



Redbank Copper Limited

Restructured Redbank poised to embark on resource growth strategy after completing \$8.2m raising

Redbank Copper
ASX: RCP

ASX Announcement
14 May 2013

Shares on Issue
2,339,430,263

Current Share Price
A\$ 0.005

Market Capitalisation
\$11.7M (based on
A\$0.005)

Cash at 10/05/13
A\$3.9 million

Board of Directors

Mr Michael Fotios
Executive Chairman

Mr Craig Readhead
Non-executive Director

Mr Damian Delaney
Non-executive Director

Company Secretary
Ms Shannon Coates

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Projects

Redbank Copper
Project

HIGHLIGHTS

- Redbank emerges from successful restructure debt-free and cashed-up after raising \$8.2m at 0.5 cents per share.
- Highly experienced mining executive Michael Fotios appointed Executive Chairman of new Board.
- Leading shareholders include Fotios-led syndicate Investmet Limited (24.32%), Fotios (10.76%) and Wyllie Group (17.10%).
- Aggressive drilling campaign to start at Redbank Copper Project in Northern Territory within weeks to increase existing JORC resource of 6.24Mt at 1.5% copper for 96,500t of metal.
- Drilling initially aimed at doubling the resource by extending the known mineralisation and testing numerous well-established targets.
- Substantial greenfields exploration potential with just 15% of 5,167km² of Redbank Project tenements subject to modern exploration techniques.
- Project already has extensive infrastructure, including plant, camp, water bore, airstrips and power supply.

Redbank Copper Limited (ASX: RCP) is pleased to advise that it is preparing to embark on an aggressive exploration campaign following a highly successful restructure that has left it with \$3.9 million in cash and no debt.

This strong financial position follows Redbank's repayment of debts totalling \$4.3 million to Stirling Resources Limited and DCM DECOMetal GmbH. In addition, InvestMet Limited, a private investment syndicate, converted \$1.5 million of debt to equity.

Redbank raised \$8.2 million through a share placement at 0.5 cents per share, marking an outstanding start to the growth strategy being implemented by the Company's new Board.



The proceeds of the raising will be used to grow and develop the Company's flagship Redbank Copper Project in the Northern Territory. In particular, the key objectives of the first phase of the strategy are to:

- Carry out resource definition drilling.
- Drill-test known targets and areas with strong potential for resource extensions.
- Identify new targets through aero-magnetics.

CORPORATE

As part of the restructure, highly experienced geologist and mining executive Michael Fotios has been appointed Redbank Executive Chairman. Mr Fotios has held senior positions with many successful ASX-listed mining companies, including WA gold miner Northern Star Resources, where he remains a Non-executive Director.

He has been joined on the Board by Craig Readhead, a well-regarded lawyer who specialises in the resources industry and has played a significant role in numerous mining projects around the world. Chartered accountant and resources industry executive Damian Delaney will also remain on the Board.

Investmet Limited, the private investment syndicate led by Mr Fotios, will emerge as Redbank's biggest shareholder with a stake of 24.32%. Mr Fotios will also hold a direct and indirect stake of a further 10.76% and the Wyllie Group will hold 17.10%.

As a result of the recapitalisation, the stake held in Redbank by Stirling Resources Limited, the major shareholder of which is Austrian metals group DCM DECOMetal GmbH, will fall from 28.16% to 2%.

Based on the share placement price of 0.5 cents per share, Redbank has a market capitalisation of \$11.7 million.

THE REDBANK PROJECT

The Redbank Project has a defined JORC resource of 6.24Mt at 1.5% copper for 96,500 tonnes of contained copper; this comprises an Indicated Resource of 2.76Mt @ 1.6% copper and an Inferred Resource of 3.48Mt @ 1.5% copper. The Company aims to double this resource through an increase in both tonnes and grade, which will pave the way for the start of mining, production and cashflow.

The Project already has key infrastructure including airstrips, roads, a 14-man camp, water bore and diesel power generator, remains in place. The plant equipment, which has been on care and maintenance, includes a crushing section, conveyor systems, flotation cells and mixing tanks. This infrastructure will enable production to start quickly at a relatively low start-up cost.

EXPLORATION

The Redbank Project sits within a 5,167km² tenement package in the McArthur River Basin in the Northern Territory. In addition to the flagship deposit, there are numerous advanced copper targets which will be tested as part of the impending drilling program.



The exploration potential is also substantial, with the Company estimating that just 15 per cent of the tenement acreage has been subject to modern exploration techniques.

COMMENTARY

Redbank Executive Chairman Michael Fotios said the Company now had the three key ingredients required to generate shareholder wealth.

“The Redbank Project has a significant copper resource with outstanding potential for growth on the back of numerous known targets and greenfields exploration in swathes of highly prospective surrounding acreage,” Mr Fotios said.

“With the restructure complete, the Company now has the cash and the access to people with the skills and experience to ensure this outstanding opportunity is fully realised.

“We intend to secure a rig and start drilling as soon as possible, with the aim of growing the Redbank resource and undertaking early-stage economic assessments of the Redbank Project.”

For more information:

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*The information contained in this announcement, insofar as it relates to Redbank Copper Limited's mineral resources at the Redbank Copper Project, is sourced from information compiled by **Mr Phil Jankowski, M.Sc, MAusIMM (CP)**. Mr Jankowski is a Director of Baltica Consulting Pty Ltd. Mr Jankowski 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 Jankowski has approved the inclusion of the statement in the form and context in which it appears.*