

RED BACK MINING NL

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Facsimile Transmittal Sheet

Company: ASX Company Announcements
From: Ross Ashton
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Subject: **Merger with Champion Resources Inc. and Toronto Stock Exchange Listing**

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The Directors of Red Back Mining NL ("Red Back") (ASX:RBK) are pleased to announce that an agreement has been reached with Champion Resources Inc. ("Champion") (TSXV:CHA) of Canada to merge the companies and to apply for the listing of the merged entity, Red Back Mining Inc. ("Red Back Inc"), on the Toronto Stock Exchange ("TSX").

Champion, which is currently listed on the TSX Venture Exchange, is part of the Lundin Group of Companies which has substantial international oil and gas, precious and base metal and industrial mineral interests.

Red Back's Directors have determined that the proposed merger is the preferred means of achieving a listing of the Company's shares on the TSX and thereby gaining direct access to North American capital markets. Red Back Inc's continued corporate strategy is to focus on the optimisation and development of the +2 million ounce Chirano Gold Project in Ghana and to continue ongoing exploration for gold on Red Back's extensive land holdings on the Bibiani shear structure and elsewhere in Ghana.

Upon completion of the merger, Red Back Inc. will own 95% of the Chirano Gold Project in Ghana, Red Back's extensive exploration property portfolio in southern Ghana, a 100% interest in the Farim phosphate deposit in Guinea Bissau and will have significant cash reserves in the range of \$6M-\$8M, assuming no exercise of options or warrants.

The proposed merger is subject to completion of due diligence by 30 November 2003 and subject to approval by Red Back and Champion shareholders, court approval of a Scheme of Arrangement in Western Australia by 31 March 2004 and regulatory approval.

The principal terms of the merger include:

- Champion will undertake a private placement of common shares and warrants. The placement of common shares will raise approximately \$3.3M (CAN\$3M) and the warrants if exercised will raise an additional maximum amount of approximately \$4.9M (CAN\$4.5M)
- Champion will seek shareholder approval for a 1 for 3 consolidation of its issued capital

- Red Back shareholders, via a Scheme of Arrangement, will exchange three fully paid ordinary Red Back shares for one post consolidation Champion common share such that at completion of the proposed merger current Red Back shareholders will hold approximately 87% of the issued capital of Champion on a fully diluted basis
- The issued capital of Champion at completion of the proposed merger will be approximately 50 million common shares
- Warrants to purchase Champion common shares, including those Red Back options exchanged for Champion warrants and assuming no prior exercise of options or warrants prior to completion of the merger, will be approximately 4.9M.
- Champion will be renamed Red Back Mining Inc and will apply for listing on the TSX

Red Back Inc will have a strong working capital position, approximately \$13M (CAN\$12M) assuming all warrants and options are exercised, that will assist with the continued optimisation and development of the Chirano Gold Project, determine the optimum debt to equity mix for Chirano's development and to accelerate existing exploration programs within Ghana.

Whilst Red Back has received indicative offers of debt finance for Chirano from several international resource banks, Red Back Inc, post TSX listing, will consider the appropriate debt to equity ratio for financing of the approximate US\$38M capital costs of developing Chirano. Canadian investment dealers Haywood Securities Inc. and Griffiths McBurney & Partners have been given the mandate to lead the post merger equity financing initiative.

The board of directors of Red Back Inc will comprise three nominees from Red Back and two nominees from Champion, namely:

- Chairman, Mr Ross E. Ashton (geologist and current Managing Director of Red Back) ;
- President and CEO Mr Richard P. Clark (lawyer and current President and CEO of Champion);
- Mr Michael W. Hunt (lawyer and current Chairman of Red Back);
- Mr Harry N. Michael (mining engineer and current non-executive director of Red Back ;and
- Mr Lukas H. Lundin (financier and current non-executive director of Champion).

The members of the current Red Back board (all Perth based) will comprise a majority of the Red Back Inc directors. Mr Clark and Mr Lundin (both Vancouver based) have considerable expertise in the financing of international resource projects and have valuable experience in North American capital markets. This expertise and experience, and the successful development and financial track record of the Lundin Group (Rick add here info on Lundin) will be vital in achieving the smooth redomiciling of Red Back onto the TSX and the maximising of share holder value.

Recent strategic transactions by the Lundin Group of Companies include the development and sale of the Bajo de la Alumbrera copper/gold deposit in Argentina to Rio Algom and North Limited for US\$510 million, the discovery, development and sale of the +10Moz Veladero gold deposit, also in Argentina, to Homestake Mining Company (now Barrick Gold Corporation) for US\$300 million, and the sale of Lundin Oil, with 4 major oil discoveries and reserves approaching 300 million barrels, to Talisman Energy for US\$480 million.

All Red Back senior management will remain employed by Red Back Inc, including General Manager – Chirano Gold Project, Bill Plyley and Chief Financial Officer, Simon Jackson. Red Back Inc's technical operations (exploration and mining) will continue to be based in Ghana and Perth, Western Australia. The corporate office for Red Back Inc will be located in Vancouver Canada.

As part of the Scheme of Arrangement, and in order to rationalise non-core assets, Red Back will distribute to each of its shareholders a pro rata interest in a corporation that will own Red Back's Australian nickel and gold projects plus, at Red Back's election, certain recently applied for grass roots gold projects in Northern Ghana. Red Back is evaluating the available mechanisms for delivering value to Red Back shareholders for these assets.

Champion owns a 100% interest in the world class Farim phosphate deposit in Guinea Bissau in West Africa which is under contract of sale for \$11.6M (CAN\$10.5M) to an international phosphate fertiliser company. This sale is currently under legal dispute triggered by the failure of the purchaser to complete the transaction. Red Back Inc will consider alternatives for maximizing the value of this asset without losing focus on its Ghana gold strategy.

Red Back's Chirano Gold Project has Measured, Indicated and Inferred Resources of 30.4 million tonnes grading 2.1 grams per tonne for 2.05 million ounces. A bankable feasibility study completed at US\$325 per ounce gold price has confirmed the feasibility of open pit mine production of approximately 930,000 ounces over an initial mine life of 6.5 years representing annual production of approximately 130,000 ounces. Open pit optimisation studies confirm the potential to convert additional resource ounces into reserves at current higher gold prices.

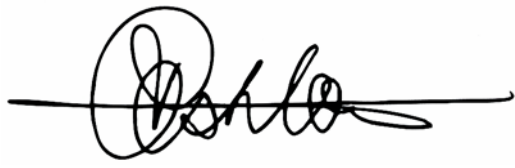
Chirano is located 20km south of the 5 million ounce Bibiani gold mine owned by Ashanti Goldfields Company Limited. Chirano represents only a small part of Red Back's extensive land holding in Ghana which includes the majority of the 200 kilometres of strike length of the Bibiani shear zone structure which hosts the Chirano and Bibiani deposits. To date Red Back has systematically explored only 10 kilometres of this structure.

Red Back's other key project in Ghana comprises the 360sq km Akyem Project in the Ashanti gold belt. The project area lies within a few kilometers to the east and north of Newmont Mining Corporation's +5Moz Akyem gold project which is advancing towards a development decision.

Ghana continues to attract considerable international investor interest caused by new discoveries and project developments such as Chirano, renewed investment by the world's largest gold mining companies as well as significant corporate activity.

Once listed on the TSX Red Back Inc will trade on the world's premier mining finance capital market. With its continued focus on the exploration and development of Ghanaian gold deposits, Red Back Inc will not only maintain continued support from existing shareholders but attract considerable interest from the large North American investment community.

The Directors of Red Back believe the proposed merger between Red Back and Champion will combine the assets and management plus the technical, corporate and financial resources of these two companies which together will provide the skills and expertise to deliver maximum value to both company's shareholders.

A handwritten signature in black ink, appearing to read 'Ross Ashton', with a long horizontal flourish extending to the right.

Ross Ashton
Managing Director