



ASX / MEDIA RELEASE

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REDBANK'S COPPER PROJECT MOVES AHEAD

Copper developer Redbank Copper Limited (ASX: RCP) released today its 4 month comprehensive Mine Study for the development of the Redbank high grade copper project in the Northern Territory.

The Study confirms strong economic viability for a copper cathode and concentrate project and includes a base case model for an open cut copper mine with a life of ten years, including production from both oxide and sulphide ores.

Key points:

- Average cash cost US\$1.21/pound
- Revenue AUD\$470m
- Cash flow AUD\$166m
- Startup capital AUD\$18.2m with total capital AUD\$62.5m
- Study assumes 10 year mine life based on current resources and assumed further exploration success and expansion of resource base
- Total production: 21,100 tonnes copper cathodes (LME grade 99.99%)
62,900 tonnes copper in concentrate
- NPV of cash flows is AUD\$53.0m (6.6c/share)

Redbank Managing Director Bruce Morrin said the study confirmed the positive economics of the project, and identified optimal methods for development.

"The release of the Mine Study is a major step forward in the re-development of Redbank as a high grade copper producer," Mr Morrin said.

"We have established resources and infrastructure in place at Redbank, and a substantial exploration program underway to lift the resource base."

"The Mine Study shows that with relatively small capital outlay we can return the Redbank project into production. Our focus now is on continuing the exploration program, and moving the project forward to be in a position to potentially commence production mid next year," Mr Morrin said.

Initial oxide ore processing is proposed to commence in 2010, at a throughput rate of 150,000tpa, producing cathode from a small SX-EW plant. Sulphide production is proposed to commence in 2012 from the refurbished onsite concentrator, at an initial rate of 300,000tpa increasing to 500,000tpa producing a 27% copper concentrate.

Attached is an executive summary and the full Redbank Copper Mine Study can be found at www.redbankcopper.com.au



Redbank Copper Limited

143 Hay Street Subiaco
Western Australia 6008

Telephone: + 61 8 6389 6400

Facsimile: + 61 8 6389 6410

For further information, please contact:

Bruce Morrin

Managing Director

Tel: +61 (0)8 6389 6400

Mob: +61 (0)488 770 553

Warrick Hazeldine / Ryan McKinlay

Purple Communications

Tel: +61 (0)8 6314 6300

Mob: +61 (0)417 944 616 / +61 (0)408 347 282

COMPETENT PERSON

The information contained in this announcement insofar as it relates to the Company's geological information at the Redbank Copper Project is sourced from information compiled by Mr. Craig Hall BSc(Hons), MAusIMM, MAIG. Mr. Hall is a senior manager of the Company. Mr. Hall has sufficient expertise relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Hall has approved the inclusion of the statement in the form and context in which it appears.



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About Redbank Copper

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

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

The Company acquired the Redbank Copper Mine in 2005, and had been generating some cash flow from the treatment of high grade oxide stockpiles to produce a copper cement. The tenement package included numerous advanced copper targets.

In December 2007, Redbank secured an exploration joint venture with Glencore International, one of the world's largest commodity suppliers. The Company has also signed an off-take agreement with Glencore for the life of mine, based on marked based spot prices of copper.

Redbank's major shareholder is the listed group Stirling Resources Limited (ASX: SRE).

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





EXECUTIVE SUMMARY

Redbank Copper Limited (Redbank) operates the Redbank Copper Project located in the Northern Territory close to the Queensland border and approximately 70 km inland from the Gulf of Carpentaria.

The Redbank copper deposits were discovered in the early 20th century and have been worked intermittently, almost exclusively based on shallow oxide deposits which in some parts have been quite rich. The most recent processing activities involved treating oxide ores, to make a low value copper cement, left over from a short 1990's mining and processing campaign that closed when the price of copper declined.

Sandy Flat Mine and Processing Area (July 2009)



In 2009, under new funding and management, Redbank reviewed the project and has taken the following actions:

- Placed the site on care and maintenance and embarked on a program to improve environmental compliance, in particular to remedy discharges of contaminated water from the site.
- Carried out a review of the project to determine the future direction of its development.



- Embarked on a well funded exploration program that aims to discover new resources and to upgrade the status of the existing resources.

This study by Redbank examines the options for future development of the project. Redbank has identified that the future of the project is primarily in processing sulfide copper ores, which comprise more than 80% of the resources, to make quality copper concentrates. In addition copper cathode will be made from the oxide ores.

This study is based on information that is at this time uncertain and on a production plan that contains material which is not yet been defined and is not included in resources. Costs have been estimated to an accuracy of +/- 30%. Further work is required to establish additional resources and define operating parameters, such as metallurgical performance and costs, to confirm the assumptions made for this study.

Geology and Resources

The copper mineralisation at Redbank is mainly hosted by a number of volcanic breccia pipes thought to be derived from a magmatic source at depth. The known mineralised pipes have been shown by drilling to extend vertically through the entire 200 to 300 m thick Gold Creek Volcanics unit and range in diameter from 30 to 130 m. The copper grade of the mineralisation varies but typically exhibits remarkable vertical continuity. Oxide mineralisation typically extends to 35 to 50 m below surface with a transition zone trending into sulfide mineralisation.

In 2008 the total resources were estimated by SRK Consultants as 5,208,000 tonnes at a grade of 1.4% copper containing 75,000 tonnes of copper metal. The oxide resources are mainly in the Indicated category (89%) whilst the sulfide resources are mainly in the Inferred category (73%) and are the result of concentrated shallow drilling, which will be remedied by the current 2009 delineation drilling program.



REDBANK RESOURCES (2008)

	TONNES	GRADE % Cu	CONTAINED COPPER Tonnes	NUMBER OF PIPES
OXIDE RESOURCES				
Indicated	775,000	1.6	12,500	
Inferred	137,000	1.2	1,500	
Total	912,000	1.5	14,000	4
SULFIDE RESOURCES				
Indicated	943,000	1.7	16,500	
Inferred	3,353,000	1.3	44,500	
Total	4,296,000	1.4	61,000	5
TOTAL RESOURCES				
Indicated + Inferred	5,208,000	1.4	75,000	
Resources have been estimated to 2004 JORC Code standards (Redbank 2008 Annual Report)				

The exploration potential at Redbank is good and is based on expanding known resources and drilling into geochemically and geophysically identified targets. From exploration to date on Redbank's core tenement, ERL94, the most advanced targets lie within the Redbank-Bluff corridor. The 2009 programme is designed to review all available data from first principles, quickly and effectively ranking targets within and outside this corridor and to allow the efficient drill targeting of relatively small footprint sulfide zones to open pittable depths. The discovery of at least 2 to 3 new pipes is considered possible.

The Redbank mine site experiences a northern Australian tropical wet and dry season pattern and road access is restricted from December to April when rainfall run-off makes the roads impassable. Continuing access is possible by air.

Metallurgy and Processing

Although processing of oxide ore has previously been carried out at site there is a lack of data regarding the ore's metallurgical performance. This study is based on the understanding that oxide ore can be readily leached with sulphuric acid to produce a pregnant solution from which 80% of the copper can be recovered by Solvent Extraction-Electrowinning (SX-EW). The product would be a high purity (LME Grade A 99.99% Cu) Copper Cathode. Treatment to produce copper cement, as practised until recently, is not considered a satisfactory option as it produces only a low value product



In the 1990's a processing plant based on flotation of copper sulfide ores was constructed at site but for most of its time only processed oxide and transitional ore. These materials were difficult to treat by flotation. It was only in the plant's last campaign that the open pit was sufficiently deep to produce good quality sulfide ore and anecdotal reports suggest that a high quality concentrate was able to be made from this material and recovery of was good. In this study is has been assumed that copper recovery to concentrate will be 92% and the grade of the concentrate will be 27.5%.

There is a limited amount of metallurgical data available for the processing of both oxide and sulfide ores and new test work will be done on samples obtained from the 2009 drilling program to confirm the assumptions made in this study and to design process flow sheets.

All currency amounts used in this study are A\$(2009) unless otherwise noted.

Current Flotation Plant (July 2009)



The major project expense to bring Redbank into production will be associated with processing. Other expenditure will cover infrastructure such as an expanded camp, airstrip upgrade and general service facilities.

Several options for plant development have been considered and the preferred approach is to refurbish the existing sulfide concentrator and to construct an oxide processing plant.

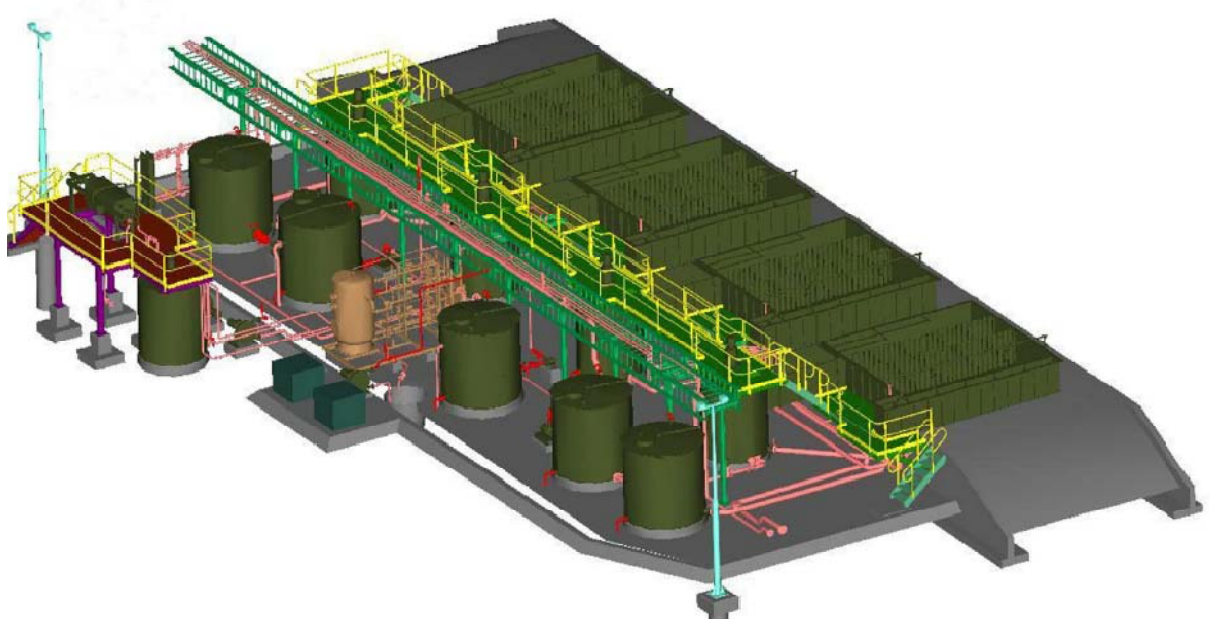


It has been estimated by MSP engineering Pty Ltd that the sulfide plant can be refurbished to treat 300,000tpa of sulfide ore at a cost of about \$17.9 million. The plant would then be expanded in subsequent years to about 500,000 tonnes per annum of processing capacity at a further cost of about \$16.5 million.

An oxide processing plant of about 150,000 tonnes per annum capacity is also proposed by this study. That plant would use the current on site two stage crushing circuit to produce a product which would be screened into coarse and fine portions. The coarse material would be vat leached in the existing three vats and the fine material would be treated in a batch agitated leach and the leach solutions would be combined to form the feed to a small SX-EW plant producing copper cathodes. The capital cost of this plant has been estimated at approximately \$10.2M.

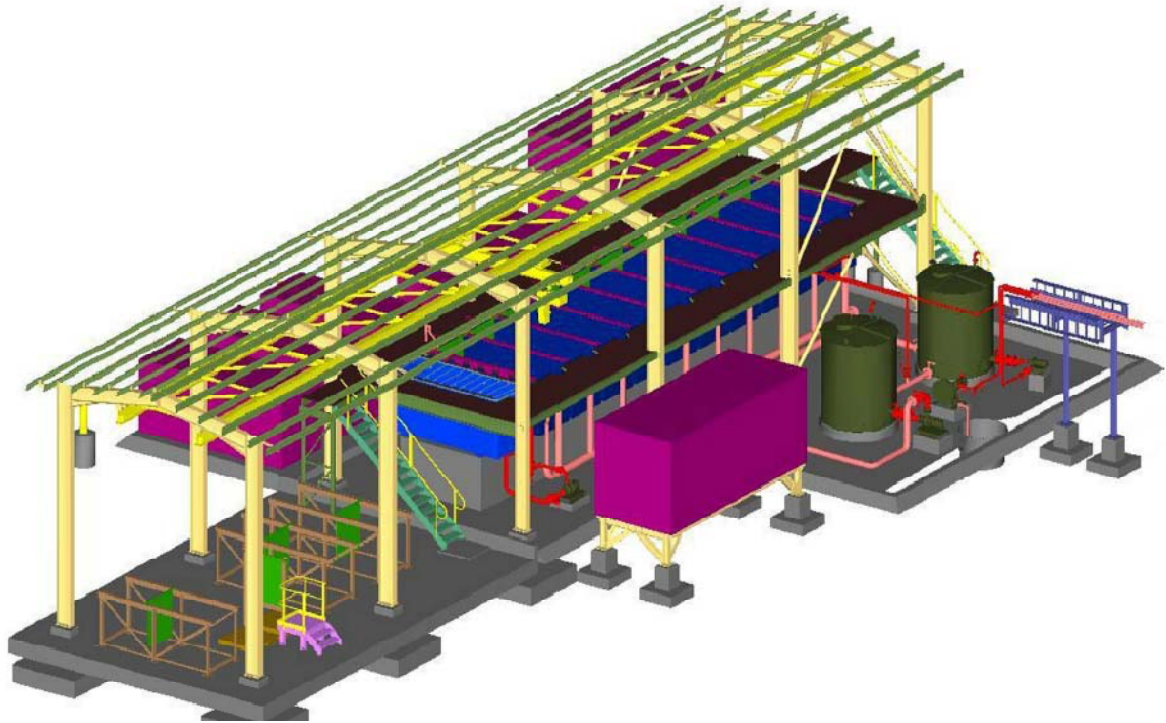
Total capital for both plants (including expansion of the sulfide plant) and associated infrastructure would be about \$61 million.

Proposed Solvent Extraction Plant





Proposed Electrowinning Plant



An issue to be resolved is the wet season interruption to logistics and in particular the inward and outward movement of consumables such as reagents, stores, fuel, copper concentrate and copper cathodes. For this study it has been assumed that operations will continue on a year round basis with stockpiling of both consumables and product on site covering the wet season.

Mining

Mining will initially be by conventional open pit means. Preliminary optimisations for open pits using the current resource models and estimates of operating costs have been carried out to provide a basis for a mining plan. The open pits would extend to about 120 metres in depth. Underground mining has not been considered as part of this study however, once updated resources estimates are obtained following the current (2009) dry season drilling program, the open pits will be re-optimised and the potential for underground mining will be assessed. Mine production would be by contractor with a small owner's team providing technical and contract supervision.



MINE PRODUCTION FROM CURRENT RESOURCES

	TONNES	GRADE % Cu	CONTAINED Cu TONNES	WASTE TONNES	STRIP RATIO
Oxide	551,000	1.76	9,700	516,000	0.93:1
Sulfide	1,089,000	1.88	20,540	10,689,000	9.8:1

A project developed using only the existing resources, and based on annual throughput rates of 300,000 tonnes of sulfide and 150,000 tonne of oxide, results in a mine life of about 3 to 4 years. It should be noted that this resource contains both Indicated and Inferred resources and as such cannot be referred to as “ore” or “reserves” as set out in the JORC Code.

It generates only about \$8 million of free cash, after capital expenditure before tax and interest, and demonstrates the need for additional resources to be delineated.

To demonstrate the potential viability of the project with additional resources, a production plan that incorporates additional oxide and sulfide material (and which has not yet been discovered) has been considered.

This plan requires additional material amounting to 2.5 million tonnes of sulfide mineralisation and 950,000 tonnes of oxide mineralisation to provide a ten year life. These quantities represent the equivalent of about two to three additional breccia pipes containing resources similar to those already discovered at Redbank. Exploration is underway in 2009 for new resources. The discovery of new pipes containing new resources is considered possible.

ADDITIONAL MATERIAL INCLUDED IN PLAN BUT NOT YET IN RESOURCES

TYPE	TONNES	GRADE % Cu	STRIP RATIO tonne : tonne	MINING COST (\$/t)
Oxide	948,000	1.76	0.93:1	7.6
Sulfide	2,510,000	1.88	4.6 : 1	31.00



Environmental and Approvals

An Environmental Impact Statement is currently being prepared for submission in September 2009. That will address ongoing operations at the site and cover short term environmental improvements including water management, which is a current issue at the site. In addition the statement will address future operations covering the mining and processing of oxide and sulfide ores.

It has been assumed that all environmental and other approvals will be obtained by early 2010.

Development and Production Plan

The selected scenario for possible development of the project involves production of copper cathodes from oxide material followed by production of copper concentrates from sulfide material. This approach provides a lower initial capital expenditure requirement and matches the mining scenario of the upper oxide material being the first production. Implementation of concentrate production can be funded substantially by cash flows generated from the oxide production

These scenarios have been developed with copper price at US\$2.50/lb and a US\$: A\$ exchange rate of 0.75. Recent surveys of projected 2010 copper metals prices reported by Reuter were ABARE US\$2.49/lb, Citigroup US\$2.49/lb, Goldman Sachs US\$2.36/lb and Macquarie US\$2.50/lb.

Financing has been assumed as a mix of equity raised and debt. Cash flows are before tax and do not include interest.

The key metrics for this scenario are:

- The average operating cost for the production of copper is US\$1.21/lb. Average project operating cost is A\$59.33/tonne.
- Total revenue is \$469 million. Copper concentrates make up almost 70% of that amount. The balance is from sales of copper cathode made from oxides.
- This scenario minimises initial capital expenditure to \$18.2 million in the first year compared to producing sulfides first which would require \$30.6 million in the first year.
- Total net cash flows over ten years after capital expenditure, before tax and interest, amount to \$104 million.



- When full processing capacity is reached annual free cash (before tax and interest) is approximately \$20 million.
- The Net Present Value of Cash Flows (at 8% discount rate) is approximately \$53 million.



PREFERRED SCENARIO - ANNUAL PRODUCTION PHYSICALS AND CASH FLOWS SUMMARY

(Note this scenario includes material which has not yet been defined as resources)

	Units	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	TOTAL
Prices & Exchange Rate													
Copper Price	2.50	US\$/lb											
Exchange Rate	0.75	US\$:A\$											
Production Physicals													
Oxide mined & processed	k tonnes		150	150	150	150	150	150	150	150	150	150	1500
Sulfide mined & processed	k tonnes				300	300	500	500	500	500	500	500	3600
Copper in cathodes	tonnes		2675	2185	1860	1740	2110	2110	2110	2110	2110	2110	21120
Copper in concentrates	tonnes				5520	5480	8170	8740	8740	8740	8740	8740	62870
Cash Flows													
Revenue (net of smelter & transport costs)													
-Copper cathode	\$ million		18.5	15.1	12.8	12.0	14.6	14.6	14.6	14.6	14.6	14.6	146.0
-Copper concentrate	\$ million				28.4	28.2	42.0	44.9	44.9	44.9	44.9	44.9	323.1
-Total revenue	\$ million		18.5	15.1	41.2	40.2	56.6	59.5	59.5	59.5	59.5	59.5	469.1
Operating Costs	\$ million		(10.3)	(8.9)	(23.3)	(27.4)	(37.7)	(39.0)	(39.0)	(39.0)	(39.0)	(39.0)	(302.6)
Net Operating Cashflows	\$ million		<u>\$8.2</u>	<u>\$6.2</u>	<u>\$17.9</u>	<u>\$12.8</u>	<u>\$18.9</u>	<u>\$20.5</u>	<u>\$20.5</u>	<u>\$20.5</u>	<u>\$20.5</u>	<u>\$20.5</u>	<u>\$166.5</u>
Capital Costs	\$ million	(18.2)		(0.5)	(22.8)	(1.5)	(17.0)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(62.5)
Net Cash Flows	\$ million	<u>\$(18.2)</u>	<u>\$8.2</u>	<u>\$5.7</u>	<u>\$(4.9)</u>	<u>\$11.3</u>	<u>\$1.9</u>	<u>\$20.0</u>	<u>\$20.0</u>	<u>\$20.0</u>	<u>\$20.0</u>	<u>\$20.0</u>	<u>\$104.0</u>



Sensitivity analyses have been carried out.

SENSITIVITY ANALYSES

	EXCHANGE RATE US\$: A\$	COPPER PRICE US\$/lb	NET CASH FLOWS A\$ million	NPV (@8%) A\$ million	IRR %
Copper price +/- \$0.25/lb	0.75	2.75	154	79	54
		2.50	104	50	39
		2.25	54	22	23
Exchange rate +/- 0.05	0.70	2.50	139	71	50
	0.80	2.50	73	32	29
Operating costs +10% Operating costs -10%	0.75	2.50	74	33	30
	0.75	2.50	134	68	48
Capital costs +10% Capital costs -10%	0.75	2.50	98	46	34
	0.75	2.50	110	55	45
Copper Grade +10% Copper Grade -10%	0.75	2.50	151	77	53
	0.75	2.50	57	23	24

Further Work

The main areas of further work to be carried out are exploration to expand the resources, definition of reserves, undertake metallurgical testing of both oxides and sulfides, develop process flow sheets for oxides and sulfides treatment and prepare the implementation study.