

QUARTERLY REPORT FOR THE PERIOD ENDED 31 DECEMBER 2007



HIGHLIGHTS DURING QUARTER

- **Nickel Resource increased 163% to 830,000 tonnes of contained metal**
- **72 Million tonnes @ 1.15% Ni, including 15.6 Million tonnes greater than 1.4% Ni**
- **Construction of DMCI Santa Cruz Port completed**
- **First DSO shipment February 11 confirmed.**
- **JV Agreement with European Nickel completed**
- **Exciting Leach Data for Acoje Ore received**
- **Completion of Unmarketable Parcel buyback**
- **Strengthening of Board**

RUSINA CORPORATE

In October the Company completed the process of selling shares that were less than a marketable parcel (\$500.00) as of 21 August 2007. Of the 1,425 holders to which a Notice of Intention to Sell was mailed (comprising 41.9% of all shareholders), 1,082 holders comprising 562,067 shares were sold. The reduction in the size of the share register by 31.8% will save considerable ongoing costs in the administration of the Company's shareholders.

The Company appointed experienced senior UK executive Antony Butler to the Board following the resignation of David Hands. Tony's career experience spans 35 years in banking, executive management, strategic consulting and non-executive directorships.

During the quarter 2,050 listed 31 March 2008 options were exercised at a price of 20 cents per share. In addition 4,631,879 shares were issued to CRAU Resources to satisfy one of the acquisition requirements of the Acoje tenement.

The Company finalised the Joint Venture Agreement with European Nickel plc (“EN”) cementing the Heads of Agreement signed in May 2007 for EN to earn up to 40% of the Acoje nickel laterite deposit in exchange for funding of US\$10 million on a heap leach trial and feasibility study.

NICKEL RESOURCE ESTIMATE UPGRADE

During December the Company completed the nickel limonite and saprolite resource estimation for the Acoje project and a nickel laterite resource for the Zambales Chromite Mining Corporation (‘ZCMC’) project. Both projects are located in close proximity on the west coast of Luzon, 250km north of Manila in the Philippines.

The combined Indicated and Inferred JORC Resource estimate for both properties is:

**72 million tonnes grading 1.15% Ni, 0.06% Co
 Representing 830,000 tonnes of contained nickel**

This represents an increase of **163%** in contained nickel from the February 2007 resource estimate¹ following the completion of an extensive saprolite drilling program at Acoje and the evaluation of the recently acquired ZCMC Project.

A detailed breakdown of the resource is provided below:

Property	JORC Category	Million Tonnes	Ni (%)	Co (%)
Acoje Limonite	Indicated	21.5	1.04	0.08
	Inferred	4.2	1.03	0.08
Acoje Saprolite	Indicated	20.9	1.25	0.04
	Inferred	2.2	1.03	0.06
Total Acoje		48.8	1.13	0.06
ZCMC Laterite	Inferred	23.5	1.18	0.05
Total Combined		72.3	1.15	0.06

Cut-off grade Ni = 0.75%

Rounding may introduce minor computational errors

Resource Details

The resource estimate was undertaken independently by **SRK Consultants**, Perth. The resource for the Acoje Nickel Laterite has been re-estimated, using all drill holes and test pits available as at 17 December 2007. The estimate is based on 1,349 1m x 0.8m test pits and 294 HQ diamond drill holes, spaced on a nominal 100m x 100m grid. Each pit was manually sampled on 1m intervals, and each diamond drill-core was split in half and sampled on 1m intervals. All samples were split at site, with one sample being kept at Rusina’s storage facility. All samples were assayed at McPhar Assay

¹ Feb 2007 JORC Resource 33.15 Million Tonnes @ 0.95% Ni, 0.02% Co for 315,000 t contained nickel

Laboratories in Manila using chemical digestion for Cr₂O₃, Ni, Cu, Co, Fe, Mg and fire assay for Au, Pd, Pt.

Two weathering zones were interpreted, an upper Limonite Zone and a lower Saprolite Zone, on the basis of geological logging and multi-element geochemistry. For each weathering zone, a two-dimensional metal accumulation estimation method was used. The drill holes and test pits were composited above a 0.75% Ni cut-off, with a minimum down hole length of 1m. The metal accumulation for each intersection was calculated as the product of the intersection thickness and the assayed grade. Ore thickness and metal accumulations were estimated into a 100m by 100m grid by Ordinary Kriging.

Bulk densities of 1.5t/m³ for the Limonite Zone and 1.6t/m³ for the Saprolite Zone were applied based on recently completed test work on diamond core samples. These new bulk densities resulted in a reduction of the previous reported limonite tonnages. The resource was classified Indicated in areas of at least 100m by 100m sampling and where the sampling showed a continuous mineralisation. Areas of wider spaced sampling or discontinuous mineralisation were classified Inferred.

A similar estimation method was used for the ZCMC tenements, however there is no geological logging available, and the mineralisation was interpreted as a single zone. The data used for ZCMC was based on 343 test pits and 66 Auger holes conducted by Falconbridge in the 1970's in addition to 54 new test pits excavated by Rusina recently. After a limited re-sampling exercise, preliminary analysis suggests the Falconbridge assays may be slightly understated. An assumed bulk density of 1.5t/m³ was applied. The entire ZCMC resource is classified as inferred.

The Company plans to drill the ZCMC property in 2008 to achieve indicated status and test for possible saprolite ore beneath the previous Falconbridge test pitting.

NICKEL MINING

DMCI NICKEL LATERITE MINING AGREEMENT - Rusina 50%, DMCI 50%

Background:

DMCI Holdings, A Philippine listed Construction Company and Rusina have an alliancing Direct Ship Ore (DSO) agreement wherein DMCI are responsible for all funding, mining, grade control, rehabilitation, road and port developments as well as the marketing and sales obligations of 5 million tonnes of ore over 5 years.

Update:

The DMCI pier at the Santa Cruz is now complete and capable of loading up to 10,000 tonne vessels directly. The pier can be extended with the use of a pontoon to load up to 20,000 tonne vessels if required. Larger 50,000 tonne vessels require ship side loading utilising barges and LCT's².

The same Chinese buyer who trialled the 1000 tonne 1.8% Saprolite Ore shipment last November has nominated a <10,000 tonne vessel, MV Mustang, scheduled to arrive 11 Feb 2008 for a 1.6% Ni cargo. This first shipment will iron out all the loading and unloading procedures as well as any

² LCT – Landing Craft Tank – Front loading vessel

seagoing issues arising over these generally high moisture cargos in this size vessel. It is anticipated following the successful trial that ongoing cargos of higher grade ore will be made continuously using vessels of this size, making maximum advantage of the Santa Cruz areas geographic advantage over other suppliers.

During the quarter DMCI advised Rusina that the market for lower grade (<1.4%Ni) ore is difficult and plan to concentrate on greater than 1.4% Ni shipments. This has involved a significant reconfiguring of the mine, including new haul roads and facilities. The stockpiled low grade ore at the port will be either blended into future shipments or sold if opportune future shipments arise. Following the recent resource update in December last year, there is **15.6 Million tonne of ore greater than 1.4% Ni** contained within the two properties, so there is more than enough ore to satisfy current market conditions.

Additionally DMCI advised Rusina that the Australian buyer for 1.35% Ni had postponed their trial shipment requesting that some additional client specific material handling test work on the ore be undertaken. The results of the additional test work are not complete at the time of this report and are expected mid to late February.

DMCI FERRONICKEL PROJECT, SEMIRARA – Rusina 40%, DMCI 60%

Background:

Under an arrangement between DMCI and Rusina, DMCI are investigating the feasibility of a ferronickel facility where Rusina has up to 40% free carry in such a project, and will guarantee the ore supply for up to 5 years.

Update:

Following the completion of the December resource inventory, this data can now be used to complete the feasibility study. Rusina has appointed a separate pyro-metallurgical consultant to assist in the feasibility work.

Much of the work in this project involves third party technical partners and is the subject of confidentiality.

EUROPEAN NICKEL PLC, HEAP LEACH STUDY – Rusina 40%, EN 40%, LP 20%³

Background:

European Nickel plc and Rusina have entered into a JV agreement to investigate the feasibility of Heap Leaching of Acoje Ore. Under the agreement European Nickel will spend USD 10 Million on the Feasibility Study to earn up to 40% of the Nickel laterite Project.

Update:

During the quarter EN and Rusina completed the formal JV documentation and have formed the JV Company, pathing the way for jointly developing all nickel laterite properties either company brings to the JV on the island of Luzon in the Philippines.

³ LP - Local Partners, DMCI 10% CRAU 10% This figure is at the mining level, the Processing Facility can sustain 100% foreign equity and will be subject to capital subscription.

EN has advised Rusina progress to date on the Acoje ore test work being undertaken in both Canada and at Çaldağ in Turkey. The first test work was sent to RPC in Canada where EN executes early stage test work for leachability. RPC have undertaken both agglomeration work and bottle roll tests.

In all, 37 tests were undertaken of which 21 are complete with 16 ongoing. Of the 21 completed tests 12 were saprolite samples with an average Ni extraction within a short period of 95%. The 9 limonite tests gave an average of 60% extraction over the 90 days of the test. The ongoing tests show similar trends. Composite tests of equal limonite and saprolite are behaving greater than the average of the two. Considering the relative large tonnage and grade of saprolite ore in the December resource estimate, these results are extremely encouraging for the future economics of the project.

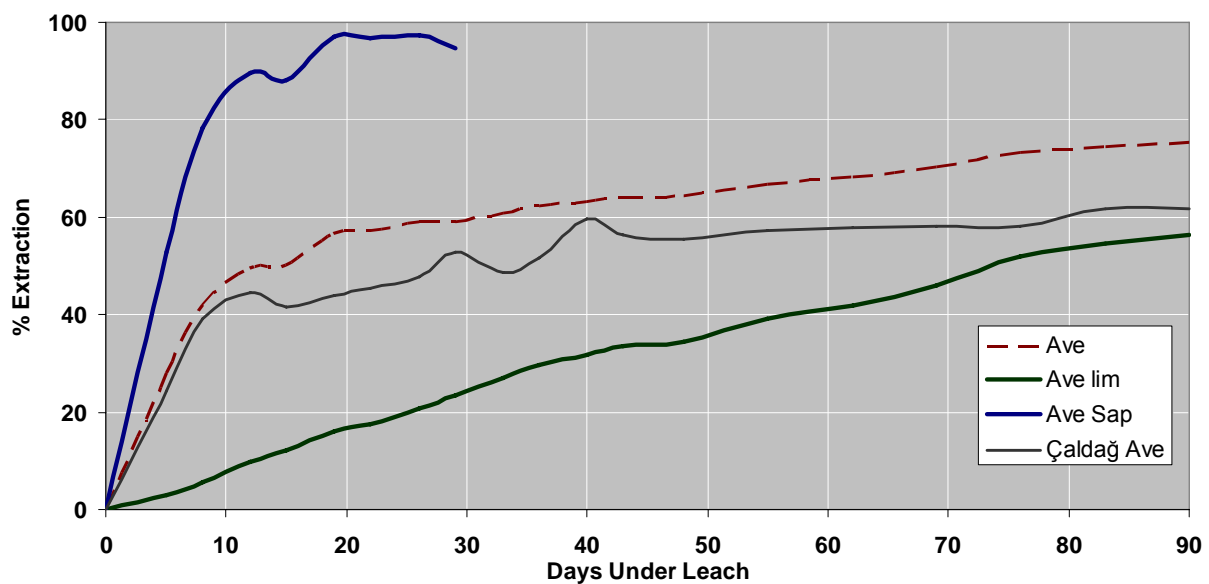


Fig 1 Average Philippines BR Results c.f. Caldag drill core BR's

Bulk samples were also sent to EN's Turkish operation for further test work. Extensive agglomeration was carried out and 5 columns are now under leach in the Çaldağ column laboratory, with good results to date. EN has indicated that the average Acoje extraction rates appear faster than the Caldag ore.

EN have now established a feasibility team in the Philippines with the pre-feasibility study well underway and scheduled for completion 3rd quarter 2008. Rusina will be seconding key personnel to the Joint Venture company.

ZAMBALES DISTRICT

Acoje Nickel Saprolite Drilling

The nickel laterite drilling program is now complete having brought the resource to a JORC indicated category as per our obligations with EN. The small inferred tonnage in the resource represents perimeter ore. There will be additional ore added to the resource once additional tenement areas under application are approved and drilling can commence.

Zambales Chromite Mining Company Inc - Rusina 40%, EN 40%, DMCI 20%

EN and DMCI have advised Rusina that both shall take up their allocated percentages on this property. During the quarter, Rusina was able to survey and resample sufficient Falconbridge⁴ test pits to complete a JORC inferred resource estimate on the property. The tenure of the limonite grades on this property are excellent, with grades on average 15% better than the Acoje limonite. The saprolite boundary has not been sufficiently delineated and is open at depth as only test pitting has been undertaken. The company is finalising the work program permitting with the Mines and Geosciences Bureau to commence to drill the resource to indicated status and measure the saprolite layer.

Acoje Chromite and Platinum Group Metals (PGM's) - Rusina 80%, LP 20%

Open Minable Chromite:- During the 2006 scoping study the company established that the surface chromite resources were mostly lateritic and presently uneconomic, whilst the primary surface chromite was located in widely disseminated pods across the property not lending itself to an efficient open pit operation capable of sustaining sufficient cash flow to fund a process plant and the underground refurbishment. However, with the current prices of “lump” ferrochrome at greater than \$300/t, the selective direct shipment of this material is very attractive. DMCI, under their DSO alliance, has re-established haul road access to some of these outcrops and will be trialing a small bulk shipment in coming months.

Underground Chromite, Nickel Sulphide, and PGM exploration:-

A data room has been established containing all the historic underground data from Acoje on the underground chromite remaining resource and the nickel sulphide and PGM exploration potential. The company has signed a number of confidentiality agreements with interested companies interested in funding the exploration and development of this resource. These companies will be reviewing the data in the coming quarter. Independent of such participation Rusina shall commence a drill program on the PGM drill targets from DSO cash flow.

DMCI – RUSINA EXPLORATION

Background:

Rusina has entered a joint exploration agreement with DMCI Holdings Inc to form an exploration and mining joint venture company [DMCI (60%) and Rusina (40%)] where all Rusina’s and DMCI’s non Zambales properties would be vended into the yet to be formed subsidiary. These properties include Rusina’s Abogado properties EXPA-00068-XII and EXPA-00074-XII and DMCI’s Mineral Production Sharing Agreement (MPSA) MPSA-000166-XII in Sultan Kudarat and the Sodaco Agricultural Corporation, a fully owned subsidiary of DMCI, MPSA application APSA-00008-XI located at South Cotabato.

Sodaco Prospect - Rusina 40% DMCI 60%

The Sodaco Project is located on Mindanao Island, 48 km. north-northwest of General Santos City in Southern Philippines. The project boundary lies entirely within the Tampakan FTAA-002-95-X1 and is 900 meters from the world class Tampakan copper-gold deposit with a resource of 2.2 billion tonnes at 0.72% copper equivalent. The Tampakan copper-gold deposit is a major high-sulphidation epithermal deposit superimposed on an underlying porphyry copper system.

⁴ Falconbridge explored the district for nickel laterite in the late 1970’s and created a large volume of historic data.

DMCI are initially responsible to receive the free and prior informed consent (FPIC) of the stakeholders prior to the approval of the exploration work program being put together by Rusina. The process is quite lengthy and involves the co-operation of the National Commission of Indigenous Peoples (NCIP). DMCI report that progress has been satisfactory with one of the two groups already giving their consent while the other is ongoing. Recent events on the Tampakan property, albeit greatly exaggerated by the media, have not affected this process.

Abogado Prospect – Rusina 40%, DMCI 60%

The Abogado Project is located on Mindanao Island in Sultan Kudarat province, 67 km. west of General Santos City in Southern Philippines. The project is held under two Exploration Permit Applications (EXPA) and an MPSA, for a total area of 7,898 hectares (79 km²),

Rusina has entered an agreement with the NCIP, where they will conduct the FPIC on this property. This process is expected to be much quicker than that taking place at Sodaco. Once the FPIC is obtained, the exploration work program can be approved by the MGB and field activities can commence.

PANAY PROJECTS - Rusina 100%

Pan de Azucar Project, Iloilo

The Pan de Azucar project (PDA) is located on Pan de Azucar Island, 112 km. north-east of Iloilo City, Panay Island, central Philippines. The project is held through the 1,296 hectare EXPA.

This property is currently under negotiation with a third party to farm into the property. Details of the agreement will be released upon completion of those negotiations.

Guimaras Project, Iloilo

The Guimaras project is part of a 2,592 hectare EXPA, located on Guimaras Island, 30 km. south of Iloilo City, Panay Island, central Philippines. The company continues to work on the requirements of the application approved.

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 Phil Jankowski, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Jankowski is employed by SRK Consulting Australasia Pty Ltd, 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 Jankowski 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

Appendix - Photos



Fig 2 Acoje Ore Column tests, Turkey