



ASX ANNOUNCEMENT

25 May 2010

The Manager
Companies Announcement Platform
Australian Stock Exchange Limited

\$2.2M PLACEMENT SUCCESSFULLY COMPLETED

Key Points

- Placement of 146,666,667 shares at 1.5 cents to raise approximately \$2.2M net of expenses.
- Funding to progress the development of the 1.3Moz Amayapampa Gold Project in Bolivia, exploration in Australia and working capital.
- BFS for Amayapampa nearing completion.

The Directors of Republic Gold Limited ("**Republic**" or the "**Company**") today announced that the Company has completed a placement of 146,666,667 shares at a price of 1.5 cents through Patersons Securities Limited ("**Patersons**"). The placement raised \$2.2M net of expenses. The response to the placement offering was very positive, despite extremely challenging market conditions. Funds from the placement will be used to progress development of the Company's 1.3Moz Amayapampa Gold Project in Bolivia ("**Amayapampa**"), its Burraga and Far North Queensland exploration projects in Australia and for ongoing working capital.

Republic's Managing Director; John Kelly, said: "We are encouraged by the positive response for the Company's capital raising activities despite the recent difficult market conditions. The funding will allow us to continue our development and financing activities for the Amayapampa Project in Bolivia, and continue exploration activity over our Australia project portfolio."

"The capital raised will be directed as a priority towards further developing the Company's Amayapampa Gold Project where the Bankable Feasibility Study is nearing completion."

The Company's priority targets for the next few months are: -

1. Completion of the Bankable Feasibility Study ("**BFS**") for Amayapampa over the next 6 weeks.
2. Completion of the study of the cash generating potential of the historic copper tailings at the Burraga Copper Project in NSW.
3. Drilling programme to determine the hard rock potential in the vicinity of the Lloyd's Copper mine at Burraga.
4. Completion of the active drilling programme at the Tregoora Gold Project in FNQ.

Yours faithfully

John Kelly
Managing Director
Republic Gold Limited

Amayapampa Mineral Resource Statement

| | MEASURED | | INDICATED | | INFERRED | | TOTAL | | |
|------------------------------------|----------|--------|-----------|--------|----------|--------|--------|--------|-----------|
| | TONNES | GRADE | TONNES | GRADE | TONNES | GRADE | TONNES | GRADE | GOLD |
| | ('000) | Au g/t | ('000) | Au g/t | ('000) | Au g/t | ('000) | Au g/t | Ounces |
| AMAYAPAMPA RESOURCE ^{1,2} | 4,360 | 1.6 | 22,800 | 1.0 | 8,230 | 1.1 | 35,390 | 1.1 | 1,294,000 |

Notes Accompanying The Mineral Resources Statement

¹ Figures are Republic's equity share of this project, being 100% of Amayapampa.

² For the Amayapampa resources, allowances have been made for depletion by estimated mining amounts for the predominantly underground historic workings. Resources may not sum to equal totals due to rounding.

| Location | Grade Interpolation Method | Section Spacing Metres | COG* g/t Au Oxide | COG* g/t Au Sulphide | Oxide Density | Sulphide Density |
|--------------------------------------|----------------------------|------------------------|----------------------|-------------------------|---------------|------------------|
| Old Amayapampa Resource ¹ | Ordinary Kriging | 10 to 50 | 0.6 | 0.6 | 2.4 | 2.75 |
| New Amayapampa Resource ¹ | Ordinary Kriging | 10 to 50 | 0.4 | 0.4 | 2.4 | 2.75 |

A top cut of 15.5 g/t Au was applied to the old Amayapampa model. Top cuts in the new model are 20 g/t Au for primary mineralisation, 10 g/t Au in transitional mineralisation and 5 g/t Au in oxide mineralisation. * COG is cut-off grade

JORC Compliance Statement

Information in this report that relates to the Amayapampa Mineral Resources for Republic Gold Limited is based on information estimated by Kerrin Allwood, Republic Gold's Independent Resource Consultant and a member of the Australasian Institute of Mining and Metallurgy. It is also based on information from Neb Zurkic Republic Gold's Technical Director, a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Kerrin Allwood and Neb Zurkic have a minimum of five years experience in the estimation, assessment and evaluation of Mineral Resources and Ore Reserves. Kerrin Allwood and Neb Zurkic have significant experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Kerrin Allwood and Neb Zurkic consent to the inclusion in this report of these matters based on the information in the form and context in which it appears.

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