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ASX Code: "RBM"
"RBMO"

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3 Pages

15 January 2007

**Media Release –
Drilling Program Completed, Interim Report
Redbank Copper Project
New Sulphide Zone at Punchbowl, Open at
Depth**

A media release pertaining to the ASX Announcement made by the Company earlier today is attached.

Yours faithfully
Redbank Mines Limited

Susan J Field
Executive Director



Redbank Copper Project
– *Diamond Drill from Punchbowl (Jan 07)*

REDBANK DRILLING INTERSECTS MAJOR NEW SULPHIDE ZONE AT KEY NT COPPER DEPOSIT

HIGHLIGHTS POTENTIAL FOR ADDITIONS TO REDBANK COPPER PROJECT RESOURCE INVENTORY

Redbank Mines Limited (ASX: **RBM** – “Redbank”) has intersected a new wide zone of disseminated sulphide mineralisation beneath one of the key copper deposits at its 100%-owned **Redbank Copper Project** in the Northern Territory. While final assays from the drilling are awaited, logging of the drill core has indicated the potential for a significant extension to the **Punchbowl** deposit as Redbank steps up its drilling activities targeting additions to its resource inventory to underpin future growth.

The first phase of drilling – comprising 3,000m of RC drilling for resource extension and in-fill purposes – has already been completed at Bluff and Punchbowl deposits designed to increase the current resource inventory of 4.2 million tonnes at 1.5% copper (65,000 tonnes of contained copper). Diamond drilling to collect metallurgical and geotechnical information comprising two holes each at Punchbowl and Bluff has also been completed.

Redbank has an aggressive 3-stage redevelopment program underway designed to expand the Redbank Project from a small-scale, short-term operation based on the treatment of high-grade existing stockpiles to a 5-year plus oxide leach and sulphide flotation operation producing 6-8,000tpa of contained copper. The Punchbowl, The Bluff and Sandy Flat deposits represent key future ore sources to underpin this growth strategy.

The Company commenced production last year, and is targeted to produce approximately 1,000 tonnes of contained copper on an annualised basis from Stage 1, which is based on a vat leaching operation treating high-grade oxide copper together with heap leaching of transitional oxide and sulphide ore to produce a copper cement concentrate. Stage 2 envisages copper production of 3-4,000tpa from oxide deposits, which is targeted to commence by the third quarter of 2007, while Stage 3 envisages production from sulphide material to produce 3-4,000tpa from mid-2008.

Redbank’s Managing Director, Mr Gino Vitale, said the success of the recent drilling program was significant, as it confirmed the exploration potential of the existing deposits and highlighted the potential to expand the project’s resource inventory with further drilling to support an enhanced production profile.

The newly identified disseminated sulphide mineralisation at the Punchbowl deposit (existing resource of 620,000 tonnes at a grade of 2% copper) lies immediately below the existing oxide zone in the first 40m (which covers the present resource). The new zone remains open at depth below the 100m depth of current drilling. Assay results from the RC drill samples are expected to be received and compiled by the end of January/late February.

“We expect to complete the current phase of drilling by late January, which will enable us to compile revised resource estimates for the key deposits and develop a mining schedule of oxide and sulphide ores sufficient for at least two years’ production,” Mr Vitale said. “The drilling should also provide a high degree of confidence in the resources for at least a further three years of operation.”

The success of the current drilling program follows a key life-of-mine off-take agreement secured by Redbank in November last year with international commodities group, Swiss-based **Glencore International AG**. As part of the agreement, Glencore agreed to underwrite \$1.0 million of a \$1.8 million rights issue also announced to underpin Redbank’s growth objectives as an emerging Australian copper producer.

The Company acquired the Redbank Project, located near the Northern Territory/Queensland border, in December 2005 to underpin a long-term growth strategy in the copper business.

- ENDS -

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Competent Person Statements

1. *This information, insofar as it relates to the current drilling, is sourced from information compiled by Dr D James Searle, B.Sc, PhD, MAusIMM, MAICD. Dr Searle is an Executive Director 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 Mineral Resources and Reserves'. Dr Searle has approved the inclusion of the statement in the form and context which it appears.*
2. *The announcement refers to a detailed statement of Mineral Resources at the Redbank Copper Project contained in Appendix 1 of the ASX Announcement and the 2006 Annual Report 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 has approved the inclusion of the statement in the Annual Report in the form and context in which it appears.*