



Redbank Mines Limited

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ASX Code: "RBM" - shares
"RBMO" - options

Redbank Copper Project: – Sandy Flat pit contains 300 tonnes of copper in pit water, recoverable value of A\$3.0 million at current prices.



e-lodgement

2 pages

18 October 2006

Plan to Recover 300t of Copper from Sandy Flat Pit Water

The Company is pleased to announce initiatives to recover approximately \$3.0 million of copper in solution from the previously mined Sandy Flat open pit at the Redbank Copper Project, NT.

The Company has engaged Ammttec Limited (ASX: "AEC") to co-ordinate and implement the process, which is based on proprietary resin technology under licence from Purity Systems Inc (PSI) in the US.

Water samples taken from the Sandy Flat pit indicate that approximately 300 tonnes of copper has been dissolved in the pit water. Technical studies completed by Ammttec Limited indicate that most of this copper can be recovered through the application of an advanced ion exchange process utilizing the PSI resin technology. The process will be used to concentrate copper in the pit water by a factor of 30 to 40 times, at which point the reduced volume of high tenor solution can be added to the existing leaching circuit for the production of copper cement.

The process will add around 1 tonne of copper per day to the circuit. At current prices, the 300 tonnes of copper expected to be added to the circuit has a value of approximately A\$3.0 million before capital and operating costs.

Most of the capital costs associated with the process are to be funded through an operating lease over a two year period and funded from cashflow. The incremental operating costs will be limited to additional pumping and process integration costs and water pH management.

Based on the designed flow rates the dewatering of the Sandy Flat pit and recovery of the copper contained therein is expected to take 9 to 12 months.

In addition to the value of the copper to be recovered from the pit water, other benefits to accrue from the dewatering of the Sandy Flat pit include

- environmental management: reduced risk of seepage of acidic water from the permeable upper levels of the pit during the wet season into the groundwater;
- access to the pit bottom for future resource extension drilling and mining of remnant sulphide ore from a depth of 55m.

The Company anticipates that the resin circuit will be ready for installation and commissioning by the end of December.

**Yours faithfully,
Redbank Mines Limited**

**Jerome G Vitale
Managing Director**