

REDBANK MINES AGREES \$6M FUNDING PACKAGE WITH CRAWLEY INVESTMENT GROUP

Redbank Mines Limited (ASX: **RBM** – “Redbank”) has secured a key **\$6 million funding package** to underpin the continued development of its high-grade **Redbank Copper Project** in the Northern Territory. The funding will be provided in stages through an agreement with Crawley Investments Pty Ltd, the private investment vehicle of Australian mining entrepreneur, Michael Kiernan.

The emerging copper producer said today (Friday) that the funding package would significantly enhance its financial position, de-risk its balance sheet and enable it to complete the Definitive Feasibility Study on development of the oxide copper deposits at its Redbank Project ramping up to 6,000tpa over two years.

Under the agreement, Crawley has agreed to subscribe initially for \$1 million in unsecured Convertible Notes, as well as to underwrite a rights issue for up to \$3.5 million to be completed on or before 31 March 2009 and provide the Company with \$1.5 million in loan or equity funds to enable it to repay its existing facility with Macquarie Bank, which matures at the end of February 2009.

Redbank has agreed to issue 50.0 million convertible notes to Crawley Investments in two equal tranches, with each note to be convertible to ordinary shares at a price of 2.0 cents per share. The notes will be interest free and will be issued in two tranches, the first on 17 November and the second on or before 15 December.

The pricing of the rights issue will be determined by the volume weighted average price of the Company’s shares in the 30 days preceding the announcement of the details of the issue.

Redbank acquired the Redbank Project in 2005 and is currently treating high-grade (~5% Cu) oxide stockpiles through vat leaching to produce a high-grade, high-quality concentrate in a form known as copper cement. A 2007 Pre-feasibility Study confirmed the technical and economic viability of developing a series of oxide deposits, to be followed by mining deeper sulphide ore bodies.

The Oxides Project will comprise development of an initial heap leach project based on near-surface oxide resources within three deposits, Bluff, Azurite and Redbank. Existing mine infrastructure, camp facilities, airstrip and roads will result in a relatively low capital cost to bring the project into commercial production.

The Redbank Project has a current JORC Code compliant resource **5.2 million tonnes @ 1.44% Cu for 75,000 tonnes** of contained copper metal, with significant scope to increase this through further exploration.

“This is a significant milestone for Redbank, securing critical funding at a very difficult time in the market,” said Redbank’s Managing Director, Mr Gino Vitale. “We are very pleased to have reached agreement with Michael Kiernan’s company, Crawley Investments Pty Ltd, to provide this funding package.

“We believe this is a vote of confidence in the quality and upside of Redbank Copper Project by Crawley Investments, which currently holds a 19.9% interest in the Company,” he continued.

“The Redbank Copper Project has significant potential as a low-cost, efficient production opportunity in the copper business and we look forward to working towards the development of a profitable, long-life copper operation,” Mr Vitale said.

The Redbank Mineral Field was originally discovered 1916 and saw small-scale production last century, including a small open cut operation at Sandy Flat in the 1990s. Primary mineralization in the area is in the form of steeply-dipping to vertical breccia pipes hosting generally high grade mineralization.

There are currently **five confirmed** breccia pipes at Sandy Flat, Bluff, Punchbowl, Redbank and Azurite – all of which remain open at depth. However, **12 other** fresh breccia pipe targets and soil anomalies have been identified with the potential to significantly increase the resource base for the project.

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Competent Person Statements

Note

Competent Person 1:

The information in this announcement that relates to Mineral Resources is based on information compiled by Mr **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'. Mr Jankowski consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Competent Person 2:

The information contained in this announcement, insofar as it relates to the Company's exploration results at the Redbank Copper Project, is sourced from information compiled by Dr D **James Searle**, B.Sc, PhD, MAusIMM,. 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.