



Red Back Mining Inc

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RED BACK REPORTS FIRST QUARTER NET INCOME OF \$33 MILLION

May 3, 2010 (RBI - TSX) Red Back Mining Inc. (the "Company" or "Red Back") is pleased to report record net income of \$33 million for the three months ended March 31, 2010. The interim consolidated financial statements together with the Management's Discussion and Analysis will be available on the Company's web site (www.redbackmining.com) and on SEDAR (www.sedar.com).

Highlights for the Quarter

- Gold production of 96,160 oz.
- Average realized gold price of \$1,115 per oz.
- Net income of \$33.2 million (earnings per share of \$0.14).
- Cash operating costs of \$475 per oz.
- 64% increase in proven and probable reserves at Tasiast to 5.0 million oz.

Results of Operations

Key operating statistics for the first quarter are provided below.

	Three months ended March 31, 2010			Three months ended March 31, 2009		
	Chirano	Tasiast	Total	Chirano	Tasiast	Total
Ore tonnes mined, open cut ('000t)	718	1,565	2,830	827	959	1,786
Ore tonnes mined, underground ('000t)	129	-	129	10	-	10
Ore tonnes placed on DL ('000t)	-	958	958	-	-	-
Average grade of DL tonnes (g/t)	-	0.7	0.7	-	-	-
Ore tonnes milled ('000t)	795	517	1,312	613	351	964
Average grade (g/t)	1.9	2.9	2.3	2.0	3.4	2.5
Average recovery	89.5%	89.5%	89.5%	91.0%	94.1%	92.1%
Gold produced, CIL (oz)	43,940	40,685	84,625	34,258	36,150	70,408
Gold produced, dump leach (oz)	-	11,535	11,535	-	-	-
Gold produced, total (oz)	43,940	52,220	96,160	34,258	36,150	70,408
Gold sold (oz) (Note 2)	44,421	54,266	98,687	35,547	36,285	71,832
Realized gold price per oz	\$1,121	\$1,109	\$1,115	\$914	\$920	\$917
Cash operating costs per oz (Note 3)						
Operating	\$595	\$377	\$475	\$509	\$271	\$389
Royalties	\$ 39	\$ 62	\$ 52	\$ 26	\$ 28	\$ 27
Depreciation, amortization and accretion per oz (Note 4)	\$138	\$151	\$145	\$ 80	\$200	\$140

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 retained earnings by gold oz sold.

Note 4: For Tasiast, approximately \$41 per oz (2009: \$94 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.

The Company's production profile is expected to increase in the second and subsequent quarters with greater contributions from underground mining at the high grade Akwaaba deposit at Chirano and dump leach operations at Tasiast. As a result, annual production is expected to be 485,000 – 525,000 oz at estimated cash operating costs of \$390 - \$420 per oz, unchanged from the original forecast.

High royalties reflect the effect of an expansion fee due to the government of Mauritania in 2010 as part of the completion of a plant expansion at Tasiast and increased Ghana government royalty rates from 3% to 5% starting in March at Chirano.

Depreciation costs per oz have increased at Chirano due the commencement of depreciation of the plant expansion completed in late 2009. At Tasiast, the increased depreciation from a similar plant expansion, also completed in late 2009, is offset by the lower amortization of mineral property costs, now calculated over a significantly larger reserve base.

Chirano

Chirano's production in the first quarter of 2010 was 43,940 oz at cash operating cost of \$595 per oz. Production was lower than the last quarter of 2009 due to scheduled mining of lower grade areas of both the open pit and Akwaaba underground deposits. Also contributing to the low production, tonnes mined at Akwaaba were below budget due to delays in receipt of additional underground haul trucks, now expected to be received in the second quarter. Underground mining at Akwaaba continues to ramp up and production is scheduled to rise steadily through the year. Cash operating costs at Chirano will trend lower as production increases. As a result, Red Back expects 2010 production from Chirano to be between 240,000 and 260,000 oz at a cash operating cost of \$460 to \$490 per oz.

Preparations for the development of Paboase, Chirano's second underground deposit, started in April. Drilling at Paboase continues with an updated resource and initial underground reserve estimate expected mid-year.

Tasiast

Tasiast's production in the first quarter of 2010 was 52,220 oz at cash operating cost of \$377 per oz. Production was near target for the first quarter and is expected to increase in the second quarter with scheduled installation of a new secondary crusher. Full dump leach production was delayed due to reduced water availability as a result of leaks developing in one of the water pipelines. Replacement of the affected sections of the pipeline has already been scheduled. Production at Tasiast will continue to grow over the remainder of 2010 and beyond. Tasiast forecast production for 2010 remains estimated at 245,000 - 265,000 oz at a cash operating cost of \$325 to \$350 per oz.

Exploration drilling at Tasiast is focused on the extension of the Greenschist Zone which contributed in large part to the 64% increase in reserves (News release: March 1, 2010). Drilling continues to show the remarkable continuity of this zone, confirming that both resources and reserves have the potential for significant expansion. A revised resource and reserve statement is expected in the third quarter.

Strong Financial Position

At March 31, 2010, the Company has a strong balance sheet, no debt, no hedging and \$161 million in cash.

Current treasury and strong operating cash flows (based on current gold prices) are expected to fully fund Red Back's exploration programs and ongoing capital projects in 2010 and provide a strong financial platform for future growth.

About Red Back

Red Back is an un-hedged African focused gold producer. It owns and operates the Chirano Gold Mine in Ghana and the Tasiast Gold Mine in Mauritania. Aggressive exploration programs aimed at increasing the Company's resource and reserve base at both Chirano and Tasiast are ongoing.

FORWARD-LOOKING INFORMATION

This press release contains "forward-looking information" that is based on Red Back's current expectations, estimates, forecasts and projections. This forward-looking information includes, among other things, statements with respect to Red Back's plans, outlook and business strategy. The words "may", "would", "could", "should", "will", "likely", "expect", "anticipate", "intend", "estimate", "plan", "forecast", "project", and "believe" or other similar words and phrases are intended to identify forward-looking information.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause Red Back's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Such factors include, but are not limited to: uncertainties related to drilling results; the ability to raise sufficient capital to fund exploration; changes in economic conditions or financial markets; changes in prices for Red Back's mineral products or increases in input costs; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; technological or operational difficulties or inability to obtain permits encountered in connection with exploration activities; and labour relations matters.

This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking information. Red Back disclaims any intention or obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise.

On behalf of the Board of Directors:
Richard P. Clark, President

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