

New sulphide zone intersected at NT copper deposit

Redbank Mines Ltd 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 Copper Project minesite

Redbank has an aggressive 3-stage redevelopment program underway. 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, 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.

"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.

- 16 Jan 2007

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