



1<sup>st</sup> Floor, 47 Ord Street  
West Perth  
Western Australia 6005  
Phone: +61 8 9322 78 22  
Facsimile: +61 8 9322 7823  
Website: www.rusina.com.au  
Email: quadrant@optusnet.com.au

30 July 2004

Company Announcements Office  
Australian Stock Exchange Limited  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

## QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2004

Acoje Nickel Sulphide, Platinum Project – Philippines

### HIGHLIGHTS

- ***Grant of Mineral Production Sharing Agreement***  
Grant of 25 year Mineral Production Sharing Agreement (“MPSA”) by the Mines and Geosciences Bureau and Department of Environment and Natural Resources to allow progression to mining.
- ***RC Drill Results***  
High order platinum, palladium and gold (3E) assays are being returned from the ongoing shallow RC drill programme. Nickel sulphide results are significant.
  - 4 metres @ 8.08 g/t 3E with .43% Ni
  - 4 metres @ 4.01 g/t 3E with .69% Ni
  - 16 metres @ 2.95 g/t 3E with .54% Ni
- ***Soil Sampling Survey Results***  
High levels of platinum, palladium and gold in soil samples over a 2.3 kilometres strike length south of the drilling area;  
  
Widths of up to; 140 metres @ 0.74 g/t 3E  
  
Peak values of up to: 1.23 g/t 3E, 0.95% nickel (Ni), and 0.52% copper (Cu).
- The mineralised horizon is in excess of four (4) kilometres and remains open along strike.

## INTRODUCTION

Acoje is located on the island of Luzon, approximately 300 km northwest of Manila. A nickel sulphide deposit containing Platinum Group Elements (“PGE’s”) was mined at Acoje between 1970 to 1975 with a nickel concentrate containing these PGE’s being sold to Japanese smelters. Approximately 540,000 tonnes of sulphide ore was mined during this period before operations ceased due to falling commodity prices. Mine plans show high grade (+10 g/t) PGE’s in drill intersections in parts of the unexploited resource.

## GEOLOGY

The PGE - nickel sulphide mineralisation is hosted by a characteristic dunite unit, which extends north-south over a 12 kilometre strike length within the MPSA. Mining and drill testing of this characteristic rock has occurred over 2.5 kilometres of the strike length with at least four dunite horizons identified. Past and historical activities however, have focussed principally on evaluating the dunite for its nickel potential. A detailed and systematic evaluation of the project area for its PGE potential has never been conducted. There is significant potential for further discoveries along the dunite zone within the MPSA.

### Preliminary Drill Results

High order platinum, palladium and gold assays are being returned from the ongoing shallow RC drill programme.

All intersections, apart from that in KRC 008 mentioned below, are in fresh rock containing primary sulphides and are considered very significant. They include:

- 4 metres from 56 metres averaging 8.08 g/t 3E with .43% Ni in hole KRC 032;
- 4 metres from surface averaging 4.01 g/t 3E with .69% Ni in hole KRC 008;
- 16 metre wide interval from 9 metre down hole of mineralised rock which, based on the results of the 4 metre composite assays, averages 2.95 g/t 3E with .54% Ni in hole KRC 025. This interval includes:
  - 3 metres @ 3.22 g/t 3E with .55% Ni from 13 metres; and
  - 2 metres @ 6.05 g/t 3E with .88% Ni from 17 metres.

Old workings were intersected from 12-13, 16-17 and 19-21 metres. The hole is to be re-drilled below the workings.

A more detailed summary of the RC results reported above are outlined in the following table:

Hole No	northing	easting	from	to	interval	Pt (g/t)	Pd (g/t)	Au (g/t)	3E (g/t)	Ni %	Cu %
KRC 008	10350	10150	0	4	4m*	2.26	1.69	0.05	4.01	0.69	0.05
KRC 025	10500	10125	8	24	16m*	0.96	1.83	0.15	2.95	0.54	0.12
			incl 17	19	2m*	1.88	3.97	0.19	6.05	0.88	0.33
KRC 032	10475	10130	56	60	4m*	2.94	4.50	0.64	8.08	0.43	0.08

- Note: 1) all results are based on a cut off of 0.5 3E + gold  
2) \* results based on 4m composite sample results

All sections drilled contained mineralised intercepts of potentially economic grades, indicating that the mineralisation is persistent over the 475 metre strike length of the zone currently tested.

These results have been obtained within the mineralised horizon that is geologically on strike from the PGE, gold (Au) and copper (Cu) in soil anomalies generated from the soil sampling programme, the results of which have been recently announced. These soil sample results imply that the total strike length of the mineralised horizon, as it is interpreted to date, is at least of four (4) kilometres in length and is open along strike.

For most of the drill holes, only analyses for the 4 metre composite samples have been received. Re-sampling of the appropriate 1 metre intervals is proceeding and the results will be announced when available. A number of the holes are RC pre-collars for deeper drilling with diamond coring. The diamond core has returned significant widths of mineralised dunite and assaying is in progress.

### **Soil Sampling**

In conjunction with the Company's ongoing RC and diamond core drilling programme, an extensive soil sampling programme has been completed during the quarter. High order platinum, palladium and gold have been discovered over a 2.3 kilometre portion of the 12 kilometre strike length of the mineralised host dunite rock sequence within the granted MPSA area. The work expands the mineralised horizon to a length in excess of 4 kilometres which remains open along strike.

The anomaly returned high levels of platinum, palladium and gold in soil samples with;

widths of up to;	<b>140 metres</b>	@	<b>0.74 g/t</b>	3E
	<b>240 metres</b>	@	<b>0.35 g/t</b>	3E
	<b>260 metres</b>	@	<b>0.37 g/t</b>	3E
	<b>180 metres</b>	@	<b>0.40 g/t</b>	3E

Peak soil values of up to; **1.23 g/t** 3E were returned.

Coincident high copper and nickel metal values in soil samples with;

nickel widths of up to;	<b>180 metres</b>	@	<b>0.72%</b>	Ni
	<b>200 metres</b>	@	<b>0.69%</b>	Ni
	<b>180 metres</b>	@	<b>0.74%</b>	Ni
	<b>200 metres</b>	@	<b>0.72%</b>	Ni

and copper widths of up to;	<b>60 metres</b>	@	<b>0.25%</b>	Cu
	<b>60 metres</b>	@	<b>0.23%</b>	Cu
	<b>80 metres</b>	@	<b>0.13%</b>	Cu

Peak values of up to; **0.95% nickel (Ni)**, and **0.52% copper (Cu)**.

The returned results have a maximum value of 1229ppb (or 1.23 g/t 3E). This sample result is comprised of individual values of 0.67 g/t Pt, 0.44 g/t Pd and 0.12 g/t Au. The highest individual values (from different samples) returned results of 0.67 g/t Pt, 0.49 g/t Pd and 0.33 g/t Au.

Secondary linear anomalies to the east of the main anomaly indicate at least one additional parallel zone. Peak soil values are 0.45 g/t 3E and average values over widths of up 140 metres being 0.26 g/t 3E.

Significantly, high copper values occur which is consistent with the anomalies reflecting platinum rich nickel sulphide mineralisation beneath the soil cover. When exploring for platinum rich nickel sulphide platinum deposits, copper is an important pathfinder element as its presence within ultramafic rocks always implies the presence of sulphide mineralization. The eastern anomaly has values up to 0.52% Cu and the western anomaly has values up to 0.36% Cu with highly anomalous copper values occurring over widths of up to 200 metres.

In addition given the nature of this type of rock sequence the platinum and palladium rich copper and nickel sulphides in the primary rock are expected to be contiguous to and continuing from the old Acoje platinum nickel sulphide mine, immediately to the north of the sampled area.

## **Outcropping nickel sulphide mineralisation**

During the field trip, outcropping nickel sulphide bearing dunite host rock was located at the sites of peak soil anomalies. Rock chip sampling is in progress in these areas in conjunction with detailed mapping of outcrop in creek exposures. Preliminary samples returned up to 1.38% Ni from three (3) zones of black dunite up to 70 metres in width.

## **Work Programme**

Work has commenced to expand the soil programme a further 1,000 metres to the north to connect with the southern extension of the old Acoje Mine workings, and a further 2,000 metres to the south on the prospective black dunite. Eventually the entire 12 kilometre strike length of the dunite unit will be tested. Contract road making equipment has also commenced constructing access roads to the southern areas for drilling and extending the coverage of soil sampling.

## **Grant of Mineral Production Sharing Agreement**

On 10 June 2004 the Company announced the grant of the Mineral Production Sharing Agreement (“MPSA”) title over the Acoje Platinum Palladium Nickel Sulphide deposit situated at Luzon, Philippines. The MPSA is issued by the Mines and Geosciences Bureau and Department of Environment and Natural Resources.

The grant of title follows several years of determined effort by the Company, its Philippine legal representatives and local manager to secure tenure over the project for all stakeholders. The MPSA provides a 25 year title (renewable) to explore and commence mining and production operations. Work has been conducted for the past two years under a Temporary Exploration Permit.

**Key milestones** in obtaining the MPSA have been:

- ◆ Obtaining verification from the National Commission of Indigenous People (“NCIP) that the title area is free of ancestral land claims.
- ◆ Entering a formal agreement with the Acoje Residents Association. The residents, approximately 200, occupy the Acoje Mine village and many are former miners.
- ◆ Approved Environmental Work Programme and Community Relations record.

## **Metallurgy**

A report authored by Mr William A. Newman who was then the Chief metallurgist and Assistant Mine Manager for the Acoje Mining Company Inc demonstrates there is potential for the recovery of a high grade platinum rich nickel sulphide concentrate from the Acoje project.

The central portion of the Acoje PGM/Nickel sulphide project contains the former operating Acoje nickel sulphide mine. This mine operated profitably for 6 years before being closed down due to low nickel prices in 1975. This mine produced a saleable nickel sulphide concentrate for six years – and although not optimised for PGM recovery the mine did produce significant quantities of PGM.

As PGM credits were never paid for, the plant was never optimised for their recovery.

**The apparent grade of the concentrate produced through the pilot plant was 18.3% Ni and 7.5 ozs PGE/tonne** (see table below).

Recoveries (of nickel) were apparently quite high as the tails were reportedly kept to around 0.03% nickel ie recovery was over 98% Ni.

**TABLE ONE**  
**REPORTED ANALYSES OF CONCENTRATES PRODUCED**

COMMODITY	CONCENTRATE GRADE	
	Source	Acoje Mining Co./ International Nickel (September 1961)
	Newman (1970s)	
<b>Nickel (Ni)</b>	<b>21.86%</b>	<b>21.0 – 22.0%</b>
Cobalt (Co)	0.31%	0.3 – 0.8%
<b>Copper (Cu)</b>	<b>1.90%</b>	<b>1.90 – 2.00%</b>
Iron (Fe)	27.35%	26.00 – 29.00%
Sulphur (S)	22.20%	22.0 – 25.0%
Silica (SiO <sub>2</sub> )	4.37%	4.2 – 5.0%
Alumina (Al <sub>2</sub> O <sub>3</sub> )	1.26%	1.2 – 1.4%
Lime (CaO)	trace	trace
Magnesia (MgO)	6.06%	6.0 – 10%
Chrome (Cr)	11.54%	4.0 – 6.5%
Selenium (Se)	0.025%	0.25%
Arsenic (As)	0.001%	no assay reported
Lead (Pb)	0.002%	0.002%
Zinc (Zn)	0.003%	0.003%
Bismuth (Bi)	no assay reported	<0.001%
Phosphorous (P)	no assay reported	0.006%
<b>Platinum (Pt)</b>	<b>2.43 ozs/tonne</b>	<b>3.8 – 6.0 ozs/tonne</b>
<b>Palladium (Pd)</b>	<b>3.81 ozs/tonne</b>	<b>3.8 – 6.0 ozs/tonne</b>
<b>Gold (Au)</b>	<b>0.18 ozs/tonne</b>	<b>0.18 ozs/tonne</b>

Note:

- 1) Newman, William A. (1975) *Recovery of Traced (sic) Nickel and Platinum Group Metals from Acoje Metallurgical Chromite Concentrates*. Published paper, unidentified.
- 2) The Acoje/International Nickel results are included with correspondence between the Acoje Mining Co and International Nickel dated April 1975.

### **Revival of Philippines Mining Industry**

Following the re-election of President Gloria Arroyo in June, the Trade and Industry Secretary, Cesar V Purisma, in the Manila Bulletin in July called for a revival of the mining industry. The mining industry was previously an important contributor to GDP.

“At present, there are seven major mining projects. These are the Lepanto Consolidated Mining Corp. (Victoria Gold Mine) in Mankayan, Benguet; Philex Mining Corp., Padcal Mine in Tuba, Benguet; Rio Tuba Nickel Mine in Rio Tuba, Bataraza, Palawan; Cagdianao Mining Corp. in Suigaop del Norte; Taganito Mining Corp. in Surigao del Norte; Krominco Mining Corp. in Surigao del Norte; and Benguet Corporation in Masinloc, Zambales.

“There are also 12 mining projects in the pipeline which include Rapu-Rapu Polymetallic Project of La Fayette Phils. Inc in Albay, Rio Tuba HPAL project of Rio Tuba Mining Corp. in Palawan; and Diwalwal Direct State Utilization Project of the government in Compostela, Valle, Davao del Norte.

“In the medium term, four large scale mining projects will provide additional boom to the sector. These are Didipio Copper Gold Project in Nueva Viscaya; King King Copper Gold Project in Compostela Valley; Masbate Gold Project; and the Tampakan Copper project in South Cotabato.”

Mr Purisma listed the mining sector as one of the seven priority areas by the government for investment promotion.

## **Namibia – Africa**

### **KUNENE (Diamonds)**

Joint Venture Partner Reefion Mining NL is proceeding with the approval process to conduct exploration for diamonds. The project to Reefion is subject to shareholder approval at a meeting of shareholders on 16 August 2004.

Reefion has been operating successfully in Namibia since 1999 and is currently conducting a bulk sampling diamond operation on licences directly to the south where diamond recoveries are being regularly reported.

Reefion have selected a company to fly aerial photography over the area to assist evaluation of diamondiferous gravel beach deposits.

### **NAINAIS OKOMBAHE**

The two EPL's at Nainais and Okombahe have a total area of 1,980 square kilometres and cover the majority of the highly prospective, and largely unexplored, Nainais-Kohero Tin-Tantalum Pegmatite Belt. Potential for gold deposits is considered high due to advancement in the understanding of the mineralisation at the Navachab gold mine (2.8 million ounce resource) and discovery of a similar deposit at Otjikoto to the north east of the company's tenements. No work was conducted during the Quarter and joint venture partners are being sought.

### **HAIB (Copper)**

Formal validation of the tenement approval is awaited.

## **Western Australia**

### **UNALY (Platinum Group Metals)**

The license covers a large part of the Atley Complex ultramafic intrusion. The Atley Complex is located 30km west of the Windimurra Complex currently being explored by Apex Minerals NL, Ipala Platinum Holdings Pty Ltd and Falconbridge (Australia) Limited. It contains features consistent with layered ultramafic complexes associated with nickel sulphide, chromite, vanadium and PGE mineralisation at different levels in the sequence.

Yours faithfully

### **R J BARRAS**

*Director*

*This report in so far as it relates to the Acoje project accurately reflects information compiled by Mr Geoff Blackburn, Bsc, FAusImm, CPGeo, MMICA, FSEG, MASA., who is a competent person as defined by the Australasian Code for Reporting of Identified Minerals Resources and Ore Reserves and accurately reflects the information compiled by the competent person.*

*This report in so far as it relates to the Namibian and Australian mining assets accurately reflects information compiled by Mr G.R. Hemming, MAusImm., MAIG., a Director of Roscoria Pty Ltd, who is a competent person as defined by the Australasian Code for Reporting of Identified Minerals Resources and Ore Reserves and accurately reflects the information compiled by the competent person*

**For further information please visit our website – [www.rusina.com.au](http://www.rusina.com.au)**

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98.

Name of entity

**Rusina Mining NL**

ACN or ARBN

009 242 451

Quarter ended ("current quarter")

30 June 2004

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) exploration and evaluation	(282)	(488)
(b) development		
(c) production		
(d) administration	(61)	(455)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	1	5
1.5 Interest and other costs of finance paid	(10)	(27)
1.6 Income taxes paid/refunded		
1.7 Other (provide details if material) Refund of tenement security bonds	-	2
<b>Net Operating Cash Flows</b>	<b>(352)</b>	<b>(963)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a)prospects		
(b)equity investments		
(c) other fixed assets	(1)	(1)
1.9 Proceeds from sale of:		
(a)prospects		
(b)equity investments		
(c)other fixed assets	-	100
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
<b>Net investing cash flows</b>	<b>(1)</b>	<b>99</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(353)</b>	<b>(864)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(353)	(864)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	27	669
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	150	168
1.17	Repayment of borrowings	-	(314)
1.18	Dividends paid		
1.19	Other (provide details if material) Share issue costs	(6)	(43)
	Share application monies received	48	48
	<b>Net financing cash flows</b>	219	528
	<b>Net increase (decrease) in cash held</b>	(134)	(336)
1.20	Cash at beginning of quarter/year to date	187	389
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	53	53

**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	Nil
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

N/A.

**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

N/A.

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

N/A

+ See chapter 19 for defined terms.

### 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	200	150
3.2 Credit standby arrangements		

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	250
4.2 Development	-
<b>Total</b>	<b>250</b>

### 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	5	5
5.2 Deposits at call	-	182
5.3 Bank overdraft		
5.4 Other (provide details) Share application account	48	
<b>Total: cash at end of quarter</b> (item 1.22)	<b>53</b>	<b>187</b>

### 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	N/A			
6.2 Interests in mining tenements acquired or increased	N/A			

+ 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 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	74,272,048 5,400,000	74,272,048 Nil	\$0.055	\$0.005
7.4 Changes during quarter (a) Increases through share issue (b) Decreases through returns of capital, buy-backs	5,400,000	Nil	\$0.055	\$0.005
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	74,253,200	74,253,200	<i>Exercise price</i> 30 cents	<i>Expiry date</i> 31/01/05
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <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 Law or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: \_\_ July 2004  
(Director/Company secretary)

Print name: Robert J Barras

## 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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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+ See chapter 19 for defined terms.