

## CORPORATE DIRECTORY

### BOARD OF DIRECTORS

Martin Depisch Non-executive Director  
Lucanus Polagnoli Non-executive Director

### COMPANY SECRETARY

Shannon Coates

### REGISTERED OFFICE

143 Hay Street,  
Subiaco, Western Australia 6008

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Web site: [www.redbankcopper.com.au](http://www.redbankcopper.com.au)

## HIGHLIGHTS

- 1,062 metres of Reverse Circulation drilling completed at the Charlie and Masterton prospects before adverse wet season weather curtailed drilling activities.
- Restructuring experts Martin Depisch and Lucanus Polagnoli appointed to Board and tasked with fast tracking restructure and recapitalisation of the Company to ensure:
  - Adequate funding secured to support the Company's ambitious 2012 exploration programme and working capital requirements
  - Suitable Board and management team appointed to take the Company forward, including two Australian resident Directors to enable the Company to meet its Corporations Act requirements
  - Re-quotations of the Company on the ASX
- Advanced negotiations took place with potential strategic investors, with several accessing the Company's secure data room to conduct further due diligence.
- CSIRO stage 1 investigations to continue during the 2012 field season following completion of restructuring and recapitalisation.
- Infill airborne magnetic and radiometric survey planned to be flown at 100m line spacing, to enhance survey results from the 2011 phase 1 survey over the Calvert Fracture Zone and to target poly-metallic mineralisation.



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### ***EXPLORATION PROGRAMME***

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Exploration undertaken during the December 2011 quarter included 1,062 metres of Reverse Circulation (“RC”) drilling on ERL94 (Charlie Prospect) and the Gulf JV (EL10335) Masterton Project (Figure 1).

Due to adverse weather conditions, total metres drilled was significantly less than the originally planned 10,000 metres of drilling and aerial exploration work, however it is anticipated that the programme will continue in 2012 as originally proposed, following a successful restructure and recapitalisation of the Company.

It is also anticipated that during the 2012 field season, a HeliTEM survey will be flown over the Redbank ERL94 and Gulf EL10335 tenements to detect subsurface sulphide mineralisation, which will be targeted for future drilling. Approximately 8,000 metres of RC and diamond drilling, of the overall 10,000 metres planned would be allocated to these two tenements in the 2012 Exploration Budget.

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### ***RESOURCES***

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The combined Resource Estimate for Indicated (2,766,000t at 1.55% for 43,100t contained copper metal) and Inferred (at 3,502,000t at 1.52% copper for 53,400t contained copper metal) stands at 6,268,000 tonnes @ 1.53% copper for 96,500 tonnes of contained copper metal.

During 2012, the Company’s primary focus is to expand the copper inventory to +200,000 tonnes copper metal within a 20 kilometre radius of ERL94, which is the considered “brownfield” area.

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### ***REDBANK- ERL94 EXPLORATION***

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To expand the metal inventory, Redbank has an extended exploration plan for 2012, with the aim of increasing the metal resource from breccia pipes within ERL94. During the December 2011 quarter, field activities continued within ERL94, with site preparations for drill access, however bad weather conditions forced a halt to this exploration work. A re-start is planned for the 2012 dry season. The most prospective copper anomalies identified from late 2010 sampling and designated for drilling are, AN11, Double Bluff, Charlie and Quartzite (Figure 2).

The re-focus on exploration has been due to the identification of subtle copper anomalism associated with the newly-named “Double Bluff” target, which has historically been dismissed as a ‘bleed’ feature from Bluff itself. The area was immediately outside the area tested by ground TEM in 2009. The Company considers the possibility of more buried or sub cropping breccia pipes adjacent to known copper breccias such as Bluff-Double Bluff and AN11 – Charlie prospects as high.



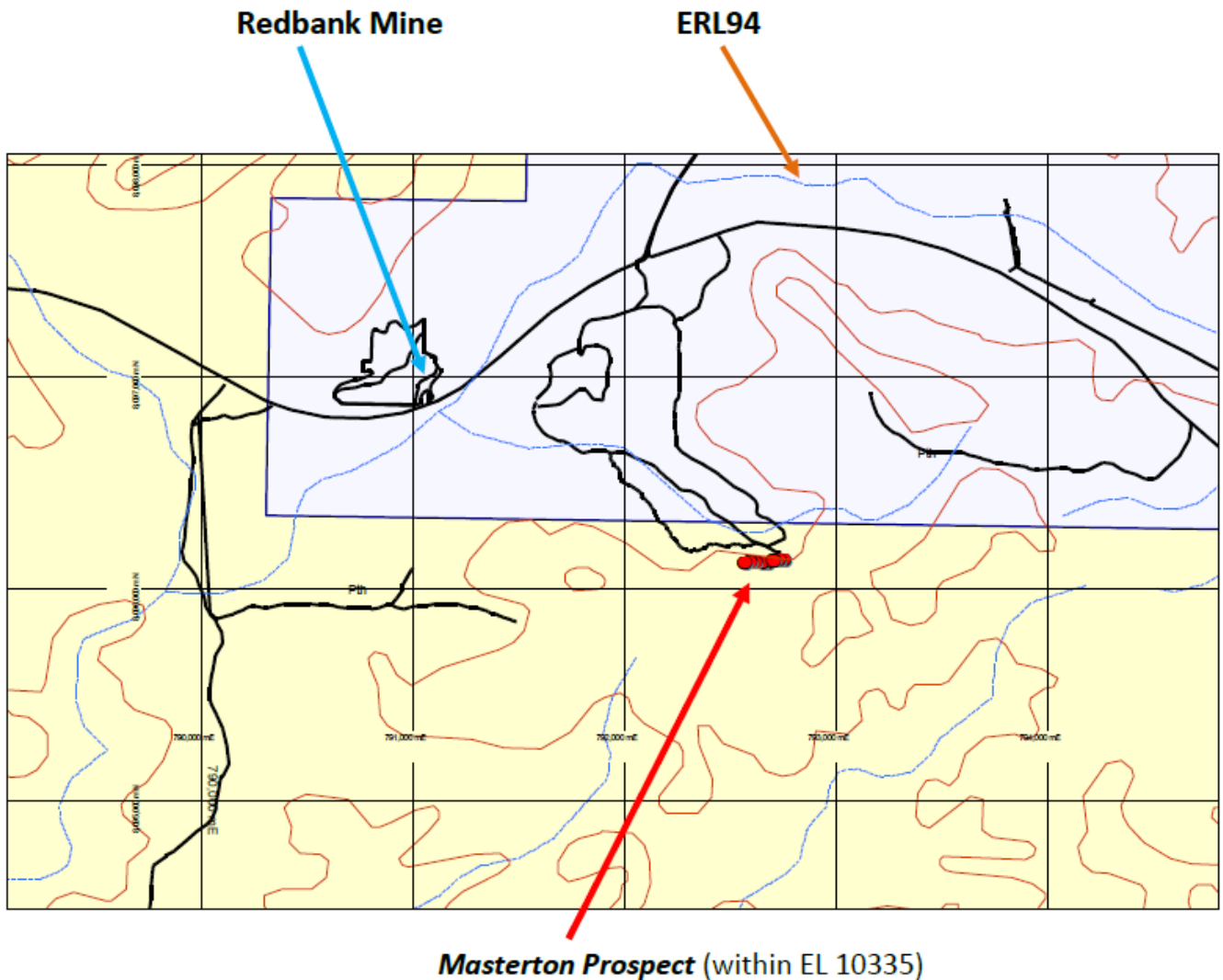
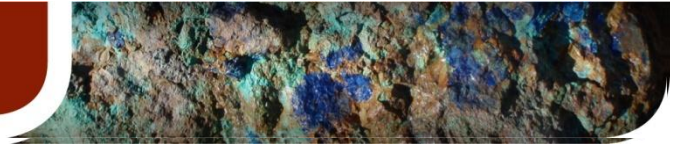


Figure 1 November 2011 drilling over Charlie and Masterton prospects



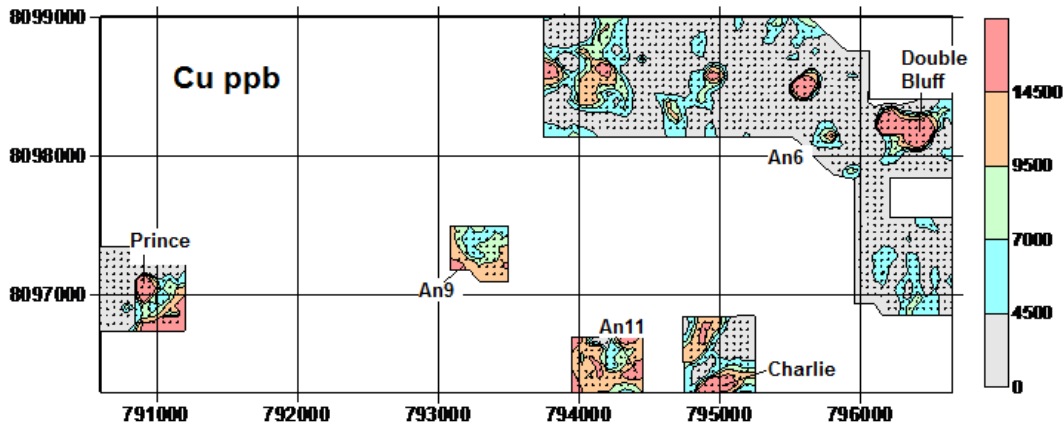
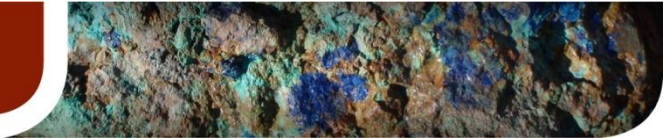


Figure 2 Drill prospects for 2012 - AN11, Charlie, Double Bluff and Quartzite.

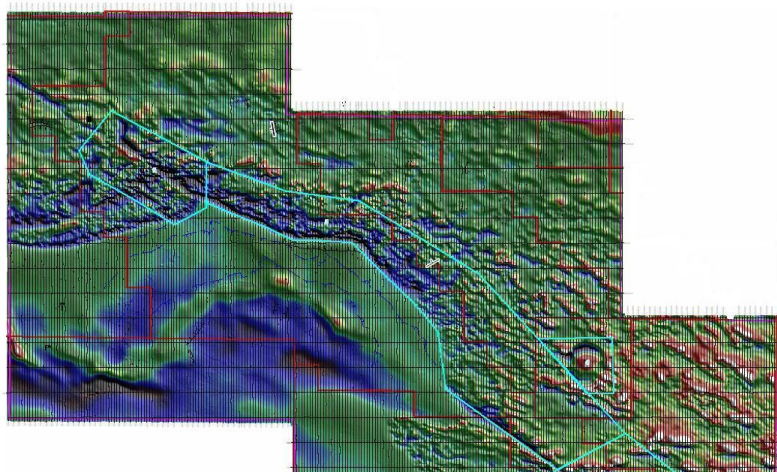
**REGIONAL EXPLORATION**

Regional exploration will aim at defining significant polymetallic base metal sulphide and stratiform targets. The existence of copper bearing breccia pipes within ERL94, and copper-cobalt-nickel bearing pipes to the north of Copperado, highlight the variations in mineralising systems across the Redbank tenements.

**2011 Calvert Regional Programme**

A Hi-resolution airborne magnetic and radiometric survey was conducted during August 2011 along the Calvert Fracture Zone (Figure 3). This was a collaborative exercise with the NTGS to define subtle and deeper polymetallic base metal sulphide and stratigraphic copper deposits. A number of catchments already have anomalous base metal geochemistry, identified from late 2010 regional sampling. The presence of geochemical anomalies coinciding with magnetic anomalies flown in August 2011 has been indicated to the Company as worth further infill airborne magnetic surveys at 100m line spacing as shown in Figure 2.

Figure 3 First Phase Aeromagnetic and Radiometric Survey along Calvert Fracture System







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**CSIRO CO-INVESTMENT AGREEMENT**

Upon commencement of the 2012 field season, the CSIRO will undertake micro-characterisation work on both the copper oxide systems and the sulphide copper – breccia system, following a sampling trip to the Redbank minesite.

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**CORPORATE**

**FUNDING**

On 30 September 2011, Redbank Copper advised that it had signed a Private Placement Agreement and a Committed Equity Facility Agreement with Chimaera Capital Markets. These agreements were subsequently terminated in late November 2012.

The Board is currently considering a number of options with a view to recapitalising the Company and securing the funding required to undertake its 2012 exploration programme, which it estimates will cost approximately \$3.75 million. To this end, negotiations took place with potential strategic investors during the December 2011 quarter and advanced negotiations are continuing, with several potential investors accessing the Company's secure data room to conduct further due diligence.

The Board is confident of finalising a suitable recapitalisation plan in the March Quarter of 2012. Developments in this regard will be announced to the market in due course.

In the interim, the Company also has the financial support of DCM Decometal (the major shareholder of Stirling Resources Limited. Stirling Resources currently holds 29.5% of Redbank Copper) which advanced \$1.1 million to the Company in the December quarter and a further \$50,000 since the end of the quarter. DCM has indicated it will continue to provide working capital funding to the Company in the short term pending completion of restructuring and recapitalisation activities.

**DIRECTOR APPOINTMENTS AND RESIGNATIONS**

The Company's non-executive directors Keith Vuleta and Allan Brown resigned on 18 November 2011 and 22 November 2011, respectively, and on 29 November 2011, the Company's Managing Director, Bruce Morrin, also resigned.

On 29 November 2011, Martin Depisch was appointed as non-executive director and Lucanus Polagnoli was appointed as non-executive director on 14 December 2011.

Based in Austria, Martin holds an MBA from Karl-Franzens University, Austria and has also studied at Harvard University, USA. He has almost 20 years experience in finance and transactional work involving the mining sector. Martin is a member of the Depisch family who's trust is the ultimate owner of DCM, the company which holds an 83.6% interest in Stirling Resources Limited, which in turn holds a 29.5% interest in Redbank Copper.



Lucanus is a turnaround expert. He studied international management and business administration in Austria, the United Kingdom and Italy. Based in Austria and employed by Austria's most well-known restructuring firm, E.F. Grossnigg Finanzberatung und Treuhandgesellschaft m.b.H, which has been employed by DCM to assist in finding a solution for its interests in Australia.

The Company confirms it is continuing in its efforts to source suitable Directors to strengthen the Board, including the requisite two Australian resident Directors, as required by the Corporations Act (2001) (Cth) and will update the market in due course.

Shannon Coates was appointed Company Secretary on 7 December 2012, following the resignation of the Company's former Company Secretary, Ildiko Wowesny.

#### **AUDITOR APPOINTMENT**

Pursuant to shareholder resolution at the Company's Annual General Meeting on 30 November 2011, Stantons International Audit & Consulting Pty Ltd was appointed as the Company's auditors.

#### **SUSPENSION**

On 22 November 2011, the securities of Redbank Copper were placed into trading halt pending a review of the Company's financial position. The Company was subsequently suspended from official quotation on ASX on 24 November 2011.

The newly appointed Directors are actively seeking to resolve the issues preventing the Company's securities from being traded on the ASX, which include, as detailed above, the appointment of two Australian resident directors and the securing of adequate funding.

#### **AUTHORISED BY:**

Lucanus Polagnoli  
Non-Executive Director

#### **Competent Person**

*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 John Ceplecha M.App.Sc, MAusIMM. Mr Ceplecha is a senior manager of Redbank Copper Limited. Mr Ceplecha 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 the Reporting of Mineral Resources and Reserves'. Mr Ceplecha has approved the inclusion of the statement in the form and context in which it appears.*



# Appendix 5B

## Mining exploration entity quarterly report –

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

**Redbank Copper Limited**

ABN

**66 059 326 519**

Quarter ended ("current quarter")

**31 December 2011**

### Consolidated statement of cash flows

#### Cash flows related to operating activities

	Current quarter \$A'000	Year to date 6 months \$A'000
1.1 Receipts from copper sales	-	-
1.2 Payments for:		
(a) Site admin and care and maintenance - Redbank Copper, NT	(172)	(318)
(b) Administration –corporate	(259)	(538)
1.3 Dividends received	-	-
1.4 Interest received	5	14
1.5 Interest and other costs of finance paid	(6)	(12)
1.6 Income taxes paid	-	-
1.7 Other – R&D claim	-	625
<b>Net Operating Cash Flows</b>	<b>(432)</b>	<b>(229)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) plant and equipment and capital works in progress	(1)	(11)
(b) environmental and water treatment	(80)	(407)
(c) capitalised exploration costs	(505)	(755)
(d) consumables and stores	-	-
(e) predevelopment costs	(1)	(32)
1.9 Proceeds from sale of:		
(a) plant and equipment	20	20
(b) equity investments	-	-
(c) subsidiary	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Payment for security term deposits	(17)	(17)
1.13 Proceeds of security deposit refund	-	-
<b>Net investing cash flows</b>	<b>(584)</b>	<b>(1,202)</b>
<b>Total operating and investing cash flows (carried forward)</b>	<b>(1,016)</b>	<b>(1,431)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

		<b>Current quarter \$A'000</b>	<b>Year to date 6 months \$A'000</b>
	<b>Total operating and investing cash flows</b> (brought forward)	<b>(1,016)</b>	<b>(1,431)</b>
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings (a) unsecured notes (b) other	- 1,130	- 1,634
1.17	Repayment of borrowings	(50)	(50)
1.18	Dividends paid	-	-
1.19	Other (provide details if material) (a) Hire purchase payments (b) Share Issue Expenses	(13) (7)	(27) (21)
	<b>Net financing cash flows</b>	<b>1,060</b>	<b>1,536</b>
	<b>Net increase (decrease) in cash held</b>	<b>44</b>	<b>105</b>
1.20	Cash at beginning of quarter/year to date	68	7
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>112</b>	<b>112</b>

**Note:**

The Company also has the financial support of DCM Decometal (the major shareholder of Stirling Resources Ltd. - Stirling Resources currently holds 29.5% of Redbank Copper Ltd) which advanced \$1,100,000 to the Company during the Dec 2011. DCM has indicated it will continue to provide working capital funding to the Company in the short term pending completion of restructuring and recapitalisation activities.

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		<b>Current quarter \$A'000</b>
1.23	Aggregate amount of payments to the parties included in item 1.2	79
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

During the quarter ending 31 Dec 2011, La Jolla Cove Investors made a partial conversion under its convertible note facility. In accordance with the terms of the convertible note, 52,336,785 ordinary fully paid shares for a value of USD 189,880 (AUD 190,000) have been issued to La Jolla Cove Investors.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.



### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	50	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	380
4.2 Development including technical studies	-
4.3 Environment and water treatment	140
4.4 Administration	450
4.5 Production	-
<b>Total</b>	<b>970</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	112	68
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>112</b>	<b>68</b>

**Note:**

**The Company also has the financial support of DCM Decometal (the major shareholder of Stirling Resources Limited. Stirling Resources currently holds 29.5% of Redbank Copper Limited) which advanced \$1,100,000 to the Company during the Dec 2011 quarter. DCM has indicated it will continue to provide working capital funding to the Company in the short term pending completion of restructuring and recapitalisation activities.**

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter	
6.1	Interests in mining tenements relinquished, reduced or lapsed	EL 26758	Registered	100%	0%
6.2	Interests in mining tenements acquired or increased	N/A			

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b>			
7.2	<i>(description)</i> Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>+Ordinary securities</b>	392,630,263	392,630,263	
7.4	Changes during quarter (a) Increases through issues	11,904,762 5,000,000 10,810,811 12,121,212 12,500,000	11,904,762 5,000,000 10,810,811 12,121,212 12,500,000	\$0.0042 \$0.0040 \$0.0037 \$0.0033 \$0.0032
	(b) Decreases	-	-	
7.5	<b>+Convertible debt securities</b>	1	-	USD 23,167

+ See chapter 19 for defined terms.

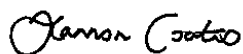
**Appendix 5B**  
**Mining exploration entity quarterly report**

Convertible Notes convertible in whole or in part into ordinary fully paid shares at the election of the holder at any time at the lesser of AUD0.25 or 80% of the 3 lowest VWAP during the 21 trading days prior to the election to convert, subject to a floor price of AUD0.012 at which the Company may refuse conversion and redeem the convertible note at 150% of the outstanding face value. Notes matured Nov 2011

7.6	Changes during quarter				
	(a) Increases through issues	-	-	-	
	(b) Decreases through securities matured, converted	Part	-	USD 189,880	
7.7	<b>Options</b> (description and conversion factor)			<b>Exercise price</b>	Expiry date
		250,000	-	\$1.50	30 Jun 2012
		3,650,000	-	\$0.50	31 Dec 2011
		400,000	-	\$0.10	30 Jun 2012
		250,000	-	\$0.50	30 Jun 2012
7.8	Issued during quarter				
7.9	Exercised during quarter	-	-		
7.10	Decreases-lapsed	-	-		
7.11	<b>Debentures</b> (totals only)	-	-		
7.12	<b>Unsecured notes</b> (totals only)	-	-		

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... **Date: 31 January 2012**

Print name: SHANNON COATES  
Company Secretary

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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