RED BACK MINING INC.

Second Quarter Report

June 30, 2009

RED BACK MINING INC.
MANAGEMENT DISCUSSION AND ANALYSIS
OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION
THREE AND SIX MONTHS ENDED JUNE 30, 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 and six month periods ended June 30, 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 July 31, 2009, except for the disclosure relating to the Moto Transaction which is as at August 5, 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 second quarter of 2009 are broadly in line with Company budgets, which provide for increased production levels and lower cash costs in the second half of the year as 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. Political uncertainty caused by the postponement of presidential elections in Mauritania has caused delays in the receipt of certain operating permits. The Company's ability to reach its production target depends in part on the prompt receipt of final permits for the utilization of a new tailings dam and full irrigation of the dump leach operations at Tasiast. The election of a democratically elected president on July 18, 2009 is expected to provide government stability and expedite the issuance of these operating permits.

The Company's second quarter highlights were:

- Total gold production of 80,237 oz, including 4,208 oz from underground development at Chirano, capitalized for financial reporting purposes (year-to-date: 150,645 oz).
- Average realized gold price of $925 per oz (year-to-date: $921 per oz).
- Net income of $24.7 million (year-to-date: $50.0 million).
- Cash operating costs of $378 per oz (year-to-date: $383 per oz).
- Commissioning of sections of the Chirano and Tasiast plant expansions.
- Completion of the development of the dump leach operations at Tasiast.
- First production blast at Akwaaba Deeps with ramp up to commercial production levels scheduled to occur in the fourth quarter.

Moto Transaction

On June 1, 2009, the Company announced it had entered into an arrangement agreement (the "Agreement") with Moto Goldmines Limited ("Moto") pursuant to which each outstanding common share of Moto would be exchanged for 0.45 of a common share of Red Back and $0.001. On July 27, Moto advised Red Back that it had received a superior proposal. Under the Agreement, Red Back had a right to match this proposal. Red Back did not exercise this right and, accordingly, the Agreement was terminated. Under the terms of the Agreement, Moto paid Red Back a CAD $15.25 million termination fee.

Results of Operations

Net income for the three and six months ended June 30, 2009 was $24.7 million and $50.0 million respectively (June 30, 2008: $23.5 million and $43.3 million). Profits from mining operations have increased 40% from the previous year because of increased production. The half year results also include gains from the sale of marketable securities ($3.0 million) in the first quarter and from foreign exchange transactions ($0.5 million) in the second quarter, compared to total gains of $7.4 million in 2008.

Overall cash operating costs per oz are consistent with forecast. Compared to 2008, cash operating costs per oz have decreased as a result of lower mining costs at Tasiast and increased production.

Summary of Financial Results

Quarter Ended	Jun 09	Mar 09	Dec 08	Sep 08	Jun 08	Mar 08	Dec 07	Sep 07
Total revenue ($'000)	69,353	65,858	54,650	54,200	60,396	54,414	26,220	17,303
Net income (loss) ($'000)	24,666	25,345	7,983	10,568	23,485	19,864	(89,989)	742
Net income (loss) per share ($)	0.11	0.12	0.04	0.06	0.12	0.11	(0.49)	0.01

The tables below summarize the key operating statistics of the Company for the second quarter and on a year-to-date basis.

	Three months ended June 30, 2009			Three months ended June 30, 2008		
	Chirano	Tasiast	Total	Chirano	Tasiast	Total
Ore tonnes mined ('000t)	811	1,180	1,991	697	540	1,237
Ore tonnes milled ('000t)	583	294	877	595	374	969
Average grade (g/t)	2.5	3.7	2.9	1.7	3.0	2.3
Average recovery	90.5%	91.1%	90.7%	91.5%	93.0%	92.1%
Gold produced, CIL (oz)	43,264	33,399	76,663	29,764	34,955	64,719
Gold produced, dump leach (oz)	-	3,574	3,574	-	-	-
Gold produced, total (oz)	43,264	36,973	80,237	29,764	34,955	64,719
Gold sold (oz) *(Note 2)*	37,273	37,722	74,995	30,354	36,735	67,089
Realized gold price per oz	$931	$919	$925	$902	$899	$900
Cash operating costs per oz *(Note 3)*						
Operating	$430	$327	$378	$431	$437	$434
Royalties	$ 31	$ 28	$ 29	$ 38	$ 27	$ 32
Depreciation, amortization and accretion per oz *(Note 3)*	$111	$201	$156	$103	$237	$183

Note 1: Production statistics may not calculate exactly due to rounding.
Note 2: 2009 gold sold at Chirano excludes 4,208 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 $80 per oz (2008: $139 per oz) of depreciation and amortization are due to the amortization of the fair value excess on purchase of the Tasiast mineral properties in 2007.

	Six months ended June 30, 2009	Six months ended June 30, 2008

	Chirano	Tasiast	Total	Chirano	Tasiast	Total
Ore tonnes mined (‘000t)	1,638	2,139	3,777	1,542	879	2,421
Ore tonnes milled (‘000t)	1,196	645	1,841	1,140	698	1,838
Average grade (g/t)	2.2	3.5	2.7	1.9	3.0	2.4
Average recovery	90.8%	92.7%	91.4%	91.3%	94.0%	92.3%
Gold produced, CIL (oz)	77,522	69,549	147,071	63,695	64,483	128,178
Gold produced, dump leach (oz)	-	3,574	3,574	-	-	-
Gold produced, total (oz)	77,522	73,123	150,645	63,695	64,483	128,178
Gold sold (oz) *(Note 2)*	72,820	74,007	146,827	64,365	60,912	125,277
Realized gold price per oz	$922	$919	$921	$918	$915	$916
Cash operating costs per oz *(Note 3)*						
Operating	$469	$299	$383	$420	$417	$418
Royalties	$ 29	$ 28	$ 28	$ 31	$ 27	$ 29
Depreciation, amortization and accretion per oz *(Note 3)*	$ 96	$200	$148	$ 97	$236	$165

Note 1: Production statistics may not calculate exactly due to rounding.
Note 2: 2009 gold sold at Chirano excludes 5,675 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 $87 per oz (2008: $139 per oz) of depreciation and amortization are due to the amortization of the fair value excess on purchase of the Tasiast mineral properties in 2007.

Tasiast Gold Mine - Mauritania

Tasiast’s 30 year mining lease is located in the north-western part of Mauritania, approximately 300 kilometres north of the capital of Nouakchott and 162 kilometres east-southeast of the port city of Nouâdhibou. Tasiast’s exploration licenses cover a 60 kilometre strike length of the Aoueouat greenstone belt, a 70 kilometres long by 15 kilometres wide north-south trending Archaen age, largely under-explored gold system. Red Back has commenced an extensive exploration program to identify prospective mineralized areas along this belt.

The current mining plan includes the Piment and the West Branch deposits. Piment is comprised of five open pits constituting the bulk of the current resources and reserves. In addition, first pass drilling in the area between Piment and West Branch has delineated a strong mineralized structure over a strike length of 350 metres and to a vertical depth of up to 180 metres. This zone is open in all directions and drilling is ongoing. A program to define this additional resource and re-calculate the overall reserves is currently underway.

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 enhanced crushing circuit and second ball mill was completed near the end of the second quarter. The other elements of the expanded plant are expected to be operational before the end of the third quarter of 2009.

Tasiast’s production in the second quarter of 2009 was 36,973 oz (2008: 34,955 oz) at a cash operating cost of $327 per oz (2008: $437 per oz). In the first half of the year Tasiast produced 73,123 oz (2008: 64,483 oz) at a cash cost of $299 per oz (2008: $417 per oz). Cash operating costs decreased principally because of higher production and lower mining costs (first half of the year: $1.49 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. The achievement of this production target is dependent on receipt of final operating permits for the utilization of a new tailings dam and full irrigation of the dump leach operations which have been delayed by government inactivity because of the presidential elections held on July 18, 2009.

During the second quarter, Tasiast completed negotiations with the government of Mauritania whereby it agreed to pay certain annual fees in 2009 and 2010 in consideration for increasing the production capacity of its processing plant under the current capital expansion program. These fees become effective only after receipt of all permits and are calculated on annual production in excess of 130,000 oz. Based on forecast production of 230,000 oz in 2009 and 250,000 oz in 2010, these additional costs are estimated at $8.0 million and $9.6 million respectively. The Company will be reporting these payments as an additional royalty expense.

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. Drilling at Paboase South is continuing with the objective of delineating the extent of this resource.

The underground development of Akwaaba Deeps is continuing according to plan. First production blast occurred near the end of the second quarter. Underground mining is expected to reach commercial levels of production in the fourth quarter of 2009.

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 before the end of the third quarter of 2009.

Chirano's production in the second quarter of 2009 was 43,264 oz (2008: 29,764 oz) at a cash operating cost of $430 per oz (2008: $431 per oz). In the first half of the year, Chirano produced 77,522 oz (2008: 63,695 oz) at a cash cost of $469 per oz (2008: $420 per oz). Cash operating costs are decreasing compared to cash costs in the second half of 2008, but still higher compared to the first half of 2008 due to increased consumables and mobile plant crushing costs. A reduction in processing cost is expected following completion of the plant expansion and commencement of full scale mining from the higher grade underground operation at Akwaaba Deeps. In addition, Chirano is expected to benefit from lower electricity charges which could reduce cash costs by approximately $15 to $20 per oz in the second half of the year. Notwithstanding the expected reduction in processing costs, the exact timing of ramp up of underground mining will affect production and cash costs. Accordingly, Red Back is currently maintaining its 2009 cash cost forecast for Chirano at $480 per oz based on production of 170,000 oz.

Other Income Statement Items

Interest expense in 2009 relates principally 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 in 2009 are higher compared to 2008 because of increased promotional activities, which included a Company-sponsored site visit to its African operations by a group of financial analysts during the second quarter, and higher staffing levels.

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. Stock based compensation in the second quarter reflects the reversal of the benefit of options which were cancelled prior to their vesting date.
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. Foreign exchange gains realized in the second quarter were $0.5 million compared to $5.7 million in the same period in 2008.

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 June 30, 2009, the subsidiary had an accumulated deficit and, therefore, no minority interest has been recognized.

Income taxes are recorded at a reduced effective tax rate compared to the weighted average enacted income tax rates in effect in the Company's countries of operations because, at Tasiast, operations are exempt from income tax until the end of 2010 and, at Chirano, future income taxes are adjusted by the effect of previously unrecognized tax assets.

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 June 30, 2009, Red Back held CAD $113 million and AUD $31.7 million.

Liquidity and Capital Resources

At June 30, 2009, the Company had working capital of $181 million as compared to $47 million at December 31, 2008.

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

(Amounts in millions of dollars)	**Chirano**	**Tasiast**	**Total**
Plant expansion projects	$ 13.0	$ 17.3	$ 30.3
Mining fleet	-	2.1	2.1
Back-up diesel generator unit	3.0	-	3.0
Others	1.0	3.6	4.6
Total	$ 17.0	$ 23.0	$ 40.0

Additions to exploration and development costs totalling $42.7 million are mainly attributable to:
- the underground development activities at Akwaaba Deeps at Chirano ($15 million);
- ongoing discretionary exploration to identify new resources (Chirano: $1.7 million; Tasiast: $5.0 million);
- open pit cut backs to provide access to additional ore reserves at Chirano ($14 million);
- planned expansion of the tailings dam at Tasiast ($2.9 million); and
- construction of dump leach pads at Tasiast ($4.2 million).

With the capital expansion at Chirano and Tasiast now nearing completion, total project costs have been re-forecast at $58 million and $46 million respectively, reflecting a change in scope at Chirano ($2.2 million for the replacement of the ROM bin) and general cost increases of approximately $3.0 to $4.0 million at each project. Red Back has also recently approved the following additional exploration and capital programs for 2009:
- at Tasiast, an exploration drilling program to identify new prospective mineralized areas along the Aoueouat greenstone belt and further drilling between Piment and West Branch to define an additional resource in this area and to re-calculate the overall reserves ($13 million);
- at Chirano, drilling at Paboase South to better delineate the extent of that underground resource ($5.0 million); and
- acceleration of cut back programs at Chirano. Originally slated over three years, a significant portion of this project will now be completed in 2009 in order to optimize mine scheduling at the Tano, Obra and Akoti pits. Accordingly, the original 2009 budget for cut back costs has been increased from $14 million to $24 million.

Based on current gold prices and production estimates, Red Back expects its cash flow from operations to be sufficient to cover the costs of all ongoing 2009 exploration and capital projects.

On February 12, 2009, Red Back raised CAD $165 million at CAD $7.50 per share by way of short-form prospectus. In addition, in the second quarter, the Company finalized a $30 million revolving corporate debt facility. These transactions provide Red Back with additional flexibility in its operations and in responding to new corporate opportunities.

In February 2009, Red Back sold its interest in Mineral Deposits Limited ("MDL"), a company developing a gold project in Senegal, West Africa, for approximately $26.3 million, generating a gain of $3.0 million. The MDL investment was originally funded by a bank loan. This loan was repaid on February 26, 2009.

As at June 30, 2009, the Company had purchase commitments totalling $3.7 million for capital items required for the expansion projects at the two operating mines.

Transactions with Related Parties

During the first half of the year, Red Back entered into the following related party transactions:

- paid $0.2 million (June 30, 2008: $0.2 million) for management services provided by a company related to the President of the Company;
- paid $0.2 million (June 30, 2008: $0.2 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's 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 June 30, 2009, the Company's currency risk was limited to $98.1 million of cash balances ($8.3 million at December 31, 2008) denominated in Canadian dollars and to $25.5 million of cash balances denominated in Australian dollars ($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 $9.8 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 $2.6 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 has not:

- engaged in derivative commodity transactions; or
- have 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 June 30, 2009, term deposits or short-term investments were with counterparties with high credit ratings.

Outstanding Share Data

As at July 31, 2009, the Company had 230,191,337 common shares issued and outstanding and 5,803,634 share options outstanding under its stock-based incentive plan.

Uncertainties and Risk Factors

There has been no material change 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

During the second quarter, there were no 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 June 30, 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)

	June 30, 2009	December 31, 2008
ASSETS		
Current assets		
Cash and cash equivalents	$ 137,178	$ 22,205
Accounts receivable	16,904	15,179
Marketable securities (Note 3)	-	28,966
Inventories (Note 4)	52,818	45,132
Prepaid expenses	556	397
	207,456	111,879
Deferred charges	667	-
Property, plant and equipment, net (Note 5)	240,934	208,966
Mineral properties and related expenditures (Note 6)	409,421	380,857
	$ 858,478	$ 701,702
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$ 26,408	$ 36,837
Bank loan (Note 7)	-	28,000
	26,408	64,837
Non current liabilities		
Asset retirement obligations (Note 8)	10,037	9,768
Future income tax liability	50,292	49,117
	60,329	58,885
Shareholders' equity		
Share capital (Note 9)	746,052	607,914
Contributed surplus (Note 10)	8,546	10,506
Accumulated other comprehensive income (Note 11)	9,464	1,892
Deficit	7,679	(42,332)
	771,741	577,980
	$ 858,478	$ 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 RETAINED EARNINGS
(in Thousands of United States Dollars, Unaudited)

	Three months ended June 30		Six months ended June 30	
	2009	**2008**	**2009**	**2008**
Gold Sales	$ 69,353	$ 60,396	$ 135,211	$ 114,810
Costs and expenses				
Operating	28,346	29,141	56,289	52,425
Depreciation and amortization	11,684	9,854	21,769	20,657
Accretion	134	73	269	209
Royalties	2,212	2,158	4,134	3,679
Profit from mining operations	26,977	19,170	52,750	37,840
Depreciation	5	2	9	12
General and administrative	2,193	1,514	3,478	2,445
Interest expense and bank charges	96	-	243	-
Stock based compensation	(255)	1,184	1,308	2,301
Interest income	(431)	(307)	(627)	(779)
	1,608	2,393	4,411	3,979
Income before undernoted items	25,369	16,777	48,339	33,861
Gain on sale of securities	-	-	3,020	1,708
Foreign exchange gain	472	5,659	472	5,659
	472	5,659	3,492	7,367
Income before income taxes	25,841	22,436	51,831	41,228
Future income tax recovery (expense)	(1,175)	1,049	(1,820)	2,121
Net income or the period	24,666	23,485	50,011	43,349
Deficit, beginning of the period	(16,987)	(84,369)	(42,332)	(104,233)
Retained earnings (deficit), end of the period	$ 7,679	$ (60,884)	$ 7,679	$ (60,884)
Income per common share – basic	$ 0.11	$ 0.12	$ 0.22	$ 0.23
Income per common share – diluted	$ 0.11	$ 0.12	$ 0.22	$ 0.23
Weighted average number of shares outstanding – basic	229,490,917	188,334,157	223,840,535	188,221,212
Weighted average number of shares outstanding – diluted	231,193,423	190,176,160	225,127,826	190,237,686

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 June 30		Six months ended June 30	
	2009	**2008**	**2009**	**2008**
Cash flows from (used in) operating activities				
Income for the period	$ 24,666	$ 23,485	$ 50,011	$ 43,349
Items not affecting cash				
Amortization and depreciation	11,689	9,856	21,778	20,669
Accretion	134	73	269	209
Deferred charges	33	-	33	-
Future income taxes	1,175	(1,049)	1,820	(2,121)
Gain on sale of marketable securities	-	-	(3,020)	(1,708)
Foreign exchange gain	(472)	(5,659)	(472)	(5,659)
Stock based compensation	(255)	1,184	1,308	2,301
	36,970	27,890	71,727	57,040
Net changes in non-cash working capital items				
Accounts receivable and prepaid expenses	(880)	748	(1,884)	(1,222)
Inventories	(6,171)	(3,407)	(7,686)	(2,762)
Accounts payable and accrued liabilities	(4,805)	3,361	(7,472)	538
	25,114	28,592	54,685	53,594
Cash flows used in investing activities				
Mineral properties and related expenditures	(21,646)	(29,856)	(42.724)	(45,540)
Purchase of property, plant and equipment	(17,676)	(22,413)	(42,543)	(27,206)
Purchase of marketable securities	-	-	-	(4,067)
Proceeds from sale of marketable securities	-	-	26,297	5,775
	(39,322)	(52,269)	(58,970)	(71,038)
Cash flows from (used in) financing activities				
Common shares issued	5,688	233	134,870	1,423
Debt repayment	-	-	(28,000)	-
Deferred charges	(700)	-	(700)	-
	4,988	233	106,170	1,423
Effect of exchange rate changes on translation of cash denominated in a currency other than the US dollar	11,696	1,018	13,088	(924)
Increase (decrease) in cash	2,476	(22,426)	114,973	(16,945)
Cash, beginning of the period	134,702	68,311	22,205	62,830
Cash, end of the period	$ 137,178	$ 45,885	$ 137,178	$ 45,885

See accompanying notes to interim consolidated financial statements.

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

	Three months ended June 30		Six months ended June 30	
	2009	**2008**	**2009**	**2008**
Income for the period	$ 24,666	$ 23,485	$ 50,011	$ 43,349
Gain on marketable securities reclassified to net income on realization	-	-	(5,044)	
Foreign exchange gain on net assets denominated in other than US dollars reclassified to net income on realization	(472)	(5,659)	(472)	(5,659)
Unrealized foreign exchange gain (loss) on net assets denominated in other than the US dollar	11,696	1,018	13,088	(924)
Total other comprehensive income	11,224	(4,641)	7,572	(6,583)
Comprehensive income for the period	$ 35,890	$ 18,844	$57,583	$ 36,766

See accompanying notes to interim consolidated financial statements.

RED BACK MINING INC.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 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's financial statements.

3. Financial Instruments and Related Risks

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

4. Inventories

	June 30, 2009	December 31, 2008
Stockpile ore	$ 19,725	$ 17,190
Gold in circuit	2,994	2,840
Gold in safe	1,535	2,429
Materials and supplies	28,564	22,673
	$ 52,818	$ 45,132

5. Property, Plant and Equipment

	June 30, 2009			December 31, 2008		
	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Plant and equipment	$ 164,590	$ 28,059	$ 136,531	$ 141,218	$ 21,035	$ 120,183
Motor vehicles	3,618	2,044	1,574	2,819	1,801	1,018
Buildings	8,167	1,467	6,700	7,974	667	7,307
Construction in progress	96,129	-	96,129	80,458	-	80,458
	$ 272,504	$ 31,570	$ 240,934	$ 232,469	$ 23,503	$ 208,966

6. Mineral Properties and Related Expenditures

	Chirano	Tasiast	Other Projects	Total
Balance, December 31, 2007	$ 79,563	$ 248,127	$ 6,670	$ 334,360
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	126,016	248,735	6,106	380,857
Exploration and evaluation costs	1,731	5,018	685	7,434
Development expenditures	29,868	5,422		35,290
Amortization	(5,432)	(8,728)	-	(14,160)
Balance, June 30, 2009	$ 152,183	$ 250,447	$ 6,791	$ 409,421

Included in the above balance for Chirano are $21.8 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% owned 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.

In the second quarter, the Company finalized a $30 million revolving facility, collateralized by a pledge of CGML and TMLSA shares, an assignment of advances to subsidiaries, and guarantees from CGML and TMLSA. There were no draws from this facility in the second quarter.

8. Asset Retirement Obligations

	Six Months Ended June 30, 2009			Year Ended
	Chirano	Tasiast	Total	December 31, 2008
Balance, beginning of period	$ 7,223	$ 2,545	$ 9,768	$ 9,144
Assumed on acquisition	-	-	-	207
Change in estimate	-	-	-	(86)
Accretion expense	199	70	269	503
Balance, end of period	$ 7,422	$ 2,615	$ 10,037	$ 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:

	Six Months Ended June 30, 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	2,070,366	7,904	1,131,000	3,551
Fair value of options exercised	-	3,268	-	1,639
Balance, end of period	230,166,336	$ 746,052	206,095,970	$ 607,914

On February 12, 2009, the Company raised gross proceeds of $132.5 million (CAD $165 million) by issuing 22 million common shares at a price of CAD $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 is 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:

	Six Months Ended June 30, 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	1,595,000	6.89	1,340,000	7.03
Cancelled	(1,075,000)	6.80	-	-
Forfeited	-	-	(425,000)	7.09
Exercised	(2,070,366)	4.54	(1,131,000)	3.42
Balance, end of period	5,828,634	6.41	7,379,000	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 2.7% (2008: 1.8% - 3.0%), an expected volatility of approximately 36% (2008: 36% - 53%), 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.

10. Contributed Surplus

	Six Months Ended June 30, 2009	Year Ended December 31, 2008
Balance, beginning of period	$ 10,506	$ 8,146
Fair value of stock-based compensation	1,308	3,999
Fair value of options exercised	(3,268)	(1,639)
Balance, end of period	$ 8,546	$ 10,506

11. Accumulated Other Comprehensive Income

	Six Months Ended June 30, 2009	Year Ended December 31, 2008
Balance, beginning of period	$ 1,892	$ 8,576
Other comprehensive income	7,572	(6,684)
Balance, end of period	$ 9,464	$ 1,892

12. Related Party Transactions

Transactions for the six months ended June 30, 2009 and 2008 and balances with related parties not disclosed elsewhere in these financial statements are as follows:

(a) Paid $0.2 million (2008: $0.2 million) for management services provided by a company related to the President of the Company. At June 30, 2009, $nil was due to this company.

(b) Paid $0.2 million (2008: $0.2 million) to a company controlled by a director for management services. At June 30, 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 June 30, 2009			
	Ghana	Mauritania	Others	Total
Gold revenues	$ 34,685	$ 34,668	$ -	$ 69,353
Operating costs and expenses	(17,187)	(13,371)	-	(30,558)
Depreciation and amortization	(4,218)	(7,600)	-	(11,818)
Profit from mining operations	13,280	13,697	-	26,977
Other income (costs)	(1,214)	(39)	(1,058)	(2,311)
Income for the period	$ 12,066	$ 13,658	$ (1,058)	$ 24,666

	Six Months Ended June 30, 2009			
	Ghana	Mauritania	Others	Total
Gold revenues	$ 67,175	$ 68,036	$ -	$ 135,211
Operating costs and expenses	(36,217)	(24,206)	-	(60,423)
Depreciation and amortization	(7,157)	(14,881)	-	(22,038)
Profit from mining operations	23,801	28,949	-	52,750
Other income (costs)	(1,276)	(39)	(1,424)	(2,739)
Income for the period	$ 22,525	$ 28,910	$ (1,424)	$ 50,011

	Three Months Ended June 30, 2008			
	Ghana	Mauritania	Others	Total
Gold revenues	$ 27,373	$ 33,023	$ -	$ 60,396
Operating costs and expenses	(14,248)	(17,051)	-	(31,299)
Depreciation and amortization	(3,191)	(6,736)	-	(9,927)
Profit from mining operations	9,934	9,236	-	19,170
Other income (costs)	(46)	1,003	3,358	4,315
Income for the period	$ 9,888	$ 10,239	$ 3,358	$ 23,485

	Six Months Ended June 30, 2008			
	Ghana	Mauritania	Others	Total
Gold revenues	$ 59,095	$ 55,715	$ -	$ 114,810
Operating costs and expenses	(29,051)	(27,053)	-	(56,104)
Depreciation and amortization	(6,389)	(14,477)	-	(20,866)
Profit from mining operations	23,655	14,185	-	37,840
Other income (costs)	(62)	2,081	3,490	5,509
Income for the period	$ 23,593	$ 16,266	$ 3,490	$ 43,349

	As at June 30, 2009			
	Ghana	Mauritania	Others	Total
Current assets	$ 37,789	$ 38,250	$ 131,417	$ 207,456
Capital assets, net of depreciation and amortization	242,059	407,755	1,208	651,022
	279,848	446,005	132,625	858,478
Current liabilities	(11,003)	(14,949)	(456)	(26,408)
Non-current liabilities	(7,422)	(2,615)	-	(10,037)
Future income tax liabilities	(1,175)	(49,117)	-	(50,292)
	$ 260,248	$ 379,324	$ 132,169	$ 771,741

	As at December 31, 2008			
	Ghana	Mauritania	Others	Total
Current assets	$ 36,430	$ 30,171	$ 45,278	$ 111,879
Capital assets, net of depreciation and amortization	200,886	388,541	396	589,823
	237,316	418,712	45,674	701,702
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)
	$ 212,042	$ 351,238	$ 14,700	$ 577,980

	Additions to Property Plant and Equipment			
	Ghana	Mauritania	Others	Total
Period ended June 30, 2009	$ 17,020	$ 23,015	$ -	$ 40,035
Period ended June 30, 2008	$ 12,888	$ 32,651	$ -	$ 45,539

14. Commitments

As at June 30, 2009, the Company had purchase commitments totaling approximately $3.7 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 prevailing economic conditions of both the industry and the capital markets and the underlying risks characteristics of the related assets.

In the second quarter, Red Back finalized a $30 million corporate bank revolving facility to provide it with additional flexibility in modifying its plans, if deemed advantageous, or responding to new opportunities. As at June 30, 2009, the Company had satisfied the facility's normal course of business financial covenants.

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.

There has been no change with respect to the overall capital risk management strategy during the three or six months ended June 30, 2009.

16. Reclassification of Comparative Numbers

Certain of last year numbers have been reclassified to conform to this year's presentation.

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
Michael Hunt
Corporate Governance and Nominating Committee
Harry Michael
Robert Chase
Audit Committee
Corporate Governance and Nominating Committee
Compensation Committee
Brian Edgar
Lead Director
Audit Committee
Compensation Committee
Corporate Governance and Nominating Committee
George Brack
Audit Committee
Compensation Committee

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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