

# REDBANK MINES TO FAST-TRACK OXIDE COPPER PRODUCTION FOLLOWING DRILLING SUCCESS

*FURTHER HIGH-GRADE RESULTS FROM REDBANK PROJECT INCLUDING 14m @ 3.32% Cu*

Emerging copper producer Redbank Mines Limited (ASX: **RBM** – “Redbank”) has confirmed plans to fast-track oxide copper production from its 100%-owned **Redbank Copper Project** in the Northern Territory after receiving further **high-grade results** from its highly successful recent drilling program. The new results are expected to underpin an upgraded JORC resource statement to be finalised in July 2007.

Redbank said today (**Wednesday**) that it had enjoyed a 100% success rate with its recent drilling, thanks to the very high quality of historical exploration work at the Redbank Project completed by mining majors including Newmont in the 1970s and CRA Exploration in the 1970s.

“This has proved to be very reliable in terms of guiding us to where we should be drilling to find new mineralised high-grade copper,” said Redbank’s Managing Director, Mr Gino Vitale. “As a result of our drilling over the past 6 months, we now have potentially five open pits from which to draw on – all within a short distance from the central treatment area where we have established mine infrastructure. Before we started drilling, we had only two sources of ore.”

“We are exceptionally well placed to fast-track the project into production to take advantage of the current wave of historically high copper prices,” he added. “With multiple ore sources, the operation will be very robust and we expect will generate strong returns for our shareholders.”

The latest high-grade copper results came from the Azurite target area, where a new breccia pipe has been discovered, and from the Redbank Workings and Punchbowl deposit, where exceptional results were announced earlier this year. Results announced today include:

- **14 metres at 3.32% copper from 19 metres;** and
- **18 metres at 2.85% copper from surface** at Azurite.
- **28 metres at 1.20% copper from surface** at the Redbank Workings.
- **11 metres at 1.35% copper from 39 metres** at the Punchbowl deposit.

The new results are consistent with historical results from Azurite, which include intercepts of **29 metres at 3.9% copper from surface and 26 metres at 2.00% copper also from surface.**

Mr Vitale said that all results had now been received from the 3,000 metre drilling program completed at the Redbank Project in April, except for assays from two diamond drill holes from the Punchbowl and Azurite areas.

“We are confident, based on the drilling success we have had in the past six months, that this will result in an increase in our present JORC classified resource inventory. Before the drilling started this stood at 4.2 million tonnes at 1.5% copper for approximately 65,000 tonnes of contained copper metal which had an in-situ value of approximately A\$600 million,” Mr Vitale added.

“We have already agreed to provide our off-take partner, Glencore International, with the opportunity to provide additional funding on commercial terms for the future development of the Redbank Project and related working capital requirements,” he said. “This will enhance our funding options for the plant upgrade to enable us to fast-track production, should the project economics stack up.”

The recently completed drilling program is part of a 3-stage redevelopment program designed to expand the Redbank Project from a small-scale, short-term operation based on the treatment of high-grade stockpiles to a 5-year plus oxide leach and sulphide flotation operation producing 6-8,000tpa of contained copper per annum. The Punchbowl, Bluff, Sandy Flat, Azurite and Redbank Workings deposits represent the initial key future ore sources to underpin this growth strategy.

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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 the Company's 2006 Annual Report (at page 6) are 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.*