Redbank Copper Limited

ABN 66 059 326 519

FINANCIAL REPORT

For the year ended to 30 June 2009

Redbank Copper Limited

ABN 66 059 326 519

CORPORATE DIRECTORY

BOARD OF DIRECTORS

James Searle	Non-executive Chairman
Bruce Morrin	Managing Director
Michael Kiernan	Non-executive Director
Bernie Siddall	Non-executive Director
Susan Field	Non-executive Director

COMPANY SECRETARY

Ildiko Wowesny

REGISTERED OFFICE

143 Hay Street,
Subiaco Western Australia 6008

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SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 2,
45 St George's Terrace,
Perth Western Australia 6000

Telephone: (61 8) 9323 2000
Facsimile: (61 8) 9323 2033
E-mail: perth.services@computershare.com.au
Web-site: www.computershare.com.au

AUDITORS

Deloitte Touche Tohmatsu

SOLICITORS

Allion Legal
Steinepreis Paganin

STOCK EXCHANGE LISTING

Shares in Redbank Copper Limited are quoted on the Australian Securities Exchange under trading code RCP.

CONTENTS

This annual financial report covers both the separate financial statements of Redbank Copper Limited as an individual entity and the consolidated financial statements for the consolidated entity, consisting of Redbank Copper Limited and its subsidiaries. The annual financial report is presented in Australian dollars.

Redbank Copper Limited is a company limited by shares, incorporated and domiciled in Australia.

DIRECTORS' REPORT

The directors present their report together with the financial report of Redbank Copper Limited (formally Redbank Mines Limited) (the "Company") and of the consolidated entity, being the Company and its controlled entities ("the Group") for the financial year ended 30 June 2009.

DIRECTORS

The names of the directors of the Company in office during the course of the financial year and up to the date of this report are as follows:

James Searle	(Chairman, since 28 November 2008)
Bruce Morrin	(Managing Director, since 1 January 2009) (Appointed as a director on 20 October 2008)
Michael Kiernan	(Appointed on 17 December 2008)
Bernie Siddall	(Appointed on 17 December 2008)
Susan Field	
Michael Kitney	(Resigned on 28 November 2008)
Kim McGrath	(Resigned on 28 November 2008)
Jerome (Gino) Vitale	(Resigned on 31 December 2008)

Unless otherwise indicated, all directors held their position as a director throughout the entire financial year and up to the date of this report.

INFORMATION ON DIRECTORS

Director	Qualifications, experience and special responsibilities
James Searle	B.Sc. PhD, MAusIMM Non-Executive Chairman. Dr Searle has been in the exploration and mining industry for over 30 years, during which time he has contributed to several major gold discoveries and been involved in the management of exploration and mining development in Australia and overseas, mostly as Managing Director of ASX listed company Dragon Mining NL. He holds a bachelor and doctoral degrees in geology and is a member of the Australian Institute of Mining and Metallurgy. Dr Searle brings to the company extensive practical experience in all aspects of project development. In a consulting capacity he provides technical input for the company's Redbank Copper Project and exploration program in the Northern Territory. Other current directorships: Matilda Zircon Limited. Dr Searle has not held directorships in any other listed companies in the last 3 years.
Bruce Morrin	ACSM, FAusIMM(CP), FIMMM(CEng), MAICD Managing Director Bruce Morrin has a wide range of experience in various open pit, underground and diverse hard rock mining operations working in large scale underground open stoping operations, block caving, and sublevel caving operations with challenging support requirements. He has also worked at internationally recognised mining centres including the Zambian Copperbelt with Anglo American, the Great Dyke of Zimbabwe, Mt Isa in Queensland with Mt Isa Mines Ltd and various Western Australian goldfields mining operations. He qualified as a mining engineer at the Camborne School of Metaliferous Mining, Cornwall, England, is a Fellow of the Australian Institute of Mining and Metallurgy, a Fellow of the Institute of Materials, Minerals and Mining (UK) and holds a First Class Mine Managers Certificate of Competency. Former directorships in the last 3 years: Moly Mines Limited.

Michael Kiernan B Bus, FAICD
Non-Executive Director

Mr Kiernan has more than 35 years experience in transport, mining, contracting and resources industries, including the development and operation of mining projects in iron ore, manganese, chromite, nickel, copper, coal, gold and mineral sands. He has a track record in management and leadership of resources based projects having held executive positions with Australia's major mining and transport contractors. He was founding Managing Director of the diversified minerals producer Consolidated Minerals Limited.

Other current directorships: Stirling Resources Limited, Matilda Zircon Limited, Australian Zircon Limited and Monarch Gold Mining Company Limited.

Former directorships in the last 3 years: Territory Resources Limited, India Resources Limited, Mineral Resources Limited, Precious Metals Australia Limited, Matilda Minerals Limited, Peel Exploration Limited and Uran Limited.

Bernie Siddall BSC (Hons), FAusIMM
Non-Executive Director

Mr Siddall was appointed to the board on 17 December 2008 and has 45 years experience in mine metallurgical practices from operations management to consulting to 18mtpa-100ktpa mining operations in gold, copper, nickel, other base metals, ferrous and industrial minerals from initial testing, through feasibility and process design to commissioning.

Former directorships in the last 3 years: Nimrodel Resources Limited.

Susan Field B.Bus, ACA , MAICD
Non-Executive Director

Ms Field is a Chartered Accountant with senior operational management experience in the corporate sector and in public practice. Ms Field played a key role in the identification and evaluation of the Redbank Copper Project which is the most advanced asset held by the Company. Prior to joining Redbank Copper in 1999 she spent a number of years with Ernst & Young, in the firm's Advisory and Assurance Services Division.

Ms Field is a member of the Australian Institute of Company Directors.

Ms Field has not held directorships in any other listed companies in the last 3 years.

Information on Company Secretary
Ildiko Wowesny B.Bus.

Company Secretary since April 2009. Ms Wowesny is a qualified Accountant with Experience in company secretarial roles together with corporate management, accounting and financial areas. She has served as Company Secretary for ASX listed resource companies for some considerable time together with 5 years at Deloitte Touche Tohmatsu and also a period in the United Kingdom with resource groups.

DIRECTORS' INTERESTS

At the date of this report, the interests of each Director in the shares and options of Redbank Copper Limited were:

Director	Fully paid shares	B Class shares	Unlisted options
J Searle	1,120,000	-	-
B Morrin	2,000,000	-	7,500,000
M Kiernan	184,191,191	-	-
B Siddall	-	-	-
S Field	633,668	60	-

DIRECTORS' MEETINGS

The number of meetings of the Board of Directors and committees of the Board held during the year and the number of meetings attended by each director was as follows:

	Board		Audit Committee	
	Number held whilst in office	Number attended	Number held whilst in office	Number attended
J Searle	14	14	-	-
B Morrin	8	8	-	-
M Kiernan	4	4	-	-
B Siddall	4	4	-	-
S Field	14	14	-	-
M Kitney (resigned 28 November 2008)	8	8	1	1
K McGrath (resigned 28 November 2008)	8	8	1	1
J Vitale (resigned 31 December 2008)	10	10	-	-

No meetings of the remuneration committee were held during the year.

REMUNERATION REPORT (audited)

This report sets out the remuneration arrangements in place for Directors and executives of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and its regulations. For the purposes of this report Key Management Personnel ("KMP") of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company.

Principles used to determine the nature and amount of remuneration

Directors and executives remuneration

Overall remuneration policies are determined by the Board of Directors and are adapted to reflect competitive market and business conditions. Within this framework, the remuneration committee considers remuneration policies and practices generally, and determines specific remuneration packages and other terms of employment for executive directors and senior management. Executives may be provided with longer-term incentives through participation in option schemes, which serve to align the interests of the executives with those of shareholders. Executive remuneration and other terms of employment are reviewed annually by the remuneration committee having regard to performance, relevant comparative information and expert advice.

Redbank Copper Limited's remuneration policy for executive directors and senior management is designed to promote superior performance and long term commitment to Redbank Copper Limited. Remuneration packages are set at levels that are intended to attract and retain executives capable of managing Redbank's operations. Executive directors receive a base remuneration which is market related.

Redbank's remuneration policies are designed to align executive's remuneration with shareholders' interests and to retain appropriately qualified executive talent for the benefit of Redbank. The main principles of the policy include:

- reward reflects the competitive market in which Redbank operates;
- individual reward should be linked to performance criteria; and
- executives should be rewarded for both financial and non-financial performance.

The structure of remuneration packages for executive directors and other senior executives comprises:

- a fixed sum base salary payable monthly in cash;
- short term incentives, through eligibility to participate in performance bonus plans and cash bonuses;
- long term incentives through executive directors being eligible to participate in a share option plan and share purchase plan as approved by shareholders. Senior executives may also participate in an employee share option plan, with any option issues generally being made in accordance with thresholds set in plans approved by shareholders and the share purchase plan; and
- other benefits, including participation in superannuation schemes.

The proportion of fixed and variable remuneration is established for each executive by the remuneration committee. The objective of any short term incentives is to link achievement of Redbank's operational targets with the remuneration received by executives charged with meeting those targets. The objective of long term incentives is to reward executives in a manner which aligns this element of their remuneration with the creation of shareholder wealth. Redbank's activities comprise the exploration, evaluation and development of mineral tenements aimed at identifying economic mineral deposits capable of development. Redbank's financial performance reflects the nature of these ongoing activities.

The payment of bonuses, share options and other incentive payments are reviewed by the Board as part of the review of executive remuneration and a recommendation is put to the Board for approval. The Board can exercise its discretion in relation to approving incentives, bonuses and options. Any changes must be justified by reference to measurable performance criteria.

The annual performance objectives are the means by which the Company links company performance and remuneration policy. Having regard to the current stage of the Company's evolution, linking of remuneration policy to production performance milestones and progress rather than earnings is considered the most appropriate method of incentivising employees. The realisation of achieving production targets and reaching full production levels is expected to have positive influence on the Company's share price as would exploration advancements. Any increase in the share price of the Company has a positive effect on shareholder wealth.

REMUNERATION REPOT (audited) (continued)

The Directors consider the principles of the remuneration of key management personnel have been successful in providing positive company performance. The principles have provided the desired incentive and are expected to continue to provide such incentive. Whilst the Company has only been in the early formative stages of the development of the Redbank mine site it is difficult to determine the effect on shareholder wealth. Whilst it may be expected that earnings would be a loss position in these early stages, any improved earning is viewed to be a long term position that is not yet fully determinable. During the financial year the Company's share price has ranged between $0.04 and $0.009.

Non-executive directors' remuneration
In accordance with current corporate governance practices, the structure for the remuneration of non-executive directors and senior executives is separate and distinct. Shareholders approve the maximum fees payable to non-executive directors, with the current approved limit being $250,000. The Board determines the actual payments to directors. The Board approves any consultancy arrangements for non-executive directors who provide services outside of and in addition to their duties as non-executive directors.

Non-executive directors are entitled to statutory superannuation benefits. At this stage of Redbank's development, non-executive directors may be entitled to participate in equity based remuneration schemes. Shareholders must approve the framework for any equity based compensation schemes and if a recommendation is made for a director to participate in an equity scheme, that participation must be specifically approved by the shareholders. All directors are entitled to have their indemnity insurance paid by Redbank.

The tables below sets out summary information about the consolidated entity's earnings and movements in shareholder wealth for five years to June 2009.

	30 June 2009 $	30 June 2008 $	30 June 2007 $	30 June 2006 $	30 June 2005 $
Revenue	1,518,776	3,874,638	3,441,935	149,636	605,381
Net loss before tax	(5,471,736)	(11,609,067)	(2,403,491)	(3,265,425)	(1,466,488)
Net loss after tax	(5,471,736)	(11,609,067)	(2,403,491)	(3,265,425)	(1,466,488)

	30 June 2009 $	30 June 2008 $	30 June 2007 $	30 June 2006 $	30 June 2005 $
Share price at start of year	0.04	0.13	0.10	0.20	0.36
Share price at end of year	0.02	0.04	0.12	0.10	0.20
Interim and Final Dividend	-	-	-	-	-
Basic earnings per share	(2.0) cents	(8.0) cents	(2.5) cents	(6.2) cents	(1.3) cents
Diluted earnings per share	(2.0) cents	(8.0) cents	(2.5) cents	(6.2) cents	(1.3) cents

REMUNERATION REPORT (audited) (continued)

Details of remuneration

The following table discloses details of the nature and amount of each element of the remuneration of each director of Redbank and the Group and each of the key management personnel for the year ended 30 June 2009. The information in this table has been audited.

30 June 2009 Group and Parent	Short term employee benefits			Post-employment benefits		Share based payments	
Name	Cash salary and fees	Cash bonus	Non-monetary benefits	Super-annuation	Termination benefits	Options	Total
	$		$	$	$	$	$
Key management personnel							
Directors							
Executive directors							
B Morrin (i)	49,174	-	695	50,826	-	-	100,695
S Field	169,725	-	1,972	15,275	-	-	186,972
G Vitale (ii)	108,333	-	2,765	9,750	250,000	-	370,848
Non-executive directors							
J Searle	29,500	-	-	-	-	-	29,500
M Kiernan (iii)	-	-	-	-	-	-	-
B Siddall (iv)	19,450	-	-	-	-	-	19,450
M Kitney (v)	10,000	-	-	-	-	-	10,000
K McGrath (vi)	20,368	-	-	1,833	-	-	22,201
Total	406,550	-	5,432	77,684	250,000	-	739,666

i) Mr Morrin was appointed as a Director on 20 October 2008 and was appointed as Managing Director on 1 January 2009.
ii) Mr Vitale resigned as a director on 31 December 2008.
iii) Mr Kiernan was appointed as a director on 17 December 2008.
iv) Mr Siddall was appointed as a director on 17 December 2008.
v) Mr Kitney resigned as a director on 28 November 2008.
vi) Mr McGrath resigned as a director on 28 November 2008.

30 June 2008 Group and Parent	Short term employee benefits			Post-employment benefits			Share based payments	
Name	Cash salary and fees	Cash bonus	Non-monetary benefits	Super-annuation	Other long term employee benefits	Termination benefits	Options	Total
	$		$	$	$	$	$	$
Key management personnel								
Directors								
Executive directors								
S Field	165,000	-	3,077	14,850	3,571	-	1,779	188,277
G Vitale	250,000	-	3,589	22,500	7,738	-	2,669	286,496
Non-executive directors								
K McGrath	30,000	-	-	2,700	-	-	-	32,700
J Searle	157,825	-	-	-	-	-	-	157,825
M Kitney	60,432	-	-	-	-	-	-	60,432
Other executives								
C Hall	160,000	-	7,482	14,400	-	-	-	181,882
Total	823,257	-	14,148	54,450	11,309	-	4,448	907,612

REMUNERATION REPORT (audited) (continued)

Craig Hall was previously included in the key management personnel group, however the board has since reassessed this which is why no comparative figures for 2009 have been provided.

Compensation options: granted and vested during the year (consolidated)
No options were granted, vested, exercised or lapsed during the year in relation to Key Management Personnel.

No shares were issued during the year as a result of the exercise of options granted as part of remuneration.

There were no alterations to the terms and conditions of options granted as remuneration since their grant date. There were no forfeitures during the year.

Information on any benefits received by directors of Redbank Copper Limited by reason of a contract made by the consolidated entity with a director or a director-related entity is contained in Note 19 of the financial report.

Service agreements
The terms of employment for executive directors and specified executives are formalised in service agreements. Major provisions of the agreements relating to duration and termination are set out below.

S Field – Non-Executive Finance Director

Term of agreement:	Expired on 30 June 2009.
Base salary:	$165,000 per annum inclusive of superannuation, to be reviewed annually. At the date of this report the contract has not been renewed and Ms Field now holds the position of non-executive director.
Termination provisions:	At the date of this report the contract with Ms Field has not been renewed. Notice was provided and served and no further termination payments were applicable.

J (Gino) Vitale – Managing Director

Term of agreement:	Expired on 31 December 2008.
Base salary:	$250,000 per annum inclusive of superannuation, to be reviewed annually.
Termination provisions:	Mr Vitale resigned from the company effective 31 December 2008. He was provided with a termination package of 1 year's salary ($250,000) as per his service agreement.

Share-based compensation
Directors, employees and consultants may be eligible to participate in equity based compensation schemes. An employee share option scheme has been adopted by the Board of the Company. The primary purposes of the scheme are to increase motivation, promote retention, align interests with those of the Company and its shareholders and to reward contribution to the growth of the Company.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year is as an Australian based mining company focused on the development of the Redbank Copper Project in the north-eastern part of the Northern Territory.

OPERATING RESULTS

The net loss of the Group after provision for income tax was $5,471,736 (2008: $11,609,067).

The following non-cash items were included in the Group operating loss reported:

	$
Impairment of current assets	290,365
Impairment of non-current assets	909,329
Write back of current liabilities	(458,791)
Depreciation and amortisation	230,796
	971,699

REVIEW OF OPERATIONS

During the financial year the Company placed mining and treatment facilities at the Redbank Copper Mine on short term care and maintenance as depressed global commodity prices in the latter part of 2008 severely affected the economics at that point in time.

The Company secured a $6 million financing package in late 2008 which included a convertible note facility and the retirement of external debt facilities. This financing saw Stirling Resources Limited become the Company's major shareholder. Following this significant recapitalisation and a reconstitution of the Board, a review of Redbank's operations and asset base was undertaken. The Redbank copper project is the sole focus of the new Redbank Board and management team.

The Company embarked on an exploration programme to focus on discovery and delineation of high grade sulfide resources in order to grow the mine life of a proposed new copper production facility and for a review of development options for the Redbank mine. A mine study for the development of the Redbank Copper Project was completed in early September 2009. The study confirmed the positive economics of the project and identified optimal methods for development.

With the support of Stirling Resources Limited, the Company undertook a rights issue offering to shareholders in April 2009, which was successful in raising $4.3 million. Redbank was funded to pursue a substantial exploration strategy including a 10,000 metre drilling programme targeting high grade, copper sulphide mineralisation.

DIVIDENDS

No dividend was paid or declared during the year and the directors do not recommend the payment of a dividend.

LIKELY DEVELOPMENTS

The Company already has a significant high grade copper resource at the Redbank Copper Project contained in discrete mineralised breccia pipes that extend vertically over 300m from surface. A $2.5 million exploration and drilling program will focus on extensions of the known high grade resources and testing well defined targets for as yet undiscovered breccia pipes. The program commenced at the end of June 2009. The aim is to provide the basis for a major redevelopment of Redbank as a mid sized economically robust high grade copper producer.

Project development studies and the regulatory approval process have already commenced and will be on going concurrent with the drilling to ensure the best possible time frame for the recommencement of copper production.

In the opinion of the directors there is no additional information available as at the date of this report on any likely developments which may materially affect the operations of the Group and the expected results of those operations in subsequent years.

OPTIONS GRANTED OVER UNISSUED SHARES

At the date of this report, 4,000,000 ordinary fully paid shares which are subject to options were unissued. The terms of these options are as follows:

Options granted over fully paid shares exercisable:

	Number
- exercisable at $0.018 each on or before 31 August 2009	18,294,444
- exercisable at $0.096 each on or before 30 January 2011	4,000,000
	22,294,444

Details of options issued and exercised during the financial year are contained in note 16 and 17 to the financial report. Subsequent to the end of the year 5,950,000 options were converted into fully paid ordinary shares at $0.018 to raise $199,000 .

No person entitled to exercise the options has any right by virtue of the option to participate in any share issue of the parent entity or any other corporation.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The Redbank mine site was placed into care and administration at the start of 2009 calendar year to focus on aggressive exploration to extend the resources and mine life of the operation.

During the company's general meeting on 10 July 2009, shareholder approval was gained to change the name of the company from Redbank Mines Limited to Redbank Copper Limited.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Significant events which have occurred subsequent to the end of the financial year are contained in Note 24 to the financial report.

NON-AUDIT SERVICES

The Board has considered the non-audit services provided during the year and is satisfied that the provision of those services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 and did not compromise the auditor independence requirements of the Corporations Act 2001, for the following reasons:

- all non-audit services were subject to the corporate governance guidelines adopted by the Company;
- all non-audit services have been reviewed by the Board to ensure that they do not impact the impartiality and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting and Professional and Ethical Standards Board.

No non-audit services were paid or payable to the auditors during the year ended 30 June 2009.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has taken out an insurance policy insuring Directors and Officers of the Company against any liability arising from a claim bought by a third party against the Company or its Directors or Officers, and against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as a Director or Officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

The Company has entered into indemnity agreements with each of the directors and officers of the Company. Under the agreements, the Company will indemnify those officers against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities as officers of the Company or any related entities.

ENVIRONMENTAL REGULATIONS

The consolidated entity is subject to significant environmental regulation in respect to its mining and mineral exploration activities. These obligations are regulated under relevant government authorities within Australia. The consolidated entity is a party to exploration and mine development licences. Generally, these licences specify the environmental regulations applicable to exploration and mining operations in the respective jurisdictions. The consolidated entity aims to ensure that it complies with the identified regulatory requirements in each jurisdiction in which it operates.

Compliance with environmental obligations is monitored by the Board of Directors. No environmental breaches have been notified to the Company by any government agency during the financial year ended 30 June 2009.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under Section 307C of the Corporations Act is included immediately following the Directors' Report and forms part of the Directors' Report.

Signed in accordance with a resolution of the Board of Directors.

Bruce Morrin
Managing Director

Perth, Western Australia
30 September 2009

AUDITOR'S INDEPENDENCE DECLARATION

Deloitte Touche Tohmatsu
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The Board of Directors
Redbank Copper Limited
143 Hay Street
Subiaco, WA 6008

30 September 2009

Dear Board Members

Redbank Copper Limited (formerly Redbank Mines Limited)

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Redbank Copper Limited.

As lead audit partner for the audit of the financial statements of Redbank Copper Limited for the financial year ended 30 June 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Leanne Karamfiles
Partner
Chartered Accountants

INCOME STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

		CONSOLIDATED		PARENT	
	NOTE	2009 $	2008 $	2009 $	2008 $
Revenue	3	1,426,144	3,041,810	-	-
Cost of sales		(1,879,979)	(2,734,227)	-	-
Gross profit		(453,835)	307,583	-	-
Other income	3	92,632	832,828	59,456	22,662
Employee and directors – remuneration expenses	3	(958,478)	(1,346,250)	(808,483)	(533,833)
Employee and directors – share based payments expenses		-	(4,448)	-	(4,448)
Depreciation and amortisation	3	(230,796)	(457,356)	(31,900)	(12,180)
Corporate and administrative expenses	3	(2,841,343)	(1,349,653)	(1,090,980)	(780,941)
Impairment of current assets		(290,365)	-	-	-
Write back of current liabilities		458,791	-	-	-
Impairment of non-current assets		(909,329)	(9,222,217)	(7,416)	-
Finance costs	3	(339,013)	(369,342)	(244,071)	(276,807)
Loss before income tax expense and impairment of loans to controlled entities		(5,471,736)	(11,608,855)	(2,123,394)	(1,585,547)
Impairment of loans to controlled entities		-	(212)	(146,085)	(4,029,801)
Income tax expense	4	-	-	-	-
Loss after impairment and income tax		(5,471,736)	(11,609,067)	(2,269,479)	(5,615,348)
Net loss		(5,471,736)	(11,609,067)	(2,269,479)	(5,615,348)
Basic and diluted loss per share (cents per share)	22	(2.0)	(8.0)		

The above income statements should be read in conjunction with the accompanying notes.

BALANCE SHEETS
AS AT 30 JUNE 2009

	NOTE	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT 2009 $	PARENT 2008 $
CURRENT ASSETS					
Cash and cash equivalents	5,26	1,474,082	65,062	1,348,147	19,025
Trade and other receivables	6	328,501	761,969	126,828	155,683
Inventory	7	41,266	614,549	-	-
Non current assets held for sale	9	25,000	-	-	-
TOTAL CURRENT ASSETS		1,868,849	1,441,580	1,474,975	174,708
NON-CURRENT ASSETS					
Trade and other receivables	6	504,170	491,831	8,700,231	6,597,060
Other financial assets	8	54,085	81,127	2,990,058	2,990,058
Plant and equipment	10	581,343	1,545,346	75,789	137,285
Pre development	11	456,325	250,447	-	-
Deferred exploration expenditure	12	6,492,587	5,962,254	-	-
TOTAL NON-CURRENT ASSETS		8,088,510	8,331,005	11,766,078	9,724,403
TOTAL ASSETS		9,957,359	9,772,585	13,241,053	9,899,111
CURRENT LIABILITIES					
Bank Overdraft	5	-	26,083	-	26,083
Trade and other payables	13	2,013,033	2,272,976	1,100,124	1,107,518
Interest bearing loans and borrowings	14	1,458,423	1,728,703	1,458,423	1,728,703
Provisions	15	617,851	636,838	617,852	612,094
TOTAL CURRENT LIABILITIES		4,089,307	4,664,600	3,176,399	3,474,398
NON-CURRENT LIABILITIES					
Trade and other payables	13	1,189,827	1,047,885	-	-
Interest bearing loans and borrowings	14	1,528,871	376,538	1,528,871	376,538
Provisions	15	1,195,805	1,032,477	-	17,113
TOTAL NON-CURRENT LIABILITIES		3,914,503	2,456,900	1,528,871	393,651
TOTAL LIABILITIES		8,003,810	7,121,500	4,705,270	3,868,049
NET ASSETS		1,953,549	2,651,085	8,535,783	6,031,062
EQUITY					
Issued capital	16	75,915,514	71,141,314	75,915,514	71,141,314
Accumulated losses		(75,489,978)	(70,018,242)	(68,907,744)	(66,638,265)
Reserves	17	1,528,013	1,528,013	1,528,013	1,528,013
TOTAL EQUITY		1,953,549	2,651,085	8,535,783	6,031,062

The above balance sheets should be read in conjunction with the accompanying notes.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
At 30 June 2007	67,227,388	1,382,244	(58,409,175)	10,200,457
Loss for the year	-	-	(11,609,067)	(11,609,067)
Total recognised income and expense for the year	-	-	(11,609,067)	(11,609,067)
Equity Transactions:				
Issue of share capital	4,332,603	-	-	4,332,603
Share issue expenses	(418,677)	-	-	(418,677)
Share-based payments	-	145,769	-	145,769
At 30 June 2008	71,141,314	1,528, 013	(70,018,243)	2,651,085
Loss for the year	-	-	(5,471,736)	(5,471,736)
Total recognised income and expense for the year	-	-	(5,471,736)	(5,471,736)
Equity Transactions:				
Issue of share capital	4,971,497	-	-	4,971,497
Share issue expenses	(197,297)	-	-	(197,297)
At 30 June 2009	75,915,514	1,528, 013	(75,489,978)	1,953,549

Parent	Issued capital $	Reserves $	Accumulated Losses $	Total equity $
At 30 June 2007	67,227,388	1,382,244	(61,022,917)	7,586,715
Loss for the year	-	-	(5,615,348)	(5,615,348)
Total recognised income and expense for the year	-	-	(5,615,348)	(5,615,348)
Equity Transactions:				
Issue of share capital	4,332,603	-	-	4,332,603
Share issue expenses	(418,677)	-	-	(418,677)
Share-based payments	-	145,769	-	145,769
At 30 June 2008	71,141,314	1,528, 013	(66,638,265)	6,031,062
Loss for the year	-	-	(2,269,479)	(2,269,479)
Total recognised income and expense for the year	-	-	(2,269,479)	(2,269,479)
Equity Transactions:				
Issue of share capital	4,971,497	-	-	4,971,497
Share issue expenses	(197,297)	-	-	(197,297)
At 30 June 2009	75,915,514	1,528, 013	(68,907,744)	8,535,783

The above statements should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	NOTE	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT 2009 $	PARENT 2008 $
Cash flows from operating activities					
Receipts from customers – copper sales		1,142,532	2,634,769	-	-
Payments to suppliers and employees		(4,181,562)	(4,896,913)	(1,996,624)	(1,495,347)
Interest received		58,856	43,556	58,856	20,125
Interest paid		(237,619)	(470,303)	(165,293)	(397,767)
Net cash outflow from operating activities	26(b)	(3,217,793)	(2,688,891)	(2,103,061)	(1,872,989)
Cash flows from investing activities					
Payments for exploration and evaluation		(846,817)	(519,997)	-	-
Payments for mine project development		(205,878)	(218,758)	-	-
Payments for purchase of plant and equipment		(174,079)	(194,376)	-	(19,207)
Payment for security deposits		(19,770)	(69,355)	-	(69,355)
Proceeds from rental and security bonds		220,576	69,722	110,000	24,020
Proceeds from sale of subsidiary		-	300,000		-
Loans advanced to controlled entities	19	-	-	(3,761,984)	(5,168,829)
Loans repaid by controlled entities	19	-	-	1,566,291	3,747,268
Contributions received from Joint Venture		134,905		-	-
Net cash outflow from investing activities		(891,063)	(632,764)	(2,085,693)	(1,486,103)
Cash flows from financing activities					
Proceeds from issues of shares		4,971,497	3,332,303	4,971,497	3,332,303
Share issue costs		(197,297)	(172,186)	(197,297)	(172,186)
Loans advanced		1,375,000	130,906	1,375,000	130,906
Loans repaid		(1,000,000)	-	(1,000,000)	-
Unsecured notes issued		1,000,000	-	1,000,000	-
Loans repaid		(475,241)	(248,330)	(475,241)	(248,330)
Proceeds from loans received from related parties	19	10,000	-	10,000	-
Repayment of loans to related parties	19	(140,000)	-	(140,000)	-
Net cash inflow from financing activities		5,543,959	3,042,693	5,543,959	3,042,693
Net increase / (decrease) in cash and cash equivalents		1,435,103	(278,962)	1,355,205	(316,399)
Cash at the beginning of the financial year		38,979	317,571	(7,058)	309,341
Effects of exchange rate changes on the balances of cash held in foreign currencies		-	370	-	-
Cash at the end of the financial year	26(a)	1,474,082	38,979	1,348,147	(7,058)

The above cash flows statements should be read in conjunction with the accompanying notes.

1. CORPORATE INFORMATION

The financial report of Redbank Copper Limited for the year ended 30 June 2009 was authorised for issue in accordance with a resolution of the Directors on the date of signing of the Director's Report.

Redbank Copper Limited (the "Company") is a company limited by shares whose shares are publicly traded on the Australian Securities Exchange. The Company is incorporated and domiciled in Australia. The comparative period is for the period from 1 July 2007 to 30 June 2008.

The nature of the operations and principal activities of the Company are disclosed in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ("AIFRS"). The financial report also complies with International Financial Reporting Standards ("IFRS").

Basis of Preparation

This financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Interpretations. The financial statements are prepared on a historical cost basis. The financial report is presented in Australian dollars.

(a) Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. The ability of the Group to continue its mineral project evaluation activities, and hence the continued adoption of the going concern assumption, is dependent on the Group raising additional funding as and when required.

The Company and the Group have incurred a net loss after tax for the year ended 30 June 2009 of $2,269,479 and $5,471,736 respectively and experienced net cash outflows from operating activities of $2,103,061 and $3,217,793 respectively. As at 30 June 2009 the Company and the Group had net current liabilities of $1,701,424 and $2,220,458 respectively, including at 30 June 2009 a $1,000,000 convertible note facility with Stirling Resources Limited which was converted, pursuant to shareholder approval, to new equity on 15 July 2009.

It is the opinion of the board of directors that there are reasonable grounds to believe that the operational and financial plans in place are achievable and accordingly the Company and Group will be able to continue as going concerns and meet their debts as and when they fall due.

During the year to 30 June 2009 and the period to the date of this report, the Directors have taken steps to ensure the Company and Group continue as going concerns. These steps include:

- Due to the depressed global commodity prices in the second half of 2008, management decided it would be prudent to place the mining and treatment facilities at the Redbank Copper Mine on short term care and maintenance until commodity prices sufficiently regained ground;
- The Company entered into an agreement with Stirling Resources Limited to successfully assign the $1,500,000 loan facility from Macquarie Bank Limited which was due to mature on 27 February 2009 to Stirling on 2 December 2008 and with the maturity date extended by two years;
- The Company embarked on an exploration programme to focus on discovery and delineation of high grade sulphide resources in order to grow the mine life of a proposed new copper production facility and for a review of development options for the Redbank mine. A mine study for the development of the Redbank Copper project was completed in early September 2009, the study confirming the positive economics of the project and identified optimal methods for development;
- The Company has raised $1,500,000 pursuant to a share placement in August 2009;
- The Company has raised $1,600,000 pursuant to a share placement in September 2009; and
- Settlement of outstanding invoices of approximately $855,000 with Glencore was successfully negotiated and paid in July 2009.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Going concern (continued)

- The Company had continued support from the major shareholder; and
- Ongoing management of the level of exploration and development expenditure in line with the funds available to the Group.

The ability of the Company and the Group to continue as going concerns is dependent on:

(i) Consistent with the nature of the Company's operations, additional funding will be required by December 2009 to fund its ongoing exploration activities and working capital requirements. The Company is in discussions with financiers to provide project funding by means of a commercial bond. The Company expects that $2,500,000 of the commercial bond will be available for drawdown in December 2009 to meet the working capital requirements;

(ii) The ability of the Company and Group to source sufficient funds from debt and/or equity markets, on or about the fourth quarter of 2010, to continue its activities; and

(iii) Ongoing management of the level of exploration and development expenditure in line with funds available to the Group.

The Directors have reviewed the Company's and Group's overall position and outlook in respect of the matters identified above and are of the opinion that the use of the going concern basis is appropriate in the circumstances. The directors have sufficient experience and prior success in debt and equity raising and anticipate being able to raise any additional debt or equity funds.

Should the Directors not be able to raise sufficient additional funds, there is significant uncertainty whether the Company and the Group will be able to continue as going concerns and therefore whether they will be able to pay their debts as and when they fall due and realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, or to the amounts or classification of liabilities that might be necessary should the Company and the Group not be able to continue as going concerns.

The following accounting policies have been adopted in the preparation and presentation of the financial report:

(b) Basis of Consolidation

The consolidated financial statements are those of the consolidated entity comprising Redbank Copper Limited (formerly Redbank Mines Limited) ("Redbank" or the "Company") (the parent entity) and all entities (including special purpose vehicles) that Redbank controlled from time to time during the year and at the reporting date (the "Group").

Information from the financial statements of subsidiaries is included from the date the parent entity obtains control until such time as control ceases. Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the parent entity has control. Subsidiary acquisitions are accounted for using the purchase method of accounting. Investments in controlled entities are carried at lower of cost and recoverable value. Such investments include both investments in shares issued by the subsidiary and other parent entity interest that in substance form part of the parent entity's investment in the subsidiary. These include investments in the form of interest free loans which have no fixed repayment terms and which have been provided to subsidiaries as an additional source of long term capital.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. All intercompany balances and transactions, including unrealised profits arising from intra group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Statement of Compliance

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted early by the Group for the reporting year ended 30 June 2009. These are outlined in the table below.

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group
AASB 8 and AASB 2008-3	Operating Segments and consequential amendments to other Australian Accounting Standards.	New standard replacing AASB 114 *Segment Reporting*, which adopts a management reporting approach to segment reporting.	1 January 2009	AASB 8 is a disclosure standard so will have no direct impact on the amounts included in the Group's financial statements. In addition, the amendments may have an impact on the Group's segment disclosures.	1 July 2009
AASB 123 (Revised) and AASB 2008-6	Borrowing Costs and consequential amendments to other Australian Accounting Standards.	The amendments to AASB 123 require that all borrowing costs associated with a qualifying asset be capitalised.	1 January 2009	These amendments to AASB 123 require that all borrowing costs associated with a qualifying asset be capitalised. The Group has no borrowing costs associated with qualifying assets and as such the amendments are not expected to have any impact on the Group's financial report.	1 July 2009
AASB 101 (Revised) and AASB 2008-8	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards.	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in presentation requirements for dividends and changes to the titles of the financial statements.	1 January 2009	These amendments are only expected to affect the presentation of the Group's financial report and will not have a direct impact on the measurement and recognition of amounts disclosed in the financial report. The Group has not determined at this stage whether to present a single statement of comprehensive income or two separate statements.	1 July 2009
AASB 2009-1	Amendments to Australian Accounting Standard – Share Based Payments: Vesting Conditions and Cancellations.	The amendments clarify the definition of "vesting conditions", introducing the term "non-vesting conditions" for conditions other than vesting conditions as specifically defined and prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.	1 January 2009	The Group has share-based payment arrangements that may be affected by these amendments. However the Group has not yet determined the extent of the impact, if any.	1 July 2009
AASB 2008-7	Amendments to Australian Accounting Standard – Cost of an investment in a Subsidiary, Jointly Controlled Entity or Associate.	The amendment changes the recognition and measurement of dividend receipts as income and addresses the accounting of a newly formed parent entity in the separate financial statements.	1 July 2009	The Group has not yet determined the extent of the impact, if any.	1 July 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Statement of compliance (continued)

Amendments to International Financial Reporting Standards	Improvements to IFRS's.	The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary, amendments to IFRS's. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASB identified resulting in accounting changes: Part 2 deal with either terminology or editorial amendments that the IASB believes will have minimal impact.	1 January 2009 except for amendments to IFRS5, which are effective from1 July 2009	The Group has not yet determined the extent of the impact of the amendments, if any.	1 July 2009

(d) Significant accounting judgements, estimates and assumptions

In the process of applying the Group's accounting policies management has made the following significant accounting judgements and estimates in the preparation of these financial statements.

Exploration and evaluation
Exploration and evaluation expenditure has been carried forward in accordance with policy 2 (g) on the basis that exploration and evaluation activities have not yet reached a stage which permits reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in relation to the area are continuing. In the event that significant operations cease and/or economically recoverable resources are not assessed as being present, this expenditure will be expensed to the income statement.

Share based payment transactions
The Company measures the cost of equity settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date which they are granted. The fair value is determined by internal valuation using a trinomial method with assumptions disclosed in Note 19.

Income tax expense
The income tax expense has been estimated and calculated based on management's best knowledge of Australian Income Tax legislation. There may be differences with the treatment of individual jurisdiction provisions but these are not expected to have any material impact on the amounts as reported.

Impairment of receivable
The Company assessed the amount of expected recovery based upon its best estimate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Foreign Currency Translation

(i) Functional and presentation currency

Both the functional and presentation currency of Redbank Copper Limited is Australian Dollars ($). The functional currency of the registered subsidiary companies is Australian Dollars ($). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that currency.

(ii) Foreign currency transactions

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange at the balance sheet date.

All exchange differences relating to transactions and balances denominated in foreign currency in the consolidated financial report are taken to profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

(iii) Translation of financial reports of foreign operations

The assets and liabilities of subsidiary companies are translated to the group presentation currency at rates of exchange ruling at the balance sheet date. Income and expense items are translated at average exchange rates for the year. Any exchange differences are taken directly to the foreign currency translation reserve. On disposal of a foreign entity, cumulative deferred exchange differences are recognised in the income statement as part of the profit or loss on sale.

(f) Trade and other receivables

Trade receivables, which generally have 30 to 90 day terms, are recognised and carried at original invoice amount less a provision for uncollectible debts. An estimate of the provision for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

(g) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

Exploration expenditure for each area of interest is expensed as incurred, except that it may be carried forward provided that one of the following conditions is met:

- Such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- Exploration activities in the area of interest have not, at balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration expenditure which no longer satisfies the above policy is written off. In addition, an impairment allowance is raised against any exploration expenditure where the Directors are of the opinion that the carried forward net cost may not be recoverable under the above policy. The increase in the impairment allowance is charged against the income statement for the year.

When an area of interest is abandoned, any expenditure carried forward in respect of that area of interest is written off in the year in which the decision to abandon is made.

Expenditure is not carried forward in respect of any area of interest unless the Group's right of tenure to that area of interest are current. Amortisation is not charged on areas under development, pending commencement of production.

(h) Employee entitlements

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and long service leave and any other benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liabilities, are used.

(i) Share based payment transactions

The Company provides benefits to employees (including directors) in the form of share-based payments transactions, whereby employees render services in exchange for shares or rights over shares ("share based payments" or "equity settled transactions"). There is currently an Employee Share Option Plan in place to provide these benefits to employees.

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date they are granted. The value is determined by an external valuer using a trinomial model details of which are given in note 19. In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Redbank Copper Limited ("market conditions").

The cost of equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date").

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the directors, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for the period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification as measured at the date of modification.

Where an equity-settled award is cancelled (other than cancellation when a vesting condition is not satisfied), it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of the outstanding options is reflected as additional share dilution in the computation of loss per share (see note 22).

(j) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Interest
Revenue is recognised as the interest accrues using the effective interest rate method (which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Sale of Goods
Revenue from the sale of goods produced is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer, the amount of revenue can be reliably measured and it is probable that the economic benefits associated with the transaction will flow to the entity.
Revenue from the sale of copper product during the year was generated from the provision of copper product free into store to Glencore International AG, under an off take sales agreement entered into in 29 November 2006, with other ad-hoc sales provided to Adchem.

Under the agreement the Group invoice the customer in US dollars on a deferred delivery basis with a provisional spot price on the date of invoicing. Final pricing is determined on the average spot price of the quotation period elected by Glencore, which can be either 1, 3 or 4 months after the month of arrival of the carrying vessel in the port of discharge. At the end of each reporting period the recorded sale is marked to market based on management's best estimate of expected price including any adjustment arsing from foreign currency fluctuations and recognised in the income statement. At the end of the quotation period a final invoice is raised based on the then prevailing market price and a final adjustment is made to the income statement to reflect the final price received in Australian dollars.

(k) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment loss. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

Depreciation is provided on a straight line basis on all plant and equipment. Major depreciation periods are:

Plant and equipment	2-5 years
Motor vehicles	3-5 years

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Disposal
An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(l) Impairment of non-financial assets

At each reporting date, the entity assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the entity makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). The estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash generating unit.

(m) Taxation

(i) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(n) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(o) Earnings per share

Basic earnings per share is determined by dividing net profit or loss after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares by the weighted average number of shares assumed to have been issued for no consideration in relation to potential ordinary shares.

(p) Cash and cash equivalents

Cash and short term deposits in the balance sheet comprise of cash at bank and in hand and short term deposits with an original maturity of three months or less.

For the purposes of the cash flow statement, cash includes cash on hand and in banks, as defined above (and money market investments readily convertible to cash on hand), net of outstanding bank overdrafts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Contributed Equity

Issued share capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised, net of tax, directly in equity as a reduction of the share proceeds received.

(r) Mine Development costs

Mine development expenditure represents the costs incurred in preparing the mine for recommissioning and production, and also includes other directly attributable costs incurred before production commences. These costs are capitalised to the extent they are expected to be recouped through successful exploitation of the related mining leases. Once production commences, these costs are amortised over the remaining lease term. The development costs are written off if the mine property is abandoned. Development costs incurred to maintain production are expensed as incurred against the related production.

(s) Inventories

Stores and spares, copper product on hand and in circuit.
Stores and spares, copper product on hand and in circuit are stated at the lower of cost and net realisable value. Cost comprises, direct materials, direct labour and a proportion of indirect overhead expenditure allocated on the basis of relevant operating capacity. Costs are assigned to individual items of inventory on basis of weighed average cost. Costs of purchase inventory are determined after deducting applicable rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and to make the sale.

(t) Leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in short-term and long-term payables.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as the lease income.

(u) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. Interest calculated using the effective interest rate method is accrued over the period it becomes due and increases the carrying amount of the liability.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Other Financial Assets - Investments

Classification
The Group classifies its investments in the following categories: financial assets at fair value through profit or loss and loans and receivables. Management determines the classification of its investments at initial recognition.

(i) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term.

(ii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables (note 6) in the balance sheet.

Recognition and derecognition
Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Subsequent measurement
Loans and receivables are carried at amortised cost using the effective interest method.

Impairment
The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

(w) Borrowing costs

Borrowing costs incurred in relation to the provision of finance facilities are expensed in the period to which they were incurred.

(x) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sale.

(y) Provision for rehabilitation

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provided at each reporting date.

3. REVENUE AND EXPENSES

		CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT 2009 $	PARENT 2008 $
(a)	Revenue – copper sales	1,426,144	3,041,810	-	-
(b)	Other income				
	- interest received	58,856	43,557	58,856	20,125
	- net foreign currency gain	-	26,071	-	2,537
	- gain on de-consolidation of subsidiary	-	500,000	-	-
	- write back previous provision for rehabilitation	-	250,000	-	-
	- joint venture management fee	33,176	13,200	-	-
	- sundry income	600	-	600	-
		92,632	832,828	59,456	22,662
	Total Revenue	1,518,776	3,874,638	59,456	22,662
(c)	Employee and directors' benefits expenses				
	- salaries and wages	855,616	1,256,220	705,621	472,985
	- superannuation	102,862	90,030	102,862	60,848
		958,478	1,346,250	808,483	533,833
(d)	Depreciation and amortisation				
	- depreciation of plant and equipment and rehabilitation	230,796	457,356	31,900	12,180
	- amortisation of mining development costs	-	-	-	-
		230,796	457,356	31,900	12,180
(f)	Expenses included in corporate and administrative expenses				
	- Audit and accounting fees	141,125	-	141,125	-
	- ASIC, ASX, Share Registry, Annual Report costs	101,198	-	100,709	-
	- Consulting fees	417,610		141,499	-
	- Exploration and evaluation costs	309,186	313,451	31,114	16,888
	- Legal fees	96,732	-	95,337	-
	- Foreign exchange losses	438,178	224,195	(142)	-
	- Net mark to market loss	928,073	315,221	-	-
	- Operating lease rental	264,322	115,458	264,322	115,458
	- Rehabilitation expense	-	37,685	-	-
	- Other expenses	137,332	343,643	309,429	648,595
	- Travel and accommodation - overseas	7,587	-	7,587	-
		2,841,343	1,349,653	1,090,980	780,941
(g)	Finance costs				
	- Interest on deferred delivery facility	-	34,818	-	-
	- Interest on convertible refinancing facility	282,180	246,061	209,853	246,061
	- Interest on underwriting advance	-	26,385	-	26,385
	- Interest on rehabilitation provision	22,615	19,999	-	-
	- Interest on unsecured loan	34,218	42,079	34,218	4,361
		339,013	369,342	244,071	276,807

4. INCOME TAX

Loss before income tax

The prima facie tax, using tax rates applicable in the country of operation, on operating loss differs from income tax provided in the financial statements as follows:

	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
Accounting loss before income tax	5,471,736	11,609,067	2,269,479	5,615,348
At the Australian income tax rate of 30% (2008: 30%)	(1,641,521)	(3,482,720)	(680,844)	(1,684,604)
Expenditure not allowable for income tax purposes:				
Non-deductible expenses	24	1,844	24	1,173
Unused tax losses and offsets not recognised as deferred tax assets	1,582,413	471,147	680,820	1,683,431
Income tax losses incurred in the jurisdiction of Fiji not brought to account as a deferred tax asset	59,084	3,009,729	-	-
Income tax benefit reported in the income statement	-	-	-	-
Set off of deferred tax liabilities pursuant to set off provisions				
Net unrecognised deferred tax assets	19,481,195	17,898,782	15,696,416	15,015,596

The deferred tax assets will only be obtained in the relevant tax jurisdiction if:
(i) future assessable income tax is derived of a nature and of an amount sufficient to enable the benefit to be realised;
(ii) the conditions for deductibility imposed by the tax legislation are complied with; and
(iii) no changes in tax legislation adversely affect the Group in realising the benefit.

4(i) includes Australian dollar equivalent of amounts in the jurisdiction of Fiji	7,164,283	7,105,199	-	-
(b) Income tax recognised directly in equity	-	-	-	-

	CONSOLIDATED		PARENT ENTITY	
	2009	2008	2009	2008
	$	$	$	$
5. CASH AND CASH EQUIVALENTS				
Cash at bank	110,733	65,062	10,733	19,025
Cash on deposit	1,362,422	-	1,336,487	-
Cash on hand	927	-	927	-
	1,474,082	65,062	1,348,147	19,025
Bank overdraft	-	(26,083)	-	(26,083)
6. TRADE AND OTHER RECEIVABLES				
CURRENT				
Trade receivables	-	13,610	-	-
Other receivables (i)	200,000	467,973	-	114,000
Goods and Services Tax (GST) recoverable	73,539	195,671	71,866	8,225
Prepayments	54,962	84,715	54,962	33,458
	328,501	761,969	126,828	155,683

(i) On 1 July 2007 the Company sold its interest in the Sarina/Mt Haden project in Queensland for $500,000. On 14 December 2007 cash consideration of $300,000 was received by the Company. The remaining $200,000 of consideration receivable by the company is to be paid by the purchaser with shares to this value.

	CONSOLIDATED		PARENT ENTITY	
	2009	2008	2009	2008
NON CURRENT				
Security Deposits	302,815	358,048	100,000	100,000
Tenement Deposits	102,000	34,428	-	-
Rental Deposits	99,355	99,355	99,355	99,355
	504,170	491,831	199,355	199,355
Unsecured loans – related parties	-	-	27,648,014	25,398,757
Provision for impairment of unsecured loans	-	-	(19,147,138)	(19,001,052)
Net amount of unsecured loans – related parties	-	-	8,500,876	6,397,705
Secured loans – related parties	-	-	7,802,860	7,802,860
Provision for impairment of secured loans	-	-	(7,802,860)	(7,802,860)
Net amount of secured loans – related parties	-	-	-	-
Unsecured loans – other	-	-	820,927	820,927
Provision for impairment of other loans	-	-	(820,927)	(820,927)
Net amount of unsecured loans - other	-	-	-	-
	504,170	491,831	8,700,231	6,597,060

6. TRADE AND OTHER RECEIVABLES (continued)

Unsecured loans to controlled entities are interest free and are repayable on demand although repayment is not expected within the next 12 months. Recoverability of the loan is substantially dependent on the commercial success of the mining operation of the controlled entity.

Amounts receivable from related parties are provided on a secured basis. The loans are supported by way of registered fixed and floating mortgages over the assets of Audesso Mining (Fiji) Limited and ICE Interactive Pty Ltd, registered in Fiji and Australia respectively. The loans have been provided free of interest with no fixed term of repayment

Terms and conditions relating to deposits held:

a) Term deposits have a weighted average term equivalent to 5 months (2008: 5 months) and have a weighted average fixed interest rate equivalent to 3.9% per annum (2008: 5.22% per annum) for the year.

b) Term deposits and security deposits are held as security by a bank which has provided bank guarantees, on behalf of the Consolidated Entity, in respect of:
   - exploration and mining leases to the extent of $404,815 (2008: $392,475) which the company or one of its subsidiaries has entered into; and
   - rental bond to the extent of $99,355 (2008: $99,355)

(a) Past due but not impaired

Up to one month	73,538	209,281	71,866	8,225
Over one month to three months (past due)	-	-	-	-
Over three months	342,037	467,973	-	114,000
	415,575	677,254	71,866	122,225

	CONSOLIDATED		PARENT ENTITY	
	2009	2008	2009	2008
	$	$	$	$
7. INVENTORY				
Finished product – at cost	-	39,994	-	-
ROM Stockpiles – at cost	-	446,802	-	-
Copper in Circuit – at cost	-	31,305	-	-
Diesel Fuel – at cost	34,516	35,937	-	-
Stores and spares – at cost	6,750	60,511	-	-
	41,266	614,549	-	-
8. OTHER NON CURRENT FINANCIAL ASSETS				
Shares in controlled entities – at cost (i)	-	-	12,852,436	12,852,436
Provision for impairment of shares in controlled entities	-	-	(9,862,378)	(9,862,378)
	-	-	2,990,058	2,990,058
eMax Entertainment Pty Ltd shares (previously in administration) – unlisted (ii)	1,183,994	1,183,994	1,183,994	1,183,994
Impairment allowance for non-recovery	(1,183,994)	(1,183,994)	(1,183,994)	(1,183,994)
	-	-	-	-
Rehabilitation asset	135,211	135,211	-	-
Accumulated Amortisation (iii)	(81,126)	(54,084)	-	-
	54,085	81,127	-	-
	54,085	81,127	2,990,058	2,990,058

8. OTHER NON CURRENT FINANCIAL ASSETS (continued)

(i) A provision for impairment for 100% of the original cost for all investments in subsidiaries other than the investment in RBM Operations Pty Ltd have been raised in prior years. The investment in RBM Operations Pty Ltd is a reflection of fair value as assessed at the time of acquisition, being 20 December 2005. The company assesses the fair value of the investment on at least an annual basis and considers that the fair value remains recoverable and therefore that no impairment provision is required at this time.

(ii) As reported in the 2006, 2007 and 2008 Financial Report the Company advised that the Deed of Company Arrangement with the creditors of eMax had been effectuated and the company handed back having extinguished all liabilities. It is expected that the company will now be deregistered and would up by the Directors during the 2010 financial year.

(iii) Amortisation for the year was $27,042 (2008: $54,084).

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	$	$	$	$
9. NON CURRENT ASSETS HELD FOR SALE				
Resin Column (Note 10)	25,000	-	-	-

This relates to the value of the estimated share of the Resin Column as per a Settlement and Release Agreement between Redbank and Purity Systems Inc (PSI). Under the agreement, PSI released Redbank from its liability under the original finance lease agreement for the resin column and Redbank would give back to PSI all resin and the resin column for nil value. PSI would then endeavour to sell the resin column, estimated to be worth around $100,000. In the event of a sale before 30 June 2010, 25% of the sale proceeds will be payable to Redbank.

10. PLANT AND EQUIPMENT

	CONSOLIDATED				
	Plant and equipment $	Mine plant and equipment $	Motor Vehicles $	Capital WIP $	Total $
Gross carrying amount					
Balance at 1 July 2007	477,135	1,084,338	7,748	915,852	2,485,073
Additions	19,207	164,108	-	11,061	194,376
Disposals	-	-	-	-	-
Balance at 1 July 2008	496,342	1,248,446	7,748	926,913	2,679,449
Additions	49,065	71,966	24,545	28,503	174,079
Disposals	-	-	-	-	-
Classified as held for sale (Note 9)	(25,000)	-	-	-	(25,000)
Transfer to plant and equipment	25,000	-	-	(25,000)	-
Balance at 30 June 2009	545,407	1,320,412	32,293	930,416	2,828,528
Accumulated depreciation and impairment					
Balance at 1 July 2007	(435,407)	(269,228)	(3,940)	-	(708,575)
Impairment losses charged to profit	-	(22,256)	-	-	(22,256)
Depreciation expense	(26,160)	(374,522)	(2,590)	-	(403,272)
Balance at 1 July 2008	(461,567)	(666,006)	(6,530)	-	(1,134,103)
Disposals	-	-	-	-	-
Impairment losses charged to profit	(7,416)	-	-	(901,913)	(909,329)
Depreciation expense	(13,506)	(188,109)	(2,138)	-	(203,753)
Balance at 30 June 2009	(482,489)	(854,115)	(8,668)	(901,913)	(2,247,185)
Net book value					
As at 30 June 2008	34,775	582,440	1,218	926,913	1,545,346
As at 30 June 2009	62,918	466,297	23,625	28,503	581,343

10. PLANT AND EQUIPMENT (continued)

	PARENT ENTITY				
	Plant and equipment $	Mine plant and equipment $	Motor Vehicles $	Capital WIP $	Total $
Gross carrying amount					
Balance at 1 July 2007	438,059	220,000	-	-	658,059
Additions	19,207	-	-	-	19,207
Disposals	-	-	-	-	-
Balance at 1 July 2008	457,266	220,000	-	-	677,266
Additions	-	-	-	-	-
Disposals	(116,315)	-	-	-	(116,315)
Classified as held for sale	-	-	-	-	-
Balance at 30 June 2009	340,951	220,000	-	-	560,951
Accumulated depreciation and impairment					
Balance at 1 July 2007	(420,743)	(62,937)	-	-	(483,680)
Impairment losses charged to profit	-	-	-	-	-
Depreciation expense	(12,180)	(44,121)	-	-	(56,301)
Balance at 1 July 2008	(432,923)	(107,058)	-	-	(539,981)
Disposals	116,315	-	-	-	116,315
Impairment losses charged to profit	(7,416)	-	-	-	(7,416)
Depreciation expense	(10,080)	(44,000)	-	-	(54,080)
Balance at 30 June 2009	(334,104)	(151,058)	-	-	(485,162)
Net book value					
As at 30 June 2008	24,343	112,942	-	-	137,285
As at 30 June 2009	6,847	68,942	-	-	75,789

11. PRE DEVELOPMENT

	CONSOLIDATED		PARENT	
	2009 $	2008 $	2009 $	2008 $
Carrying amount at beginning of year	250,447	31,689	-	-
Costs incurred during the year	205,878	218,758	-	-
Total pre development	456,325	250,447	-	-

Pre development costs represent intangible expenditure.

12. DEFERRED EXPLORATION AND EVALUATION

	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
Exploration and evaluation phases:				
Fiji	-	-	-	-
Australia	6,492,587	5,962,254	-	-
	6,492,587	5,962,254	-	-
Exploration and evaluation – Australia				
Australia exploration and evaluation expenditure	5,962,254	5,461,466	-	-
Tenement expenditure capitalised during the year	70,029	-	-	-
Evaluation expenditure incurred during the year	-	23,531	-	16,889
Evaluation expenditure expensed directly against profit	-	(23,531)	-	(16,889)
Expenditure capitalised during the year	460,304	500,788	-	-
	6,492,587	5,962,254	-	-
Exploration and evaluation – Fiji				
Fiji exploration and evaluation expenditure	9,199,961	9,199,961	-	-
Evaluation expenditure incurred during the year	-	289,920	-	-
Evaluation expenditure expensed directly against profit	-	(289,920)	-	-
Impairment loss	(9,199,961)	(9,199,961)	-	-
	-	-	-	-
Exploration and evaluation expenditure - Total				
Balance at beginning of year	15,162,215	14,661,427	-	-
Tenement expenditure capitalised during the year	70,029	-	-	-
Evaluation expenditure incurred during the year	-	313,451	-	16,889
Evaluation expenditure expensed directly against profit	-	(313,451)	-	(16,889)
Impairment loss	(9,199,961)	(9,199,961)	-	-
Expenditure capitalised during the year	460,304	500,788	-	-
	6,492,587	5,962,254	-	-

Notes

(i) The ultimate recoupment of costs carried forward for exploration expenditure is dependent upon the successful development and commercial exploitation, or sale, of the respective areas of interest.

(ii) All the above costs represent intangible deferred exploration and evaluation expenditure.

13. TRADE AND OTHER PAYABLES

	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
CURRENT				
Trade creditors and accruals	1,727,256	929,632	814,347	410,262
Directors and associated entities	247,000	886,030	247,000	240,858
Employee benefits	38,777	-	38,777	-
Sundry payables	-	457,314	-	456,398
	2,013,033	2,272,976	1,100,124	1,107,518

a) Trade creditors and sundry payables are non-interest bearing and normally settled on 30 day terms.

b) Employee benefits represents PAYG payable which are non-interest bearing

13. TRADE AND OTHER PAYABLES (continued)

	CONSOLIDATED		PARENT ENTITY	
	2009	2008	2009	2008
	$	$	$	$
NON-CURRENT				
Trade creditors and accruals	1,189,827	1,047,885	-	-
	1,189,827	1,047,885	-	-

A long term deferral of debt obligations to the Fijian Government until six months following re-commissioning of the Mt Kasi Mine was agreed by the Government Cabinet at a meeting held on 20 July 1998. At that time it was decided payments will be required to be made in twelve equal monthly instalments six months after production has commenced at the Mt Kasi Mine. Pending the outcome of the appeal in relation to the renewal of tenements at Mt Kasi, the company has continued to recognise these as non current liabilities.

14. INTEREST BEARING LOANS AND BORROWINGS

		Consolidated 2009	Consolidated 2008	Parent 2009	Parent 2008
CURRENT					
Finance leases		-	45,794	-	45,794
Convertible refinancing facility		-	1,500,000	-	1,500,000
Other loan	(i)	33,515	52,909	33,515	52,909
Stand-by loan facility		-	130,000	-	130,000
Unsecured loan	(ii)	424,908	-	424,908	-
Convertible notes	(iii)	1,000,000	-	1,000,000	-
		1,458,423	1,728,703	1,458,423	1,728,703
NON-CURRENT					
Finance leases		-	376,538	-	376,538
Secured loan	(iv)	1,528,871	-	1,528,871	-
		1,528,871	376,538	1,528,871	376,538

(i) This represents the company's insurance premium funding arrangement. The loan will be paid in full by the end of November 2009 (2008: October 2008) and has an effective annual interest rate of 5.86% (2008: 9.09%)

(ii) Unsecured loan is a working capital loan from Stirling Resources Limited. Interest is charged at a rate of 2% above the business overdraft rate as advised by the National Australia Bank on a monthly basis and is capitalised.

(iii) Convertible notes are held by Stirling Resources Limited. These were converted to shares on 14 July 2009 (50,000,000 shares at $0.02 per share)

(iv) Secured loan is from Stirling Resources Limited with a fixed and floating charge over the assets of the company. Interest is charged at a rate of 2.5% above the BBSY 90 day rate as advised by the National Australia Bank on a monthly basis and is capitalised. The loan matures on 28 February 2011.

15. PROVISIONS

	CONSOLIDATED		PARENT ENTITY	
	2009	2008	2009	2008
	$	$	$	$
CURRENT				
Employee benefits	122,693	141,680	122,694	116,936
Environmental, restoration and rehabilitation	495,158	495,158	495,158	495,158
	617,851	636,838	617,852	612,094
NON-CURRENT				
Employee benefits	-	17,113	-	17,113
Environmental, restoration and rehabilitation	1,195,805	1,015,364	-	-
	1,195,805	1,032,477	-	17,113

Employee benefits represents leave provisions which are non-interest bearing. Based on past experience the Group does expect all employees to take the full amount of accrued leave within the next 12 months.

Movements in environmental, restoration & rehabilitation provision:				
Opening balance at 1 July	1,510,522	1,650,799	495,158	509,897
Restoration and rehabilitation costs	-	(14,739)	-	(14,739)
Unwinding of discount	22,615	37,685	-	-
Write back previous restoration and rehabilitation provision	-	(250,000)	-	-
Recognition restoration and rehabilitation provision	157,826	135,211	-	-
Foreign exchange translation movement	-	(48,434)	-	-
Closing balance as 30 June	1,690,963	1,510,522	495,158	495,158

16. ISSUED CAPITAL

	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
(a) Ordinary shares				
656,591,250 (2008: 183,768,084) ordinary fully paid shares	75,915,214	71,141,014	75,915,214	71,141,014
B Class 300 (2008: 300) ordinary fully paid	300	300	300	300
	75,915,514	71,141,314	75,915,514	71,141,314

(b) Movements in ordinary share capital	SHARES	$
Balance 30 June 2007	120,840,196	67,227,088
Share placement 25 July 2007 at 11.5 cents	10,626,000	1,221,990
Share placement 6 December 2007at 8 cents	10,625,000	850,000
Share placement 28 February 2008 at 6 cents	16,666,666	1,000,000
Share placement 11 March 2008 at 6 cents	1,010,222	60,613
Share placement 17 June 2008 at 5 cents	24,000,000	1,200,000
Share issue costs	-	(418,677)
Balance 30 June 2008	183,768,084	71,141,014
Share placement 14 August 2008 at 1.8 cents	22,595,666	406,722
Share placement 21 October 2008 at 1.5 cents	12,500,000	187,500
Issued pursuant to Non-renounceable Share Rights Offer 30 April 2009 at 1 cent	437,727,500	4,377,275
Share issue costs	-	(197,297)
Balance 30 June 2009	656,591,250	75,915,214

Ordinary shares entitle the holder to participate in dividends in proportion to the number of and amounts paid on the shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

Effective 1 July 1998, the Corporations legislation in place abolished the concepts of authorised capital and par value shares. Accordingly the Company does not have authorised capital nor par value in respect of its issued shares.

16. ISSUED CAPITAL (continued)

CONSOLIDATED AND PARENT ENTITY

(c) Movements in share options (listed and unlisted)

	Weighted average exercise price $	Options
Balance 30 June 2007	$0.284	50,760,601
Options issued pursuant to underwriting a rights issue	$0.096	4,000,000
Options lapsed/cancelled	$0.030	(46,760,601)
Balance 30 June 2008	$0.093	8,000,000
Options issued - 1 for 1 attaching options to 18,294,444 share placement on 14 August 2008	$0.020	18,294,444
Options lapsed/cancelled	$0.090	(4,000,000)
Balance 30 June 2009	$0.034	22,294,444

As at year end the following options over ordinary fully paid shares were outstanding:

	Options
- exercisable at $0.096 cents each on or before 30 January 2010	4,000,000
- exercisable at $0.020 cents each on or before 31 August 2009	18,294,444
	22,294,444

The weighted average remaining contractual life for the share options outstanding as at 30 June 2009 is 0.42 years (2008: 1.55 years). There were no options granted during the year.

During the year the Group issued 18,294,444 ordinary shares with one free attaching option for each share issued. The options have an expiry of 31 August 2009 with an exercise price of $0.02 each.

The following table lists the inputs to the model used for the year ended 30 June 2008:

	2008
Issue Date	Jan 2008
Dividend yield (%)	-
Expected volatility (%)	119%
Risk-free interest rate (%)	5.67%
Expected life of options (years)	3.0
Option exercise price ($)	$0.096

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

Capital Risk Management
When managing capital, management's objective is to safeguard the entity's ability to continue as a going concern as well as to maintain optimum returns to shareholders and benefits to other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Management has no current plans to reduce the capital structure through a share buy-back.

The Group is not subject to any externally imposed capital restrictions.

17. RESERVES

	CONSOLIDATED		PARENT ENTITY	
	2009	2008	2009	2008
	$	$	$	$
a) Share option reserve				
Opening balance	1,450,132	1,304,363	1,450,132	1,304,363
Share based payments charge incurred in current year	-	145,769	-	145,769
Closing balance	1,450,132	1,450,132	1,450,132	1,450,132
b) Compound financial instrument reserve				
Opening balance	77,881	77,881	77,881	77,881
Movement during the year	-	-	-	-
Closing balance	77,881	77,881	77,881	77,881
	1,528,013	1,528,013	1,528,013	1,528,013

Nature and purpose of reserves

a) The option and share-based payment reserve represents the value of equity benefits provided to directors, employees as part of their remuneration and the value of services provided to the Group paid for by the issue of equity.

b) The compound financial instrument reserve arose on the grant of options to Macquarie Bank Limited ("MBL") as approved by shareholders at the General Meeting held on 8 April 2005 being issued as a compound of the convertible re-financing facility provided by the bank. These options lapsed unexercised on 28 February 2008.

18. REMUNERATION OF AUDITORS

	CONSOLIDATED		PARENT ENTITY	
	2009	2008	2009	2008
	$	$	$	$
Amounts paid or due and payable to the auditors for:				
Auditing or reviewing the financial report	106,733	89,960	106,733	89,960

19. RELATED PARTY DISCLOSURES

(a) Details of key management personnel

Executive Directors
B A C Morrin (appointed director 20 October 2008, Managing Director from 1 January 2009)
J G Vitale (Executive Director until 31 December 2008)
S J Field (Executive Director until 30 Jun 2009, from 1 July 2009 Ms Field became a Non-executive Director)

Non-executive directors
B Siddall (appointed 17 December 2008)
D J Searle (appointed 28 November 2008)
K W McGrath (resigned 28 November 2008)
M J Kitney (resigned 28 November 2008)
M L J Kiernan (appointed 17 December 2008)

Other executives
C Hall (Exploration Manager) (2008 only)

Craig Hall was previously included in the key management personnel group, however the board has since reassessed this and which is why no comparative figures for 2009 have been provided.

(b) Compensation of key management personnel

Remuneration by category	**CONSOLIDATED**		**PARENT ENTITY**	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Key management personnel				
Short-term	411,982	837,405	411,982	837,405
Post-employment	77,684	54,450	77,684	54,450
Other long term employee benefits	-	11,309	-	11,309
Termination benefits	250,000	-	250,000	-
Share-based payment	-	4,448	-	4,448
	739,666	907,612	739,666	907,612

(c) Option holdings of key management personnel

30 June 2009	Balance at 1 July 2008 or at date of appointment	Granted as remuneration	Options exercised	Net change other	Balance at the 30 June 2009 or at date of resignation	Balance vested and exercisable at 30 June 2009
Directors						
D Searle	-	-	-	-	-	-
B Morrin	-	-	-	-	-	-
M Kiernan	-	-	-	-	-	-
B Siddall	-	-	-	-	-	-
S Field	-	-	-	-	-	-
M Kitney	-	-	-	-	-	-
K McGrath	-	-	-	-	-	-
J Vitale	-	-	-	-	-	-

Option holdings for the following directors are from their respective dates of appointment:
B Morrin (appointed 20 October 2008)
M Kiernan (appointed 17 December 2008)
B Siddall (appointed 17 December 2008)

19. RELATED PARTY DISCLOSURES (continued)

Option holdings for the following directors are to their respective dates of resignation:
M Kitney (resigned 28 November 2008)
K McGrath (resigned 28 November 2008)
J Vitale (resigned 31 December 2008)

During the period ended 30 June 2009 there were no individuals (other than the directors) who were responsible for the strategic direction and management of the consolidated entity, hence no executives are named above in respect of this year.

30 June 2008	Balance at 1 July 2007 or at date of appointment	Granted as remuneration	Options exercised	Net change other	Balance at 30 June 2008 or at date of resignation	Balance vested and exercisable at 30 June 2008
Directors						
K McGrath	-	-	-	-	-	-
J Vitale	450,000	-	-	(450,000)	-	-
S Field	300,000	-	-	(300,000)	-	-
D Searle	-	-	-	-	-	-
M Kitney	-	-	-	-	-	-
Other executives						
C Hall	-	-	-	-	-	-

As at 30 June 2008 Mr Vitale and Ms Field agreed to cancel the above Directors' Options. These options were fully vested at 30 June 2008 and therefore the cancellation does not have an effect on retained earnings.

(d) Share holdings of key management personnel
Ordinary Shares in Redbank Copper Limited (number)

30 June 2009	Balance at 1 July 2008 or at date of appointment	On the exercise of options	Net change other *	Balance at 30 June 2009 or at date of resignation
Directors				
J Searle	1,120,000	-	-	1,120,000
B Morrin	-	-	2,000,000	2,000,000
M Kiernan	-	-	184,191,191	184,191,191
B Siddall	-	-	-	-
S Field	633,668	-	-	633,668
M Kitney	283,334	-	-	283,334
K McGrath	2,150,000	-	-	2,150,000
J Vitale	1,004,852	-	-	1,004,852

* Other changes during the year include on-market purchases and shares issued pursuant to a disclosure document.

Share holdings for the following directors are from their respective dates of appointment:
B Morrin (appointed 20 October 2008)
M Kiernan (appointed 17 December 2008)
B Siddall (appointed 17 December 2008)

Share holdings for the following directors are to their respective dates of resignation :
M Kitney (resigned 28 November 2008)
K McGrath (resigned 28 November 2008)
J Vitale (resigned 31 December 2008)

19. RELATED PARTY DISCLOSURES (continued)

30 June 2008	Balance at 1 July 2007 or at date of appointment	On the exercise of options	Net change other *	Balance at 30 June 2008
Directors				
K W McGrath	2,150,000	-	-	2,150,000
J G Vitale	1,004,852	-	-	1,004,852
S J Field	633,668	-	-	633,668
D J Searle	1,120,000	-	-	1,120,000
M J Kitney	283,334	-	-	283,334
Other executives				
C R Hall	333,333	-	-	333,333

* Other changes during the year include on-market purchases and issued pursuant to a disclosure document

(e) Share holdings of key management personnel (consolidated)
B Class Shares in Redbank Copper Limited (number)

30 June 2009	Balance at 1 July 2008 or at date of appointment	On the exercise of options	Net change other *	Balance at 30 June 2009 or at date of resignation
Directors				
J Searle	-	-	-	-
B Morrin	-	-	-	-
M Kiernan	-	-	-	-
B Siddall	-	-	-	-
S Field	60	-	-	60
M Kitney	-	-	-	-
K McGrath	-	-	-	-
J Vitale	240	-	-	240

* Other changes during the year include on-market purchases and shares issued pursuant to a disclosure document.

Share holdings for the following directors are to their respective dates of resignation –.
J Vitale (resigned 31 December 2008)

30 June 2008	Balance at 1 July 2007 or at date of appointment	On the exercise of options	Net change other *	Balance at 30 June 2008
Directors				
K W McGrath	-	-	-	-
J G Vitale	240	-	-	240
S J Field	60	-	-	60
D J Searle	-	-	-	-
M J Kitney	-	-	-	-

* Other changes during the year include on-market purchases and issued pursuant to a disclosure document

19. RELATED PARTY DISCLOSURES (continued)

Except for equity issued as part of remuneration, all equity transactions with key management personnel have been entered into under terms and conditions no more favourable than those the consolidated entity would have adopted if dealing at arm's length.

Loans to key management personnel
There were no loans to key management personnel during the financial year. (2008: $0)

Other transactions with directors
Transactions during the year between the consolidated entity and directors or their director-related entities are set out in Note 19(a).

Compensation options: granted and vested during the year (consolidated)
During and since the end of the financial year no share options were granted (2008: no share options were granted) to the key management personnel of the company.

2009

There were no share options granted nor outstanding at 30 June 2009.

2008

Exercise Date/Description	Exercise Price	Opening Balance 1/07/07	Options Granted	Options Exercised	Options Lapsed or Cancelled	Closing Balance 30/06/08
28/02/2010 Directors Options	$0.380	250,000	-	-	250,000	-
28/02/2010 Directors Options	$0.500	250,000	-	-	250,000	-
28/02/2010 Directors Options	$0.600	250,000	-	-	250,000	-
Total		750,000	-	-	750,000	-

The above options granted pursuant to shareholder approval obtained at general meeting held on 8 April 2005 were valued in 2005 using Black & Scholes Option Model and vest over four consecutive financial periods. Refer additional details below on valuation of remuneration recognised during the period ended 30 June 2008 and vesting and exercise of options is not performance based.

The valuation took account of factors including the option exercise price, the current level of volatility of the underlying share price, the risk free interest rate, expected dividends on the underlying share, current market price of the underlying share and the expected life of the option.

The total value of options included in remuneration for the year is calculated in accordance with Accounting Standard AASB 2 "Share-Based Payments". This requires the following:

- The value of the options is determined at grant date, and is included in remuneration on a proportionate basis from grant date to vesting date. Where the options immediately vest the full value of the option is recognised in remuneration in the current year.

- The options issued vested as to one third on 28 February 2006, one third on 28 February 2007 and one third on 28 February 2008, in accordance with the terms and conditions approved by shareholders. The fair value of the options at grant date is included in remuneration for the financial year, which relates to any vested portion.

The fair value of each option is estimated on the date of grant, in this case being 8 April 2005, and the benefit is recognised as the options vest, in this case is over four consecutive financial periods being 30 June 2005 to 30 June 2008.

19. RELATED PARTY DISCLOSURES (continued)

Issue Date – 8 April 2005

Issuing entity	Number of shares under option	Class of shares	Vesting Date	Exercise price of option	Expiry date of options
Redbank Copper Limited	250,000	Ordinary	28 Feb 06	38 cents	28 Feb 10
Redbank Copper Limited	250,000	Ordinary	28 Feb 07	50 cents	28 Feb 10
Redbank Copper Limited	250,000	Ordinary	28 Feb 08	60 cents	28 Feb 10

There were no options exercised during or since the end of the financial year.

2008	Exercise price of Options 1.9 cents	Exercise price of Options 2.5 cents	Exercise price of Options 3.0 cents
Dividend yield	0%	0%	0%
Expected volatility	96.5%	96.5%	96.5%
Historical volatility	96.5%	96.5%	96.5%
Risk-free interest rate	5.44%	5.44%	5.44%
Vesting period	on 28 Feb 06	on 28 Feb 07	on 28 Feb 08
Share price at grant date	1.3 cents	1.3 cents	1.3 cents
Exercise Price – grant date	1.9 cents	2.5 cents	3.0 cents
Exercise Price – post consolidation of capital	38 cents	50 cents	60 cents

Employee option plan and share purchase plan.

The establishment of the Redbank Copper Limited Employee Share Option Plan was approved by shareholders at the Redbank Copper Limited general meeting of shareholders on 10 July 2009 (refer note 24). This plan is designed to provide long term incentives to senior management and employees to deliver long term shareholder returns.

Any option issues are made in accordance with thresholds set in plans approved by shareholders, the share option plan and share purchase plan. Options are granted under the plan for no consideration and carry no dividend or voting rights.

19 RELATED PARTY DISCLOSURES (continued)

(a) Transactions with related parties

(i) During the year consulting fees totalling $72,298 were charged by Earthsciences Pty Ltd, a company of which Dr D J Seale is a director (2008: $112,150). The consulting fees are based upon an agreed daily rate.

(ii) During the year consulting fees totalling nil were charged by Nexus, a registered business of Earthsciences Pty Ltd, a company of which Dr D J Seale is a Director (2008: $25,675). The consulting fees were based upon an agreed daily rate.

(iii) During the year professional services totalling nil were charged by Metallurgical Design, a business of which Mr M J Kitney is a principal (2008: $40,432). The professional services were provided based upon an agreed daily rate.

(iv) During the year Ms S J Field continued to provide the Company and the Consolidated Entity with a stand-by loan facility of $160,000 at no fee. Interest has been charged to the Company totalling $7,720 (2008: 4.42%). As at 30 June 2009 the loan was fully repaid (2008: $130,000 outstanding).

(v) During the year consulting fees totalling $24,150 were charged by Mr B Siddall, a director of the Company (2008: nil). The consulting fees are based upon an agreed daily rate.

(vi) During the year the Company received advances totalling $1,461,306 (2008: nil) from Stirling Resources Limited, a company in which Mr M Kiernan is a director. This amount was provided unsecured with commercial interest charged. An amount of $1,000,000 (2008: nil) was repaid during the year and $461,306 of the principal and $49,908 of accrued interest is outstanding at 30 June 2009. As at the date of this report the total amount outstanding is $186,124.

(b) Transactions with related parties in the wholly owned group

During the financial period, unsecured loan advances were made between the parent entity and its controlled entities. All such loans were interest free. Loan balances between the parent entity and its controlled entities are disclosed in the financial report of the parent entity. Intra-entity loan balances have been eliminated in the financial report of the consolidated entity.

20. INVESTMENTS IN CONTROLLED ENTITIES

Name of entity	Country of incorporation	Class of shares	Equity holding 2009 %	2008 %
RBM Operations Pty	Australia (ii)	Ordinary	100	100
Volley Oil Pty Ltd	Australia (ii)	Ordinary	100	100
Tennscourt Oil Pty Ltd	Australia (ii)	Ordinary	100	100
Gold Dredging Pty Ltd	Australia (ii)	Ordinary	100	100
Leeturn (No 164) Pty Ltd	Australia (ii)	Ordinary	100	100
Nationwide Pacific Pty Limited	Australia (ii)	Ordinary	100	100
Audesso Limited	Australia (ii)	Ordinary	100	100
Audesso Mining (Fiji) Ltd	Fiji	Ordinary	100	100
Pacific Islands Gold (Fiji) Ltd	Fiji	Ordinary	100	100
Pacific Islands Gold de Mexico de SACV	Mexico (i)	Ordinary	100	100
ICE Interactive Pty Ltd	Australia (ii)	Ordinary	100	100
eMAX Entertainment Pty Ltd	Australia (iii)	Ordinary	100	100
Xstream Pty Ltd	Australia (iii)	Ordinary	100	100

The issued shares of these entities are held in trust for the Company and the Company is the sole beneficial owner of these entities.

i) Dormant company.
ii) These entities are members of the tax consolidated group of which Redbank Copper is the head entity.
iii) During the 2003 financial year these companies were placed into Voluntary Administration ("VA"). Although the parent company still technically owns 100% of the shares on issue during the period of the VA it did not have the ability to control the operations of the company and as such was de-consolidated, effective from 10 September 2002.

21 SEGMENT INFORMATION

The entity operates predominantly in one business and geographical segment, being mineral exploitation and development in Australia, with minor transactions in Fiji. All of the assets of the Company are deployed for these purposes.

	Australia		Fiji		Consolidated	
Geographical Segments	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**	**$**	**$**
Revenue						
Copper Sales	1,426,144	3,041,810	-	-	1,426,144	3,041,810
Inter-segment revenue	-	-	-	-	-	-
					1,426,144	3,041,810
Unallocated revenue					92,632	832,828
Total consolidated revenue					1,518,776	3,874,638
Segment result						
Loss from ordinary activities	(5,278,531)	(1,871,178)	(193,205)	(9,737,889)	(5,471,736)	(11,609,067)
Unallocated revenue less unallocated expense	-	-	-	-	-	-
Consolidated Entity operating loss					(5,471,736)	(11,609,067)
Assets						
Segment assets	9,638,621	9,651,081	318,738	121,504	9,957,359	9,772,585
Liabilities						
Segment liabilities	5,821,243	4,865,466	2,182,567	2,256,034	8,003,810	7,121,500
Other Segment Information						
Acquisition of segment assets	199,079	194,376	-	-	199,079	194,376
Impairment losses:						
Recognised in profit or loss	999,073	-	193,205	9,222,217	1.192.278	9,222,217
Recognised in equity	-	-	-	-	-	-
Depreciation and amortisation	230,796	457,356	-	-	230,796	457,356

	Consolidated 2009 $	2008 $
22 LOSS PER SHARE		
Basic loss per share (cents per share)	2.0	8.0
Dilutive loss per share (cents per share)	2.0	8.0

The following reflects the earnings and average number of ordinary shares and potential ordinary shares used in the calculation of basic and diluted earnings per share:

	2009	2008
Loss used in calculating basic and diluted loss per share	(5,471,736)	(11,609,067)
Weighted average number of ordinary shares used in the calculation of basic loss per share	285,362,879	143,570,702

Effect of dilutive securities:
There is no impact of dilutive shares as the consolidated entity made a loss for the year, hence any dilution would reduce the loss per share. Diluted earnings per share is therefore the same as basic loss per share.

23 CONTINGENT LIABILITIES

There are no material contingent liabilities of the Company at the reporting date.

24 SUBSEQUENT EVENTS

The significant events which have occurred subsequent to the end of the period other than have been disclosed in the financial report are:

i) On 10 July 2009, shareholders of the company approved the issue of 7,500,000 options to the Managing Director, Mr Bruce Morrin as a market linked incentive package. The options issued were as follows: 2,500,000 options exercisable at $0.05 on or before 30 June 2010, 2,500,000 options exercisable at $0.10 on or before 30 June 2011, 2,500,000 options exercisable at $0.15 on or before 30 June 2012.

ii) On 10 July 2009, shareholders of the company approved an Incentive Options Scheme. Pursuant to this 27,500,000 options were issued to various staff on 5 August 2009.

iii) On 15 July 2009, shareholders approved the conversion of a $1,000,000 convertible note facility with Stirling Resources Limited which allotted 50,000,000 shares in the Company at a price of $0.02 each.

iv) On 30 July 2009, the Company announced a placement of 100,000,000 shares in the company at an issue price of $0.015 per share to raise $1,500,000 for working capital purposes (after costs).

v) On 18 September 2009, the Company completed a Share Purchase Plan to shareholders which raised a total of $1,587,500 from applications for 97,993,827 shares in the company at an issue price of $0.0162 per share for working capital purposes (after costs).

There are no other significant events which have occurred subsequent to the end of the year other than have been disclosed in the financial report.

25 FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group's principal financial instruments comprise cash, receivables, payables, investments and loans.
The Group manages its exposure to key financial risks in accordance with the group's financial management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.
The main risks arising from the Group's financial instruments are interest rate risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.
Primary responsibility for identification and control of financial risks is borne between the board members and executive management.

Risk exposures and responses

(a) Interest rate risk

The Group's and Company's exposure to market risk for change in interest rates relates primarily to their interest bearing liabilities. The level of debt is disclosed in Note 14.

The Group has negotiated unsecured loan facilities with Stirling Resources Limited, these facilities being one of the lowest interest bearing facilities available to the Group. The Group continually monitors interest rate exposure and should interest rates rise significantly, given the cash reserves and future cash flows of the Group, it has an ability to repay the interest bearing facilities.

The following sensitivity analysis is based on the interest rate exposures in existence at the balance sheet date.

At 30 June 2009, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

	Post tax profit higher / (lower)		**Other Equity higher / (lower)**	
Judgements of reasonably possible movements	**2009 $000**	**2008 $000**	**2009 $000**	**2008 $000**
Consolidated				
+ 1% (100 basis points)	(16)	(5)	-	-
- 1% (100 basis points)	16	5	-	-

The movements in profit are due to higher/lower interest costs from variable rate debt and cash balances for the year.

(b) Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of the instruments. Exposure at balance date is addressed in each applicable note.

The Company aims to minimise concentration of credit risk in relation to trade receivable by undertaking transaction with government corporations and in relation to loans to other parties by regular weekly monitoring of accounts by the group accountant and Managing Director.

Credit risk in trade receivables is managed in the following ways:

- payment terms are 30 days for receivables other than loans.
- a regular risk review takes place on all receivables and loan balances
- a thorough continuing assessment process with all loan receivables

25 FINANCIAL INSTRUMENTS (continued)

(c) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of loans and other available credit lines.

The Group manages liquidity risk by monitoring forecast cash flows.

The table below reflects all contractually fixed pay-offs and receivables for settlement, repayments and interest resulting from recognised financial assets and liabilities as of 30 June 2009. Cash flows for financial assets and liabilities without fixed amount or timing are based on the conditions existing at 30 June 2009.

Maturity analysis of financial assets and liabilities based on management's expectations.

Trade payables and other financial liabilities mainly originate from the financing of assets used in our ongoing operations. These assets are considered in the Group's overall liquidity risk. To monitor existing financial assets and liabilities as well as to enable an effective controlling of future risks, the Company has established comprehensive risk reporting covering its business that reflects expectations of management of expected settlement of financial assets and liabilities.

30 June 2009

Consolidated	Weighted average effective interest rate %	< 6 months $	6 - 12 months $	1 - 5 years $	>5 years $	Total $
Financial assets						
Cash and cash equivalents		1,474,082	-	-	-	1,474,082
Assets available for sale		-	25,000	-	-	25,000
Trade and other receivables	2.7	328,501	-	504,170	-	832,671
Other financial assets		-	-	54,085	-	54,085
		1,802,583	25,000	558,255	-	2,385,838
Financial liabilities						
Trade and other payables		3,202,860	-	-	-	3,202,860
Interest bearing loans and borrowings	6.4	-	458,423	1,528,871	-	1,987,294
Non-interest bearing loans and borrowings		1,000,000	-	-	-	1,000,000
		4,202,860	458,423	1,528,871	-	6,190,154
Net Maturity		(2,400,277)	(433,423)	(970,616)	-	(3,804,316)

30 June 2008

Consolidated	Weighted average effective interest rate %	< 6 months $	6 - 12 months $	1 - 5 years $	>5 years $	Total $
Financial assets						
Cash and cash equivalents		38,979	-	-	-	38,979
Assets available for sale		-	-	-	-	-
Trade and other receivables		-	-	1,169,085	-	1,169,085
Other financial assets		-	-	-	-	-
		38,979	-	1,169,085	-	1,208,064
Financial liabilities						
Trade and other payables						
Interest bearing loans and borrowings	12.46	1,181,582	3,030,332	1,238,745	1,004,262	6,454,921
Net Maturity		(1,142,603)	3,030,332	(69,660)	1,004,262	(5,246,857)

25 FINANCIAL INSTRUMENTS (continued)

30 June 2009

Parent	Weighted average effective interest rate %	< 6 months $	6 - 12 months $	1 - 5 years $	>5 years $	Total $
Financial assets						
Cash and cash equivalents		1,348,147	-	-	-	1,348,147
Assets available for sale		-	-	-	-	-
Trade and other receivables	2.3	126,828	-	199,355	-	326,183
Other financial assets		-	-	11,490,935	-	11,490,935
		1,474,975	-	11,690,290	-	13,165,265
Financial liabilities						
Trade and other payables		1,100,124	-	-	-	1,100,124
Interest bearing loans and borrowing	6.4	-	458,423	1,528,871	-	1,987,294
Non-interest bearing loans and borrowings		1,000,000	-	-	-	1,000,000
		2,100,124	458,423	1,528,871	-	4,087,418
Net Maturity		(625,149)	(458,423)	10,161,419	-	9,077,847

30 June 2008

Parent	Weighted average effective interest rate %	< 6 months $	6 - 12 months $	1 - 5 years $	>5 years $	Total $
Financial assets						
Cash and cash equivalents		(7,058)	-	-	-	(7,058)
Assets available for sale		-	-	-	-	-
Trade and other receivables		-	122,225	6,597,060	-	6,719,285
Other financial assets		-	-	-	-	-
		(7,058)	122,225	6,597,060	-	6,712,227
Financial liabilities						
Trade and other payables		1,107,518	-	-	-	1,107,518
Interest bearing loans and borrowings	12.46	-	1,728,703	376,538	-	2,105,241
		1,107,518	1,728,703	376,538	-	3,212,759
Net Maturity		(1,114,576)	(1,606,478)	6,220,522	-	3,499,468

(d) Price risk

The Group's exposure to commodity risk is minimal, however commodity risk will be a factor when copper mining operations recommence.

Equity securities price risk arises from investments in equity securities. The Group has no exposure to equity securities.

25 FINANCIAL INSTRUMENTS (continued)

(e) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign exchange risk arises when future commercial transactions and recognised financial assets and financial liabilities are denominated in a currency that is not the Group entity's functional currency.

The Group has minor operations in Fiji and is exposed to foreign exchange risk arising from currency exposures to Fiji dollars. The Group does not manage this risk.

The objective of the Group's foreign exchange risk management policy is to ensure its financial viability despite potential periods of unfavourable exchange rates. Regular sensitivity analysis is conducted to evaluate the potential impact of unfavourable exchange rates on the Group's future financial position. The results of this evaluation are used to determine the most appropriate risk mitigation tool to be used.

No foreign currency hedging transactions were entered into during the financial year or prior financial year.

The Group's and parent entity's exposure to foreign exchange risk at 30 June 2009 was a follows:

Group & parent

	30 June 2009 FJD $ AUD $	30 June 2008 FJD $ AUD $	30 June 2009 USD $ AUD $	30 June 2008 USD $ AUD $
Cash & cash equivalents	-	334	-	-
Loans & receivables	-	98,742	-	13,610
Trade & other payables	(2,123,083)	(2,256,034)	-	(272,469)

For the year ended and as at 30 June 2009, if the Fiji dollar currency set out in the table below, strengthened or weakened against the Australian dollar by the percentage shown, with all other variables held constant, post tax profit and equity would have been affected as follows:

	Post tax profit higher / (lower) FJD		Post tax profit higher / (lower) USD		Other Equity higher / (lower)	
Judgements of reasonably possible movements	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $
Consolidated						
+ 10% change in currency	(176,110)	(119,499)	-	1,237	-	-
- 10% change in currency	176,110)	119,499	-	(1,237)	-	-

(f) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as trading securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short term nature.

	CONSOLIDATED		PARENT ENTITY	
	2009	2008	2009	2008
	$	$	$	$

26. CASH FLOW STATEMENT

a) Reconciliation of cash

Cash balances comprise:				
Cash at bank / (overdraft)	110,733	38,979	10,733	(7,058)
Cash on deposit	1,362,422	-	1,336,487	-
Cash on hand	927	-	927	-
	1,474,082	38,979	1,348,147	(7,058)

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

b) Reconciliation of net cash outflow from operating activities to loss after income tax

Loss after income tax	(5,471,736)	(11,609,067)	(2,269,479)	(5,615,348)
Depreciation and amortisation	230,796	457,356	31,900	12,180
Provision for non-recovery of loans	-	212	114,701	4,029,801
Profit on deconsolidation	-	(500,000)	-	-
Impairment on current assets	290,365	-	-	-
Impairment on non-current assets	909,329	9,222,217	7,416	-
Provision for rehabilitation and environmental expense	22,614	(140,277)	-	(14,739)
Write back of current liabilities	(458,791)	-	-	-
Receipt from rental bond	-	(10,000)	-	(10,000)
Receipt from security deposit	-	(59,722)	-	(14,020)
Share based payments	-	4,448	-	4,448
Payments for exploration and evaluation	156,578	-	-	-
Non cash borrowing expense	-	(14,062)	-	(14,062)
Changes in operating assets and liabilities				
Decrease / (increase) in receivables	299,521	194,615	(59,641)	620
Decrease / (increase) in prepayments	29,753	-	(21,504)	-
Decrease / (increase) in inventory	126,483	1,007	-	-
Decrease / (increase) in other assets	-	(21,696)	-	(16,494)
Increase/ (decrease) in payables	674,841	(241,696)	104,902	(243,937)
Increase/ (decrease) in employee entitlements	(27,546)	27,774	(11,356)	8,562
Net cash outflow from operating activities	(3,217,793)	(2,688,891)	(2,103,061)	(1,872,989)

a) Financing facilities available

At reporting date, the following financing facilities had been negotiated and were available:

Bank overdraft facility (unsecured)				
Total facility	50,000	50,000	50,000	50,000
Used at reporting date	-	26,083	-	26,083
Facility unused at reporting date	50,000	23,917	50,000	23,917

The following financing facilities had been repaid and not renewed:

Directors stand-by loan facility			-	
Total facility	-	160,000	-	160,000
Used at reporting date	-	130,000	-	130,000
Facility unused at reporting date	-	30,000	-	30,000

27. EXPENDITURE COMMITMENTS

(a) Operating leases (non-cancellable)

	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
Minimum lease payments				
- not later than one year	190,228	154,500	190,228	154,500
- later than one year but not later than five years	337,266	257,500	337,266	257,500
- greater than five years	-	-	-	-
	527,494	412,000	527,494	412,000

(b) Finance leases

	2009 Minimum lease payments $	2009 Present value of lease payments $	2008 Minimum lease payments $	2008 Present value of lease payments $
Consolidated entity and parent entity				
Within one year	-	-	109,930	109,930
After one year but not more than five years	-	-	383,236	383,236
Greater than five years	-	-	-	-
Total minimum lease payments	-	-	493,166	493,166
Less amounts representing future finance charges	-	-	(17,925)	(17,925)
Present value of minimum lease payments	-	-	475,241	475,241

(c) Tenement expenditure proposed

Estimated lease rentals and exploration expenditure required to meet minimum expenditure requirements of the various Mines Departments in Australia to maintain current rights of tenure to mining and exploration tenements.

	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT ENTITY 2009 $	PARENT ENTITY 2008 $
Minimum lease payments				
- not later than one year	806,654	105,000	-	30,000
- later than one year but not later than five years	-	-	-	-
- greater than five years	-	-	-	-
	806,654	105,000	-	30,000

DECLARATION BY DIRECTORS

In the opinion of the Directors:

1. the financial statements and notes are in accordance with the Corporations Act 2001, including:

   (a) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   (b) giving a true and fair view of the Company's and Group's financial position as at 30 June 2009 and of their performance for the financial year ended on that date; and

2. at the date of this declaration and as set out in Note 2, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declaration by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Directors.

Bruce Morrin
Director

Perth, Western Australia
30 September 2009

INDEDPENDENT AUDITOR'S REPORT

Deloitte.

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Independent Auditor's Report to the members of Redbank Copper Limited (formerly Redbank Mines Limited)

We have audited the accompanying financial report of Redbank Copper Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, cash flow statement and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 13 to 54.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

(a) the financial report of Redbank Copper Limited is in accordance with the *Corporations Act 2001*, including:
   (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 2 in the financial report which indicates that the company incurred a net loss of $2,269,479 (consolidated entity : $5,471,736) during the year ended 30 June 2009 and, as of that date, the company's current liabilities exceeded its current assets by $1,701,424 (consolidated entity : $2,220,458). These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty which may cast significant doubt about the ability of the company and the consolidated entity to continue as going concerns and whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 8 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Redbank Copper Limited for the year ended 30 June 2009, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Leanne Karamfiles
Partner
Chartered Accountants
Perth, 30 September 2009

ASX Additional Information

Additional information required by the Australian Securities Exchange Listing Rules and not disclosed elsewhere in this report is set out below:

SHAREHOLDINGS (as at 17 September 2009)
Substantial shareholders

The number of shares held by substantial shareholders and their associates are set out below;

Shareholder	Number of ordinary shares	% of issue capital
Stirling Copper Pty Ltd	234,191,191	28.75
Miss Lisa Jane Petrie	23,372,776	2.87

Voting Rights
Each shareholder is entitled to receive notice of and attend and vote at generals meetings of the Company. At a general meeting every shareholder present in person or by proxy, representative or attorney will have one vote on a show of hands and on a poll, one vote for each share held.

Distribution of equity security holders

Category	Total shareholders	Total holders of listed options
1-1,000	755	-
1,001-5,000	277	-
5,001-10,000	225	-
10,001-100,000	1,000	-
100,001-9,999,999,999	869	-
	3,126	-

The number of shareholder holding less than a marketable parcel of ordinary shares is 1,642.

On market buy-back
There is not current on market buyback.

Securities on issue

Category	Number
Ordinary Shares	814,541,250
Unlisted option expiring 30 January 2011	4,000,000
Directors options 30 June 2010	2,500,000
Directors options 30 June 2011	2,500,000
Directors options 30 June 2012	2,500,000
Employee options 31 December 2011	31,500,000
Unlisted convertible notes	50,000,000

ASX Additional Information Continued

Twenty largest shareholders

Shareholder name	No of ordinary shares held	Percentage of capital held
Stirling Copper Pty Ltd	234,191,191	28.75
Miss Lisa Jane Petrie	23,372,776	2.87
Singpac Investment Holding Pte Ltd	10,338,450	1.27
Celtic Capital (The Celtic Capital A/C)	10,000,000	1.23
Isaiah Sixty Pty Ltd	9,510,000	1.17
Bontown Pty Ltd	7,000,000	0.86
Isaiah Sixty Pty Ltd (Isaiah S/F A/C)	6,800,000	0.83
Cadex Petroleum Pty Ltd	6,000,000	0.74
Mr Robert Naylor & Ms Marjorie Naylor (Robert Naylor Family S/F A/C)	5,000,000	0.61
Robinson Corp Pty Ltd	5,000,000	0.61
Mr Timothy John Johnson	4,953,399	0.61
Mr Leslie Murray McKenzie & Ms Lisa Jane Petrie	4,932,405	0.61
Mr Jimmy Ye	4,500,000	0.55
Mr Simon Edward Wright	4,200,000	0.52
Ms Tanya Dorothy Carmine	4,000,000	0.49
Planmoor Investments Pty Ltd (B&A Lee Super A/C)	4,000,000	0.49
Troca Enterprises Pty Ltd	4,000,000	0.49
Mr Carrick John Hill	3,500,000	0.43
Mr Philip John Coulson	3,333,333	0.41
Ms Ildiko Wowesny (The IW Family A/C)	3,000,001	0.37
	357,631,555	**43.91**