

NATASA MINING LTD
(‘the Company’)

Please find enclosed the Company's quarterly activity report and cash flow report to 31 December 2008 that will be released to the Australian Stock Exchange.

Enquires to:

Chrisilios Kyriakou, Chief Executive Officer
Natasa Mining Limited
Telephone: 020 7514 1480

James Joyce / Sarang Shah
WH Ireland Limited
Telephone: 020 7220 1666

**Quarterly Activities Report and Appendix 4C
for the period ended 31 December 2008**

As advised on 17 November 2008 that, following unsatisfactory negotiations with the mining title holder in respect of the final option payment due under the Purchase Agreement and the significant fall in copper prices, the Company withdrew from the Puquios copper project in Chile.

As noted in the attached Appendix 4C, the Company received the greater part of the monies held in escrow from the sale of its interests in the Philippines direct shipping nickel laterite ore operations and its equity interests in Toledo Mining Corporation plc. An additional US\$2.4 million is expected upon receipt of approval by the relevant Philippines taxation authorities.

A number of mineral operations investment opportunities were investigated in the quarter.

Appendix 4C

**Quarterly report
for entities admitted
on the basis of commitments**

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

NATASA MINING LTD

ABN

45 000 673 423

Quarter ended (“current quarter”)

31 DECEMBER 2008

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 customers	-	-
1.2	Payments for (a) staff costs	(351)	(1,245)
	(b) advertising and marketing	-	-
	(c) research and development	-	-
	(d) leased assets	-	-
	(e) other working capital	(491)	(8,312)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	354	622
1.5	Interest and other costs of finance paid	(117)	(722)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)		
	- Audit, tax, legal and professional fees and annual report	(84)	(969)
	- Internet and communication charges	(9)	(52)
	- Rent & Office	(23)	(94)
	- Other operating expenses	(215)	(617)
Net operating cash flows		(936)	(11,389)

	Current quarter \$A'000	Year to date (.12. months) \$A'000
1.8 Net operating cash flows (carried forward)	(936)	(11,389)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	(1)	(898)
(c) intellectual property	-	-
(d) physical non-current assets	-	(10)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	44,545	44,545
(c) intellectual property	-	-
(d) physical non-current assets	6	6
(e) other non-current assets	-	-
1.11 Loans to other entities	(472)	(1,956)
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	44,078	41,687
1.14 Total operating and investing cash flows	43,142	30,298
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	12,226
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	4,960
1.18 Repayment of borrowings	-	(3,260)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	-	13,926
Net increase (decrease) in cash held	43,142	44,224
1.21 Cash at beginning of quarter/year to date	4,124	3,281
1.22 Exchange rate adjustments to item 1.13	-	(239)
1.23 Cash at end of quarter	47,266	47,266

Included in item 1.2(e) 'payments for other working capital' for the quarter are payments of \$491,000 in relation to the Company's development expenditure in respect of the Chile copper project.

Included in item 1.9(b) 'payment for acquisition of equity investments' for the quarter is the purchase of additional shares in Tarquin Resources plc at a cost of \$1,000.

Included in item 1.10(b) 'proceeds from disposal of equity investments' for the quarter is \$44.5 million from the sale of the Company's interests in the Berong nickel project. A further US\$2.4 million remains to be received in due course under the sale and purchase agreement, once required Philippine tax clearance certificates are received.

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
1.24 Aggregate amount of payments to the parties included in item 1.2	298
1.25 Aggregate amount of loans to the parties included in item 1.11	472

1.26 Explanation necessary for an understanding of the transactions

1.24 Relates to Directors' Remuneration, Rent and Interest paid.
1.25 Relates to a loan advanced to UMC Energy plc, in which the Company holds a 20.6% interest.

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

None.

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

None.

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities (undrawn amount of convertible note)	4,100	Nil
3.2 Credit standby arrangements	Nil	Nil

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
4.1 Cash on hand and at bank	38	183
4.2 Deposits at call	11,459	2,425
Term deposits	35,000	-
4.3 Bank overdraft	-	-
4.4 Other (US\$ account)	769	1,516
Total: cash at end of quarter (item 1.23)	47,266	4,124

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act.
- 2 This statement does give a true and fair view of the matters disclosed.