

17 February 2009

Manager of Company Announcements  
ASX Limited  
Level 6, 20 Bridge Street  
SYDNEY NSW 2000

**By E-Lodgement**

**Non-renounceable Rights Issue**

Redbank Mines Limited advises that the attached letter relating to the non-renounceable rights issue is being posted to shareholders today.

Yours faithfully

A handwritten signature in black ink, appearing to read "Shannon Caporn".

**Shannon Caporn**  
Company Secretary

17 February 2009

Dear Shareholder

**Information for Shareholders**  
**Pro-Rata Non-Renounceable Rights Issue**

As you may be aware, the Company will shortly be offering to you an opportunity to acquire more shares in the Company pursuant to a pro-rata non-renounceable rights issue to shareholders of ordinary fully paid shares (**Shares**) on the basis of 2 New Share for every 1 Share held by you at 5.00pm WDT on 24 February 2009 (**Record Date**), at an issue price of \$0.01 per Share, to raise approximately \$4.37 million (**Rights Issue**). This offer will be made pursuant to an Offer Document and if you wish to participate in the Rights Issue, you will need to complete the Entitlement and Acceptance Form that will accompany that Offer Document.

A copy of the Offer Document has been lodged with ASX and is available on the ASX website ([www.asx.com.au](http://www.asx.com.au)). The Rights Issue is proposed to be conducted according to the following timetable.

Event	Date
Announcement of Rights Issue, Offer Document and Appendix 3B lodged with ASX (pre-market)	16 February 2009
Ex Date (securities commence trading without the right to participate in the Rights Issue)	18 February 2009
Record Date to identify Shareholders entitled to participate in issue	24 February 2009
Offer Document and Entitlement and Acceptance Forms despatched	27 February 2009
Rights Issue opens	27 February 2009
Closing Date (5pm WST)*	17 March 2009
Despatch of holding statements and notification to ASX of despatch	25 March 2009
* Subject to the Listing Rules and the Corporations Act, the Directors reserve the right to extend the Closing Date for the offer at their discretion.	

Pursuant to the Listing Rules of the ASX Limited (**Listing Rules**), the Company is required to provide to you certain information before proceeding with the Rights Issue. This letter outlines the information required by Appendix 3B of the Listing Rules.

1. 437,727,500 New Shares will be issued pursuant to the Rights Issue (assuming no existing options are exercised).
2. The New Shares will rank equally in all respects from the date of allotment with the existing class of quoted Shares.
3. The issue price of the New Shares will be \$0.01 each.
4. The Company will apply for quotation of the New Shares issued pursuant to the Rights Issue on the official list of the ASX.
5. The funds raised by the Rights Issue will be used to undertake a detailed exploration program on the Redbank Copper Project, reduce existing debt facilities and for general working capital purposes.

6. The New Shares will be entered into uncertificated holdings on 25 March 2009.
7. The total number and class of all securities quoted on ASX (including the New Shares to be issued in the Rights Issue on an undiluted basis- i.e. Assuming none of the Company's options are exercised) is as follows:

<b>Ordinary Fully Paid Shares</b>	<b>Number</b>
Currently on issue	218,863,750
Issued pursuant to the Rights Issue	437,727,500
<b>Total</b>	<b>656,591,250</b>

8. The following are the securities of the Company not quoted on ASX:

<b>Number</b>	<b>Class</b>	<b>Exercise Price</b>
4,000,000	Unlisted Options exercisable on or before 30 January 2011	\$0.09
18,294,444	Unlisted Options exercisable on or before 31 August 2009	\$0.02
300	B Class Shares	
50,000,000	Convertible Notes	

9. The Company currently has no dividend policy.
10. No shareholder approval for the Rights Issue is required.
11. The Rights Issue is non-renounceable. This means that there will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for new Shares under the offer to any other party. If you do not take up your entitlement to subscribe for to New Shares under the offer by the Closing Date, the offer to you will lapse.
12. The Shares in the Rights Issue will be offered on the basis of 2 New Share for every 1 Share held by the shareholder on 5.00pm WDT on 24 February 2009.
13. The offer under the Right Issue relates to ordinary fully paid shares in the capital of the Company.
14. The record date to determine entitlements is 24 February 2009.
15. Holdings on different registers (or sub registers) will be aggregated for calculating entitlement.
16. In determining the entitlement of shareholders, any fractional entitlement will be rounded up to the nearest whole number.
17. In accordance with Listing Rule 7.7, sections 9A and 615 of the Corporations Act, no Offer is being made to Shareholders resident outside Australia and New Zealand. No action has been taken to comply with legal and regulatory requirements of jurisdictions outside Australia and New Zealand to permit an offer of the New Shares in any jurisdiction outside Australia and New Zealand.
18. The closing date for the offer is 5:00pm WDT 17 March 2009.

19. The Rights Issue is fully underwritten by Arthur Phillip Pty Ltd (**Arthur Phillip**) and fully sub-underwritten by Stirling Resources Limited. Arthur Phillip will receive an underwriting fee of 4% of the total funds raised and a management fee of 2% of total funds raised.
20. There is no broker to the Rights Issue. Brokers will receive no handling fee for acceptances lodged by them on behalf of security holders.
21. The Offer Document for the Rights Issue and Acceptance Form will be sent to you on 27 February 2009.
22. Existing Option Holders may participate in the Rights Issue upon exercise of their Options. The Company sent a notice to Option Holders on 13 February 2009 to notify Option Holders of their right to participate in the Rights Issue upon exercise of their Options.
23. Your acceptance of the offer must be made on the Entitlement and Acceptance Form accompanying the Offer Document in accordance with the instructions on that form.

Your cheque for the amount due in respect of the New Shares applied for under the Rights Issue, must be received by the Company's share registry by no later than 5:00pm WST on 17 March 2009 or such other date as the Directors advise. Cheques should be made payable to "Redbank Mines Limited – Share Application Account" and crossed "Not Negotiable".

Payments made via BPAY must be made by no later than 4.00pm WST on 17 March 2009 or such other date as the Directors advise. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the applicant to ensure that funds are submitted through BPAY by the date and time mentioned above. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Acceptance Form and you will not need to return the Acceptance Form.

24. If you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

Before taking up New Shares under the Rights Issue, Shareholders should read all the information set out in the Offer Document, including the summary risk factors in section 4 of the Offer Document. If you have any queries, please consult your professional adviser.

If you have any queries regarding your entitlement or participation in the upcoming Rights Issue, please do not hesitate to the Company Secretary, Ms Shannon Caporn on +61 8 9322 7600.

Yours faithfully



**Bruce Morrin**  
Managing Director  
Redbank Mines Limited