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e-lodgement 7 pages

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Magnetic and Radiometric Anomalies, including Uranium, and Major Structural Controls Identified by Airborne Survey

- Numerous circular magnetic anomalies identified in copper-prospective Gold Creek Volcanics.
- Radiometric anomalies present in same host unit; possible uranium target identified.
- Regional structures identified analogous to major mineralisation controls in the Mt Isa Inlier and MacArthur Basin.

Redbank Mines Limited is exploring the Copperado Project area located 30km NW of the Redbank Copper Operations in the Northern Territory on behalf of a Joint Venture between Redbank and Glencore International AG (refer Figure 1). An 11,000 line kilometre airborne magnetic and radiometric survey covering the 805km² of the Copperado Project was completed in July of this year. Image processing of the data has been completed by Southern Geoscience Consultants and initial assessment of the images indicates that there are a number of discrete targets and major structural discontinuities for further assessment.

The discrete magnetic targets include at least 10 well-defined circular magnetic highs ranging in diameter from 200m to over 1,000m in the SW corner of the lease (refer Figure 2). At this early stage it is not yet possible to confirm if these circular features relate to the Redbank style of copper mineralisation which is contained in sub-vertical breccia pipes with a maximum diameter of 120m.

In the radiometric data a number of uranium band 'hot' spots are visible including a significant zone 1,000m by 500m at one extremity of a felsic intrusive body, and general NW trending elevated uranium values along 15km of the eastern edge of the outcropping Gold Creek Volcanics (GCV) rock unit, which forms part of the middle Proterozoic Tawallah Group. Many uranium and uranium-copper occurrences are known in the lower units of the Tawallah group, the largest being the Westmoreland deposit, some 50km SE of the Redbank Copper Project, currently owned by a local subsidiary of Canadian group Laramide Resources Ltd (TSX: LAM). The deposit is reported to contain NI 43-101 compliant total resources of 48 million pounds of U₃O₈ (refer www.laramide.com for further details).

At a broader scale the magnetic data shows major NW and W-NW trending structural features visible beneath surficial cover in the NE half of the project area (refer Figures 2 and 3). The scale of these features suggests they are deep seated and have the potential to have acted as significant controls on fluid migration within the MacArthur Basin. Basin-scale structural features played a major role in the formation of the world-class ore bodies of MacArthur River to the west and the Mt Isa Inlier to the east.

High level interpretation of the data is proceeding, with detailed geological interpretation of the initial areas of interest likely to be completed within 6 to 8 weeks.

The identification of these magnetic and radiometric anomalies, and the deep seated structures from the airborne survey follows field work on the joint venture tenement, EL 24654, completed earlier in 2008 (refer ASX announcement 26 May 2008). Field analyses with a Niton XRF analyser found 0.3 to 0.8% copper widespread in and around in surface material associated with a mineralised breccia pipe similar in scale to the larger pipes in the Redbank area and a small high grade vein of copper mineralisation with 18% copper. The analyses also found anomalous levels of zinc, lead and cobalt in some samples. A 2.0% cobalt analysis was associated with a 0.8% copper value.

The mineralisation potential for the JV area includes:

- copper and copper/cobalt mineralised breccia pipes
- stratabound copper and copper cobalt mineralisation
- Skarn type uranium mineralisation, and
- base metal basin margin type hydrothermal deposits.

Soil geochemistry programs to test some of the discrete magnetic and radiometric anomalies in the south-western part of the Copperado Lease are planned to commence in October. Follow up gravity surveys may be undertaken during the 2009 field season to assess the potential of the lease to host world-class ore bodies associated with the interpreted basin margins.

The programme is being funded 100% by Glencore under the terms of the JV agreement (refer ASX announcement of 4 December 2007).

**Yours faithfully,
Redbank Mines Limited**

**Jerome G Vitale
Managing Director**

Figure 1: Redbank Mines Limited tenement holdings and the Copperado JV area.

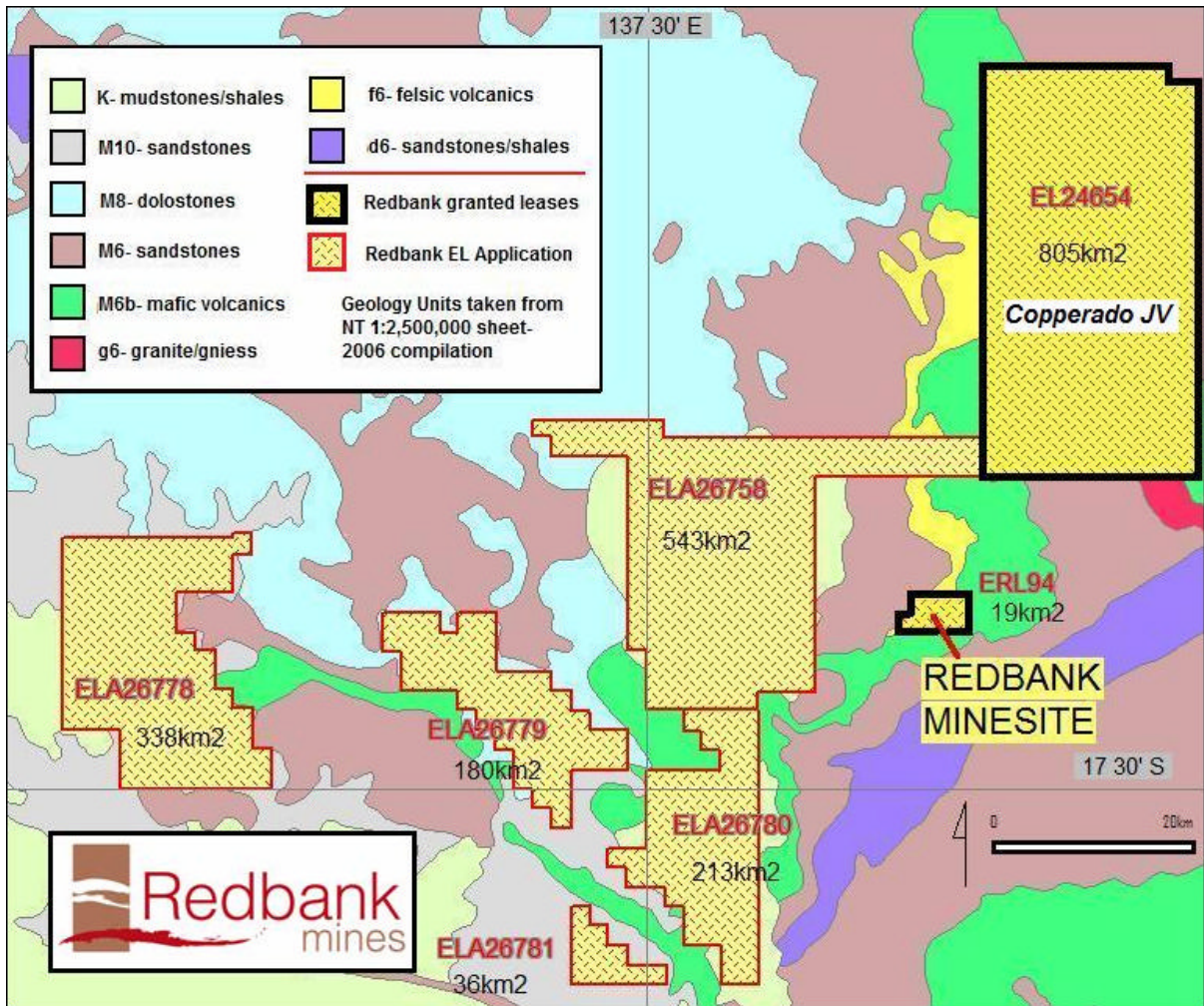


Figure 2: Aeromagnetic image of the Copperado JV area.

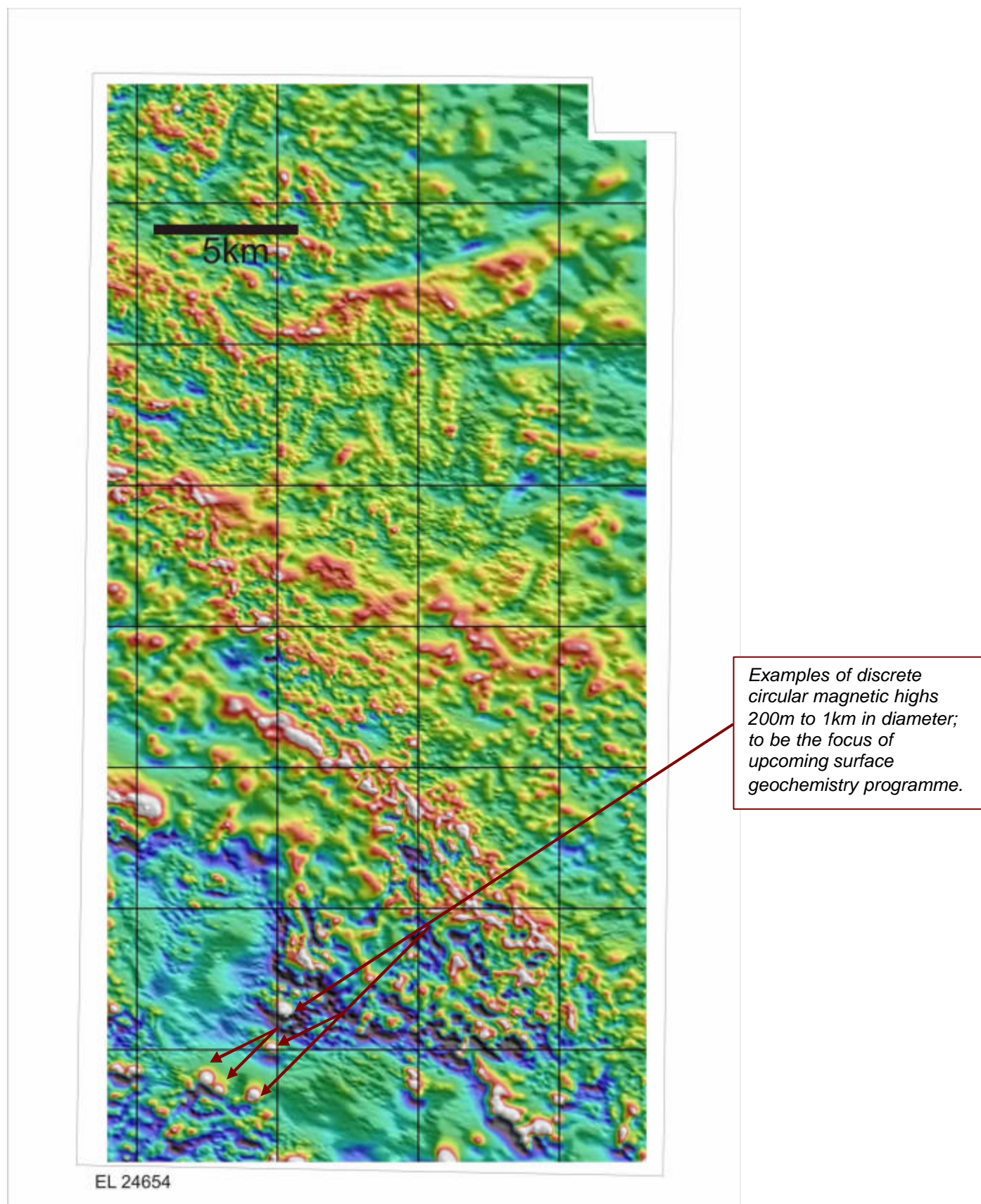
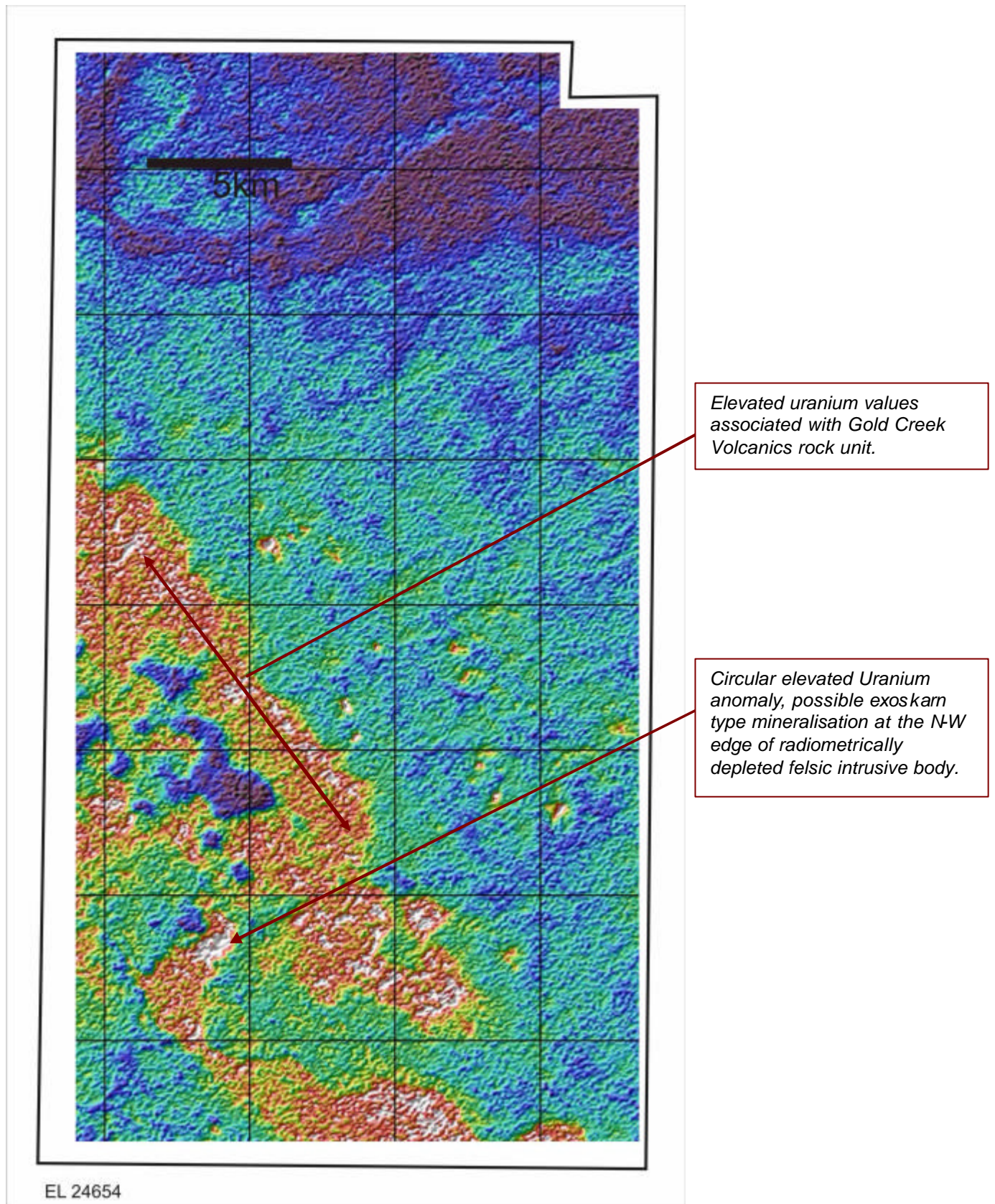


Figure 3: Radiometric image (U band) of the Copperado JV area



Redbank Mines Limited – Background Information

Redbank Mines is an Australian based ASX-listed mining company (ASX: **RBM**) focused on the development of the Redbank Copper Project in the north-eastern part of the Northern Territory. The Company holds a substantial ground position (> 2,200 km² granted or under application) including the centre of the Redbank Mineral Field which hosts significant economic copper mineralization and is highly prospective for copper, cobalt, phosphate, manganese and uranium.

The Redbank Copper Project comprises a number of mineralised breccia pipes with known copper mineralization at least to the depth of drilling of around 300 metres from surface. The key pipes comprising the Bluff, Sandy Flat, Azurite and Redbank deposits contain delineated JORC classified resources of 5.0m tonnes at a grade of 1.4% copper (71,000t of contained Cu metal) as reported on Page 10 of the Company's 2007 Annual Report. Numerous additional breccia pipes have been identified and an ongoing exploration effort is planned to test these pipes for further economic grade mineralization that could add to and extend the mine life of the project.

The Company acquired the project in December 2005 and is presently treating high grade (~5.0% Cu) oxide stockpiles via a vat leaching of ore to produce a high grade, high quality concentrate in the form known as copper cement (approx 85% copper on a dry weight basis). The treatment of these stockpiles is expected to continue until Q2 of calendar 2009 by which time the minesite area will be cleared in readiness for development.

The Company completed a preliminary feasibility study (PFS) on the project in November 2007. The study demonstrated the technical and financial viability of the project based on a staged development plan comprising mining and treatment of oxides from the Bluff, Azurite and Redbank deposits followed by mining of sulphides from the Sandy Flat and Bluff deposits. Existing mine infrastructure, camp facilities, airstrip and roads will result in a relatively low capital cost to bring the project into commercial production, which will ramp up to annual copper metal production of 6,000 tpa over 2 years. The initial mine life based solely on mining of the top 100 metres of the known deposits is five years.

The Company has commenced a definitive feasibility study (DFS) scheduled for completion in the second half of 2008 with commercial scale operation for the oxides stage of the project to start by mid 2009 with a view to capitalizing on the positive forward medium term price outlook for copper.

Redbank Mines has an exploration joint venture with Glencore International covering approximately 805km² of its overall ground position, to the north east of the minesite area which is 100% owned by the Company (within ERL 94). Glencore has the opportunity to earn a 50% interest in the JV (EL 24654) by sole spending \$1.0m over two years, with a minimum expenditure requirement during calendar 2008 of \$0.5m.

The Company has also signed an off-take agreement with Glencore for the life of mine, based on market based spot price of copper, confirming the high quality of its concentrates and ensuring that it has a ready market for the mine output.

Additional information is available at www.redbankmines.com.au

Competent Persons:

Information in this report on Mineral Resources at the Redbank Copper Project 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.

All other geological information on the Redbank Copper Project 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 and **Mr Craig Hall**, B.Sc (Hons), MAusIMM, MAIG. Dr Searle is an Executive Director of Redbank Mines Limited. Mr Hall is a senior manager of the Company. Dr Searle and Mr Hall have 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 and Mr Hall have approved the inclusion of the statement in the form and context which it appears.