Redbank Copper Limited

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REDBANK ADVANCES TOWARD 2010 PRODUCTION

Redbank Copper Limited (ASX: RCP) has today released its Development Study setting out the Management's basis for the planning and development for its high grade Redbank copper project in the Northern Territory to commence production in the second half of this year.

Highlights of the Development Study include:

- Increased processing and production forecast:
  - Copper Cathode: 2,500tpa (99.9% copper metal)
  - Copper Concentrate: 20,000tpa (27.5% copper), expanding to 30,000tpa
- Average operating costs of US$1.40/lb of contained copper
- Project revenue of $539m
- Start up capital for cathode production of $17.25m
- Total project capital cost of $54.8m
- Net cash flows over 10 years of $177m (after capital, before interest and tax)
- NPV of cashflows $93m with an Internal Rate of Return of 68%

The Development Study outlines an increase in planned copper production with capacity for copper cathode output lifted from 2,100 tonnes to 2,500 tonnes per year.

The Study has been developed with a copper price of US$3.20/lb, exchange rate of 90c and is based on internal management's assessment of production and processing plans, copper recoveries, operating and capital costs as set out in Attachments 6, 7, 8, 9 and 10 of the Study.

Redbank has engaged Calder Project Services to design and construct the Solvent Extraction-Electro Winning (SX-EW) plant for cathode production, with construction set to commence on site in the first half 2010, after the wet season.

The Company has also accelerated the proposed ramp-up of its copper sulphide production stream. The initial rate is 20,000tpa of copper concentrate for the first year (2012) from 300,000tpa of sulphide ore, increasing to 30,000tpa from 500,000tpa sulphide ore.

Redbank Managing Director Bruce Morrin said the Development Study was a further refinement of the comprehensive Mine Study released in September last year.

"In the past six months we have moved forward with the project with a successful exploration program and resource upgrade, finalizing plans for the SX-EW plant, appointment of Project Managers and submission of our Environmental Impact Statements", Mr Morrin said.

The Study incorporates Redbank's increased copper resource and grade position announced in December, and includes a reduction in forecast capital costs as the Company moves toward commencement of copper production in mid 2010. It requires additional material amounting to 1.75 million tonnes of sulphide mineralisation and 1.35 million tonnes of oxide mineralisation to provide a ten year life.

These quantities represent an equivalent of about two to three additional breccia pipes containing resources similar to those already discovered at Redbank. Exploration in 2009 has discovered new resources together with four new breccias pipes and these will be followed up with an exploration program in 2010.

An Executive Summary is attached and the full Development Study can be viewed on the Redbank website www.redbankcopper.com.au

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Executive Summary

Redbank Copper Limited operates the Redbank Copper Project located in the Northern Territory close to the Queensland border and approximately 70 km south 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.

In 2009, with new funding and new management, Redbank reviewed the project and took the following steps:

- 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 development.
- Embarked on a substantial exploration program that discovered new resources and upgraded the status of the existing resources.

  Highlights being:
  - Total Resource upgrade to 6.24mt @ 1.5% copper
  - 28% increase in total copper metal to 95,900 tonnes
  - Indicated Resource upgrade of 50% and increase in copper grades
  - Copper intercepts included[1]
    99m @ 1.90% Cu from 159m, including 32m @ 3.4% Cu
    9m @ 4.0% Cu from 197m
    64m @ 4.0% Cu from 142m, including 28m @ 6.0% Cu
    50m @ 3.0% from 193m, including 11m @ 7.0% Cu
  - Four new breccia pipes confirmed
- Completed a comprehensive Mine Study released last September as a blue print for development. The study confirmed economic viability, with a small capital outlay, for a copper cathode and concentrate project
- Initial oxide ore processing is proposed to commence in 2010 at a throughput rate of 220,000 tonnes per year producing 2,500 tonnes of LME Grade A copper cathode. Sulphide production is proposed to commence in 2012 from the refurbished onsite concentrator, at an initial rate of 300,000 tonnes per year producing 20,000 tonnes of 27.5% copper concentrate. This would be increased to 500,000 tonnes per year producing 30,000 tonnes.
- This Development Study requires additional material amounting to 1.75 million tonnes of sulphide mineralisation and 1.35 million 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 in 2009 has discovered new resources together with four new breccia pipes and these will be followed up with an exploration program in 2010.

[1] Full details of intercepts are provided in Attachment 2

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Key Assets comprise:

- 3,700km² of tenements located in the Northern Territory's McArthur River Basin hosting economic copper mineralization and prospective for cobalt, uranium, manganese and phosphate;
- JORC Resource of 6.24 million tonnes at 1.5% copper for 95,900 tonnes of contained copper comprising of Indicated Resource of 2.76mt at 1.6% copper and Inferred Resource of 3.48mt at 1.5% copper ***(Refer Attachment 1)***;
- Established mine infrastructure consisting of camp, offices, haul roads, leach ponds, crusher and concentrator plant;
- Initial oxide target production (2010) for 2,500 tonnes LME Grade A copper cathode;
- Sulphide target production (2012) for 20,000 tonnes 27.5% copper concentrate.

Key Operating parameters (Refer Attachments 6 & 7)

- **Copper Cathodes**

Processing	220,000 ore tonnes/year
Average grade	1.4% copper
Recovery	80%
Cathode production	2,500 tonnes/year

- **Copper Concentrate**

Processing	300,000 ore tonnes/year
Average grade	1.9% copper
Recovery	92%
Concentrate grade	27.5%
Concentrate production	20,000 tonnes/year
Processing expansion	500,000 ore tonnes/year
Concentrate production	30,000 tonnes/year

Key Financial parameters: (Refer Attachments 8 & 10)

- Average operating cost is US$1.40/lb of contained copper. Average project operating cost is A$52.35/tonne.
- Total revenue is $539 million.
- Net cash flows over ten years after capital expenditure, before tax and interest are $177 million.
- At full processing capacity free cash flow (before tax and interest) averages $27 million per year.
- Net Present Value of Cash Flows (at 8% discount rate) is $93 million and the internal rate of return is 68%.
- Project Capital – Cathodes $17.25m (2010 via debt funding)
  Concentrates $20.35m (2012 via debt funding and cashflow)
  Expansion $17.20m (2013 via cashflow)

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Key Capital Costs (Refer Attachment 9)

- **Cathodes**

SX-EW plant	$8.60m
Leach plant	$3.45m
Tailings dam	$1.00m
Acid storage	$0.35m
Crusher upgrade	$0.30m
Initial consumables	$0.75m
Earthworks	$0.80m
Contingency	$2.00m
	$17.25m

- **Concentrates**

Camp extension	$1.30m
Borefield	$0.20m
Equipment	$0.25m
Office upgrade	$0.40m
Plant refurbish	$16.70m
Contingency	$1.50m
	$20.35m
Plant expansion	$15.00m
Tailings dam	$1.00m
Contingency	$1.20m
	$17.20m

- **Total project capital** $54.80m

RC drilling at San Manuel Prospect, August 2009

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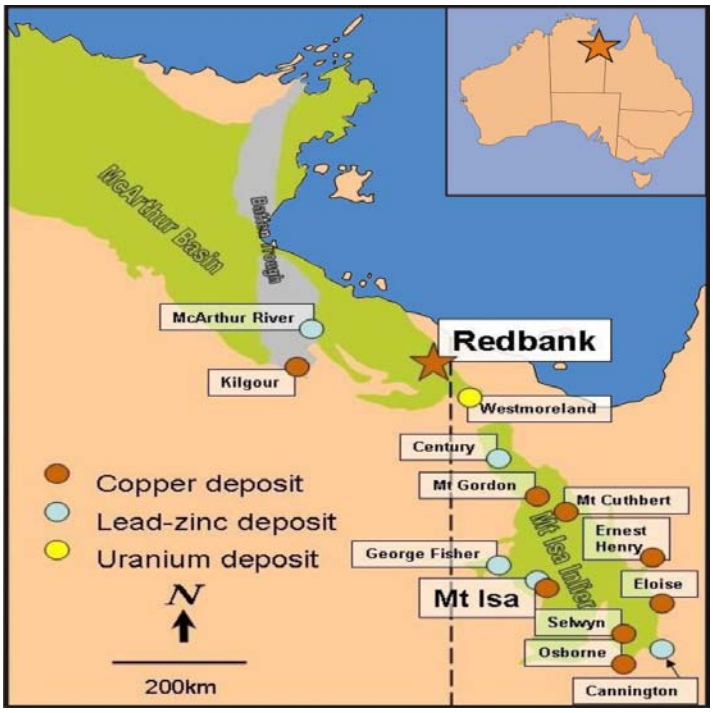
About Redbank Copper

Redbank Copper is an Australian based ASX-listed resource company (ASX: RCP) 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. The tenement package included an established resource base, numerous advanced copper targets and processing infrastructure. Redbank has an exploration program underway to expand its resource base, and is developing the project toward recommencement of production, in line with the Mine Study released in September 2009.

The Company has signed an off-take agreement with Glencore for the life of mine, based on marked based spot prices of copper. Additional information is available at www.redbankcopper.com.au



Competent Person 1:
The information contained in this announcement, insofar as it relates to the Mineral Resources summary is based on information compiled by Mr Phil Jankowski, who is a Member of the Australasian Institute of Mining and Metallurgy. Phil Jankowski is a full-time employee of SRK Consulting (Australasia) Pty Ltd, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Jankowski consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Competent Person 2:
The information contained in this announcement, insofar as it relates to the Company's exploration results at the Redbank Copper Project, is sourced from information compiled by Mr Craig Hall, B.Sc (Hons), MAusIMM, MAIG. Mr Hall is a senior manager of Redbank Copper Limited. Mr Hall has sufficient expertise relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Mineral Resources and Reserves'. Mr Hall has approved the inclusion of the statement in the form and context in which it appears.