

17<sup>th</sup> March 2009

Dear Fellow Shareholders,

I believe 2009 will prove to be a very significant year of progress for our Company.

As previously outlined it is intended to seek approval to change our name to Redbank Copper Limited and we also plan to divest the Fiji Gold Project and only focus on copper exploration and copper project development.

The timing is ideal for this to focus on exploration, mine and process engineering studies as we believe copper commodity prices will hover around US\$1.50 to \$1.85 per pound for the majority of this year. During 2010, the year we plan to recommence production, we believe prices will range between US\$2.00 to \$2.50 per pound as global financial markets return to health along with the Chinese economy re-gathering speed as a direct result of their Government's financial stimulus programmes together with the return to their traditional annual growth patterns of 8 to 10%.

Attached is a summary of the exploration program planned for this year together with a copy of the recent media release covering the first major exploration effort the tenements have been exposed to using modern techniques.

As you are aware Redbank currently has a Rights Issue underway to raise capital to carry out this exploration program and I strongly would urge shareholders to consider taking up their entitlements to enjoy the future success that will flow as a result of discoveries.

Certainly the Company's major shareholder, Stirling Resources, will be taking up its rights and as well has sub-underwritten the issue as Stirling appreciates the significant potential upside for the Redbank project.

Previous management have invariably made placements to outside groups without shareholders having the opportunity to participate and we consider this practice very wrong as shareholders should always have the opportunity to participate first.

Should any shareholders wish to acquire additional shares in the Rights Issue they are most welcome to do so and arrangements can be made by contacting our Chief Financial Officer Keith Vuleta on phone 08 6389 6800. In order to give shareholders time the Company has extended the Rights Issue closure time to Friday 17 April 2009.

I am always happy to receive call or emails from shareholders enquiring about any aspect of the Company or operations.

My contact details are:

Phone: 08 6389 6800

Email: [mlk@stirlingresources.com.au](mailto:mlk@stirlingresources.com.au)

Best regards,



**Michael Kiernan**

Director, Redbank Mines Limited

Managing Director, Stirling Resources Limited

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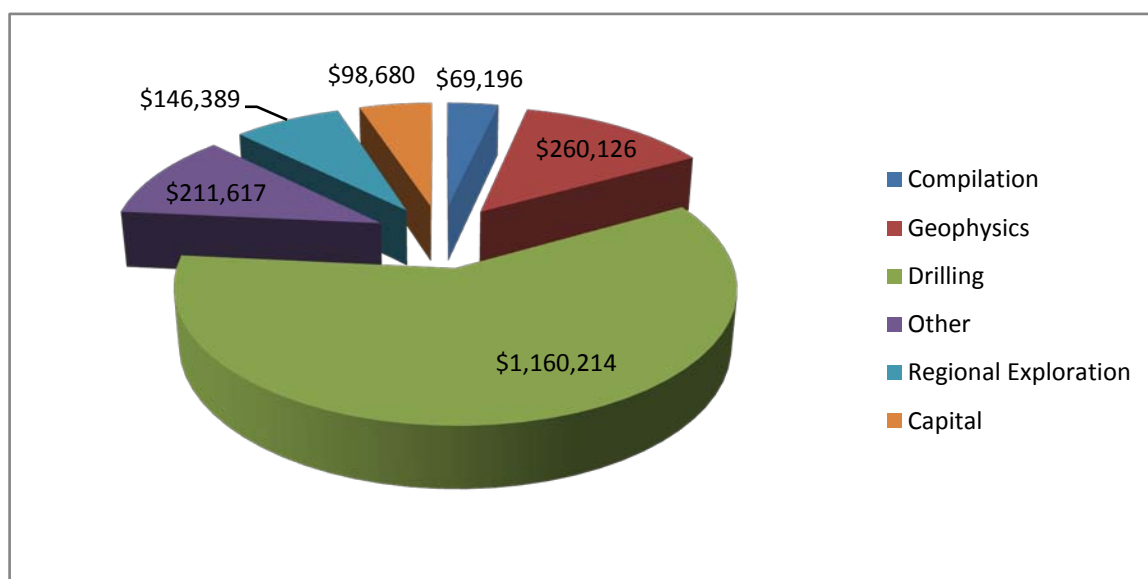
## 2009 Redbank Budget

The 2009 Redbank budget of \$2.5M is focussed on exploration within ERL94 and is designed to deliver a doubling in mineable sulfide ore resources to support a 5yr mine life, at a minimum production rate of 300,000 tonnes of ore through a sulphide process stream. This will require drill delineation of at least 1-2 further Bluff/Sandy Flat sized deposits. Previous exploration on ERL94 indicates the most advanced targets currently lie within the Redbank-Bluff corridor. The proposed programme has the aim of generating and confirming targets and ranking them in order of priority, followed by efficient drill targeting of sulfide breccia pipe zones to open-pittable depths.

New oxide resource definition is planned only as a secondary process to the sulfide delineation, by virtue of the smaller volume of material likely to be encountered in the top 35m in any newly discovered pipe.

The total proposed 2009 exploration budget is \$1.9M, of which around 60% is direct drilling expenditure. A further \$600,000 is earmarked for mine development studies. Proposed exploration costs are summarised below.

2009 Redbank Exploration Budget \$1.9M



**Compilation:** All available data will be compiled and incorporated into a comprehensive exploration review and target ranking strategy, ahead of planned drilling in early June.

**Spatial Data Modelling:** Aerial photography and derived digital terrain modelling (DTM) will provide a definitive spatial framework for the interpretation of the geology and subsequent target generation.

**Geophysics:** Close-spaced ground magnetic, radiometrics, and gravity surveys are planned as mapping tools to highlight structure and geophysical anomalies that may relate to mineralisation in the near surface and at depth.

A significant component of the geophysics budget is for a TEM and Resistivity survey to firstly generate geophysical signatures of the known sulfide mineralisation and then to broadly test the Redbank-Bluff corridor for analogous features. If the orientation work is promising a 4 week survey is planned, at the completion of which it is anticipated that the company be able to rank targets on the basis of sulphide potential and vector drilling in on the mineralisation far more efficiently. A small contingency exists in the budget for the trialling of either techniques over the best of the current geochemical anomalies outside of the Redbank-Bluff corridor.

**Geochemical:** Although the lease is now effectively soil sampled at an intensity that is unlikely to be infilled, around 20% of the lease is overlain by a later cover of some 20-30m of the Echo Creek Formation, and standard geochemical methodologies are ineffective in defining anomalism through this thickness of cover. The company plans to trial MMI (Mobile Metal Ion) sampling and analysis in this terrain to ascertain its validity and use in this area, which could extended to outlying regional tenements as well. Responses are very low level with this technique, but often the level of anomalism is significantly enhanced.

**Drilling:** A 2009 drill advance of 8000m is proposed for ERL94 and associated MLN's, comprising 7000m of RC drilling and 1000m of large diameter PQ diamond drilling, primarily for metallurgical and geotechnical testwork. The bulk of the RC drilling (5000m) is earmarked for resource delineation. Drilling will cover vertical depths of around 150m, with maximum hole depths in the order of 250m.

A further 1500m of RC drilling is proposed for conversion of inferred to indicated categories in currently defined resources, with a nominal 500m of drilling earmarked for sterilisation proximal to current and proposed infrastructure should a review warrant such action.

Drilling is planned to be supported on site by Niton XRF equipment and operator, enabling real time quantitative analysis of copper mineralisation, vastly enhancing the decision-making process of geological personnel with successful drill targeting, as well as limiting the volume and cost of offsite independent analysis, through the unnecessary analysis of non-mineralised meterage.



At the completion of work on ERL94, drilling with the same rig would commence at advanced targets on the Copperado Joint Venture lease, EL24654, where around 2000m of RC drilling is planned for completion, dependent upon results from proposed gravity and geochemical surveys planned for this year.

**Mine Development:** As production is mooted for 2010, various studies will be executed to demonstrate the viability of both an oxide and sulphide processing stream, and the ability of the project to sustain the capital expenditure required for each proposed development.

**Regional Exploration Costs:** Excluding Copperado, on all other regional exploration leases are in their first year of life. Initial work will consist of desktop reviews of all open file data, and field reconnaissance to areas of interest, backed by spot geochemical sampling.

Work at the Copperado JV with Glencore will continue, with results from an initial interpretation of geophysical data from the southern third of the lease likely to be available shortly after recent delay. Planned work for 2009 will include a gravity and geochemical programme originally proposed in the latter half of 2008, principally into the southern third of the tenement, followed by 2000m of RC drilling into advanced target areas on EL24654.

**The proposed exploration program sequence for the Redbank Project is summarised below:**

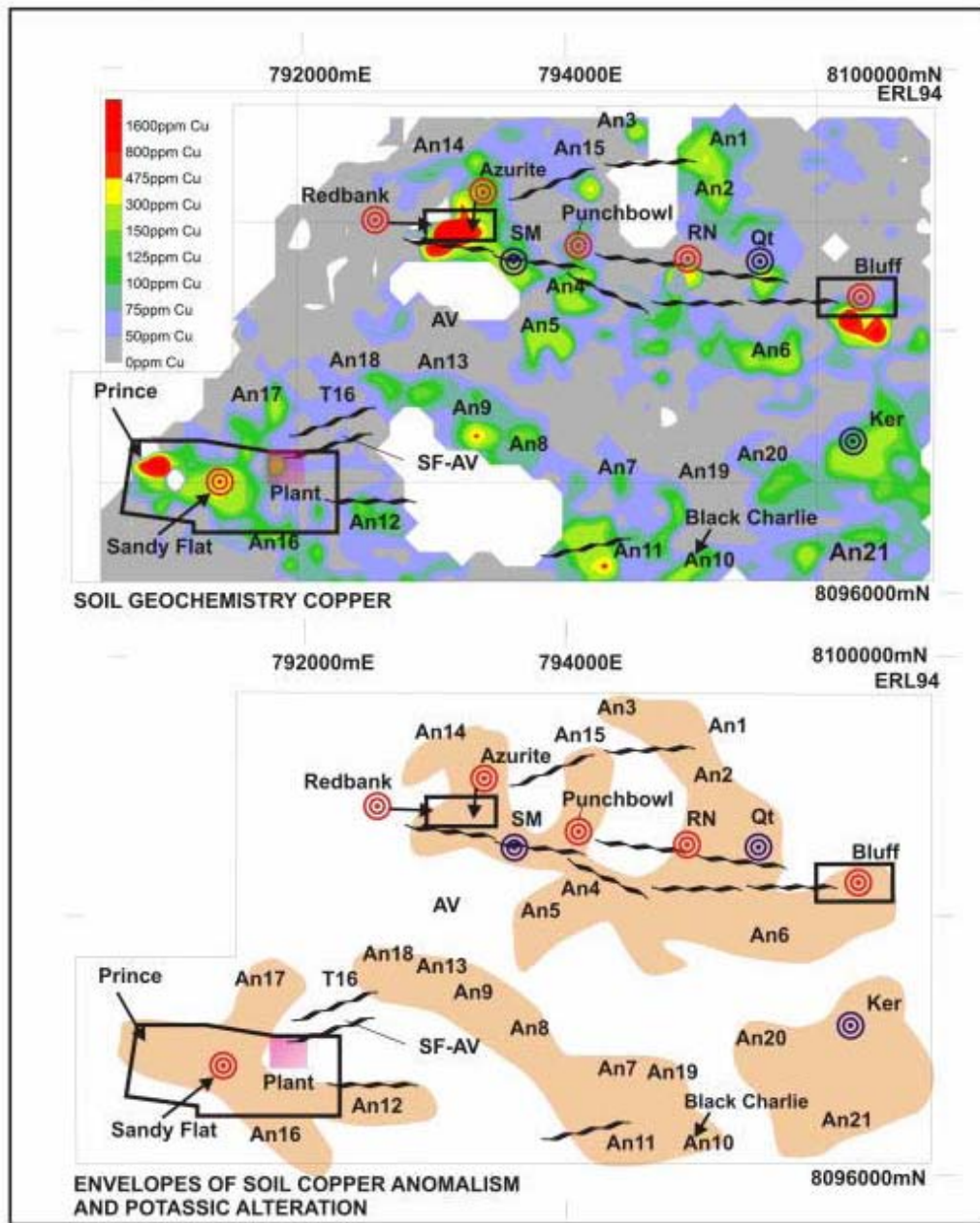
<b>Initial Compilation work</b>	<b>March 2009</b>
<b>Mapping</b>	<b>March/April 2009</b>
<b>Aerial photography</b>	<b>April/May 2009</b>
<b>Ground Geophysical surveys</b>	<b>April/May 2009</b>
<b>Review and Rank targets</b>	<b>May 2009</b>
<b>Geochemical MMI orientation survey</b>	<b>June 2009</b>
<b>Drilling</b>	<b>June to September 2009</b>



Craig Hall  
General Manager, Exploration.



# ERL94 - Deposits and Exploration Targets



- Mineralised breccia pipe
- Breccia pipe limited or no drilling
- Shear Zone
- Mining lease
- Exploration license



- Exploration targets**
- AV Airport Valley
  - T16 Target Zone 16
  - SF-AV Sandy Flat to Airport Valley
  - SM San Miguel Pipe
  - RN Roman Nose Pipe
  - Qt Quartzite Pipe
  - Ker Kerslake Pipe
  - An1 to An21 soil anomalies





ASX / MEDIA RELEASE

17 MARCH 2009

## **REDBANK KICKS OFF EXPLORATION PROGRAM TO DOUBLE RESOURCE BASE**

High grade copper developer Redbank Mines Limited (ASX: RBM) has commenced activity on a \$2.5 million exploration and development program at its primary Northern Territory project, where it is aiming to double existing resources of mineable copper sulfide.

Redbank announced in January that mining and treatment operations at the Redbank Copper Mine, which is located in the prospective McArthur River Basin, would be placed on care and maintenance during 2009 while it focused on exploration.

The Company's aim is to expand resources to support an initial five year mine life, at a minimum production rate of 300,000 tonnes of ore through a sulfide process stream.

The exploration program will focus on targets within ERL94, and will include a drilling program of up to 10,000 metres to start in June. Redbank is currently compiling data to rank high priority targets, which would be followed by mapping and ground geophysical surveys ahead of drilling.

Redbank Managing Director Bruce Morrin said this was a significant exploration program, targeting high grade copper sulfide to open-pit depths.

"Currently, we believe only about 15% of the tenement area has been explored using modern techniques, and there is significant exploration upside on what is a large and prospective tenement package," Mr Morrin said.

"We are using this period of lower copper prices as an opportunity to expand our resources base and extend potential mine life, so we are well positioned to return to production next year," Mr Morrin said.

The total proposed 2009 exploration budget is \$1.9 million, of which around 60% is direct drilling expenditure, with a further \$600,000 earmarked for mine development studies.

Redbank has a significant ground position within the McArthur Basin region, with more than 2,700km<sup>2</sup> under lease or application. The tenement package includes numerous advanced copper targets, and currently has indicated JORC resources of 1.7Mt @ 1.7% Copper, and inferred JORC resources of 3.5Mt @ 1.3% Copper; totaling 5.2 Mt at a grade of 1.4% copper, for 75,000 tonnes of contained copper metal.

"Previous exploration in this area indicates the most advanced targets currently lie within the Redbank-Bluff corridor. To achieve our target, Redbank's drilling program will be aiming to delineate another one or two deposits of a similar size to Bluff and Sandy Flat," Mr Morrin said.

Mineralisation at Redbank occurs in breccia pipes which are capped with a shallow (~35m deep) oxide zone and is underlain by sulfide mineralisation. The focus of past mining and exploration activity has been these oxide ore bodies.

Mr Morrin said the focus for this program was on sulfide delineation, with new oxide resource definition planned only as a secondary process, given the smaller volume of material likely to be encountered in the top 35m in any newly discovered pipe.

A drilling program of 8,000m is proposed for ERL94 and associated mineral leases, comprising 7,000m of RC drilling and 1,000m of large diameter diamond drilling. The bulk of the RC drilling (5,000m) is for resource delineation purposes and will cover vertical depths of around 150m, with maximum depths of about 250m.

Drilling will be supported on site by Niton XRF equipment and operator enabling real time analysis, which will help fast-track the assessment program and limit the volume and cost of offsite independent analysis.

At the completion of work on ERL94, the same rig will commence drilling at advanced targets on the Copperado lease, EL24654, where Redbank has a Joint Venture with Glencore International. About 2000m of RC drilling is planned for Copperado, dependent upon results from proposed gravity and geochemical surveys.

A summary of the 2009 exploration program is attached and is also available on the company's website [www.redbankmines.com.au](http://www.redbankmines.com.au).

Redbank is intending to return to production in 2010. As part of the development program, studies will be undertaken to demonstrate the viability of both an oxide and sulfide processing stream.

**For further information, please contact:**

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**Managing Director**  
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Competent Persons Statement

The technical aspects of this communication have been compiled by Mr Craig R Hall, MAusIMM, MAIG. Mr Hall is an employee 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 Australasian Code for Reporting of Mineral Resources and Ore Reserves. Mr Hall consents to the inclusion of this information in the form and context in which it appears.