



ASX / MEDIA RELEASE

11 DECEMBER 2009

REDBANK ARRANGES US\$7.5m DEVELOPMENT FUNDING

Redbank Copper Limited (ASX: RCP) is pleased to announce it has entered into an agreement with United States institutional investor La Jolla Cove Investors Inc. for the issue of up to five convertible notes each with a face value of US\$1,500,000 to raise a maximum of US\$7,500,000. Interest on outstanding funds will be at an annual rate of 4.75% payable monthly.

La Jolla Cove Investors is a private, family-backed investment company that provides financing to small-cap, publicly traded companies in the United States and abroad. Their mission is to add value by providing not only financial resources and industry knowledge, but also operational, strategic and implementation assistance.

Managing Director Bruce Morrin commented that La Jolla has built its reputation as a reliable source of capital for small public companies like ours and we are delighted La Jolla have supported Redbank as we build our Company to become a small reliable copper cathode and copper concentrate producer.

"It is difficult to raise start up capital in Australia and La Jolla see the distinct value creation potential by supporting companies early in their development stage" he added.

The funds will go towards assisting in construction of the solvent extraction electro winning cathode plant and general working capital Mr Morrin said.

Redbank announced last month it had reached an agreement for the design and construction of a small low risk, fit for purpose modular SX-EW Plant to produce 2100 tonnes of LME grade A 99.99% copper cathode per year.

The plant is scheduled to mobilise to site in the 2nd Quarter 2010 with construction aimed to be completed during the 3rd Quarter 2010.

The key terms of the convertible notes are attached.

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Key Terms of Convertible Notes

- Purchase Price:** US\$7,500,000 (5 consecutive notes of US\$1,500,000). The Purchase Price will be funded by the Holder through minimum payments of US\$375,000 per month to the Company subject to stated terms and conditions, until the entire principal balance is paid in full.
- Interest Rate:** 4.75% per year, payable monthly on the outstanding funded and non-converted principal amount.
- Maturity Date:** November 2011, unless earlier Conversion.
- Conversion:** The Convertible Note may be converted at the Holder's option into Common Stock of the Company. The number of shares into which the Convertible Note may be converted is equal to the dollar amount of the Convertible Note being converted divided by the Conversion Price. The Conversion Price shall be equal to the lesser of:
- A \$0.25, or
 - 80% of the average of the 3 lowest VWAP (Volume Weighted Average Price) prices during the 21 trading days prior to the election to convert.
- Floor Price:** The Convertible Note will include a floor price of A\$0.012; such that if the Common Stock of the Company is trading on market at or below such level at such time as the Holder seeks to convert all or a portion of the outstanding principal balance of the Convertible Note, the Company may elect to refuse such conversion in exchange for the redemption of the portion of the Convertible Note that the Holder sought to convert.
- Conversion Provision:** Holder will not hold more than 9.99% of the outstanding shares of the Company.
- Short Sales:** So long as the Convertible Note is outstanding, neither the Holder nor its affiliates shall at any time engage in any short sales with respect to the Company's Common Stock, or sell put options or similar instruments with respect to the Company's Common Stock.
- Conditions to Closing:** The Company obtaining shareholder approval under Section 611 of the Corporations Act and other usual completion conditions for quasi-debt instruments of this nature.
- Expenses:** Each party shall be responsible for its own expenses.
- Fees:** None.

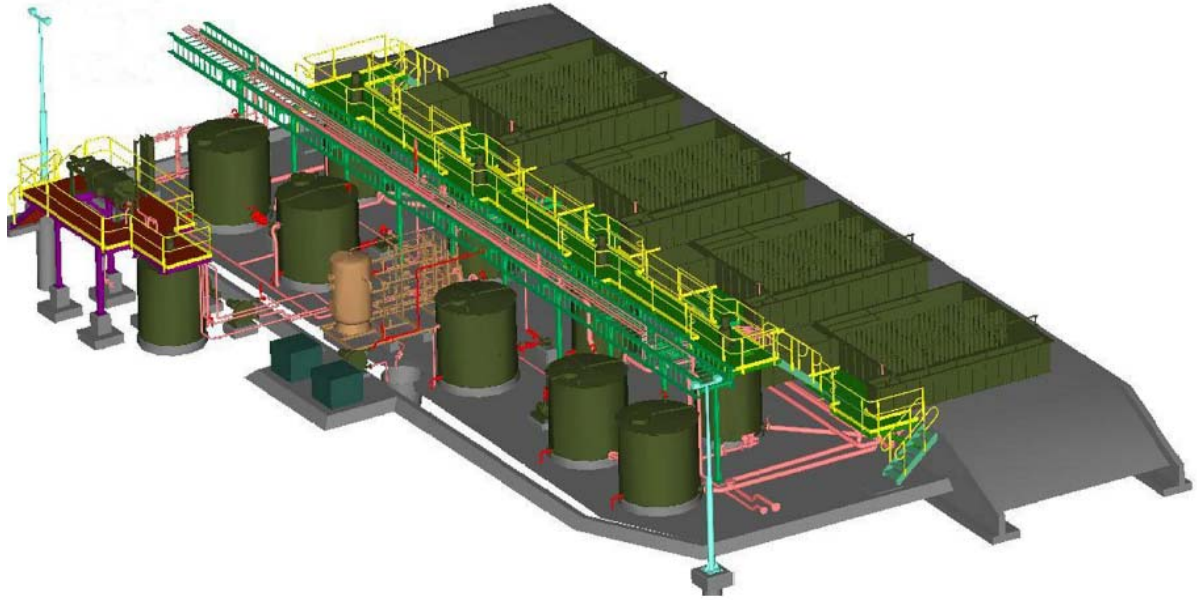


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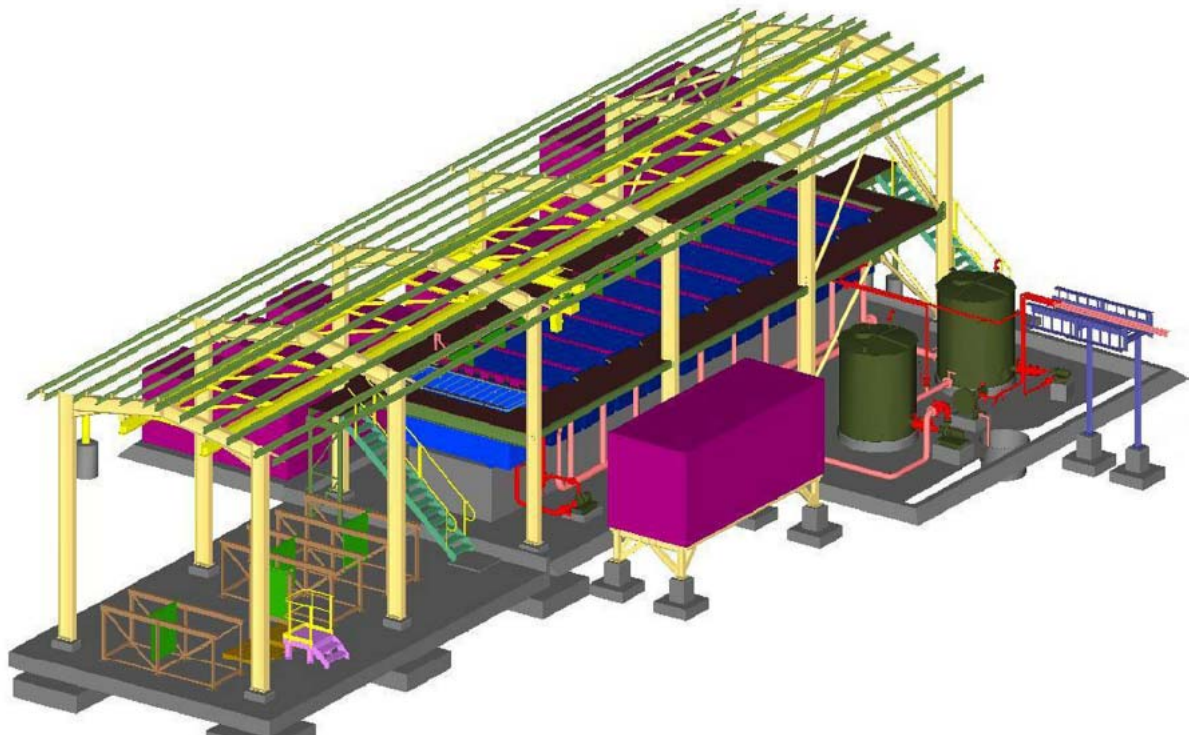
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SOLVENT EXTRACTION PLANT



ELECTROWINNING PLANT

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About Redbank Copper

Redbank Copper is an Australian based ASX-listed resource company (ASX: RCP) focused on the development of the Redbank Copper Mine in the north east of the Northern Territory.

The project is located in the Redbank Mineral Field in the NT, where the Company holds a substantial ground position. The region hosts significant economic copper mineralisation and is highly prospective for copper, cobalt, phosphate, manganese and uranium.

The Company acquired the Redbank Copper Mine in 2005. The tenement package includes an established resource base, numerous advanced copper targets and processing infrastructure. Redbank has an exploration program underway to expand its resource base, and is developing the project toward recommencement of production, in line with the Mine Study released in September 2009.

Redbank has an exploration joint venture with Glencore International, one of the world's largest commodity suppliers. The Company has also has an off-take agreement with Glencore for the life of mine, based on marked based spot prices of copper. Additional information is available at www.redbankcopper.com.au

