Assessment already submitted and all requisite permits to construct expected to be completed by November 2009, well ahead of the anticipated disruption of the 2010 Presidential Elections.



Fig 1 : HLT Pregnant Leach Solution pond. This has a floating raincoat that creates a closed system with the Heap Leach Pad on the upper level to the right of picture. The Heap will also have a raincoat once the agglomerated ore is placed later this quarter.



Fig 2 Heap leach Pad: Acid resistant pebbles being placed that form the base of the leach pad. Note Acid makeup area further up the hill to right of picture.



Fig 3 Acid makeup facility. Bunded Acid Tank (Black) and water tank (Blue) Hard stand area in foreground is where the 2m³ per hour Resin in Pulp / Ion Exchange building is presently being constructed.

Yours faithfully,


Robert G-M Gregory
CEO & Managing Director

The information in this report that relates to Mineral Resources is based on information compiled by Mr Scott Robson, who is a Member of The Australasian Institute of Mining and Metallurgy, and 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". The information in this report that relates to other exploration matters is based on information compiled by Robert Gregory, who is a member of the Australasian Institute of Mining and Metallurgy and has the relevant experience 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". Mr Robson and Mr Gregory consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

For further information please visit our website – www.rusina.com.au