RUSINA
ABN: 51 009 242 451

QUARTERLY REPORT
FOR THE PERIOD ENDED 31 MARCH 2009

HIGHLIGHTS DURING THE QUARTER

- **Chinese Engineering group commence Heap Leach Definitive Feasibility Study**
- **Construction of Acoje Trial Leach Pads almost complete**
- **New value added heap leach technology research work commenced**
- **DSO shipments continue**
- **$4.4m in cash and $2.7m in receivables at Quarter end**

RUSINA CORPORATE

Rusina Corporate

The Company's cash balance at the end of the quarter was $4.4m as compared to $4.9M at the end of the prior quarter. Because of timing differences the receivables from our joint venture partners increased to $2.7m, $0.5m of which is directly attributable to the current Heap Leach Definitive Feasibility Study (DFS) which is being funded by European Nickel, but for which many activities are being undertaken by Rusina employees.

The average cash burn rate attributable to Rusina was $220k per month in line with the current revised budget. The Company confirms that it has sufficient cash resources to meet all current commitments through until late 2010

The Company took advantage of the weaker Australian dollar by converting a proportion of its US dollar holdings into Australian dollars during the period. The Company will seek to convert further USD funds into AUD during periods of lower exchange rates.

The Company, like many in the industry, is currently in discussions with other industry participants with a view to completing a corporate transaction involving strategic consolidation.

There were no share issues during the quarter. The total number of ordinary shares on issue as of 31 March 2009 was 245,202,715.

NICKEL MINING

EUROPEAN NICKEL PLC, HEAP LEACH STUDY – Rusina 40%, EN 40%[1], LP 20%[2]

Background:
European Nickel plc and Rusina have entered into a JV agreement to develop a nickel heap leach project at Acoje in Zambales, Philippines. 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:

Definitive Feasibility Study (DFS).
China Tianchan Engineering Corporation (TCC) are taking the Pre feasibility Study completed by European Nickel and upgrading to a Chinese PFS to highlight the opportunity of Chinese costs to further improve the economic returns at Acoje. On completion TCC will be awarded the contract to complete the DFS for Chinese construction and financing. A considerable amount of the engineering for Acoje is identical to that of European Nickels Caldag Project in Turkey. This has been designed to 80% completion by Aker Kvaerner and by utilizing the same design will greatly reduce the time and costs for the Acoje DFS. Both European Nickel and Rusina are desirous to avail themselves of similar Chinese financing options as Caldag, made possible through Chinese engineering, Chinese design and Chinese off-take. Permitting of the full project is progressing well, with environmental public scoping being completed during the quarter. Mauncell Philippines have been appointed to complete the Environmental Impact Study, which is underway.

Trial Heap Facility
Tremendous progress was made during the quarter on the trial heap facility at Acoje. By the end of May 2009 Acoje will have 3000 tonnes under leach, demonstrating the heap leach technology and gathering the necessary data for the DFS. All site civil works are complete; the HDPE liners for the leach pads and process ponds are 99% complete with piping work now underway. The drum agglomerator, water and acid tanks, and ore conveyors are also complete. Final works to be finished during the current quarter includes electrical, piping, water supply, fencing and contract crushing mobilisation. The ore for the trials is currently being trucked to the site ready for crushing and agglomeration during May.

Fig 1: Agglomerator and stockpiled ore ready for heap leach trial

[1] Final shareholding percentages once ENK have completed USD10M earn in commitment (currently 10%) and LP's fully subscribed (currently 8%).
[2] LP - Local Partners, DMCI and others 20%. This figure is at the mining level, the Processing Facility can sustain 100% foreign equity and will be subject to capital subscription.

Acoje Test Centre

The newly constructed Acoje Test Centre continues to work on optimising agglomeration, and percolation parameters to be tested in the 4m column and trial heap facilities. The fully functional analytical laboratory at the test centre can now analyse all elements needed in the test work (Ni, Fe, Co, Mg, Mn, Cr, Fe2+, Fe3, free Acid) without the need to go to an external laboratory.

Fig 2: Acoje Test Centre. 4m test columns being installed at rear.

The Acoje test centre is also working on some exciting value added technology such as Resin in Pulp (RIP) and Ion Exchange (IX) test work. Laboratory bench top RIP and IX studies are currently being undertaken within the centre and an IX pilot plant is under construction at the trial heap facility where a bleed stream will be processed once the pregnant leach solution has reached suitable concentrations.

The centre is manned by two dedicated expat chemical engineers together with a highly trained staff of Philippine metallurgists.

Fig 3: Kemix RIP Pumpcell similar to that being considered at Acoje.

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

Background:
DMCI Mining, a subsidiary of Philippine listed construction company DMCI Holdings, 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 DSO market remains depressed, however DMCI were able to ship 55,470 wmt Ni laterite @ 1.3% Ni, 30% Fe and 1,477 dmt chromite @ 43.7 % Cr2O3, 2.48:1 Cr:Fe during the quarter. The trend for DSO has switched to higher iron shipments but margins on this material are low. DMCI maintains an operational presence (albeit much reduced) at Acoje to take advantage of any improvements in the DSO market. DMCI reports there are still frequent enquiries for shipments, though few at prices they are willing to entertain.

Exploration

Due to the current global downturn, the company has curtailed all non essential expenditure which has resulted in reduced exploration activities. The exception is exploration activities that are directly related to the nickel heap leach study. These include limestone and construction material quarry evaluations as well as ongoing work regarding both the nickel resources at Acoje and the Zambales Chromite properties. All costs to these activities are charged to the JV and reimbursed as per European Nickels earn in commitment.

ZAMBALES DISTRICT

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

Background:
Rusina, European Nickel and DMCI have purchased all of the shares in ZCMC which holds mining tenement MPSA-005-91-III, an area of 540 hectares located 3 km north of Acoje. This tenement is highly prospective for nickel laterites and an initial inferred JORC resource estimate of 23.5mt grading 1.18% Ni and 0.05% Co has been defined in December 2007.

Update:
The Mines Adjudication Board (MAB) upheld an appeal in favour of the company in a long standing dispute on the tenement during the quarter. This decision now paves the way for exploration work program to be approved so that the nickel laterite resource can be upgraded to Indicated Status, adding several years to the current 10 year PFS mine life.

Acoje Chromite[3] and Platinum Group Metals (PGM's) - Rusina 80%, LP 20%

Background:
The Acoje Mine operated from 1935 as South East Asia's largest metallurgical grade chromite mine producing over 10 million tonnes of ore. The underground and surface mining closed in 1991 due to insufficient sustaining capital and low commodity prices. The mine reportedly had on its books when it closed between 3.6 – 3.7 million tonnes of chromite grading between 17-18% Cr_2O_3 remaining underground. Between 1970 and 1975, the mine produced 15,000 oz of PGMs from a nickel sulphide lode intercepted as part of the underground operation.
A scoping study in 2006 conducted by 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.

Update:

Underground Chromite, Nickel Sulphide, and PGM exploration:-
In view of current commodity prices, the company will add value for these assets through the construction of an underground 3D geological model, delineation of a JORC chromite resource, and development of an underground mining plan leading to a definitive feasibility study. This will require some additional conformational resource and geotechnical drilling and will be funded through the sale of a minority stake of the underground assets. Several companies are currently reviewing the data package.

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 Xstrata controlled 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.

Update:
Nothing to report in this quarter.

[3] Note the above chromite target ore figures are based on historic reports are reported under section 18 of the JORC code and are conceptual until further drilling can confirm these figures. There can be no guarantee that a classification as Resource or Reserve will occur in accordance with JORC requirements.

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 the southern Philippines. The project is held under two Exploration Permit Applications (EXPA) and an MPSA, for a total area of 7,898 hectares (79 km^2).

Update:
Nothing to report in this quarter.

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.

Update:
Nothing to report in this quarter.

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.

Update:
Nothing to report in this quarter.

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**