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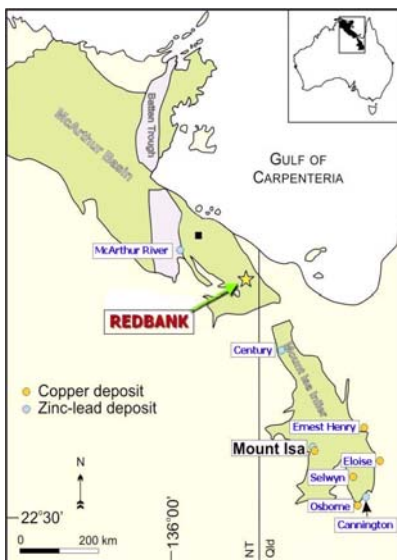
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Resource Upgrade for Redbank Copper Project

Summary

- ▶ The Company is pleased to report a revised JORC classified mineral resource estimate of **5,208,000 tonnes at a grade of 1.44% copper, containing a metal inventory of 75,000 tonnes of copper** at its 100% owned Redbank Copper Project in the NT.
- ▶ The estimate has been generated externally by independent consultants SRK Consultants following the completion of a 1,600m of RC and diamond in-fill drilling programme that was undertaken earlier this year (refer ASX announcements 28th May, 12th June 2008).
- ▶ The recent in-fill drilling, mostly within the established mineralized envelopes of known high-grade deposits, has seen an excellent conversion from Inferred to Indicated category for resources in the oxide zone. The estimated contained copper metal in near surface oxide resources suitable for a conventional low cost heap-leach process is now 14,000 tonnes, of which 86% is in the Indicated category.
- ▶ The new resource estimate is a modest increase in overall tonnage and an overall 6% increase in contained metal over the previous estimate.
- ▶ The grade of oxides in the Indicated category has risen significantly by 22% to 1.6% Cu, compared to 1.3% Cu previously.
- ▶ Overall these results have reduced resource risk and are expected to improve project economics. Mine planning and scheduling can now proceed with a higher level of confidence as part of the definitive feasibility study for the development of the oxides stage of the project.

Revised JORC Mineral Resource for Redbank Project

Following the completion of approximately 1,600 metres of RC and diamond in-fill drilling undertaken mostly within the known mineralised envelope during March and April of this year, the Company is pleased to report an updated copper mineral resource estimate at its 100% owned Redbank Copper Project in the Northern Territory.

The new resource estimate provided by independent consultants SRK Consulting is **5,208,000 tonnes at a grade of 1.44% Copper per tonne containing 75,000 tonnes of copper**. A break down of this classified according to resource category (with grade rounded to one decimal place) is contained at Table 1 below.

A key objective of the in-fill drill programme was achieved in that a significant amount of tonnes previously in the Inferred category have been reclassified to Indicated resources, thus enhancing the confidence level of the project's oxide resource base. The programme has also resulted in a modest increase in overall tonnage and an overall 6% increase in contained metal over the previous estimate of *in situ* resources.

Approximately 14,000 tonnes of contained copper metal is contained in the near-surface oxide zone, of which 86% (refer Appendix 1) is now in the Indicated category compared to only 42% previously. This material is expected to be suitable for a conventional low capital, low operating cost heap leach process. With the near-surface oxide resource to be mined as part of the initial stage of development, pit optimisation work, mine planning and scheduling can now proceed with a higher level of confidence as part of the DFS.

More representative laboratory determinations of acid-soluble material have resulted in a more accurate delineation of the oxide versus transitional / sulfide boundary, previously based mostly on the observed weathering profile. As a result some tonnes previously included in the oxide zone have been reclassified to the sulfide zone. Coupled with more accurate information on bulk density factors this has resulted in a slight decrease in overall tonnage reporting to the oxide zone. However with 86% of the metal contained in the oxide resource now in the Indicated category, there has been an excellent conversion from Inferred to Indicated for the number of metres drilled.

Significantly, the average grade in Indicated resources at the Azurite, Redbank and Bluff deposits has risen by 22% to 1.6% Cu, and this is expected to have a positive impact on project economics.

Table 1 below sets out the new mineral resource by deposit and the split between oxide and sulfide mineralisation. For full details refer to **Appendix 1**.

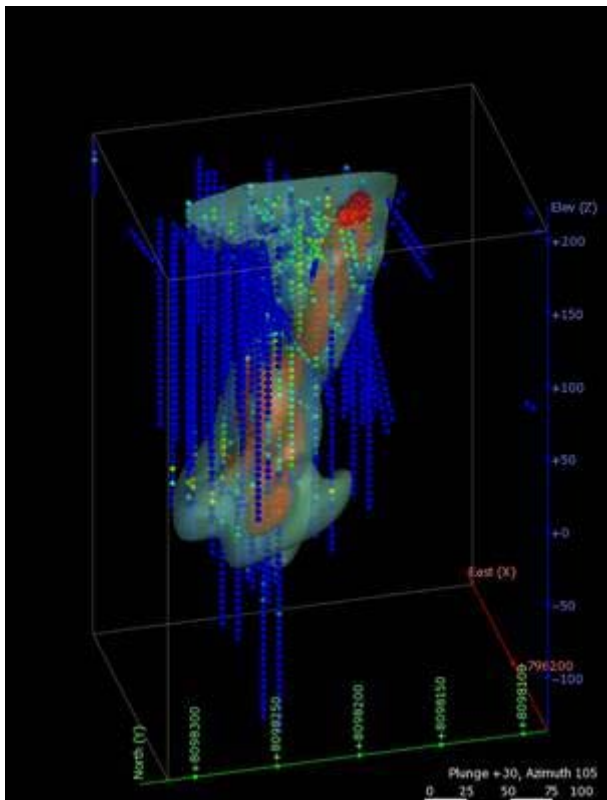
TABLE 1: Redbank Copper Project JORC Classified Mineral Resources

TOTAL	INDICATED			INFERRED			TOTAL		
	tonnes	Cu%	Metal (t)	tonnes	Cu%	Metal (t)	tonnes	Cu%	Metal (t)
Azurite	221,000	1.6	3,500	101,000	1.3	1,500	322,000	1.5	5,000
Redbank	194,000	2.2	4,500	181,000	1.1	2,000	375,000	1.7	6,500
Punchbowl	-	-	-	416,000	1.3	5,500	416,000	1.3	5,500
Bluff	870,000	1.5	13,000	1,188,000	1.6	19,000	2,058,000	1.5	31,500
Sandy Flat	433,000	1.9	8,000	1,604,000	1.2	19,000	2,037,000	1.3	27,000
PROJECT TOTAL	1,718,000	1.7	29,000	3,490,000	1.3	46,000	5,208,000	1.4	75,000

Note:

Resource estimates have been rounded to the nearest 1,000t for resource tonnage, one decimal place for the grade, and the nearest 500 tonnes for Copper metal content. Note this may give rise to rounding errors in the totals listed above. Total metal content has been rounded directly from the estimate, and is not simply the product of the rounded tonnages and grades as summarised in this table.

Bluff



Drilling at Bluff consisted of 4 shallow RC holes for 153m and 2 diamond holes for 139m advance, designed to better define the near surface mineralisation and to provide better information on the density of rocks within the oxide zone, and refine the oxide/sulfide boundary with more precision from assay results for acid-soluble copper in the new resource estimated by SRK Consulting of 2,058,000 tonnes grading 1.5% Cu in the Indicated and Inferred categories, comprising 870,000 tonnes at 1.5% Cu in Indicated Resources and 1,188,000 tonnes at 1.6% Cu in Inferred Resources (Figure 1).

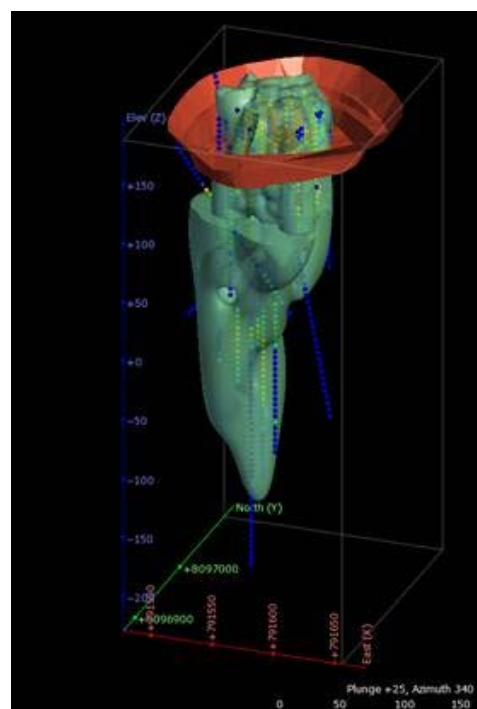
Total Oxide resources now comprise 463,000t averaging 1.3% Cu, for just over 6000t of contained Cu.

Figure 1: Bluff Deposit (Green represents >0.5% Cu envelope; Red represents >2.0% Cu envelope).

Sandy Flat

Two 'scissor' diamond holes were drilled into the Sandy Flat deposit for a 465m advance. These holes were drilled to test the sulfide zone immediately below the current open pit, mined in the mid 1990's to a depth of around 45m, into an area which had a relative lack of information. The resource estimated by SRK Consulting remains relatively unchanged at 2,037,000 tonnes averaging 1.3% Cu in the Indicated and Inferred categories, comprising 433,000 tonnes at 1.9% Cu in Indicated Resources and 1,604,600 tonnes at 1.2% Cu in Inferred Resources (Figure 2).

Figure 2: Sandy Flat Deposit (Red pit shell shows historic open cut pit which was mined in the mid-nineties to 45 m depth)



Azurite

A total of 11 shallow RC holes for 354m advance along with one 34m diamond hole were drilled in a close spaced pattern over the centre of mineralisation outlined by earlier work. Results were consistent with a shallow sub-horizontal ore body developed by oxide dispersion from a series of small fissure, representing immature forms of the examples of breccia pipe found elsewhere on ERL94. The drilling delivered a significant upgrade to the resource estimated by SRK Consulting; being 322,000 tonnes grading 1.5% Cu in the Indicated and Inferred categories, comprising 221,000 tonnes at 1.6% Cu in Indicated Resources and 101,000 tonnes at 1.3% Cu in Inferred Resources.

Total Oxide resources now comprise 182,000t averaging 1.5% Cu for approximately 3,000t of contained copper (Figure 3).

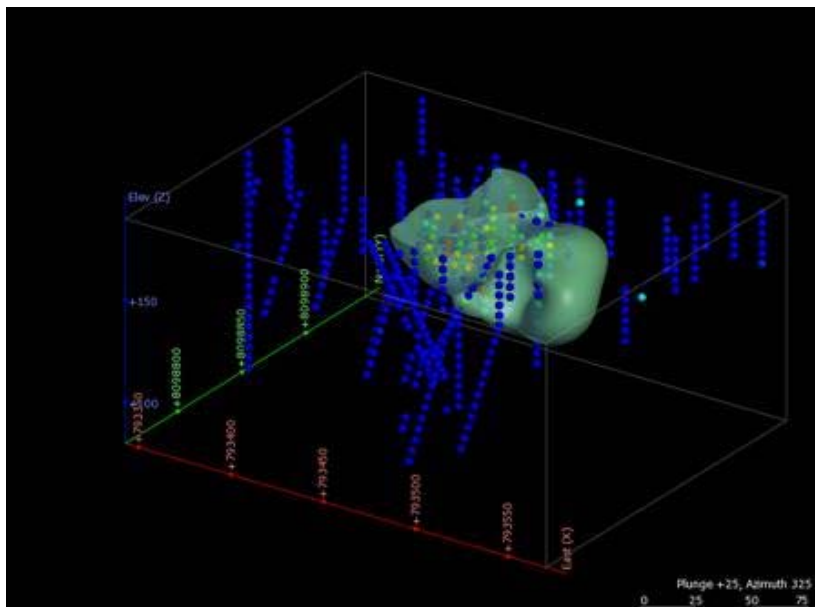
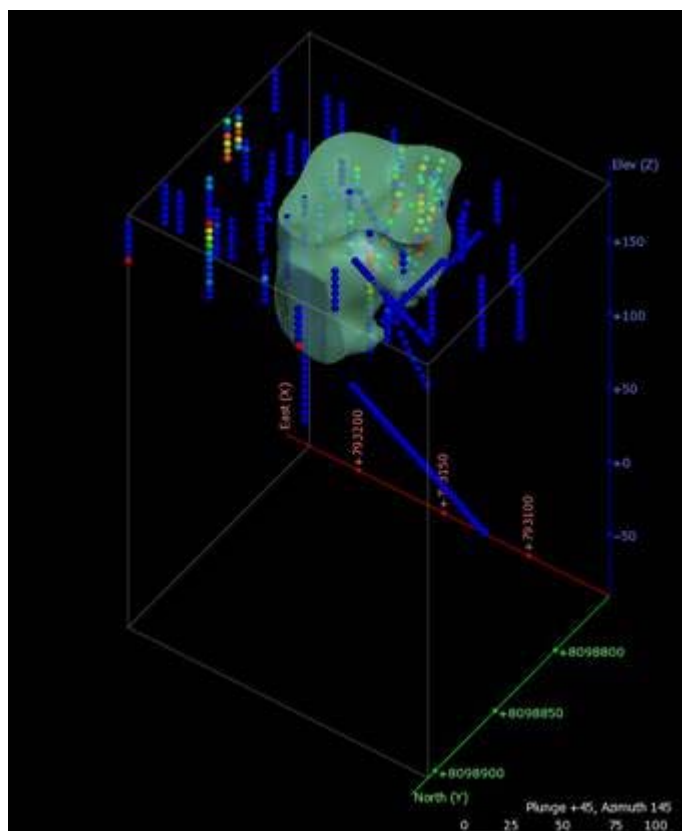


Figure 3: Model of mineralisation > 0.5% Cu (green) for Azurite Deposit

Redbank

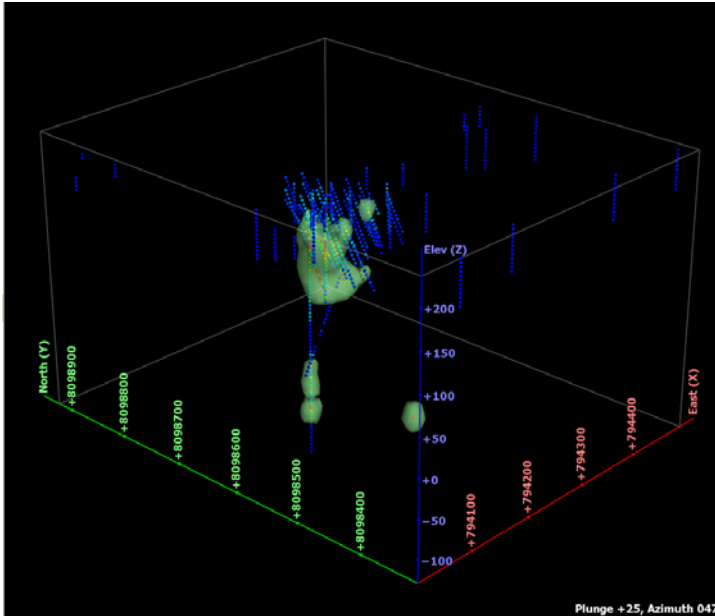


Drilling at Redbank in the current programme consisted of 8 shallow RC holes for 368m advance, plus a diamond hole drilled to 66m depth, designed to test for a deeper breccia core and delineate near surface tonnes. SRK has estimated the new total resource to be 375,000 tonnes grading 1.7% Cu in the Indicated and Inferred categories, comprising 194,000 tonnes at 2.2% Cu in Indicated Resources and 181,000 tonnes at 1.1% Cu in Inferred Resources.

Total Oxide resources now comprise 236,000t averaging 2.0% Cu for approximately 5,000t of contained copper (Figure 4).

Figure 4: Model of mineralisation > 0.5% Cu (in green) for Redbank Deposit

Punchbowl



No new drilling has been undertaken at Punchbowl in 2008 as initial studies during the PFS indicated that the current model was unlikely to generate sufficient cashflow from a mining exercise. It currently has an Inferred Resource estimate of 416,000 tonnes at 1.3% Cu.

Figure 5:
Model of mineralisation > 0.5% Cu (in green) for Punchbowl Deposit

Definitive Feasibility Study

The revised mineral resource will be used in the ongoing definitive feasibility study (DFS) being undertaken by the Company for the oxides stage of the project, with leach column testwork, pit optimisation and design, mine planning, process flow sheet and detailed engineering design to follow.

Yours faithfully

Redbank Mines Limited

Jerome G Vitale
Managing Director

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 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.

APPENDIX 1: Mineral Resource Statement Redbank Copper Project

BY DEPOSIT									
TOTAL	INDICATED			INFERRED			TOTAL		
	tonnes	Cu%	Metal (t)	tonnes	Cu%	Metal (t)	tonnes	Cu%	Metal (t)
Azurite (i)	221,000	1.6	3,500	101,000	1.3	1,500	322,000	1.5	5,000
Redbank (ii)	194,000	2.2	4,500	181,000	1.1	2,000	375,000	1.7	6,500
Punchbowl (iii)	-	-	-	416,000	1.3	5,500	416,000	1.3	5,500
Bluff (iv)	870,000	1.5	13,000	1,188,000	1.6	19,000	2,058,000	1.5	31,500
Sandy Flat (v)	433,000	1.9	8,000	1,604,000	1.2	19,000	2,037,000	1.3	27,000
TOTAL PROJECT	1,718,000	1.7	29,000	3,490,000	1.3	46,000	5,208,000	1.4	75,000
BY MINERALISATION									
OXIDE	INDICATED			INFERRED			TOTAL		
	tonnes	Cu%	Metal (t)	tonnes	Cu%	Metal (t)	tonnes	Cu%	Metal (t)
Azurite	142,000	1.6	2,500	40,000	1.3	500	182,000	1.5	3,000
Redbank	170,000	2.3	4,000	66,000	1.3	1,000	236,000	2.0	5,000
Punchbowl	-	-	-	31,000	0.9	500	31,000	0.9	500
Bluff	463,000	1.3	6,000	-	-	-	463,000	1.3	6,000
TOTAL OXIDES	775,000	1.6	12,500	137,000	1.2	1,500	912,000	1.5	14,000
SULFIDE	INDICATED			INFERRED			TOTAL		
	tonnes	Cu%	Metal (t)	tonnes	Cu%	Metal (t)	tonnes	Cu%	Metal (t)
Azurite	79,000	1.4	1,000	61,000	1.4	1,000	140,000	1.4	2,000
Redbank	24,000	1.4	500	115,000	1.0	1,000	139,000	1.1	1,500
Punchbowl	-	-	-	385,000	1.3	5,000	385,000	1.3	5,000
Bluff (<100m)	407,000	1.7	7,000	-	-	-	407,000	1.7	7,000
Bluff (>100m)	-	-	-	1,188,000	1.6	19,000	1,188,000	1.6	19,000
Sandy Flat (<100m)	433,000	1.9	8,000	-	-	-	433,000	1.9	8,000
Sandy Flat (>100m)	-	-	-	1,604,000	1.2	19,000	1,604,000	1.2	19,000
TOTAL SULFIDES	943,000	1.7	16,000	3,353,000	1.3	44,500	4,296,000	1.4	61,000
TOTAL PROJECT	1,718,000	1.7	29,000	3,490,000	1.3	46,000	5,208,000	1.4	75,000

- A) Resource estimates have been rounded to the nearest 1,000t for resource tonnage, one decimal place for the grade, and the nearest 500 tonnes for Copper metal content. Note this may give rise to rounding errors in the totals listed above. Total metal content has been rounded directly from the estimate, and is not simply the product of the rounded tonnages and grades as summarised in this table.
- B) Resources are within 100 m of surface unless otherwise specified. Total Resource above 100m depth is 2.41Mt @1.5% cu, for 37,000 tonnes of contained copper.

APPENDIX 1: Mineral Resource Statement Redbank Copper Project continued

- (i) Azurite Database of 79 holes to a depth of 250m. Leapfrog™ software used to create a wireframe interpretation at 0.5% Cu, incorporating a mineralization control of a steeply plunging breccia pipe. Grades were estimated using ordinary kriging with x and y block sizes of 10m each, and 5m block size for z, isotropic search distance of 40m, with a minimum and maximum composites of 8 and 64 respectively. Density applied was 1.9 t/m³ in the oxide and 2.1 t/m³ for the sulfide zone. The resource is generally classified as Indicated where blocks had an average distance to the composites used of less than 25m, outside this the blocks were classified Inferred
- (ii) Redbank Database of 97 holes to a depth of 324m. Leapfrog™ software used to create a wireframe interpretation at 0.5% Cu, incorporating a mineralization control of a steeply plunging breccia pipe. Grades were estimated using ordinary kriging with x and y block sizes of 10m each, and 5m block size for z, isotropic search distance of 40m, with a minimum and maximum composites of 8 and 32 respectively. Density applied was 1.9 t/m³ in the oxide and 2.1 t/m³ for the sulfide zone. The resource is generally classified as Indicated where blocks had an average distance to the composites used of less than 20m, outside this the blocks were classified Inferred.
- (iii) Punchbowl Database of 122 holes to a depth of 335m. Leapfrog™ software used to create a wireframe interpretation at 0.5% Cu, incorporating a mineralization control of a steeply plunging breccia pipe. Grades were estimated using ordinary kriging with x and y block sizes of 10m each, and 5m block size for z, isotropic search distance of 50m, with a minimum and maximum composites of 8 and 48 respectively. Density applied was 1.8 t/m³ in the oxide, and 2.2 t/m³ in the sulfide. The resource is classified as Inferred due to the less defined nature of the resource shell.
- (iv) Bluff Database of 59 holes to a depth of 335m. Leapfrog™ software used to create a wireframe interpretation at 0.5% Cu, incorporating a mineralization control of a steeply plunging breccia pipe. A central high grade zone was also modelled at 2% Cu cutoff. Grades were estimated using ordinary kriging with x and y block sizes of 15m each, and 5m block size for z, isotropic search distance of 40m, with a minimum and maximum composites of 8 and 64 respectively. Density applied was 2.2 t/m³ in the oxide, and 2.6 t/m³ in the sulfide. Blocks above ~100m vertical depth were classified as Indicated, below this Inferred on the basis of a decrease in data density.
- (v) Sandy Flat Database of 72 holes to a depth of 405m. Leapfrog™ software used to create a wireframe interpretation at 0.5% Cu, incorporating a mineralization control of a steeply plunging breccia pipe. A high grade supergene zone (already mined) was also modelled at 3.5% Cu cutoff. Grades were estimated using a 15m maximum extension above around 100m vertical depth, with unconstrained modelling below that. Density applied was 2.1 t/m³. Blocks above ~ 100m vertical depth were classified as Indicated, below this Inferred due to a lack of down-hole survey.

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 **5.2m tonnes at a grade of 1.44% copper (75,000t of contained Cu metal)** as reported in this communication. 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 sulfides 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 within 12 months 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.

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