



Redbank Mines Limited

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Drilling at Redbank – April 2008

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

e-lodgement

11 Pages

30 April 2008

Activities Report for the Quarter ended 31 March 2008

Redbank Copper Project – NT

- ▶ Drilling commences as part of Definitive Feasibility Study for Oxides Stage at Redbank Copper Project, NT
- ▶ Preliminary results reported to date demonstrate spectacular grades including

Redbank Deposit:

- 29m at 7.3% Cu from 13 metres down hole, including 9m at 13.18% Cu, and
- 24m at 4.54% Cu from 15 metres down hole including 7m at 11.34% Cu; and
- 23m at 2.95% Cu from surface, including 5m at 7.6% and 5m at 4.15% Cu.

Azurite Deposit:

- 5m at 5.5% Cu from 8 metres down hole, including 2m at 11.53% Cu;
- 8m at 2.08% Cu from 3 metres down hole; and
- 12m at 1.74% Cu from 3 metres down hole.

- ▶ Notice of Intent lodged for Oxides Stage

Mt Kasi Gold Project – Fiji

- ▶ JORC classified Mineral Resource of 3.4 million tonnes at 2.2 g/t Au for 240,000 oz Au
- ▶ Renewal of Leases in Fiji – negotiations continue with Interim Government in Fiji

Corporate

- ▶ Glencore International becomes significant shareholder through placement of 16.667m shares
- ▶ Macquarie debt maturity extended by 12 months to 27 February 2009

1.0 Redbank Copper Project, NT - 100%

1.1 Commencement of Definitive Feasibility Study (DFS) and Lodgement of Notice of Intent

A multi-purpose (reverse circulation and diamond core) drilling rig was mobilized during March to undertake an infill drilling programme comprising 986m of reverse circulation drilling and 583m of HQ diamond core drilling as part of the DFS for the oxides stage of the project. By mid April the programme had been completed, and final results are expected within 4 to 6 weeks.

The programme was designed to provide additional resource definition, metallurgical samples and geo-technical data as part of the DFS for the oxides phase of the project. The study is scheduled for completion in 3rd quarter of 2008.

The DFS for the oxides stage of the project is focussed on expanding the current small scale stockpile leach operations at Redbank into a 6,000 tonnes per annum contained copper leach operation based on the current oxide resources. Further expansion of production will follow with the sulphide stage of the project.

The Company announced on 21 April 2008 that it had lodged a formal Notice of Intent (NOI) with the Northern Territory authorities for the Oxides Stage of the Redbank Copper Project.

1.2 Preliminary Drilling Results

Preliminary results have so far been reported from the drilling completed at the Azurite and Redbank deposits. Preliminary assaying of the holes has been completed using field portable XRF. Quality assurance and quality control routines demonstrate that these results are satisfactorily consistent and reproducible and typically within 15% of conventional laboratory assays. These results have been reported as interim results (refer Tables 1 and 2 at the rear of this report for detail) and should be regarded as indicative pending reporting of final laboratory assays expected in 4 to 6 weeks.

Redbank Deposit:

A total of 8 shallow drill holes were drilled at the Redbank deposit for a total of 367m. A number of very high grade copper intercepts in near surface oxide mineralisation were encountered, including 29m at 7.3% copper and 24m at

4.54% copper. The drilling has also located the source breccia pipe for the Redbank mineralisation (Figure 1).

Highlights from the drilling to date at Redbank Deposit:

Hole No	From	Intercept m	Cu %
RB08-10	0m	23m	2.95%
	<i>Incl.</i>	<i>5m</i>	<i>7.60%</i>
	31m	5m	4.15%
RB08-11	1m	10m	1.54%
RB08-13	15m	24m	4.54%
	<i>Incl.</i>	<i>7m</i>	<i>11.34%</i>
RB08-14*	13m	29m	7.30%
	<i>Incl.</i>	<i>9m</i>	<i>13.18%</i>
RB08-16	30m	5m	1.10%

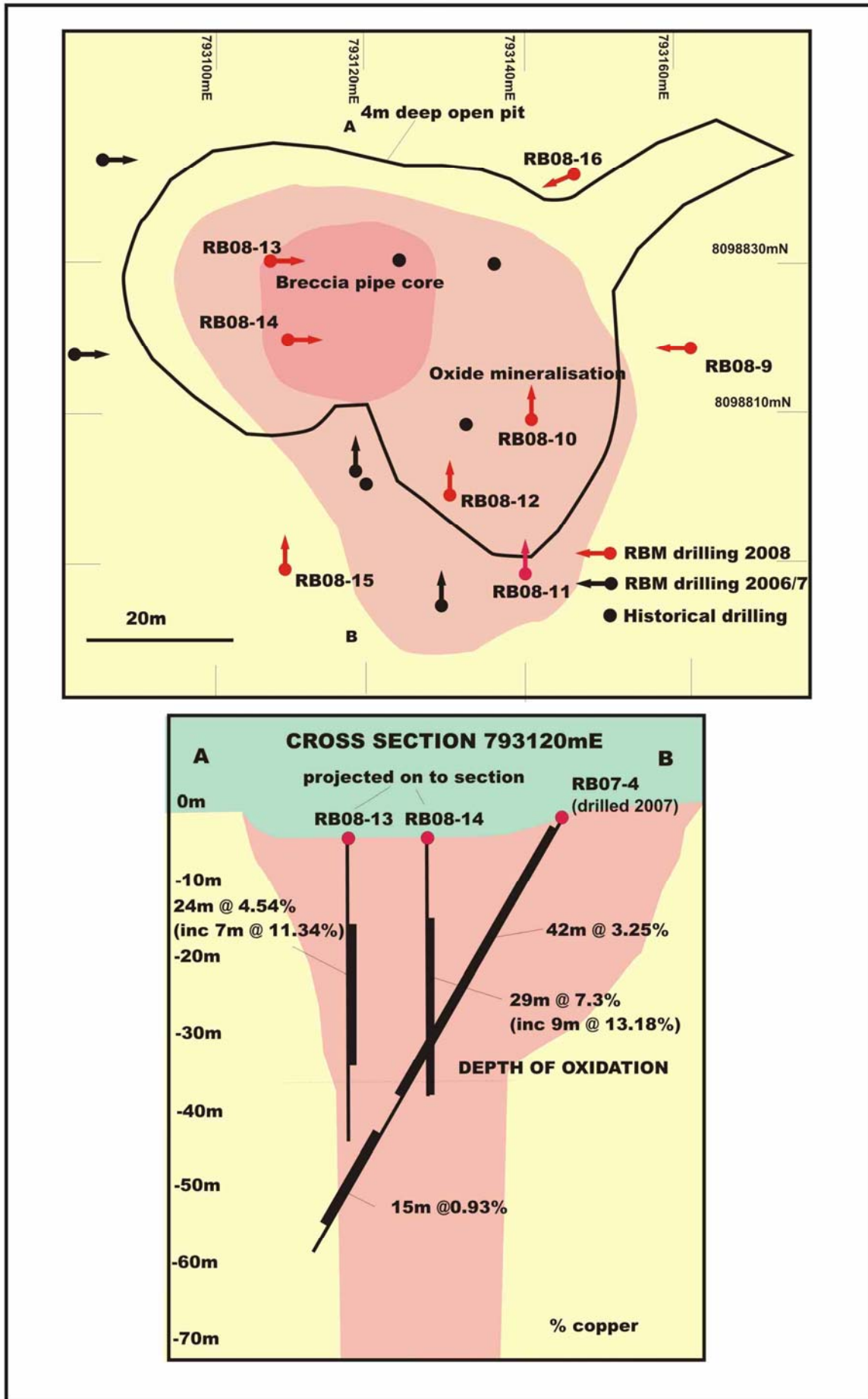
* RB08-14 terminated at 42m in mineralisation due to water influx

The drill holes were located around a shallow open pit (<4m deep) (Figure 1) from small scale mining carried out between 1916 and about 1960s. Wet season rains have flooded the pit to a depth of several metres preventing access to the pit floor. The drill holes were oriented to test the perimeter and immediately below the pit. Previous drilling by Redbank Mines Limited has identified a broad zone of oxide copper mineralisation extending from surface to about 35m.

This programme has further tested the oxide mineralisation and found zones of very high grade within the deposit corresponding to the source breccia pipe, which was not located in previous drilling. As with the other known breccia pipes in the area the Redbank pipe is a discrete circular near vertical body. Supergene processes have enriched the breccia pipe as well as dispersing the oxide copper mineralisation into the surrounding host rocks.

Previous inferred resource estimates for the Redbank Deposit indicate a grade of 1.51% copper. This latest drilling could be expected to significantly enhance the average grade. The breccia pipe remains open below the deepest intercepts at about 60m. Mineralised breccia pipes at the Sandy Flat and Bluff deposits have been shown to extend through the entire 250 to 300m thickness of the host Gold Creek Volcanics.

Figure 1 - Redbank Resource Definition RC Drilling



Azurite Deposit:

A total of 10 shallow drill holes were drilled for a total of 311m at Azurite. Highlights include:



RC Drilling at Azurite – March 2008

Highlights from the drilling to date at Azurite:

Hole No	From	Intercept m	Cu %
AZ08 19	4m	14m	1.48%
AZ08 21	6m	17m	1.33%
AZ08 22	3m	12m	1.74%
AZ08 24	3m	8m	2.08%
AZ08 25	0m	10m	1.31%
AZ08 28	8m	5m	5.55%
	<i>Incl.</i>	<i>2m</i>	<i>11.53%</i>
	16m	3m	1.87%

The drilling was carried out in a close spaced pattern over the centre of the mineralisation defined by previous drilling. The results are consistent with a shallow ore body developed by oxide dispersion from a series of small fissures (Figure 2). The high grade intercept in AZ08-28 of 5m at 5.55% Cu containing 2m at 11.53% Cu represents one of these small fissures and the focus of the high grade 'ore picking' in the historical production period (refer Table 2 at rear of this report for detail).

Grades are consistent or slightly higher than the average previously calculated for the inferred resource at Azurite. Located within a 1.5km of the Redbank Plant the Redbank and Azurite oxide mineralisation should provide an easily accessible ore source for the proposed expansion of the oxide leach operations.

1.3 Pre-development Copper Production March 2008 Quarter

The limited present production is from the site 'clean-up' or pre-mining Stage 1 of the project and not indicative of production levels anticipated once mining of oxides commences during Stages 2 (oxides) and 3 (sulphides) of the project. The Company regards any interim cash generated from the treatment of these stockpiles as a contribution to fixed costs and its exploration and development budget during the completion of the definitive feasibility study for oxides stage of the project.

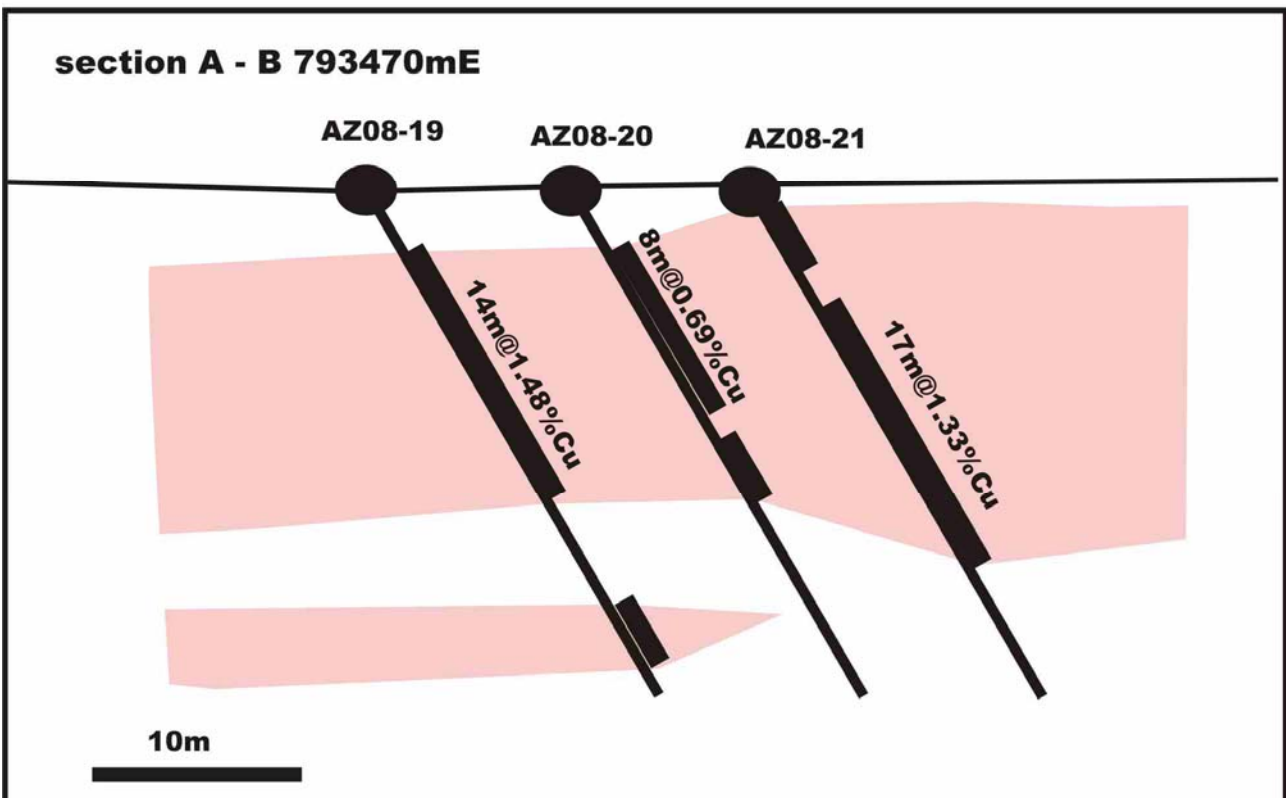
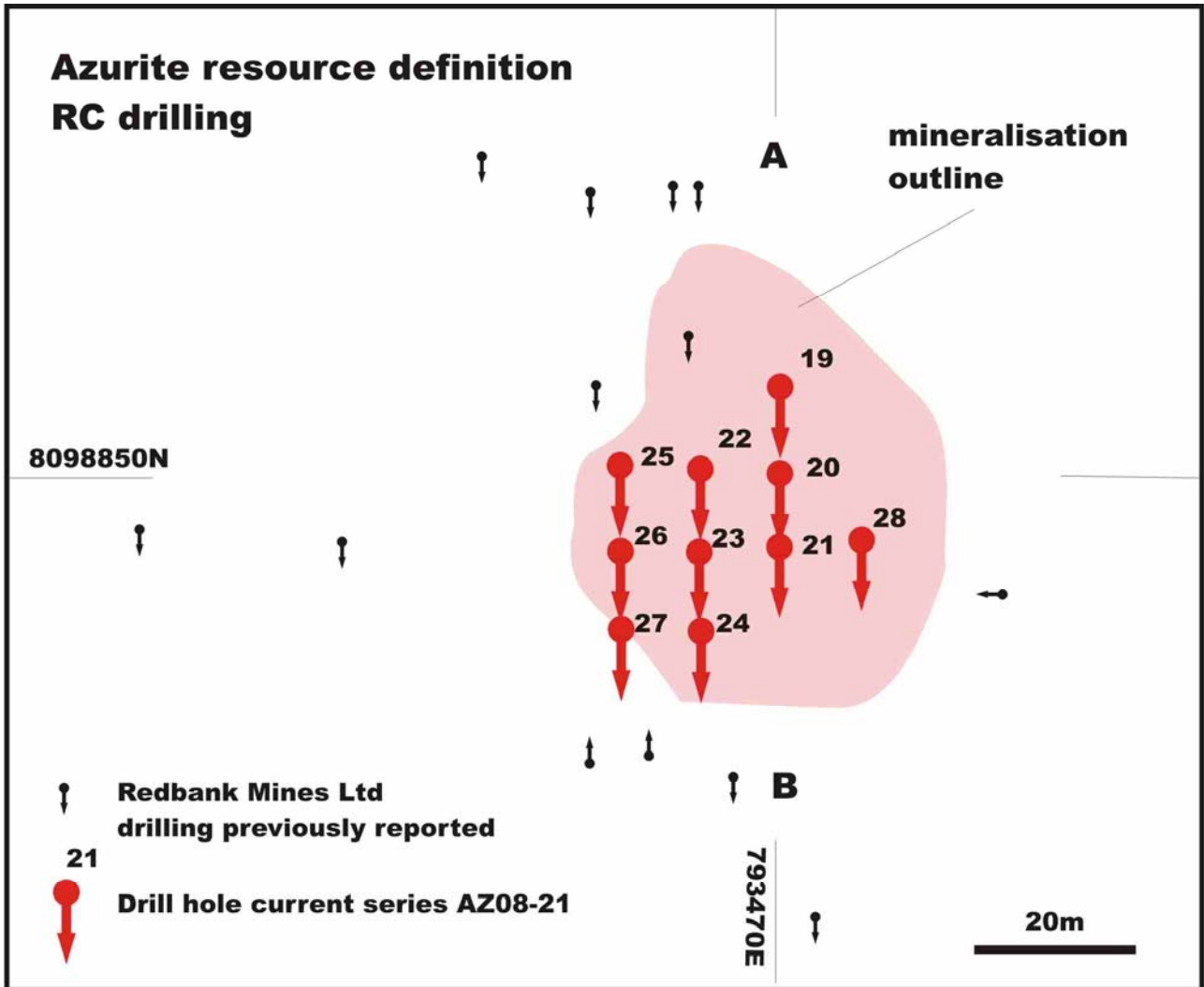
Pre-development operations were suspended in January as a result of the Northern Territory wet season with production limited to 32 tonnes of copper.

The focus of site activities during the quarter was crushing of high grade stockpiles (5% Cu) and preparation of a new heap leach pad. Approximately 7,000 tonnes were crushed and stacked on the new heap leach pad, expected to come on line during the first week in May. This will be followed by a new leaching vat containing approximately 3,000 tonnes of newly crushed oxide material with similar grade, expected to come on line in mid May.



Crushing of stockpiled Ore at Redbank – March 08

Figure 2 – Azurite Resource Definition RC Drilling





Crushed Ore Redbank Copper Project – March 08

1.4 Resin Column to Dewater Sandy Flat Open Pit

The commissioning of the resin column to dewater the Sandy Flat open pit has experienced delays due to further technical difficulties associated with column flow rates and concern as to the resin specification. The Company is working with Ammtec Limited as the technology provider and licensee in Australia to identify possible solutions to rectify these technical difficulties that have included the replacement of hardware components from the original equipment manufacturers.

Approximately 300 tonnes of contained copper is estimated to be contained in solution in the 45m deep pit (approx value at current prices A\$3.0 million). Once operational the resin column is expected to recover the copper content over a period of over a period of 12-15 months, and provide access to sulphide ore to be mined as part of Stage 3 of the Redbank Project development.

1.5 Exploration Joint Venture with Glencore International AG on EL24654 (Copperado JV)

The Copperado JV between Redbank Mines and Glencore International AG is exploring the 805 sq km exploration licence EL 24654 located 10km north east of the Redbank Copper Project. Redbank is the operator of the JV and Glencore is meeting the first A\$1m of exploration expenditure.

The Stanton copper and cobalt breccia pipes analogous to the Redbank copper breccia pipes are located immediately adjacent to the north west corner of the JV tenement. Reconnaissance work by Redbank in late 2007 confirmed the presence of a copper-cobalt breccia pipe in the southern portion of the tenement. There are also 3 other known copper occurrences within the JV area (Figure 3).

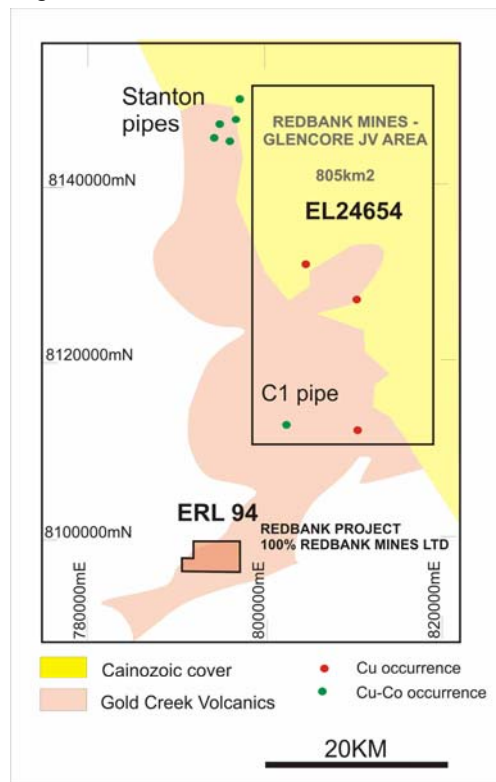


Figure 3 Copperado JV area.

JV Exploration Programme

The extensive area of prospective but poorly explored Gold Creek Volcanics (Figure 3) within the JV area represents an exciting frontier exploration opportunity for the discovery of new copper resources in close proximity to the expanding Redbank Copper Project. With the logistic benefit of the Redbank Copper Operations 10km from the JV area it will be possible to progress exploration rapidly.

An A\$500,000 exploration program will be undertaken between May and September 2008. Fugro Airborne Surveys Pty Ltd will conduct an 11,000 kilometre fixed

wing airborne magnetic and radiometric survey in May. Stream sediment sampling will commence at the same time. A 5,000 sample soil geochemistry program is scheduled for June and July, to evaluate broad target areas identified from the airborne geophysical data and the stream sediment sampling.

2.0 Exploration – Mt Kasi Gold Project

JORC classified Mineral Resource of 3.4 million tonnes at 2.2 g/t Au for 240,000 oz Au

2.1 Status of Leases and Plans to Execute Drilling Programme

The Mt Kasi Special Prospecting Licence and Special Mining Lease expired on 31 December 2007 and at the date of this report are yet to be renewed. The Company has applied for a five year extension on the right to explore on the leases but has received conflicting advice from the interim administration in Fiji. The initial advice from the Minister was that the leases would be renewed however this has been contradicted by subsequent correspondence received from the Mineral Resources Department communicating that the leases would not be renewed. The Company has made further submissions pursuant to which it is in discussions with the recently appointed new Minister, the Mineral Resources Department and other key decision makers in the interim administration as part of the process of negotiating the renewal of its leases on acceptable commercial terms.

The Company expects that the leases will be renewed as it has the support of local landowners, met its work obligations and put forward a sound exploration programme. The short term exploration objective is to identify and prove up additional near mine and regional resources to achieve the necessary critical mass required to advance the project toward production in the medium term. There can be no guarantee however that the leases will be renewed as the decision making process by the Interim Government authorities is subject to discretionary considerations unrelated to the Company's compliance with previous or proposed work programmes.

Pending the renewal, and based on verbal representations received from the former Minister that the renewals would be forthcoming, the Company mobilized a diamond rig in December 2007 to test near-mine advanced targets with 2,500 metres of diamond drilling at the primary target of Cresswells as well as other prospects. The programme has been delayed however pending clarification of the status of the leases by the Interim Government and negotiation of any new conditions that are to apply. A detailed description of Cresswells and other targets is contained in the Company's 2007 Annual report.

3.0 East Kimberleys, Western Australia (Redbank 100%)

Mt Barrett M80/506, Banjo Bore M80/507, Banjo Bore East M80/53, Townsite M80/565, Mt Barrett East E80/2594, Mt Pandora E80/2595, Elvire E80/2864, Halls Creek Water & Water Reserve E80/3297

No work was carried out on these tenements during the quarter under review.

4.0 Mt Haden: Gold & Copper, Mackay, Queensland (Redbank 100%)

MLs 4739 to 4743 (inclusive); ML 4745; ML 4753, ML 4786

The Company has sold its interest in the Sarina/Mt Haden project in Queensland for \$500,000 in cash and share consideration. The cash component of \$300,000 was received in December 2007. The remaining consideration of \$200,000 to be paid by the issue to RBM of unencumbered listed shares in a listed company trading on either the ASX or TSX, is yet to be issued. Settlement for these shares is expected to occur in the first half of calendar 2008.

5.0 Exploration Expenditure

Exploration and evaluation expenditure for the quarter was approximately \$131,000 (\$124,000 previous quarter).

6.0 Corporate

6.1 Macquarie Bank Facility

On 29 February the Company announced that it had reached agreement with Macquarie Bank Limited to revise the maturity date on a \$2.2 million loan facility to 27 February 2009. The loan previously matured on 28 February 2008. The commercial terms for the revised

maturity date include the reduction in principal by \$700,000 to \$1.5 million by 30 June 2008.

6.2 Issued Capital and Issued Tradeable Options

The Company completed an excluded placement of 16,666,667 shares to Singpac Investment Holdings pte Ltd, an associate of Glencore International AG, at an issue price of 6.0 cents a share in January to raise \$1,000,000.

The issued share capital of the Company at the date of this report is 159,091,147 ordinary shares. The tradeable options on issue are 38,115,864. These options have an exercise price of 28 cents and expire on 30 May 2008.

Yours faithfully,

Redbank Mines Limited

Jerome G Vitale
Managing Director

Note:

The technical aspects of this communication pertaining to the Mt Kasi project have been compiled by Mr Craig R Hall, B.Sc. (Hons), MAusIMM, MAIG. Mr Hall is an employee of a subsidiary of Redbank Mines Limited and has sufficient expertise relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hall consents to the inclusion in this report of the matters referred to, based on the information being in the form and context in which it appears.

Information in this report on Mineral Resources at the Redbank Copper Project 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.

All other geological information on the Redbank Copper Project insofar as it relates to the Company's exploration results at the Redbank Copper Project, is sourced from information compiled by Dr D James Searle, B.Sc, PhD, MAusIMM,. Dr Searle is an Executive Director of Redbank Mines Limited and has sufficient expertise relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Mineral Resources and Reserves'. Dr Searle has approved the inclusion of the statement in the form and context which it appears.

Table 1 - Redbank

Significant (>0.5% Cu) interim results from infill and resource definition drilling at the Redbank Deposit. Final results will be reported when available in 4 to 6 weeks. Easting and northing are in GDA94 format +/-1m.

Hole No	Easting m	Northing m	Az/Dec Deg.	From m	To m	Intercept m	Cu %
RB08-10	793140	8098810	000/60	0	23	23	2.95
					<i>inc</i>	<i>5</i>	7.60
				31	36	5	4.15
				48	52	4	0.83
RB08-11	793140	8098790	000/60	1	11	10	1.54
				14	16	2	0.90
				24	31	7	0.80
RB08-12	793130	8098800	000/60	1	4	3	0.71
				6	9	3	0.76
				25	35	10	1.05
				37	43	5	1.35
				47	49	2	1.24
RB08-13	793110	8098320	090/60	15	39	24	4.54
					<i>inc</i>	7	11.34
RB08-14	793110	8098310	090/60	13	42	29	7.30*
					<i>Inc</i>	9	13.18
RB08-16	793146	8098841	238/60	13	15	2	0.76
				30	35	5	1.10

* RB08-14 terminated at 42m in mineralisation due to water influx

** Assay estimated via XRF

Table 2 - Azurite

Significant (>0.5% Cu) interim results from infill and resource definition drilling at the Azurite Deposit. Final results will be reported when available in 4 to 6 weeks time. All holes have a 60° declination to 180°. Easting and northing are in GDA94 format +/-1m.

Hole No	Easting m	Northing m	From m	To m	Intercept m	Cu %
AZ08-19	793470	8098860	4	19	14	1.48
			23	29	6	0.69
AZ08-20	793470	8098850	4	12	8	0.69
			15	19	4	1.25
AZ08-21	793470	8098840	0	2	2	1.01
			6	23	17	1.33
AZ08-22	793460	8098850	3	15	12	1.74
			27	33	5	0.75
AZ08-23	793460	8098840	5	6	1	1.23
			10	14	4	0.86
			16	17	1	0.53
			18	19	1	0.82
			25	26	1	0.52
AZ08-24	793460	8098830	3	11	8	2.08
AZ08-25	793450	8098850	0	10	10	1.31
			18	21	3	0.87
AZ08-26	793450	8098840	0	6	6	0.83
			16	19	3	0.82
AZ08-28	793480	8098840	8	13	5	5.55
				<i>Incl.</i>	<i>2</i>	<i>11.53</i>
			16	19	3	1.87
			23	26	3	0.91

** Assay estimated via XRF