



**Redbank Mines Limited**

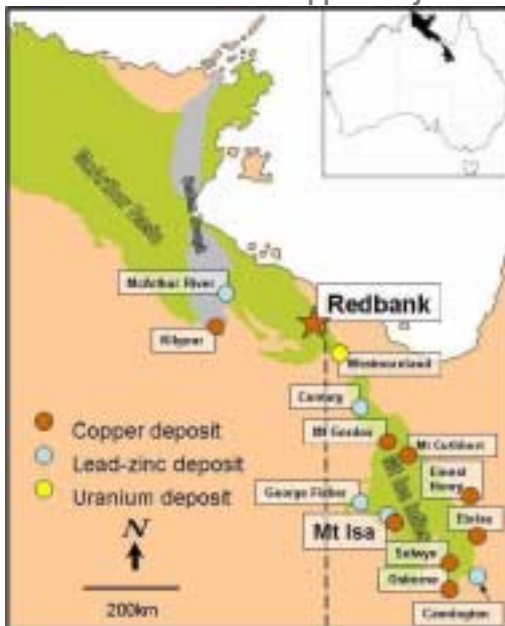
A.C.N. 059 326 519  
Level 2, BGC Centre  
28 The Esplanade  
Perth WA 6000

Phone:  
+61 8 9322 6045

Fax:  
+61 8 9481 5557

Email:  
[info@redbankmines.com.au](mailto:info@redbankmines.com.au)

Map 1:  
Location of Redbank Copper Project:



ASX Code: "RBM" - shares  
"RBMO" - options

*e-lodgement*  
6 Pages

27 April 2006

**Activities Report for the Quarter Ending  
31 March 2006**

**Redbank Copper Project – NT**

- Increased copper prices and unhedged position are expected to have a significant positive effect on Redbank cash flows
- Production from treatment of oxide stockpiles delayed due to record rainfall following regional cyclone activity

**Mt Kasi Gold Project - Fiji**

- Diamond drill rig secured for initial 2,500 metres of drilling on new satellite deposits and extensions of Mineral Hill gold deposit

**Corporate**

- Mike Kitney and James Searle appointed as directors
- Unmarketable parcels to be offered as consolidated parcels of stock to reduce administrative costs

## 1.0 REDBANK COPPER PROJECT ACQUISITION

In December 2005 the Company completed the purchase of the Redbank Copper Project, located in the Northern Territory.

The acquisition is expected to provide the Company with a source of near term cashflow through the treatment of existing high-grade copper stockpiles. The Company is also investigating the development of a second cashflow stream from the treatment of sulphide mineral resources through a

conventional flotation circuit to produce copper concentrates suitable for delivery as smelter feedstock.

### 1.1 JORC Classified Mineral Resources

A JORC classified mineral resource estimate recently generated by SRK Consulting has identified Indicated and Inferred Resources at Redbank of 4.2 million tonnes at an average grade of 1.5% copper, for approximately 65,000 tonnes of contained copper metal. A summary of the JORC classified resources is shown in the table 1 below.

**Table 1:**  
Redbank Copper Project, Summary of JORC Classified Resources (SRK Consulting October 2005)

Resource	Tonnes	% Cu	Tonnes Cu	lbs Cu
Measured (stockpiles)	54,000	6.0	3,260	7,189,000
Indicated	995,000	1.8	17,800	39,284,000
Inferred	3,179,600	1.4	43,850	96,740,000
<b>Total Mineral Resource</b>	<b>4,229,000</b>	<b>1.5</b>	<b>64,910</b>	<b>143,211,000</b>

## 2.0 OPERATIONS – Redbank Copper Mine, NT – 100%

### 2.1 Copper production deferred

Despite wet season conditions during January and February, refurbishment and maintenance of the Redbank plant were completed as planned. Vat and heap leach circuits were commissioned with stockpiled transitional ore in early March.

Subsequently, record cyclonic rainfall occurred during the second part of March and in early April. This has caused a significant alteration to the water balance situation and localized flooding at mine access roads. Flooding of main arterial roads at creek and river crossings caused disruption to access in the district. The combination of these factors will delay achievement of steady state production until mid May.

In preparation for wet season conditions stocks of fuels and consumables sufficient meet operational requirements for 2-3 months production were moved to site prior to the start of the wet.

The plant is now expected to progressively increase production during June and July to an

initial monthly production rate of 100 tonnes of copper metal.

### 2.2 Impact of Increase in Copper Price

The Company agreed to purchase the Redbank Project in August 2005. Since then the LME quoted spot price of copper has increased by approximately 80% from approximately US \$3,750 per tonne to the present price of US \$6,800 per tonne or A \$9,000 per tonne (based on the current exchange rate of US \$0.753 to the Australian dollar).

None of the Company's future copper production has been hedged. Accordingly this increase is expected to have a positive impact on the short term profitability from the treatment of the oxide and transitional ore stockpiles.

## 3.0 EXPLORATION

### 3.1 Redbank Project

The known copper mineralization at Redbank is contained mainly in a series of discrete volcanic breccia pipes. There has also been some primary dispersion of copper laterally into the host rock stratigraphy and by supergene processes. There is considerable potential to increase resources by further drilling around and beneath the known breccia pipe hosted mineralization. There are also

multiple targets where limited drilling has intersected high grade near surface mineralization potentially associated with new mineralized breccia pipes.

Exploration priorities at Redbank are:

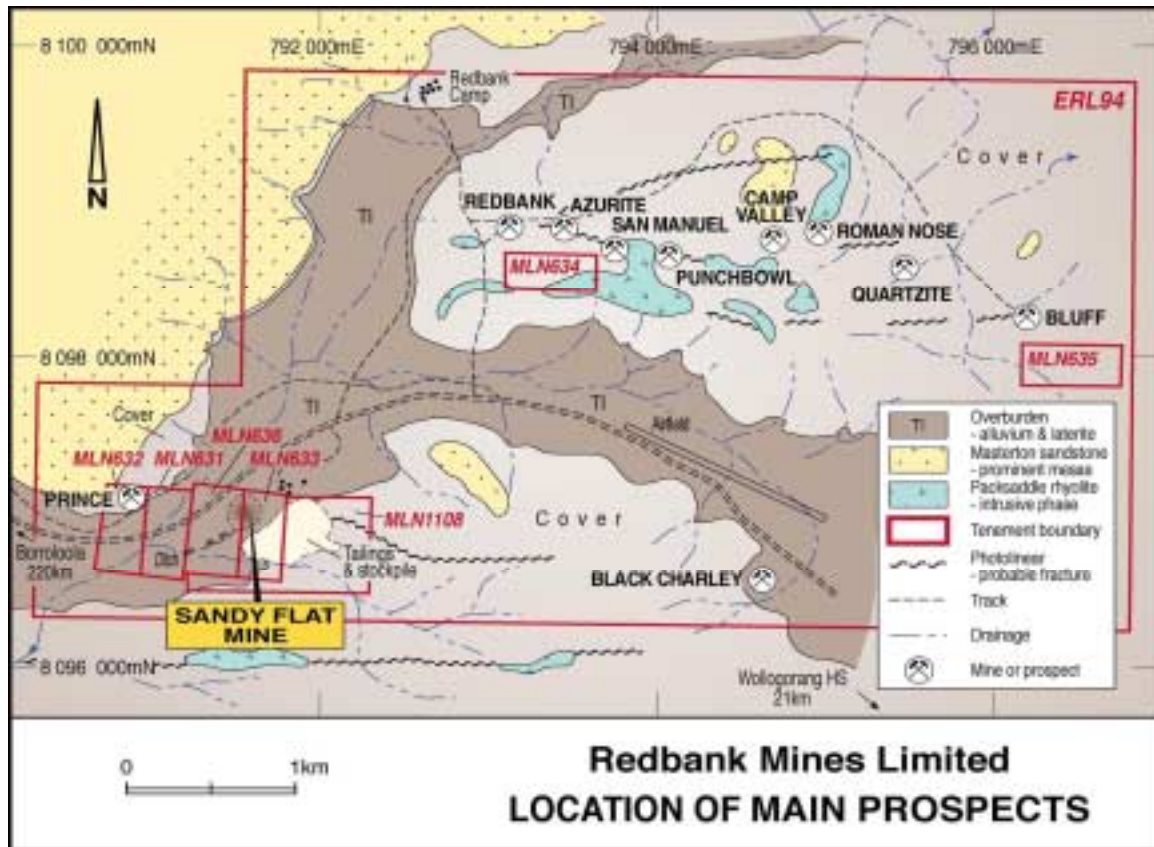
- (1) testing depth and some lateral extensions of the defined resources at the Bluff, Punchbowl and Sandy Flat breccia pipes. (Map 2);
- (2) following up on the near surface high grade drill hole intercepts at Airport Valley, Azurite and the historical Redbank workings, which

are all outside the defined resources) (Map 2); and

- (3) assessing existing exploration targets in the surrounding tenement ERL 94 (Map 2).

Exploration drilling at Redbank is planned to start later this year and be funded from cash flows from the oxide treatment operations.

Map 2:  
Location of Main Prospects at Redbank:



Initial exploration during 2006 will focus on expanding the current oxide and transitional resources for the existing leach operation. Sulphide mineralisation beneath the known resources will be addressed next as part of investigations into re-establishing a flotation circuit to produce concentrates suitable for smelter delivery.

Previous exploration drilling has intersected high grade copper mineralization outside the immediate locus of defined resources. A number of these holes terminated in mineralization. Tightly focused follow up drilling around these outlying high grade intercepts is expected to yield additional oxide and sulphide resources.

SRK have reported the surrounding tenement ERL 94 (*Map 2*) contains prospects with good potential for discoveries of more mineralized breccia pipes. Further local to regional exploration will also be carried out on nearby EL 24654 covering a further 1,500 km<sup>2</sup> of exploration ground granted in December 2005.

### 3.2 Mt Kasi - 2006 Drilling Programme

In August 2005, independent consultants RSG Global completed a new mineral resource estimate based on JORC guidelines for the Mineral Hill deposit which stands at 2.99 million tonnes at 2.1 g/t Au for 205,000 ounces (using a 1.0 g/t cutoff) Together with other peripheral deposits at Mt Kasi, **the total resources is now 3.4 million tonnes @ 2.2 g/t for 240,000 ounces of gold** in the indicated and inferred categories based on a 1.0 g/t cutoff for the main zone at Mineral Hill. *Table 2* below outlines the resource position based on cut offs of 0.8 g/t, 1.0 g/t and 1.2 g/t respectively at Mineral Hill and for Mt Kasi overall.

For full disclosures of related assumptions refer to page 15 of 2005 Annual Report.

Map 3:  
Location of Mt Kasi Project, Fiji

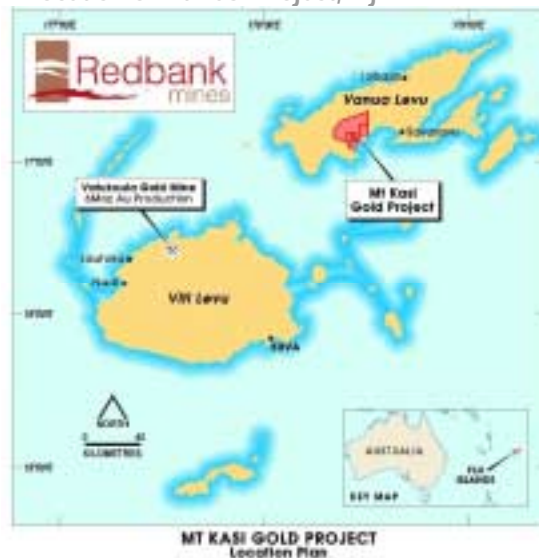


Table 2:  
Redbank Mines Limited - Mt Kasi Project - August 2005 Mineral Resource Estimates Main Zone, Non-Main Zone & Eluvials

Domain	Lower Cutoff Grade	Indicated			Inferred			Total		
		Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Main Zone	0.8*	2,390,000	2.1	160,000	690,000	1.7	38,000	3,080,000	2.0	198,000
	1.0	<b>1,840,000</b>	<b>2.4</b>	<b>144,000</b>	<b>490,000</b>	<b>2.0</b>	<b>32,000</b>	<b>2,330,000</b>	<b>2.4</b>	<b>176,000</b>
	1.2*	1,450,000	2.8	131,000	370,000	2.3	28,000	1,810,000	2.7	158,000
Non-Main Zone	1.0				320,000	1.4	14,000	320,000	1.4	14,000
Eluvials	0.6	40,000	1.6	2,000	300,000	1.3	13,000	340,000	1.3	15,000
Sub-total		1,880,000	2.4	146,000	1,110,000	1.6	59,000	2,990,000	2.1	205,000

Other Fiji	Lower Cutoff Grade	Indicated			Inferred			Total		
		Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Stockpiles	1.0	50,000	1.5	2,500	70,000	1.3	3,000	120,000	1.4	5,500
Other	1.0				295,000	3.1	29,500	295,000	3.1	29,500
Sub-total		50,000	1.5	2,500	365,000	2.8	32,500	415,000	2.6	35,000
All	Lower Cutoff Grade	Indicated			Inferred			Total		
		Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
<b>Total</b>		<b>1,930,000</b>	<b>2.4</b>	<b>148,500</b>	<b>1,475,000</b>	<b>1.9</b>	<b>91,500</b>	<b>3,405,000</b>	<b>2.2</b>	<b>240,000</b>

A drill rig has been secured for an initial 2,500 m diamond drilling planned to commence in mid May to test a number of highly prospective gold targets including Cresswells, Waidamudamu, Naduna, Paro, Nasoni, Kasi South and Vuniroro Levu (refer September and December 2005 quarterly reports for further details).

### **3.3 East Kimberleys, Western Australia (Burdekin 70 - 100%)**

*Mt Barrett M80/506, Banjo Bore M80/507, Banjo Bore East M80/533, Mt Barrett East E80/2594, Mt Pandora E80/2595, Halls Creek South E80/2864, Jubilee E80/2637 (Burdekin 70%).*

The Company intends to seek a joint venture partner to farm-in on its Kimberley projects. The present intention is that the new partner expend no less than the minimum exploration required to keep the tenements in good standing and for Redbank to retain a free carried interest therein.

### **3.4 Mt Haden: Gold & Copper Mackay, Queensland (Redbank 100%)**

*MLs 4739 to 4743 (inclusive); ML 4745; ML 4753, ML 4786*

No work was performed on these tenements during the quarter. The Company intends to divest this tenement package.

### **3.5 Exploration Expenditure**

Exploration and evaluation expenditure for the quarter was approximately \$19,000 (\$20,000 previous quarter).

## **4.0 CORPORATE**

### **4.1 Appointment of Directors**

On 2 March the Company announced the appointment of Dr James Searle and Mr Mike Kitney as directors of the Company. Dr Searle is an experienced geologist and mining company executive who will provide ongoing technical consulting services focusing on exploration. Mr Michael Kitney is an experienced process engineer and metallurgist and who will also be available as a

technical consultant to the Company as required. Both Dr Searle and Mr Kitney have a proven track record in the development of mineral projects.

### **4.2 Issued Capital and Issued Tradeable Options**

The issued share capital of the company at the date of this report is 70,213,479 ordinary shares. The tradeable options on issue are 35,357,531.

### **4.3 Proposed Sale of Unmarketable Parcels**

The Company announced on 9 February 2006 its plan to undertake a sale of unmarketable parcels of its ordinary shares pursuant to Rule 31.1 of the Company's Constitution and in accordance with ASX Listing Rules. The sale is expected to substantially reduce the number of shareholders on the register who have less than a marketable parcel of shares and associated administration and servicing costs.

As previously advised holders of unmarketable parcels have until 5pm on 28 April 2006 to advise the Company if they wish to retain their shares.

Yours faithfully,

**Redbank Mines Limited**

**Jerome G Vitale**  
Director and Chief Executive

**Note:**

The technical aspects of this communication pertaining to the **Mt Kasi** project have been compiled by Mr Craig R Hall, MAusIMM, MAIG. Mr Hall is an employee of a subsidiary of **Redbank Mines Limited** and has sufficient expertise 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'). Mr Hall consents to the inclusion in this report of the matters referred to, based on the information being in the form and context in which it appears.

The information in this report to which this statement is attached that relates to exploration results and Mineral Resources at the Redbank Copper Project is based on information compiled by Phil Jankowski, who is a Member of The Australasian Institute of Mining and Metallurgy. Phil Jankowski is a full-time employee of 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'). Phil Jankowski consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.