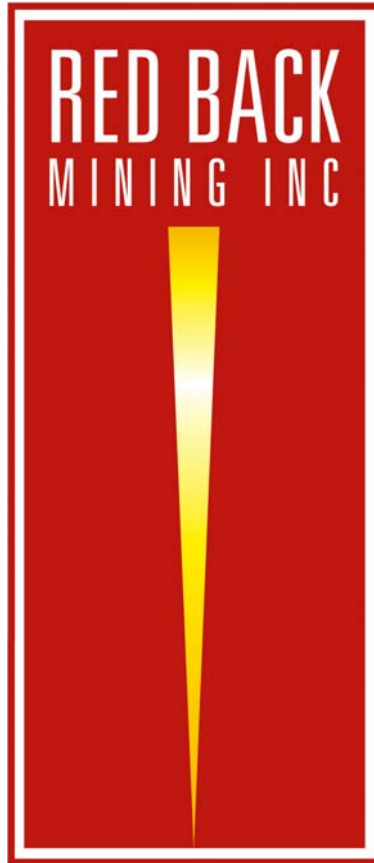


RED BACK MINING INC.



First Quarter Report

March 31, 2008

Report to Shareholders

The First Quarter of 2008 saw Red Back Mining Inc. ("Red Back" or "the Company") report record earnings and cashflow from its two gold mines in West Africa. These results reflect the significant steps taken during 2007 which have resulted in Red Back becoming debt free and unhedged moving into 2008.

The Company is very pleased with its two African operations and looks forward to this strong performance continuing in 2008. The First Quarter results are a credit to Red Back's operations teams at both Chirano and Tasiast.

Highlights for the First Quarter include:

- Commencement of commercial production at Tasiast
- Total gold production of 63,459 oz
- Average realized gold price of \$935 per oz
- Net income of \$19.9 million
- Average monthly cash flow from operations of \$10.3 million
- Cash operating costs of \$400 per oz
- Significant increases in Tasiast's measured and indicated resources (63% to 1.89 million oz) and proven and probable reserves (58% to 1.64 million oz)
- New, higher reserve estimates at Chirano (1.91 million oz), inclusive of underground reserves at Akwaaba Deeps (0.77 million oz)

Chirano Gold Mine – Ghana (Red Back 90%)

Plant Expansion

The expansion of the Chirano processing facility to a nominal throughput of 3.5 mtpa remains on schedule. In addition to increasing capacity, the expansion is addressing the rock hardness issue which affected operating costs in 2007. A new crushing facility is expected to be operational in October 2008 with commissioning of the full plant expansion occurring during the first quarter of 2009. Notably, the new ball mill and related equipment is already on site. Upon completion of the plant expansion, annual gold production at Chirano is expected to increase to 250,000 oz.

Akwaaba Deeps

The construction of the Akwaaba Deeps underground mine has commenced. First ore from the underground mine is expected to be delivered to the mill in the fourth quarter of 2008. A further reserve updated for Akwaaba Deeps will be released by the end of the Second Quarter of 2008.

Exploration

A deep drilling program is underway at Akwaaba Deeps to test the continuation of the ore body to depth. Results are anticipated by the end of June 2008. Other exploration at Chirano is focussed on identifying additional high grade mineralization at depth below and between the other existing surface deposits.

Tasiast Gold Mine – Mauritania (Red Back 100%)

Plant Expansion

The expansion of the Tasiast processing facility to a nominal throughput of 2.5 mtpa is ongoing. Commissioning of this facility is expected in early 2009. With the completion of the expansion, gold production at Tasiast is projected to exceed 200,000 oz per annum.

The new Heavy Fuel Oil (“HFO”) power plant at Tasiast was commissioned in April and is now running at design capacity. With the HFO plant online, operating costs are expected to decrease significantly.

Heap and Dump Leach Test Work

The construction of the test dump leach pads (News Release: April 7, 2008) is now complete and irrigation of the pads will be commenced shortly. Bench scale testing to this point suggests that dump/heap leaching of the lower grade oxide material at Tasiast is achievable with significant benefit to the project. A development decision in this regard is anticipated in the third quarter of 2008.

Exploration

A 20,000m drill program is continuing at the West Branch deposit, 2km south of the main Piment Zone. This program is aimed at defining the first reserve report at the West Branch. A revised reserve calculation for Tasiast, including the West Branch, is expected to be released by mid 2008.

Corporate

With cash flow from operations funding the capital development programs and production on target to meet annual projections, the Company is well positioned to grow towards its target of one million ounces of annual gold production.

Management continues to assess opportunities for growth and is very positive about the future prospects for West Africa and the Company.

We thank you for participating in our success to date and look forward to further success in the future.

On behalf of the Board,

Richard P Clark
President and CEO

May 6, 2008

RED BACK MINING INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION
THREE MONTHS ENDED MARCH 31, 2008
(In Thousands of United States Dollars)

The following discussion and analysis of the results of operations and financial condition ("MD&A") for Red Back Mining Inc. ("Red Back" or the "Company") should be read in conjunction with the unaudited consolidated financial statements for the period ended March 31, 2008 and related notes thereto. The financial information in this MD&A is partly derived from the Company's consolidated financial statements prepared in accordance with Canadian generally accepted accounting principles. The effective date of this MD&A is May 6, 2008.

The technical contents of this MD&A have been reviewed by Hugh Stuart, BSc., MSc, a Qualified Person pursuant to NI-43101. Mr. Stuart is the Vice President Exploration of the Company and a Member of the Australasian Institute of Mining and Metallurgy.

Additional information about the Company and its business activities is available on SEDAR at www.sedar.com.

Red Back is a mineral resource corporation engaged in operating, exploring, acquiring and developing mineral properties. The Company currently owns two gold mines in West Africa. In Ghana, it holds a 100% interest in the producing Chirano Gold Mine ("Chirano"). Upon the Government of Ghana exercising its right to back-in to a 10% ownership of Chirano Gold Mines Limited ("CGML"), at no cost, the Company will hold a 90% interest in Chirano with the Government of Ghana holding 10%. In Mauritania, the Company holds a 100% interest in the Tasiast Gold Mine ("Tasiast"). Tasiast was acquired on August 2, 2007 and commenced commercial production at the beginning of 2008. Red Back also holds various other exploration properties in Ghana, Mauritania and Côte D' Ivoire.

Highlights

The Company's highlights for the quarter were:

- Commencement of commercial production at Tasiast.
- Total gold production of 63,459 oz, in line with forecast for the year (Chirano, 33,931 oz; Tasiast, 29,528 oz).
- Average realized gold price of \$935 per oz based on 58,188 oz of gold sold in quarter.
- Net income of \$19.9 million.
- Average monthly cash flow from operations, before changes in working capital, of \$10.3 million.
- Average cash operating costs of \$400 per oz (\$411 at Chirano and \$386 at Tasiast, both in line with budget).
- Significant increases in Tasiast's measured and indicated resources (63% to 1.89 million oz) and proven and probable reserves (58% to 1.64 million oz).
- New, higher reserve estimates at Chirano (1.91 million oz), inclusive of underground reserves at Akwaaba Deeps (0.77 million oz).

The results from operations during the first quarter of 2008 reflect the significant steps taken in 2007 by the Company to achieve growth and profitability. The Company, currently debt free and un-hedged, generates revenues from two operating mines and has a strong working capital position to support the underground development of Akwaaba Deeps at Chirano and expansions of both the Chirano and Tasiast plants.

The Chirano Gold Mine - Ghana

Chirano is located 21 km to the south of the Bibiani mine (historical production of approximate 5 million oz of gold) in the western region of Ghana. The Chirano mining lease was granted on April 13, 2004. Chirano commenced production in October 2005 and became the first new gold mine in Ghana in many years. The Company is now one of six significant gold producers in Ghana.

Proven and probable reserves as at December 31, 2007, based on a gold price of US\$700 per oz, were estimated as follows:

- Open pit: 24.8 million tonnes ("Mt") @ 1.4 grams per tonne ("g/t"), for a total of 1.14 million oz ("Moz") of gold.
- Akwaaba Deeps underground: 4.1 Mt @ 5.9 g/t for a total of 0.77 Moz of gold.

The design capacity of the Chirano plant is currently 2.1 Mt per annum. In order to support the new Akwaaba Deeps underground development, the Company is expanding the Chirano processing facility to a nominal throughput of 3.5 mtpa. In addition to increasing capacity, the expansion will address the rock hardness issue which affected operating costs in 2007. A larger crushing facility will reduce ore size to 80% passing 12.5mm, maximizing milling efficiencies going forward and a second ball mill will be added to the plant configuration. The new crushing facility is expected to be operational in October 2008 with commissioning of the full plant expansion occurring during the first quarter of 2009.

The development of the decline at Akwaaba Deeps will commence shortly and first ore from Akwaaba Deeps is expected to be delivered to the mill in the fourth quarter of 2008. Chirano's 2008 estimated gold production is confirmed at 135,000 oz, increasing to 250,000 oz by 2010.

The Tasiast Gold Mine - Mauritania

On August 2, 2007, the Company exercised an option to acquire a 100% interest in Tasiast and significant exploration acreage located in Mauritania, West Africa, from Lundin Mining Corporation. The Tasiast mine operates under a 30 year mining permit granted by the government of Mauritania on January 15, 2004. The permit area is located in the north-western part of the country, approximately 300 km north of the capital of Nouakchott and 162 kilometres east-southeast of the port city of Nouâdhibou.

The Tasiast deposit is the first mine within an extensive, largely under-explored gold system. This system is a 70 kilometres long by 15 kilometres wide north-south trending Archaen age Aoueuat greenstone belt, which is geologically similar to other Archaen greenstone belts in the world that host major gold deposits. The Tasiast property covers a 60 kilometre strike length of the Aoueuat greenstone belt, virtually encompassing an entire mining district in the country. The deposit is open along strike and at depth.

A new resource estimate as at December 31, 2007 was completed in February 2008, increasing total indicated and measured resources to 26.5 Mt @ 2.22 g/t for a total of 1.9 million oz of gold. On the basis of these new estimates, Red Back also confirmed a 58% increase in proven and probable reserves for the Piment deposit as at December 31, 2007. The revised reserve estimate is 24.6 Mt averaging 2.00 g/t gold for approximately 1.64 million oz using a gold price of US\$700 per ounce.

Drilling is continuing to add and convert further resources at Piment and to test the potential of the newly defined Piment Footwall Zone. In addition, drilling has commenced at the West Branch Prospect, 2 km south of the Tasiast plant site, to expand and convert the current resource. A first ore reserve estimate for the West Branch is expected by the third quarter of 2008.

Tasiast reached name plate plant production very late in December 2007 with the installation of a new primary crusher. Commercial production was achieved at the beginning of 2008 as determined by management based on quantitative and qualitative measures. Tasiast is expected to produce approximately 110,000 oz of gold in 2008, its first year of operation.

Red Back is proceeding with expanding the Tasiast processing facility to increase production from approximately 1 mtpa to approximately 2.5 mtpa. Orders have been placed for long lead time items, with commissioning of this facility expected in early 2009. Upon completion of the expansion, Tasiast is expected to produce in excess of 200,000 oz of gold per annum.

Results of Operations

Net income for the quarter ended March 31, 2008 was \$19.9 million (March 31, 2007: \$1.5 million loss). The significantly improved results from operations are due to:

- Tasiast's contributions to revenues (\$22.7 million) and operating profits (\$6.0 million) in 2008; and
- a 79% increase in realized revenue per ounce at Chirano reflecting increased gold prices. All forward gold sale contracts were settled in the last quarter of 2007 allowing the Company to benefit from selling gold at spot prices.

Royalty costs, which are based on gold revenues, have increased proportionately with the increase in revenues. Higher depreciation and amortization reflect the amortization of mineral property costs at Tasiast, calculated on a unit of production basis using the recorded fair value of these assets on acquisition and the estimated reserves as at December 31, 2007.

Summary of Financial Results								
Quarter Ended	Mar 08	Dec 07	Sep 07	Jun 07	Mar 07	Dec 06	Sep 06	Jun-06
Total revenue (\$'000)	54,414	26,220	17,303	13,760	16,214	20,731	15,907	12,544
Net income (loss) (\$'000)	19,864	(89,989)	742	(1,180)	(1,477)	375	2,467	(5,830)
Net income (loss) per share (\$)	0.11	(0.49)	0.01	(0.01)	(0.02)	0.00	0.03	(0.06)

Production, revenues and costs are in line with forecast for the quarter. The table below summarizes the key operating statistics of the Company's for the quarter.

	Three months ended March 31, 2008			Three months ended
	Chirano	Tasiast	Total	March 31, 2007 (Note 1)
Tonnes mined	844,971	338,717	1,183,688	518,435
Tonnes milled	544,301	324,122	868,423	509,629
Average grade (g/t)	2.09	3.08	2.46	2.08
Average recovery	91.0%	94.1%	92.45%	89.8%
Gold produced (oz)	33,931	29,528	63,459	32,609
Gold sold (oz)	34,011	24,177	58,188	31,205
Realized gold price per oz	\$932	\$939	\$935	\$520
Cash operating costs per oz (Note 2)	\$411	\$386	\$400	\$396

Note 1: Chirano operations only. Tasiast, acquired on August 2, 2007, achieved commercial production at the beginning of 2008.

Note 2: Cash operating costs is calculated by dividing operating costs on the statement of income and deficit by the gold ounces sold.

Chirano

Chirano's estimated production for the year is 135,000 oz. It is currently anticipated that the first higher grade underground ore from Akwaaba Deeps will be fed into the plant by the end of 2008. Cash operating costs at \$411 per oz are in line with budget for the first quarter of 2008. On an annual basis, Red Back expects cash operating costs per ounce to be under \$400.

Realized revenue per oz has increased significantly compared to the same period in 2007 because:

- the average spot gold price increased by approximately \$300 per oz over this twelve month period; and
- in the first quarter of 2007, 56% of gold sales were delivered into fixed-price forward sales contracts. The Company settled these contracts in the fourth quarter of 2007 to take full advantage of the strong gold price going forward.

Tasiast

Tasiast is on target to meet its estimated annual production of 110,000 oz. All gold is being sold at spot rates. The difference in ounces produced and sold is due to gold in inventory which was sold in early April 2008. The related revenues will be recognized in the second quarter.

Commercial production commenced at the beginning of the year and cash operating costs at \$385 per oz are in line with expected results for the first quarter of commercial operations. Red Back estimates that costs will decrease over the course of 2008 to average approximately \$370 per oz due to the installation of a power generation plant that utilizes cheaper heavy fuel oil.

Other Income Statement items

The Company repaid the Chirano project debt in the fourth quarter of 2007. Therefore, unlike 2007, no interest expense was incurred in the first quarter of the year. The interest income for the current quarter is higher compared to the same period in 2007 because of the larger cash balance on hand.

General and administrative costs for the quarter ended March 31, 2008 are lower compared to the same period in 2007 due to a reduction in the level of discretionary staff compensation.

Stock based compensation for the current quarter was \$1.1 million as compared to \$0.8 million for the same quarter in 2007. Stock-based remuneration reflects the amortization of the fair value of previously granted stock options over the options' vesting period. The granting of stock options and the determination of their vesting period is at the discretion of the Board. Accordingly, the related expense is not expected to be uniform across quarters or financial years.

During the quarter ended March 31, 2008, the Company recognized a \$1.7 million gain as a result of a strategic purchase and sale of marketable securities.

Minority interest to reflect the Government of Ghana's right to back-in to a 10% ownership of CGML, at no cost, is recognized only to the extent of accumulated retained earnings in the operating subsidiary. At March 31, 2008, the subsidiary had an accumulated deficit and, therefore, no minority interest has been recognized.

The Tasiast mineral properties amount recorded in the consolidated financial statements is higher than its tax costs. As a result, the amortization of this asset for accounting purposes exceeds the equivalent tax deduction. Under Canadian generally accepted accounting principles, the Company recorded the future tax liability relating to this difference at the time of the Tasiast acquisition. The income tax recovery of \$1.1 million reflects the proportional reduction of the future income tax liability relating to the amortization of this difference during the three months ended March 31, 2008.

Other comprehensive income reflects the effect of exchange rate changes on translation of cash measured in a currency other than the US dollar.

Liquidity and Capital Resources

At March 31, 2008 the Company had working capital of \$85 million as compared to \$76 million at December 31, 2007. Red Back maintained a cash and cash equivalent balance well in excess of \$60 million throughout the first quarter of 2008 with cash flow from operations generating sufficient funds to cover the costs incurred for the capital expansions at Tasiast and Chirano.

In addition to sustaining annual capital expenditures, Red Back currently estimates the 2008 capital expenditures under its two expansion projects at Chirano and Tasiast to be \$35 and \$40 million, respectively. The 2008 underground development costs of Akwaaba Deeps are forecast at \$25 million. The Company expects to fund the current capital expansion and underground development projects from operating cash flow and existing working capital. Red Back is also reviewing the feasibility of establishing a revolving corporate bank debt facility to have additional flexibility in modifying its expansion plans or responding to new opportunities.

The increase in property plant and equipment is mainly due to the capital costs incurred as part of the expansion projects at Tasiast and Chirano. In addition, \$15.7 million directly attributable to the determination of and providing access to new reserves at both Tasiast and Chirano were capitalized in mineral property costs during the most recent quarter.

A total of 515,000 shares were issued during the current quarter as a result of the exercise of options for cash proceeds of \$1.2 million.

As at March 31, 2008, the Company had purchase commitments totalling \$8.3 million for capital items required under the two expansion projects.

Transactions with Related Parties

During the period, Red Back entered into the following related party transactions:

- paid \$0.1 million (March 31, 2007: \$0.3 million) for management services provided by a company related to the President of the Company;
- paid \$nil (March 31, 2007: \$0.01 million) to a firm related to a director for legal services; and
- paid \$0.1 million (March 31, 2007: \$0.02 million) to a company controlled by a director for management services;

Critical Accounting Estimates

There have been no material changes to the critical accounting estimates discussed in the annual MD&A filed on SEDAR on March 28, 2008.

Significant Accounting Policies

The Company continues to follow the accounting policies described in the audited consolidated financial statements for the year ended December 31, 2007 that was filed on SEDAR on March 28, 2008. In addition, effective January 1, 2008, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants:

Section 1535: Capital Disclosures

This section establishes disclosure standards for information about an entity's capital in order for a user of the financial statements to evaluate how the entity manages it, including:

- qualitative information about its objectives, policies and processes for managing capital;
- summary quantitative data about what it manages as capital; and
- whether during the period it complied with any externally imposed capital requirements to which it is subject and the consequences of any such non-compliance, if applicable.

The Company's objectives in managing its capital resources are to safeguard the entity's ability to continue as a going concern and, thereby, maximize returns to shareholders in the context of the market. The Company satisfies its capital requirements through careful management of its cash resources and by utilizing bank indebtedness or equity issues, as necessary, based on the prevalent economic conditions of both the industry and the capital markets and the underlying risks characteristics of the related assets. As at March 31, 2008, the Company had no bank debt.

Red Back is currently undertaking capital expansion programs at its two mining operations. Based on current plans and estimates, management believes that the Company's working capital position and forecast cash flow from operations should be sufficient to satisfy the related financial costs. Management is reviewing the feasibility of establishing a corporate bank debt facility to provide it with additional flexibility in modifying its plans, if deemed advantageous, or responding to new opportunities.

The Company is not subject to any externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the three months ended March 31, 2008.

Sections 3862 and 3863: Financial Instruments, Disclosures and Presentation

These sections enhance the disclosure standards for financial instruments to assist users in evaluating:

- the significance of financial instruments for the Company's financial position and performance;
- the measurement basis or bases used and the criteria used to determine classification for different types of instruments; and
- the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and management's objectives, policies and procedures for managing such risks.

The next section of the MD&A summarizes the new disclosure requirements, which are also outlined in note 4 of the unaudited interim consolidated financial statements.

Financial Instruments and Related Risks

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities. Cash and cash equivalents are recognized at their fair value and the fair value of all other financial instruments approximate their carrying values, due to their short-term maturity or capacity of prompt liquidation. Cash and cash equivalents are held through large financial institutions and, as at March 31, 2008 and December 31, 2007 did not include term deposit or short-term investments.

The Company's currency risk is presently limited to cash balances denominated in Canadian dollars whose effect is reflected in other comprehensive income. Based on this exposure as at March 31, 2008, a 5% change in the Canadian/US dollar exchange rate would give rise to an increase/decrease in other comprehensive income of approximately \$2.0 million. The Company has no other significant exposure to currencies other than the US dollar as its revenues and the majority of its costs are all measured in US dollars.

Red Back is presently not exposed to significant commodity, interest, or credit risks because the Company does not:

- engage in derivative commodity transaction;
- hold interest-bearing assets or debt instruments whose fair values fluctuate as a result of changes in the market interest rates; and
- have large loans and receivables with third parties requiring a review of credit worthiness.

Outstanding Share Data

As at May 6, 2008, the Company had 188,329,971 common shares issued and outstanding and 7,150,000 share options outstanding under its stock-based incentive plan.

Uncertainties and Risk Factors

There have been no material changes in the uncertainties and risk factors affecting Red Back's activities that were discussed in the annual MD&A filed on SEDAR on March 28, 2008.

Outlook

Except for the confirmation of the increases in the reserve estimates at both Chirano and Tasiast which are discussed in earlier sections of this MD&A, there have not been other significant changes in the business outlook of the Company discussed in the annual MD&A filed on SEDAR on March 28, 2008.

Internal Controls over Financial Reporting and Disclosure Controls

Management is responsible for the design of internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with accounting principles generally accepted in Canada. Subject to completion of the process outlined in the next paragraph, the Company believes its internal controls and procedures are effective in providing reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner.

Following the purchase of Tasiast, management engaged in a process of assessing this operation's internal controls over financial reporting and converting its accounting systems and system of internal controls to the standards established for the Company's existing operations. Full conversion of the accounting systems was completed as planned by the end of the first quarter in 2008. The remaining focus of this project is to ensure that system and internal controls documentation is now also fully in place.

There have been no changes in Red Back's internal control over financial reporting during the quarter ended March 31, 2008 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

Management is also responsible for the design and effectiveness of disclosure controls and procedures to provide reasonable assurance that material information related to the Company, including its consolidated subsidiaries, is made known to the Company's certifying officers.

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this document constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set above.

RED BACK MINING INC.
INTERIM CONSOLIDATED BALANCE SHEETS
(in Thousands of United States Dollars, Unaudited)

	March 31, 2008	December 31, 2007
ASSETS		
Current assets		
Cash and cash equivalents	\$ 68,311	\$ 62,830
Accounts receivable	9,295	10,284
Inventories (Note 4)	27,794	28,439
Prepaid expenses	3,390	431
	108,790	101,984
Property, plant and equipment, net (Note 5)	24,258	19,070
Mineral properties and related expenditures (Note 6)	441,451	436,080
	\$ 574,499	\$ 557,134
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 23,800	\$ 25,689
	23,800	25,689
Non current liabilities		
Asset retirement obligations (Note 7)	9,241	9,144
Future income tax liability	51,820	52,892
	61,061	62,036
Shareholders' equity		
Share capital (Note 8)	558,783	556,920
Contributed surplus (Note 9)	8,590	8,146
Accumulated other comprehensive income (Note 10)	6,634	8,576
Deficit	(84,369)	(104,233)
	489,638	469,409
	\$ 574,499	\$ 557,134
Commitments (Note 13)		

Approved by the Board:

"Richard P. Clark"
Director

"Lukas H. Lundin"
Director

See accompanying notes to interim consolidated financial statements

RED BACK MINING INC.
INTERIM CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND DEFICIT
(in Thousands of United States Dollars, Unaudited)

	Three months ended March 31	
	2008	2007
Gold Sales	\$ 54,414	\$ 16,214
Costs and expenses		
Operating	23,284	12,350
Depreciation and amortization	10,803	2,171
Accretion	136	90
Royalties	1,521	588
	<hr/>	<hr/>
Profit from operations	18,670	1,015
	<hr/>	<hr/>
Interest expense and bank charges	-	455
Depreciation	10	14
General and administrative	931	1,368
Stock based compensation	1,117	828
Interest income	(472)	(65)
	<hr/>	<hr/>
Income (loss) for period before undernoted items	17,084	(1,585)
Gain on sale of securities	1,708	-
Minority interest	-	108
	<hr/>	<hr/>
Income (loss) before income taxes	18,792	(1,477)
Income tax recovery	1,072	-
	<hr/>	<hr/>
Net income (loss) for the period	19,864	(1,477)
Deficit, beginning of the period	(104,233)	(12,329)
Deficit, end of the period	<hr/> <u>\$ (84,369)</u>	<hr/> <u>\$ (13,806)</u>
	<hr/>	<hr/>
Income (loss) per common share – basic	\$ 0.11	\$ (0.02)
	<hr/>	<hr/>
Income (loss) per common share – diluted	\$ 0.10	\$ (0.02)
	<hr/>	<hr/>
Weighted average number of shares outstanding – basic	188,108,267	97,759,379
	<hr/>	<hr/>
Weighted average number of shares outstanding – diluted	190,276,779	97,759,379
	<hr/>	<hr/>

See accompanying notes to interim consolidated financial statements

RED BACK MINING INC.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(in Thousands of United States Dollars, Unaudited)

	Three months ended March 31	
	2008	2007
Cash flows from (used in) operating activities		
Income (loss) for the period	\$ 19,864	\$ (1,477)
Items not effecting cash		
Amortization and depreciation	10,813	2,185
Accretion	136	90
Future income taxes	(1,072)	-
Minority Interest	-	(108)
Stock based compensation	1,117	828
	30,858	1,518
Net changes in non-cash working capital items		
Accounts receivable and prepaid expenses	(1,970)	441
Inventories	645	1,556
Accounts payable and accrued liabilities	(2,823)	(4,513)
	26,710	(998)
Cash flows used in investing activities		
Mineral properties and related expenditures	(15,684)	(3,047)
Purchase of property, plant & equipment	(4,793)	(205)
	(20,477)	(3,252)
Cash flows from (used in) financing activities		
Common shares issued, net	1,190	68
Debt repayments	-	(1,200)
	1,190	(1,132)
Effect of exchange rate changes on translation of cash denominated in a currency other than the US dollar	(1,942)	-
Increase (decrease) in cash	5,481	(5,382)
Cash, beginning of the period	62,830	7,564
Cash, end of the period	\$ 68,311	\$ 2,182

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)
(in Thousands of United States Dollars, Unaudited)

	Three months ended March 31	
	2008	2007
Income (loss) for the period	\$ 19,864	\$ (1,477)
Unrealized foreign exchange loss on cash denominated in a currency other than the US dollar	(1,942)	-
Comprehensive income (loss) for the period	\$ 17,922	\$ (1,477)

See accompanying notes to interim consolidated financial statements

RED BACK MINING INC.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2008 AND 2007
(Tables in Thousands of United States Dollars, Unaudited)

1. Nature of Operations and Basis of Presentation

Red Back Mining Inc. ("Red Back" or the "Company") is a mineral resource corporation engaged in operating, exploring, acquiring and developing mineral properties. The Company currently owns two gold mines in West Africa. In Ghana, it holds a 100% interest in the producing Chirano Gold Mine ("Chirano"). Upon the Government of Ghana exercising its right to back-in to a 10% ownership of Chirano Gold Mines Limited, at no cost, the Company will hold a 90% interest in Chirano with the Government of Ghana holding 10%. In Mauritania, the Company holds a 100% interest in the Tasiast Gold Mine ("Tasiast"). Tasiast was acquired on August 2, 2007. The Company also holds various other exploration properties in Ghana, Mauritania and Côte D' Ivoire.

The recoverability of the costs of mineral properties and related deferred exploration expenditures are dependent upon the established economically recoverable reserves, preservation of the Company's interest in the underlying mineral claims, and future profitable production or, alternatively, upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material reductions in the carrying amount of mineral properties and related expenditures.

The mineral properties are also subject to sovereign risks, including political and economic instability, government regulations relating to exploration and mining, military repression, civil disorder, currency fluctuations and inflation, all or any of which may impede the Company's activities or may result in the impairment or loss of part or all of the Company's interest in the properties.

The interim consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles applicable to interim financial statements. Except for the adoption of the new standards outlined in note 2, they follow accounting policies and methods of their application consistent with the annual consolidated financial statements as at December 31, 2007, but they do not conform in all respects with the disclosure requirements of generally accepted accounting principles for annual financial statements. Accordingly, they should be read in conjunction with the Company's December 31, 2007 annual consolidated financial statements.

2. Change in Accounting Policies

Effective January 1, 2008, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants:

(a) Section 1535: Capital Disclosures

This section establishes disclosure standards for information about an entity's capital in order for a user of the financial statements to evaluate how the entity manages it, including:

- i. qualitative information about its objectives, policies and processes for managing capital;
- ii. summary quantitative data about what it manages as capital; and
- iii. whether during the period it complied with any externally imposed capital requirements to which it is subject and the consequences of any such non-compliance, if applicable.

These new disclosure requirements are summarized in Note 14.

(b) Sections 3862 and 3863: Financial Instruments, Disclosures and Presentation

These sections enhance the disclosure standards for financial instruments to assist users in evaluating:

- i. the significance of financial instruments to the Company's financial position and performance;
- ii. the measurement basis or bases and the criteria used to determine classification for different types of instruments; and
- iii. the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and management's objectives, policies and procedures for managing such risks.

Note 3 provides the required disclosure under this new accounting standard.

3. Financial Instruments and Related Risks

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities. Cash and cash equivalents are recognized at their fair value and the fair value of all other financial instruments approximate their carrying values, due to their short-term maturity or capacity of prompt liquidation. Cash and cash equivalents are held with large financial institutions and, as at March 31, 2008 and December 31, 2007 did not include term deposit, short-term investments or any asset-backed commercial paper.

The Company's currency risk is presently limited to cash balances denominated in Canadian dollars whose effect is reflected in other comprehensive income. Based on this exposure as at March 31, 2008, a 5% change in the Canadian/US dollar exchange rate would give rise to an increase/decrease in other comprehensive income of approximately \$2.0 million. The Company has no other significant exposure to currencies other than the US dollar because its revenues and the majority of its costs are all measured in US dollars.

Red Back is presently not exposed to significant commodity, interest, or credit risks because the Company does not:

- (a) engage in derivative commodity transaction;
- (b) hold interest-bearing assets or debt instruments whose fair values fluctuate as a result of changes in the market interest rates; and
- (c) have large loans and receivables with third parties requiring a review of credit worthiness.

4. Inventories

	March 31, 2008	December 31, 2007
Stockpile ore	\$ 11,731	\$ 13,486
Gold in circuit	4,999	4,829
Gold in safe	3,909	1,092
Materials and supplies	7,155	9,032
	<u>\$ 27,794</u>	<u>\$ 28,439</u>

5. Property, Plant and Equipment

	March 31, 2008			December 31, 2007		
	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Plant and equipment	\$ 6,813	\$ 1,914	\$ 4,899	\$ 6,811	\$ 1,590	\$ 5,221
Motor vehicles	2,294	1,474	820	2,223	1,317	906
Buildings	2,329	212	2,117	2,329	154	2,175
Construction in progress	16,422	-	16,422	10,768	-	10,768
	<u>\$ 27,858</u>	<u>\$ 3,600</u>	<u>\$ 24,258</u>	<u>\$ 22,131</u>	<u>\$ 3,061</u>	<u>\$ 19,070</u>

6. Mineral Properties and Related Expenditures

	Chirano	Tasiast	Other Projects	Total
Balance, December 31, 2006	\$ 97,787	\$ -	\$ 7,638	\$ 105,425
Acquisition of Tasiast	-	323,882	-	323,882
Exploration and development costs	12,241	1,714	1,847	15,802
Change in estimated asset retirement obligations	151	1,011	-	1,162
Pre-production costs	-	15,331	-	15,331
Pre-production revenues	-	(16,280)	-	(16,280)
Amortization	(9,242)	-	-	(9,242)
Balance, December 31, 2007	<u>100,937</u>	<u>325,658</u>	<u>9,485</u>	<u>436,080</u>
Exploration and development costs	9,229	6,450	5	15,684
Change in estimated asset retirement obligations	-	(39)	-	(39)
Amortization	(2,715)	(7,559)	-	(10,274)
Balance, March 31, 2008	<u>\$ 107,451</u>	<u>\$ 324,510</u>	<u>\$ 9,490</u>	<u>\$ 441,451</u>

Chirano Gold Mine

The Chirano Gold Mine comprises one mining lease and one prospecting license held through the Company's 100% subsidiary, CGML. Upon the Government of Ghana exercising its right to back-in to a 10% ownership of CGML, at no cost, the Company will hold a 90% interest in CGML with the Government of Ghana holding 10%.

Tasiast Gold Mine

The Company acquired Tasiast on August 2, 2007. Tasiast comprises one mining lease held through the Company's 100% owned subsidiary Tasiast Mauritanie Limited SA ("TMLSA").

Other Exploration Projects

The Company owns interests in a number of other exploration properties in Ghana, Mauritania and Côte D'Ivoire. These interests are represented by various prospecting licenses and option agreements. Exploration on these properties is ongoing.

7. Asset Retirement Obligations

	Three Months Ended March 31, 2008			Year Ended
	Chirano	Tasiast	Total	December 31, 2007
Balance, beginning of period	\$ 6,928	\$ 2,216	\$ 9,144	\$ 6,424
Assumed on acquisition	-	-	-	1,005
Change in estimate	-	(39)	(39)	1,162
Accretion expense	74	62	136	553
Balance, end of period	<u>\$ 7,002</u>	<u>\$ 2,239</u>	<u>\$ 9,241</u>	<u>\$ 9,144</u>

The Company has calculated the fair value of the asset retirement obligations using a discount rate of 5.5%.

8. Share Capital

(a) The authorized and issued share capital is as follows:

Authorized: unlimited common shares without par value

Issued and outstanding:

	Three Months Ended March 31, 2008		Year Ended December 31, 2007	
	Number of Shares	Amount	Number of Shares	Amount
Balance, beginning of period	187,814,970	\$ 556,920	97,740,946	\$ 101,849
Issued on conversion of special warrants	-	-	13,888,800	65,033
Issued on conversion of subscription receipts	-	-	55,555,200	270,921
Issued by short-form prospectus	-	-	16,667,200	107,820
Issued as a charitable donation	-	-	79,491	512
Issued on exercise of warrants	-	-	1,975,000	3,632
Issued on exercise of options	515,000	1,190	1,908,333	3,792
Fair value of options exercised	-	673	-	3,361
Balance, end of period	<u>188,329,970</u>	<u>\$ 558,783</u>	<u>187,814,970</u>	<u>\$ 556,920</u>

(b) Under the Company's stock option plan (the "Plan"), 12 million common shares have been made available for the Company to grant incentive stock options to directors, officers, employees and consultants of the Company. The term of any option granted under the Plan will be fixed by the Board of Directors and may not exceed 10 years from the date of grant. No optionee shall be entitled to a grant of more than 5% of the Company's outstanding issued shares. The vesting of options is at the discretion of the Board.

Changes in the number of issued and outstanding options are outlined in the table below:

	Three Months Ended March 31, 2008		Year Ended December 31, 2007	
	Options Outstanding and Exercisable	Weighted Average Exercise Price (C\$)	Options Outstanding and Exercisable	Weighted Average Exercise Price (C\$)
Balance, beginning of period	7,595,000	5.34	3,463,333	2.34
Granted	200,000	7.83	6,040,000	6.05
Cancelled	(100,000)	6.45	-	-
Exercised	(515,000)	2.31	(1,908,333)	2.14
Balance, end of period	<u>7,180,000</u>	5.61	<u>7,595,000</u>	5.34

The fair value of stock options has been recorded in the accounts of the Company as stock-based compensation expense with a corresponding increase in contributed surplus. In calculating the fair value estimate for the period, the Company used the Black-Scholes option pricing model, and assumed a risk-free rate of 2.7% (December 31 2007: 3.4% - 4.5%), an expected volatility of approximately 36% (December 31 2007: 33% - 50%), an expected option life of three years, and no dividend payments.

Option pricing models require the input of highly subjective assumptions, particularly as to the expected price volatility of the stock. Changes in these assumptions can materially affect the fair value estimated.

9. Contributed surplus

	Three Months Ended March 31, 2008	Year Ended December 31, 2007
Balance, beginning of period	\$ 8,146	\$ 5,405
Fair value of stock-based compensation	1,117	6,102
Fair value of options exercised	(673)	(2,049)
Fair value of warrants exercised	-	(1,312)
Balance, end of period	<u>\$ 8,590</u>	<u>\$ 8,146</u>

10. Accumulated Other Comprehensive Income

	Three Months Ended March 31, 2008	Year Ended December 31, 2007
Balance, beginning of period	\$ 8,576	\$ (84)
Other comprehensive income (loss)	(1,942)	8,660
Balance, end of period	<u>\$ 6,634</u>	<u>\$ 8,576</u>

11. Related Party Transactions

Transactions for the three months ended March 31, 2008 and 2007 and balances with related parties not disclosed elsewhere in these financial statements are as follows:

- (a) Paid \$0.1 million (2007: \$0.3 million) for management services provided by a company related to the President of the Company. At March 31, 2008, \$nil was due to this company.
- (b) Paid \$nil (2007: \$0.01 million) to a firm related to a director for legal services. At March 31, 2008, \$nil was due to this firm.
- (c) Paid \$0.1 million (2007: \$0.02 million) to a company controlled by a director for management services. At March 31, 2008, \$nil was due to this company.

The above transactions, occurring in the normal course of business, are measured at the exchange amount, which is the fair value consideration established and agreed to by the related parties.

12. Segmented Information

The Company operates only in the gold sector.

	Period Ended March 31, 2008			Total
	Ghana	Mauritania	Others	
Gold revenues	\$ 31,722	\$ 22,692	\$ -	\$ 54,414
Operating costs and expenses	14,878	10,063	-	24,941
Depreciation and amortization	3,124	7,679	-	10,803
Profit from operations	13,720	4,950	-	18,670
Other income (costs)	(16)	1,078	132	1,194
Income for the period	\$ 13,704	\$ 6,028	\$ 132	\$ 19,864

During the three months ended March 31, 2007, revenues were earned exclusively at Chirano in Ghana and all significant expenses were incurred in Ghana except for \$2.6 million of corporate head office costs. The Company acquired a second mining property, Tasiast in Mauritania, on August 2, 2007. Tasiast was in the commissioning phase during 2007 and went into commercial production at the beginning of 2008.

	As at March 31, 2008			Total
	Ghana	Mauritania	Others	
Current assets	\$ 29,370	\$ 26,792	\$ 52,628	\$ 108,790
Capital assets, net of depreciation and amortization	130,551	335,119	39	465,709
	159,921	361,911	52,667	574,499
Current liabilities	(5,281)	(17,862)	(657)	(23,800)
Non-current liabilities	(7,002)	(2,239)	-	(9,241)
Future income tax liabilities	-	(51,820)	-	(51,820)
	\$ 147,638	\$ 289,990	\$ 52,010	\$ 489,638

	As at December 31, 2007			Total
	Ghana	Mauritania	Others	
Current assets	\$ 26,572	\$ 21,262	\$ 54,150	\$ 101,984
Capital assets, net of depreciation and amortization	122,182	332,921	47	455,150
	<u>148,754</u>	<u>354,183</u>	<u>54,197</u>	<u>557,134</u>
Current liabilities	(7,809)	(16,811)	(1,069)	(25,689)
Non-current liabilities	(6,928)	(2,216)	-	(9,144)
Future income tax liabilities	-	(52,892)	-	(52,892)
	<u>\$ 134,017</u>	<u>\$ 282,264</u>	<u>\$ 53,128</u>	<u>\$ 469,409</u>

13. Commitments

As at March 31, 2008, the Company had purchase commitments totaling approximately \$8.3 million for capital items required under expansion projects at both Chirano and Tasiast.

14. Management of Capital

The Company's objectives in managing its capital resources are to safeguard the entity's ability to continue as a going concern and, thereby, maximize returns to shareholders in the context of the market. The Company satisfies its capital requirements through careful management of its cash resources and by utilizing bank indebtedness or equity issues, as necessary, based on the prevalent economic conditions of both the industry and the capital markets and the underlying risks characteristics of the related assets. As at March 31, 2008, the Company had no bank debt.

Red Back is currently undertaking capital expansion programs at its two mining operations. Based on current plans and estimates, management believes that the Company's working capital position and forecast cash flow from operations should be sufficient to satisfy the related financial costs. Management is reviewing the feasibility of establishing a corporate bank debt facility to provide it with additional flexibility in modifying its plans, if deemed advantageous, or responding to new opportunities.

The Company is not subject to any externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the three months ended March 31, 2008.

**RED BACK MINING INC.
CORPORATE DIRECTORY**

OFFICERS

Richard Clark
President and Chief Executive Officer
Lukas Lundin
Chairman of the Board
Alessandro Bitelli
Chief Financial Officer
Simon Jackson
Vice President – Corporate Development
Kevin Ross
Chief Operating Officer
Hugh Stuart
Vice President - Exploration
Kathy Love
Corporate Secretary

DIRECTORS

Richard Clark
Lukas Lundin
Compensation Committee
Michael Hunt
Corporate Governance and Nominating
Committee
Compensation Committee
Harry Michael
Audit Committee
Robert Chase
Audit Committee
Corporate Governance and Nominating
Committee
Brian Edgar
Lead Director
Audit Committee
Compensation Committee
Corporate Governance and Nominating
Committee

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REGISTRAR AND TRANSFER AGENT

Computershare Trust Company of Canada
Vancouver, British Columbia and
Toronto, Ontario
Canada

SHARE LISTING

Toronto Stock Exchange
Symbol: RBI
CUSIP No.: 756297107
S.E.C.: 12g3-2(b)
Exemption Number: 82-4286