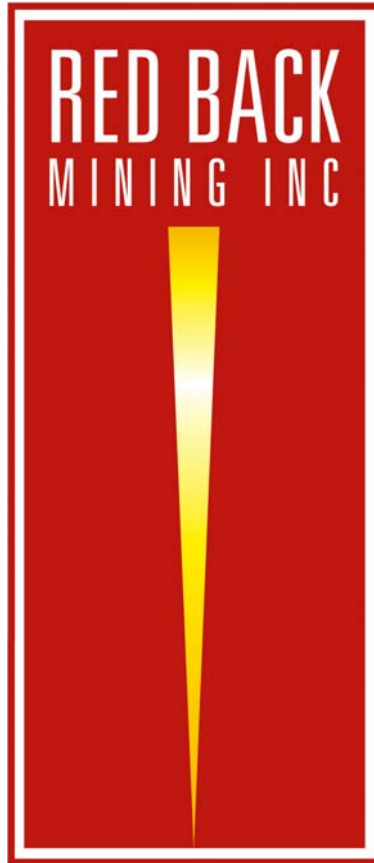


RED BACK MINING INC.



First Quarter Report

March 31, 2009

**RED BACK MINING INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION
THREE MONTHS ENDED MARCH 31, 2009**

The following management 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 three month period ended March 31, 2009 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 8, 2009. Additional information about the Company and its business activities is available on SEDAR at www.sedar.com.

The technical contents of this MD&A have been reviewed by Hugh Stuart, BSc., MSc, a Qualified Person pursuant to NI 43-101. Mr. Stuart is the Vice President Exploration of the Company and a Member of the Australasian Institute of Mining and Metallurgy.

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 Chirano Gold Mine ("Chirano"). The Government of Ghana can exercise its right to back-in to a 10% ownership of Chirano Gold Mines Limited ("CGML"), at no cost, at which time the Company will hold a 90% interest in Chirano. In Mauritania, the Company holds a 100% interest in the Tasiast Gold Mine ("Tasiast") which commenced commercial production at the beginning of 2008. In addition to government royalties, Tasiast is subject to a 2% royalty on gold production in excess of 600,000 oz. Red Back also holds various other exploration properties in Ghana, Mauritania and Côte D' Ivoire.

Highlights

The results from operations during the first quarter of 2009 are in line with Company budgets, which provide for increased production levels and lower cash costs as the year progresses and the plant expansions at Tasiast and Chirano are commissioned. Red Back's forecast production for the year is 400,000 oz at a cash cost of \$385 per oz.

The Company's first quarter highlights were:

- Total gold production of 70,408 oz (includes 1,467 oz from underground development at Chirano, capitalized for financial reporting purposes).
- Average realized gold price of \$917 per oz.
- Net income of \$25.3 million.
- Cash operating costs of \$389 per oz.
- 39% increase in reserves at Tasiast to 2.28 million oz.
- Chirano and Tasiast plant expansions remain on target and on budget.
- Substantial completion of the development of the dump leach operations at Tasiast.
- Akwaaba Deeps underground development remains on schedule with significant mining volumes due to be reached in the third quarter.
- Initial inferred underground mineral resource of 0.5 million oz at the Paboase South and Suraw deposits in Chirano.
- Sale of investment in Mineral Deposits Limited and repayment of related bank loan.
- Completed a bought-deal equity financing for Cdn. \$165 million.

Subsequent to March 31, 2009, first pass drilling at Tasiast in the area between the Piment and West Branch deposits has delineated a new strong mineralized structure over a strike length of 350m and to a vertical depth of up to 180m. The zone is open in all directions.

Results of Operations

Net income for the three months ended March 31, 2009 was \$25.3 million (March 31, 2008: \$19.9 million). The improved results from operations compared to the previous year are mainly attributable to increased production at Tasiast.

Overall, unit operating costs are consistent with the same period in 2008 as well as the cost levels achieved in late 2008. Compared to the first quarter in 2008, 2009 first quarter costs at Chirano were negatively affected by general price increases and ongoing crushing issues due to the hardness of the ore. The recent commissioning of a new crushing circuit is expected to resolve this issue. On the other hand, at Tasiast the unit production costs have decreased in 2009 as a result of lower mining costs and increased production compared to the same period in 2008.

Net income for the first quarter was also positively affected by a \$3.0 million gain on sale of securities, compared to a \$1.7 million gain in the same period in 2008.

Summary of Financial Results								
Quarter Ended	Mar 09	Dec 08	Sep 08	Jun 08	Mar 08	Dec 07	Sep 07	Jun 07
Total revenue (\$'000)	65,858	54,650	54,200	60,396	54,414	26,220	17,303	13,760
Net income (loss) (\$'000)	25,345	7,983	10,568	23,485	19,864	(89,989)	742	(1,180)
Net income (loss) per share (\$)	0.12	0.04	0.06	0.12	0.11	(0.49)	0.01	(0.01)

The table below summarizes the key operating statistics of the Company for the quarter.

	Three months ended March 31, 2009			Three months ended March 31, 2008		
	Chirano	Tasiast	Total	Chirano	Tasiast	Total
Ore tonnes mined ('000t)	827	959	1,786	845	339	1,184
Ore tonnes milled ('000t)	613	351	964	544	324	868
Average grade (g/t)	2.0	3.4	2.51	2.1	3.0	2.4
Average recovery	91.0%	94.1%	92.1%	91.0%	93.6%	92.0%
Gold produced (oz)	34,258	36,150	70,408	33,931	29,528	63,459
Gold sold (oz) (Note 2)	35,547	36,285	71,832	34,011	24,177	58,188
Realized gold price per oz	\$914	\$920	\$917	\$932	\$939	\$935
Cash operating costs per oz (Note 3)						
Operating	\$509	\$271	\$389	\$411	\$386	\$400
Royalties	\$ 26	\$ 28	\$ 27	\$ 25	\$ 28	\$ 26
Depreciation, amortization and accretion per oz (Note 3)	\$ 80	\$200	\$140	\$ 94	\$320	\$188

Note 1: Production statistics may not calculate exactly due to rounding.

Note 2: 2009 gold sold at Chirano excludes 1,467 oz recovered from underground operations and capitalized during pre-production development.

Note 3: This is a non-GAAP measure. It is calculated by dividing costs on the statement of income and deficit by gold oz sold. For Tasiast, approximately \$94 per oz (2008: \$188 per oz) of depreciation and amortization are due to the amortization of the fair value excess on purchase of the Tasiast mineral properties on August 2, 2007.

Tasiast Gold Mine - Mauritania

Tasiast operates under a 30 year mining permit granted by the government of Mauritania in January 2004. The permit area is located in the north-western part of the country, approximately 300 kilometres north of the capital of Nouakchott and 162 kilometres east-southeast of the port city of Nouâdhibou.

Tasiast 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, Aoueuouat greenstone belt. The belt 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 Aoueuouat greenstone belt, virtually encompassing an entire mining district in the country. The mineralization is open along strike and at depth.

Gold mineralization discovered to date occurs in two parallel trends: the Piment Zone, which is continuous over a 4.5 kilometres strike length, and the West Branch, which has been defined by soil sampling, trenching and drilling over a one kilometre strike length. The Piment zone hosts the bulk of the current resources and reserves, with five open pits defined over the strike of the mineralization. In addition, recent first pass drilling in the area between the Piment and West Branch deposits has delineated a strong mineralized structure over a strike length of 350m and to a vertical depth of up to 180m. This zone is open in all directions and drilling is ongoing.

In March 2009, Red Back disclosed Tasiast's proven and probable reserves updated as at December 31, 2008, based on a gold price of \$700 per oz, reporting an increase of 39%. The updated in-situ reserves are detailed in the table below.

	Tonnes (Mt)	Au (g/t)	Ounces (Moz)
Total Proven	27.2	1.48	1.30
Total Probable	20.1	1.46	0.94
Total Stockpile	1.7	0.89	0.05
Total	49.0	1.45	2.28

The reserves include lower grade ore expected to be processed by dump leaching. Irrigation of the dump leach pads started this year with first recoveries expected in the second quarter of 2009.

The Company is expanding the Tasiast processing facility to a nominal throughput of 3.0 mtpa. The expansion work includes an enhancement of the crushing circuit, a second ball mill, an additional CIL tank, and a gold room with associated elution capacity. Commissioning of the expanded plant is expected to commence in the second quarter of 2009.

Tasiast cash operating costs were significantly lower in the first quarter of 2009 compared to the same period in 2008 principally because of increased production (36,150 oz vs. 29,528 oz) and lower mining costs (\$1.68 per tonne vs. \$2.45 per tonne). For the year, cash costs are expected to average \$320 per oz based on annual production of 230,000 oz. Production to date is in line with internal budgets and is expected to increase following commissioning of the plant expansion, which is progressing as planned.

Chirano Gold Mine - Ghana

The Chirano mining lease, granted in April 2004, is situated in south-western Ghana, 100 kilometres southwest of Kumasi, Ghana's second largest city. The project is within the Bibiani gold belt and is currently comprised of a series of open pit deposits and the high grade Akwaaba Deeps underground mine. Gold mineralisation continues at depth below the current open pit designs at many of the deposits currently included in the mine plan. First underground inferred resource estimates were confirmed in March 2009 for the Paboase South and Suraw deposits.

The underground development of Akwaaba Deeps is continuing according to plan. Delivery of first ore to the mill occurred in December 2008. Full-scale mining at Akwaaba Deeps is expected to commence, as planned, in the third quarter of 2009.

Chirano proven and probable reserves as at December 31, 2008 are provided in the table below, based on a gold price of \$700 per oz.

	Proven			Probable			Total		
	Tonnes (Mt)	Au (g/t)	Ounces (Moz)	Tonnes (Mt)	Au (g/t)	Ounces (Moz)	Tonnes (Mt)	Au (g/t)	Ounces (Moz)
Open Pits	17.4	1.68	0.9	4.5	1.39	0.2	21.9	1.62	1.1
Akwaaba Deeps	-	-	-	8.2	4.21	1.1	8.2	4.21	1.1
Stockpile	2.2	1.05	0.1	-	-	-	2.2	1.05	0.1
Total	19.6	1.61	1.0	12.7	3.21	1.3	32.3	2.24	2.3

The Company is expanding the Chirano processing facility to a nominal throughput of 3.5 mtpa. In addition to increasing capacity, the expansion also addresses the previously identified rock hardness issue. The expansion work includes a new crushing facility to reduce ore to 80% passing 12.5mm, the addition of a third mill, the conversion of the SAG mill to a ball mill, and the addition of one pre-leach tank and three CIL leach tanks. The crushing circuit has now been commissioned and commissioning of the expanded plant is scheduled to occur in the third quarter of 2009.

Chirano's production in the first quarter of 2009 was 34,258 oz (2008: 33,931 oz) at a cash operating cost of \$509 per oz (2008: \$411 per oz). Cash operating costs are consistent with cash costs in the last quarter of 2008, but have increased compared to the same period in 2008 due to increased consumables and crushing costs. In 2009, cash operating costs are expected to average \$480 per oz based on forecast production of 170,000 oz. Cost reductions are expected following completion of the plant expansion and commencement of full scale mining from the higher grade underground operation at Akwaaba Deeps.

Other Income Statement Items

Interest expense in 2009 relates to a bank loan taken out in September 2008 to finance the purchase of shares in Mineral Deposits Limited. The loan was repaid in February 2009. The 2009 interest income is lower compared to 2008 because of the lower interest rates notwithstanding a higher average cash balance on hand.

General and administrative costs for the quarter ended March 31, 2009 have increased as a result of increased investor relations activities and staffing levels compared to the same period in 2008.

Stock based compensation for the current quarter was \$1.6 million as compared to \$1.1 million for the same quarter in 2008. 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.

In the first quarter of 2009, the Company recognized a \$3.0 million gain as a result of a sale of marketable securities. A gain of \$1.7 million was recognized in 2008 relating to a different investment.

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, 2009, the subsidiary had an accumulated deficit and, therefore, no minority interest has been recognized.

Other comprehensive income reflects the effect of exchange rate changes on translation of cash measured in a currency other than the US dollar. As at March 31, 2009, Red Back held Cdn. \$108 million and AUD \$40 million.

Liquidity and Capital Resources

At March 31, 2009 the Company had working capital of \$166 million as compared to \$47 million at December 31, 2008. Red Back's treasury is sufficient to cover the remaining capital costs to complete the capital expansions at Tasiast and Chirano and underground development of Akawaaba Deeps in 2009.

First quarter capital cost additions for property, plant and equipment can be summarized as follows:

<i>(Amounts in millions of dollars)</i>	Chirano	Tasiast	Total
Plant expansion projects	\$ 10.3	\$ 7.6	\$ 17.9
Mining fleet	-	0.9	0.9
Back-up diesel generator unit	3.0	-	3.0
Site office/accommodation expansion		0.6	0.6
Others	0.1	0.2	0.3
Total	<u>\$ 13.4</u>	<u>\$ 9.3</u>	<u>\$ 22.7</u>

Additions to exploration and development costs totalling \$21.1 million are mainly attributable to:

- the underground development activities at Akwaaba Deeps at Chirano (\$7.9 million);
- ongoing discretionary exploration to identify new resources (Chirano: \$0.5 million; Tasiast: \$2.2 million);
- open pit cut backs to provide access to additional ore reserves at Chirano (\$6.4 million);
- planned expansion of the tailings dam at Tasiast (\$2.4 million); and
- construction of dump leach pads at Tasiast (\$1.0 million).

In February 2009, Red Back sold 62,090,407 common shares of Mineral Deposits Limited ("MDL"), an Australian company developing the Sabodala gold project in Senegal, West Africa, for approximately \$26.3 million, generating a gain of \$3.0 million. The original purchase of the interest in MDL was funded by a bank loan. This loan was repaid on February 26, 2009.

On February 12, 2009, Red Back raised Cdn. \$165 million at Cdn. \$7.50 per share by way of short-form prospectus. The Company is also in the process of establishing a \$30 million revolving corporate debt facility which will provide Red Back with additional flexibility in its operations and in responding to new corporate opportunities.

As at March 31, 2009, the Company had purchase commitments totalling \$4.4 million for capital items required for the expansion projects at the two operating mines.

Transactions with Related Parties

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

- paid \$0.1 million (March 31, 2008: \$0.1 million) for management services provided by a company related to the President of the Company;
- paid \$0.1 million (March 31, 2008: \$0.1 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 2, 2009.

Significant Accounting Policies

The Company continues to follow the accounting policies described in the audited consolidated financial statements for the year ended December 31, 2008 that was filed on SEDAR on March 2, 2009. In addition, effective January 1, 2009, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA"):

Section 3064: Goodwill and Intangible Assets

This standard replaces Section 3062, "Goodwill and Other Intangible Assets." This new standard provides guidance on the recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the adoption of this standard, CICA Emerging Issues Committee Abstract 27, "Revenues and Expenditures in the Pre-operating Period," ("EIC-27") was withdrawn.

Adoption of this standard did not have a significant effect on the Company financial statements.

International Financial Reporting Standards

In January 2006, the Canadian Accounting Standards Board ("AcSB") adopted a strategic plan, which includes the decision to move financial reporting for Canadian publicly accountable enterprises to a single set of globally accepted high-quality standards, namely, International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The AcSB confirmed in February 2008 plans to converge Canadian generally accepted accounting principles ("Canadian GAAP") with IFRS over a transition period with an effective implementation date effective for interim and annual periods commencing January 1, 2011. Early adoption of IFRS is possible.

At this time, the Company has not yet determined the full impact of the transition on its consolidated financial condition. Following completion in 2008 of a review of its accounting policies and of Canadian GAAP relevant to its financial reporting requirements to determine the key differences and options with respect to acceptable accounting standards under IFRS, in the second half of 2009 the Company will proceed to make a determination of the impact of transition to IFRS on its financial statements and systems, if any. The implementation and transition phase to IFRS are currently planned for 2010 in order to meet the expected adoption date of January 1, 2011. Training of Company personnel started in 2008 and is continuing in 2009.

Financial Instruments and Related Risks

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, marketable securities, accounts payable and accrued liabilities, and bank loans. Cash and cash equivalents and marketable securities are classified as available for sale financial assets, recognized at fair value, with any unrealized gain or loss recorded in other comprehensive income. The fair value of all other financial instruments approximates their carrying values, due to their short-term maturity or capacity of prompt liquidation.

As at March 31, 2009, the Company's currency risk was limited to \$86.9 million of cash balances (\$8.3 million at December 31, 2008) denominated in Canadian dollars and to \$27.1 million of cash balances denominated in Australian dollars (\$nil at December 31, 2008). Based on this exposure, a 10% change in the Canadian/US dollar exchange rate would give rise to an increase/decrease in other comprehensive income of approximately \$8.7 million and a 10% change in the Australian/US dollar exchange rate would give rise to an increase/decrease in other comprehensive income of approximately \$2.7 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 measured in US dollars.

The fair value of the bank loan used to finance the acquisition of marketable securities was not affected by interest rate fluctuations as its related cost of borrowing is based on the US LIBOR rate. Further, a 10% change in US LIBOR rates would not have had a material impact on the Company's interest expense for the quarter.

Red Back does not currently have financial instruments that are exposed to significant commodity or credit risks because the Company does not have:

- derivative commodity transactions; or
 - large loans and receivables with third parties requiring a review of credit worthiness.
- Further, the Company is not exposed to significant liquidity risk because of the nature of the financial assets it currently holds. In addition, its cash and cash equivalents are held through large financial institutions and, as at March 31, 2009, term deposits or short-term investments were with counterparties with high credit ratings.

Outstanding Share Data

As at May 8, 2009, the Company had 229,062,171 common shares issued and outstanding and 7,857,800 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 2, 2009.

Outlook

Except for the confirmation of the increase in the reserve estimates at Tasiast which are discussed in an earlier section 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 2, 2009.

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. 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.

There have been no changes in Red Back's internal control over financial reporting during the quarter ended March 31, 2009 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

This document contains “forward looking statements” concerning anticipated developments and events that may occur in the future. Forward looking statements include, but are not limited to, statements with respect to the future price of gold, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward looking statements involve 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 the forward looking statements. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward looking statements in the section entitled “Risk Factors”, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward looking statements. These forward looking statements are made as of the date of this document and, other than as required by applicable securities laws, the Company assumes no obligation to update or revise them to reflect new events or circumstances.

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

	March 31, 2009	December 31, 2008
ASSETS		
Current assets		
Cash and cash equivalents	\$ 134,702	\$ 22,205
Accounts receivable	16,125	15,179
Marketable securities (Note 3)	-	28,966
Inventories (Note 4)	46,647	45,132
Prepaid expenses	455	397
	197,929	111,879
Property, plant and equipment, net (Note 5)	232,549	213,921
Mineral properties and related expenditures (Note 6)	390,964	375,902
	\$ 821,442	\$ 701,702
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 32,004	\$ 36,837
Bank loan (Note 7)	-	28,000
	32,004	64,837
Non current liabilities		
Asset retirement obligations (Note 8)	9,903	9,768
Future income tax liability	49,117	49,117
	59,020	58,885
Shareholders' equity		
Share capital (Note 9)	738,514	607,914
Contributed surplus (Note 10)	10,651	10,506
Accumulated other comprehensive income (loss) (Note 11)	(1,760)	1,892
Deficit	(16,987)	(42,332)
	730,418	577,980
	\$ 821,442	\$ 701,702
Commitments (Note 14)		

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 AND DEFICIT
(in Thousands of United States Dollars, Unaudited)

	Three months ended March 31	
	2009	2008
Gold Sales	\$ 65,858	\$ 54,414
Costs and expenses		
Operating	27,943	23,284
Depreciation and amortization	10,085	10,803
Accretion	135	136
Royalties	1,922	1,521
	<hr/>	<hr/>
Profit from mining operations	25,773	18,670
	<hr/>	<hr/>
Depreciation	4	10
General and administrative	1,285	931
Interest expense and bank charges	147	-
Stock based compensation	1,563	1,117
Interest income	(196)	(472)
	<hr/>	<hr/>
	2,803	1,586
	<hr/>	<hr/>
Income before undernoted items	22,970	17,084
Gain on sale of securities	3,020	1,708
	<hr/>	<hr/>
Income before income taxes	25,990	18,792
Future income tax recovery (expense)	(645)	1,072
	<hr/>	<hr/>
Net income for the period	25,345	19,864
Deficit, beginning of the period	(42,332)	(104,233)
	<hr/>	<hr/>
Deficit, end of the period	\$ (16,987)	\$ (84,369)
	<hr/> <hr/>	<hr/> <hr/>
Income per common share – basic	\$ 0.12	\$ 0.11
	<hr/>	<hr/>
Income per common share – diluted	\$ 0.12	\$ 0.10
	<hr/>	<hr/>
Weighted average number of shares outstanding – basic	217,995,157	188,108,267
	<hr/>	<hr/>
Weighted average number of shares outstanding – diluted	219,288,306	190,276,779
	<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	
	2009	2008
Cash flows from (used in) operating activities		
Net income	\$ 25,345	\$ 19,864
Items not effecting cash		
Amortization and depreciation	10,089	10,813
Accretion	135	136
Future income taxes	645	(1,072)
Gain on sale of marketable securities	(3,020)	(1,708)
Stock based compensation	1,563	1,117
	34,757	29,150
Net changes in non-cash working capital items		
Accounts receivable and prepaid expenses	(1,004)	(1,970)
Inventories	(1,515)	645
Accounts payable and accrued liabilities	(2,667)	(2,823)
	29,571	25,002
Cash flows used in investing activities		
Mineral properties and related expenditures	(21,078)	(15,684)
Purchase of property, plant & equipment	(24,867)	(4,793)
Purchase of marketable securities	-	(4,067)
Proceeds from sale of marketable securities	26,297	5,775
	(19,648)	(18,769)
Cash flows from (used in) financing activities		
Common shares issued, net of cash issue costs	129,182	1,190
Debt repayments	(28,000)	-
	101,182	1,190
Effect of exchange rate changes on translation of cash denominated in a currency other than the US dollar	1,392	(1,942)
Increase in cash	112,497	5,481
Cash, beginning of the period	22,205	62,830
Cash, end of the period	\$ 134,702	\$ 68,311

See accompanying notes to interim consolidated financial statements

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

	Three months ended	
	March 31	
	2009	2008
Income for the period	\$ 25,345	\$ 19,864
Unrealized foreign exchange income (loss) on net assets denominated in other than the US dollar	1,392	(1,942)
Comprehensive income for the period	<u>\$ 26,737</u>	<u>\$ 17,922</u>

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, 2009 AND 2008
(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 ("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"). The Company also holds various other exploration properties in Ghana, Mauritania and Côte D' Ivoire.

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, 2008, 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, 2008 annual consolidated financial statements.

2. Change in Accounting Policies

Effective January 1, 2009, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") standard issued under Section 3064, "Goodwill and Intangible Assets," which replaces Section 3062, "Goodwill and Other Intangible Assets." This new standard provides guidance on the recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the adoption of this standard, CICA Emerging Issues Committee Abstract 27, "Revenues and Expenditures in the Pre-operating Period," ("EIC-27") was withdrawn.

Adoption of this standard did not have a significant effect on the Company financial statements.

3. Marketable Securities

Marketable securities consisting of 62,090,407 shares in Mineral Deposits Limited were sold during the quarter and a \$3.0 million gain was recognized on disposition.

4. Inventories

	March 31, 2009	December 31, 2008
Stockpile ore	\$ 17,241	\$ 17,190
Gold in circuit	4,220	2,840
Gold in safe	782	2,429
Materials and supplies	24,404	22,673
	\$ 46,647	\$ 45,132

5. Property, Plant and Equipment

	March 31, 2009			December 31, 2008		
	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Plant and equipment	\$ 141,057	\$ 24,464	\$ 116,593	\$ 141,218	\$ 21,035	\$ 120,813
Motor vehicles	3,175	1,923	1,252	2,819	1,801	1,018
Buildings	13,842	1,638	12,204	13,378	1,116	12,262
Construction in progress	102,500	-	102,500	80,458	-	80,458
	<u>\$ 260,574</u>	<u>\$ 28,025</u>	<u>\$ 232,549</u>	<u>\$ 237,873</u>	<u>\$ 23,952</u>	<u>\$ 213,921</u>

6. Mineral Properties and Related Expenditures

	Chirano	Tasiast	Other Projects	Total
Balance, December 31, 2007	\$ 79,563	\$ 243,172	\$ 6,670	\$ 329,405
Exploration and evaluation costs	12,338	13,139	285	25,762
Development expenditures	42,442	8,978	-	51,420
Change in estimated asset retirement obligations	-	207	-	207
Write-off of exploration costs	-	-	(849)	(849)
Amortization	(8,327)	(21,716)	-	(30,043)
Balance, December 31, 2008	<u>126,016</u>	<u>243,780</u>	<u>6,106</u>	<u>375,902</u>
Exploration and evaluation costs	508	2,238	423	3,169
Development expenditures	14,979	2,930	-	17,909
Amortization	(2,319)	(3,697)	-	(6,016)
Balance, March 31, 2009	<u>\$ 139,184</u>	<u>\$ 245,251</u>	<u>\$ 6,529</u>	<u>\$ 390,964</u>

Included in the above balance for Chirano are \$14.3 million (December 31, 2008: \$7.8 million) of stripping costs incurred to expand accessible reserves and capitalized as a betterment of the mineral property.

Chirano Gold Mine

Chirano 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

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. Bank Loan

The bank loan collateralized by marketable securities and guarantees from the Company's two operating subsidiaries, CGML and TMLSA, was repaid during the quarter.

8. Asset Retirement Obligations

	Three Months Ended March 31, 2009			Year Ended
	Chirano	Tasiast	Total	December 31, 2008
Balance, beginning of period	\$ 7,223	\$ 2,545	\$ 9,768	\$ 9,144
Change in estimate	-	-	-	207
Incurred in the period	-	-	-	(86)
Accretion expense	100	35	135	503
Balance, end of period	\$ 7,323	\$ 2,580	\$ 9,903	\$ 9,768

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

9. 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, 2009		Year Ended December 31, 2008	
	Number of Shares	Amount	Number of Shares	Amount
Balance, beginning of period	206,095,970	\$ 607,914	187,814,970	\$ 556,920
Issued by short-form prospectus	22,000,000	126,966	17,150,000	45,804
Issued on exercise of options	853,000	2,216	1,131,000	3,551
Fair value of options exercised	-	1,418	-	1,639
Balance, end of period	228,948,970	\$ 738,514	206,095,970	\$ 607,914

On February 12, 2009, the Company raised gross proceeds of \$132.5 million (Cdn. \$165 million) by issuing 22 million common shares at a price of Cdn. \$7.50 per share under a short-form prospectus.

(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, 2009		Year Ended December 31, 2008	
	Options Outstanding and Exercisable	Weighted Average Exercise Price (C\$)	Options Outstanding and Exercisable	Weighted Average Exercise Price (C\$)
Balance, beginning of period	7,379,000	5.84	7,595,000	5.34
Granted	1,495,000	6.86	1,340,000	7.03
Forfeited	-	-	(425,000)	7.09
Exercised	(853,000)	3.21	(1,131,000)	3.42
Balance, end of period	<u>8,021,000</u>	6.31	<u>7,379,000</u>	5.84

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 between 0.5% and 1.9% (2008: 1.8% - 3.0%), an expected volatility of between 48% and 80% (2008: 36% - 53%), an expected option life of between two and four 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.

10. Contributed surplus

	Three Months Ended March 31, 2009	Year Ended December 31, 2008
Balance, beginning of period	\$ 10,506	\$ 8,146
Fair value of stock-based compensation	1,563	3,999
Fair value of options exercised	(1,418)	(1,639)
Balance, end of period	<u>\$ 10,651</u>	<u>\$ 10,506</u>

11. Accumulated Other Comprehensive Income (Loss)

	Three Months Ended March 31, 2009	Year Ended December 31, 2008
Balance, beginning of period	\$ 1,892	\$ 8,576
Previously unrealized gain on marketable securities recognized on disposition	(5,044)	-
Foreign exchange gain recognized due to the decrease in net assets denominated in other than US dollars	-	(5,659)
Other comprehensive income (loss)	1,392	(1,025)
Balance, end of period	<u>\$ (1,760)</u>	<u>\$ 1,892</u>

12. Related Party Transactions

Transactions for the three months ended March 31, 2009 and 2008 and balances with related parties not disclosed elsewhere in these financial statements are as follows:

- (a) Paid \$0.1 million (2008: \$0.1 million) for management services provided by a company related to the President of the Company. At March 31, 2009, \$nil was due to this company.
- (b) Paid \$0.1 million (2008: \$0.1 million) to a company controlled by a director for management services. At March 31, 2009, \$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.

13. Segmented Information

The Company operates only in the gold sector.

	Three Months Ended March 31, 2009			
	Ghana	Mauritania	Others	Total
Gold revenues	\$ 32,490	\$ 33,368	\$ -	\$ 65,858
Operating costs and expenses	(19,030)	(10,835)	-	(29,865)
Depreciation, amortization and accretion	(2,939)	(7,281)	-	(10,220)
Profit from mining operations	10,521	15,252	-	25,773
Other income (costs)	(62)	-	(366)	(428)
Income (loss) for the period	\$ 10,459	\$ 15,252	\$ (366)	\$ 25,345

	Three Months Ended March 31, 2008			
	Ghana	Mauritania	Others	Total
Gold revenues	\$ 31,722	\$ 22,692	\$ -	\$ 54,414
Operating costs and expenses	(14,878)	(10,063)	-	(24,941)
Depreciation, amortization and accretion	(3,124)	(7,679)	-	(10,803)
Profit from mining 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

	As at March 31, 2009			Total
	Ghana	Mauritania	Others	
Current assets	\$ 37,353	\$ 36,540	\$ 124,036	\$ 197,929
Capital assets, net of depreciation and amortization	226,457	396,544	512	623,513
	<u>263,810</u>	<u>433,084</u>	<u>124,548</u>	<u>821,442</u>
Current liabilities	(18,100)	(13,590)	(314)	(32,004)
Non-current liabilities	(7,323)	(2,580)	-	(9,903)
Future income tax liabilities	-	(49,117)	-	(49,117)
	<u>\$ 238,387</u>	<u>\$ 367,797</u>	<u>\$ 124,234</u>	<u>\$ 730,418</u>

	As at December 31, 2008			Total
	Ghana	Mauritania	Others	
Current assets	\$ 36,430	\$ 30,171	\$ 45,278	\$ 111,879
Capital assets, net of depreciation and amortization	200,886	388,541	396	589,823
	<u>237,316</u>	<u>418,712</u>	<u>45,674</u>	<u>701,702</u>
Current liabilities	(18,051)	(15,812)	(30,974)	(64,837)
Non-current liabilities	(7,223)	(2,545)	-	(9,768)
Future income tax liabilities	-	(49,117)	-	(49,117)
	<u>\$ 212,042</u>	<u>\$ 351,238</u>	<u>\$ 14,700</u>	<u>\$ 577,980</u>

	Additions to Property Plant and Equipment			Total
	Ghana	Mauritania	Others	
Period ended March 31, 2009	\$ 13,425	\$ 9,276	\$ -	\$ 22,701
Period ended March 31, 2008	\$ 7,939	\$ 3,467	\$ -	\$ 11,406

14. Commitments

As at March 31, 2009, the Company had purchase commitments totaling approximately \$4.4 million for capital items required under expansion projects at both Chirano and Tasiast.

15. 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, 2009, 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 in the process 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 currently 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, 2009.