



Redbank Mines Limited

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

Enquiries regarding this announcement can be directed to either:

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Managing Director and
Chief Executive Officer

or

Ms Susan J Field
Executive Director and
Company Secretary

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Copper concentrate ready for delivery

e-lodgement (1 page)

22 February 2008

**Entitlement Offer applications returned;
Placement to Glencore**

With the recent downturn in market conditions the Company has experienced minimal uptake of the Entitlement Offer (including the Entitlement Offer Shortfall) and the Placement Offer pursuant to the Prospectus dated 13 December 2007.

Following discussions with Glencore International AG ("Glencore") as underwriters to \$1.0m of the Entitlement Offer at a price of 8.0 cents a share, the parties have agreed to a mutual release of their obligations under the Underwriting Agreement and the Board has resolved not to accept any of the applications made under the offers. Monies held in trust will now be returned in full to all applicants.

In return for the Company releasing Glencore from its obligations under the underwriting agreement, the Company has reached the following agreement with Glencore:

1. to accept an application from Glencore for \$1.0 million worth of shares or 16,666,667 shares at a price of 6.0 cents a share, being the last sale price on 20 February 2008, and issue 4,000,000 3 year options exercisable at 9.6 cents. This will result in Glencore having approximately 10.5% of the expanded issued capital of the Company (before exercise of options). Proceeds will be applied to repay an interim funding facility of \$1.0 million provided by Glencore in November 2007 as an advance against the underwriting; and
2. for Glencore to re-price and immediately settle at today's more favourable spot + 3 month copper price all outstanding copper sales contracts for physical product delivered or produced and sold for deferred delivery by the Company during the last six months. The close out of these contracts will result in an immediate cash injection of to the Company of approximately \$750,000 which will contribute to the Definitive Feasibility Study now in progress for the expansion of the Redbank Copper Project towards a 6,000 tonne per annum operation.

The Company is in discussion with Macquarie Bank Limited in relation to its existing loan facility of \$2.2 million which matures on 28 February 2008 and expects to make an announcement in relation thereto shortly.

**Yours faithfully,
Redbank Mines Limited**

Susan J Field
Executive Director and Company Secretary