

# REPUBLIC GOLD LIMITED

(“Republic” or “Company”) (ASX: RAU)

## QUARTERLY REPORT TO 30 SEPTEMBER 2010

### HIGHLIGHTS

The Board of Republic Gold Limited is pleased to advise that during the Quarter two significant milestones were reached on the Amayapampa Gold Project in Bolivia ('Amayapampa' or 'Project').

On 19 July, the Company announced that it had secured the Social Licence for Amayapampa, believed to be the first formal Social Licence for a mining project in Bolivia

On 5 August, the Company announced it had successfully completed the Bankable Feasibility Study ('BFS') for Amayapampa.

With the completion of the BFS and the securing of the Social Licence, Republic can now advance negotiations to source the necessary development finance for the Project and take the Company closer to its goal of production.

In addition, important steps were taken to realise the potential of other Republic projects in Australia.

#### Bolivia - Amayapampa Gold Project

- ◆ Completion of the Project's Bankable Feasibility Study.
- ◆ Securing of the Social Licence with strong community and political support.
- ◆ Discussions with debt financing institutions and funding continued.
- ◆ The highly prospective northern zone and inferred resources in and below the pit are to be targeted for life of mine extension from the current 7 years to and beyond 10 years.
- ◆ Pad preparation has commenced for 12,000 metres of development drilling and more than 10,000 metres of the programme is targeting an increase in the current mineral resource and ore reserve base, with the remainder for preparation of Project construction.
- ◆ Exploration of prospects in the immediate vicinity of the open pit to look for further extensions to project life of mine.

#### New South Wales - Burraga

- ◆ Sale of Burraga assets in New South Wales to Burraga Copper Pty Limited (BCPL).
- ◆ Management agreement for this project signed with BCPL
- ◆ Option to buy back the Burraga assets at three different times and three different prices during the next 12 months.

#### Corporate

- ◆ Successful placement raises AU\$2M.
- ◆ Share Purchase Plan announced, with \$4M underwritten by Patersons Securities Limited
- ◆ Annual General meeting to be held on 2 November 2010.
- ◆ 2010 Annual Report released.
- ◆ General meeting held 20 July 2010, with all resolutions approved by shareholders.
- ◆ Ongoing review of Australian projects and options to farm-out or divest with overall objective to focus on Bolivia.
- ◆ Cash at the end of the Quarter was AU\$1.5M.

# AMAYAPAMPA GOLD PROJECT – BOLIVIA

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## Bankable Feasibility Study ('BFS')

During the Quarter, the Bankable Feasibility Study ("BFS") for the Amayapampa Gold Project ("Amayapampa" or the "Project") in Bolivia was successfully completed. Figure 1 shows the location of Amayapampa.

### Key BFS Outputs included:

- ✓ an estimated ore reserve of 19,900,000 tonnes at 1.3 Au g/t for 817,000 contained ounces is the impetus for planned acceleration of near-mine exploration programme to extend resource base.
- ✓ Preliminary Project pre-tax NPV at US\$925 per ounce is US\$166M, and at US\$1,200 per ounce is US\$340M.
- ✓ Capital required to commence production is US\$136M.
- ✓ Conservative gold price assumption used of US\$925 per ounce.
- ✓ 683,700 ounces to be produced over 7 years.
- ✓ Expected average annual production of 93,700 ounces from 2,737,500 tonnes per annum treatment plant.
- ✓ High measured & indicated resource to ore reserve conversion of 83.5%.
- ✓ Strong cash operating margin and very robust project.
- ✓ Cash operating costs of US\$13.19 per tonne treated, or US\$384 per ounce.
- ✓ Significant upside on operating margin - average metallurgical recoveries of 83.8%.
- ✓ Low cost open pit mining scenario, with low stripping ratio of 3.0 to 1.0 achieved using conservative pit design parameters.
- ✓ All critical permits and licensing secured including Amayapampa Social License.
- ✓ The Company to continue optimising various BFS elements prior to project go-ahead.

Further metallurgical testwork is planned with the aim of improving metallurgical recovery. Some additional testwork is also warranted on the comminution circuit and, if successful, this will lower the capital and operating costs for the crushing and grinding circuit.

There is also scope to reduce the capital cost of the treatment plant and the Company continues to identify local suppliers in Bolivia and other South American countries to do this. The appointment of an EPCM engineer for construction is required, with the likely outcome for this appointment being a joint venture arrangement between an Australian and a Bolivian engineering company.

The Project is operating under its Environmental Licence. With the recent signing of the Social Licence agreement, the Project requires no further licensing or permitting.

### Exploration

With the BFS complete, the Project's exploration team will focus on a resource enhancement phase of drilling at the Project. This drilling will seek to both optimise the current mineral resource and explore possible extensions to the ore body with the primary aim of increasing the Ore Reserves.

Three highly prospective areas have been identified to explore for additional resource ounces with the aim of significantly expanding the existing reported ore reserves: -

- (i) Conversion of inferred resources that lie within the current pit design to the indicated resource category. A successful outcome would result in an immediate conversion of those ounces to ore reserves and an increase in the mine life from the existing 7 years. A total of 2,690 metres of RC and DD drilling has been planned for this target.
- (ii) Exploring the highly prospective area immediately north of the open pit. Existing drilling and recent surface trenching suggest that a near surface mineral resource could be quickly established and with minor modifications to the current pit design, this could be encompassed into the ore reserve. A total of 4,610 metres of RC and DD drilling has been planned for this target zone.
- (iii) Exploring the zone below the open pit design for additional resource conversion to ore reserve. In some areas the pit has been optimised to a confidence base rather than an economic base, i.e. the design is bottoming out in zones with inferred resources only that cannot be converted to ore reserve.

By converting these inferred resources to at least the indicated resource category, this will allow the pit to "find" its natural economic base. This will likely add ore reserve ounces and will allow for preliminary investigations of potential underground mineable resources. A total of 2,990 metres of RC and DD drilling has been planned for this target zone.

In addition to optimising the Amayapampa mineral resource, 11 short drillholes have been planned to investigate two nearby prospects. This will be the first drilling outside of the main mineralised zone at Amayapampa by any company. In the area immediately to the south-west of the Amayapampa pit, the Company's geologists have recently re-activated old adits that have historically exploited high grade antimony/gold veins. Following underground and surface sampling and mapping, six drillholes will target this vein system.

Further to the north and along strike of the open pit at Amayapampa, five holes have been planned for the Luko Tin Prospect where old adits have also been recently re-activated. Given the very close proximity of both of these areas to the planned Amayapampa process plant, they may provide viable and valuable sources of plant feed, extending the life of the Project. The immediate area surrounding Amayapampa has a significant number of historic workings of gold, tin, antimony and other metals.

### **Amayapampa Social Licence Process**

On 19 July 2010, the Company announced that it had signed the Amayapampa Social Licence with Authorities from the communities around the Project, a key step for the Company to be able to develop the Project and obtain development finance.

The Social Licence incorporates the following crucial elements for the Company and the Project: -

- The Social Licence will continue to evolve, however it is in place for the life of the Project and for any other future mining activities within the existing mining concessions owned by the Company within the jurisdiction of the Cabildo of Janta Palca and the village of Amayapampa.
- The communities that have signed the Social Licence will allow any land, water or operating schedules (24 hours per day/365 days per year) necessary for the Project.
- The communities have acknowledged the social benefits contributed by the Company to-date.
- The communities will respect the needs of the Company in operating the Project.
- The operation of the Project will be based upon the principles of collaboration, cooperation, coordination, communication, transparency, mutual respect and democracy.
- The communities have acknowledged that the Social Licence has been entered into on the basis of free, prior and informed consent. This is a crucial Equator Principles requirement. The Equator Principles have as signatories all of the world's major resource financing institutions.

The Social Licence incorporates the following crucial elements for the communities: -

- The Project will be operated to world's best environmental practice.
- The Company will allow independent environmental monitoring of the Project through the setting up of a Community Environment Committee and the appointment of environmental monitors from the communities.
- The Company will respect existing community uses and customs.
- The Company will adequately train the workforce, including women in the communities.
- The Company will assist the communities in the formulation of Community Development Plans.
- The Company will negotiate a series of community petitions received from the communities.

The Social Licence process is an ongoing one in Bolivia. The Bolivian Government is currently drafting a new Bolivian Mining Code, which is expected to be completed within the next few months. Part of this code will include maiden provisions for future Social Licences for mining projects. Because there is an absence of any formal social licence legislation, the Company believes that this Social Licence is the first obtained in Bolivia. Once this new Mining Code is in place, the Company will extend the socialisation process of the Project to other communities near the Project. The multi-stage socialisation process designed by the Company - involving communities who have signed the Social Licence first with other communities to follow - has been endorsed by the Minister for Mining and Metallurgy.

### **New Surface Sampling Programme**

The prospectivity in the immediate vicinity of Amayapampa offers exciting potential.

The Company continued its focus on completing the infill trenching program. This work is already revealing a higher grade than was estimated in the initial resource block modelling. Republic has also advanced the training programme for the workforce and other pre-construction works.

Results from two exploratory trenches (Nos 39 and 38) were received and confirmed the Company's belief that the Amayapampa deposit has significant strike potential to the north. The trenches are located 530 metres and 600 metres respectively north of the currently proposed open pit and directly along strike from the mineralised zone within this design pit. One trench produced 5 metres at 22.4 g/t Au, which is consistent with the extensive trenching results already undertaken by the Company within the proposed open pit area. Further resource definition drilling will be undertaken on this extension of the Amayapampa primary deposit.

Further trenching will be done, with two new trenches already designed; one to the south and one to the north. Further to the results in Trench No 38, the mineralisation remains open to the north, where an 82 metre long anomalous zone occurs. The trenching analysis results are supported by preliminary trench mapping.

### **Financing**

During the Quarter, the Company appointed Jennings Capital Inc. of Canada ("JCI" or "Jennings") as its Canadian mergers & acquisitions and equity financial advisor in connection with a proposed structured and staged project financing of Amayapampa. Following a successful Amayapampa site visit by the President & Chief Executive Officer of Jennings, the investment dealer will work in the Canadian capital markets to facilitate the raising of the remaining equity component of the construction costs to fully fund the Project.

The Company's debt advisor CPM Group of New York recommended to Republic's Board of Directors that it appoint La Paz-based BDP to structure and arrange a securitization bond issue for up to US\$100m for Minera Nueva Vista SA, Republic's Bolivian subsidiary. BDP was formally appointed on 3 September 2010. The Company believes that a bond issue of this size will provide funding for approximately 70% of total construction costs of the Project and indicative financing terms demonstrate highly competitive interest rates, with no requirement for gold price hedging or political risk insurance.

### **Jennings Capital Inc.**

The President and Chief Executive Officer of Jennings Capital Inc, based in Toronto, accompanied Republic's corporate financial advisors, Carling Capital Partners, on a field trip to Bolivia. A very positive site visit was completed with Jennings and their independent mining consultant and subsequent negotiations with the Company have resulted in Jennings' appointment. Jennings is a leading investment dealer in Canada with offices in Toronto, Calgary & Halifax. The privately held firm provides investment banking services, equity sales & trading and research and private client services and over the past 15 years has completed over CAN\$4B in transactions. Jennings has a strategic alliance with Canada's largest TSX listed financial services group Western Financial Group Inc which has access to over 180,000 clients across Canada. The Investment Banking team at Jennings Capital Inc. has a successful track record of financing and advising both large and small high-growth companies in the resources sector with market penetration into institutional and private clients in Europe, the Americas and Asia.

The Canadian equity capital markets present a valuable opportunity for Republic to tap into buoyant investor appetite for low cost Latin American gold mining projects.

### **Background on BDP Sociedad de Titularizacion S.A.**

The Company also appointed BDP Sociedad de Titularizacion S.A. ("BDP"), to structure and arrange up to US\$100m in bond financing in the local capital markets. Bolivian bond market financing is currently being successfully accessed by a range of foreign and domestic mining companies.

BDP is Bolivia's largest securitisation specialist with an approximate market share of 80% for securitization debt financing. It has been in operation since 1996 and is indirectly owned by Corporacion Andino de Fomento and the Republic of Bolivia. Importantly, BDP has completed a number of securitisation term debt financings involving greenfield projects across multiple sectors including the mining industry.

The Company continues to examine other funding opportunities, which may include multi-lateral agencies, equipment fleet financiers and local equity participation.

## Funding Strategy and Timing

The Company's funding strategy for the Project has now developed to the point where funding sources, amounts and timeframes are being determined.

- **Short-term funding** – Patersons Securities Limited successfully placed 200m shares on 10 September 2010 to raise \$2m and have underwritten the Share Purchase Plan up to \$4m, raising funds for developing the Project and for working capital purposes.
- **Medium-term funding** – Jennings Capital Inc has been appointed to raise equity of sufficient size to allow the Company to commence construction of the Amayapampa Project.
- **Longer-term funding** – BDP appointed to structure and arrange a Bolivian bond issue to raise up to US\$100m to complete construction and commence gold production. The administrative and regulatory approval process in Bolivia is expected to take approximately six months.

This strategy for funding will minimize the time to production, with long lead items currently being identified for placement of orders upon successful completion of medium-term funding.

## Board & Management

The Board of Directors is working actively with senior management in Australia and Bolivia to continue the Company's progress on developing the Project. The Company's Managing Director, Mr John Kelly, is supported by Mr Neb Zurkic, the Company's Technical Director, who is employed full time to continue refining the Amayapampa Bankable Feasibility Study with Republic's Project Manager in Bolivia, Mr Paul Pyke. Ms Maria-Ester Jitton, Republic's President in Bolivia, continues to manage the socialization process and government relations with independent director, Mr Greg Barns providing additional support as required.

Mr Wicks is now acting in the role of Executive Chairman by taking on additional responsibilities and actively engaging in day-to-day management of the Company to provide support to the management team.

The Board intends to seek supplementary directors, as well as additional personnel with relevant mining development experience to take the Company through its next phase of development. The search for mining industry professionals is underway and updates will be provided on any appointments made.

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## HODGKINSON BASIN (QUEENSLAND) PROJECTS

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The Company is reviewing options to farm-out or divest its Australian properties in line with the overall objective to focus on the Amayapampa Gold Project and free-up management and resources to ensure the Company's flagship gold project in Bolivia is brought into production.

The Board considers Hodgkinson Basin to be prospective for gold and anticipates a high level of interest from within the Australian and Queensland mining sector in this asset, as supported by the results of recent work completed at the project.

Figure 2 shows the Company's Hodgkinson Basin tenements. The Company's Resource equity share of the Far North Queensland ("FNQ") projects totals 536,000 ounces of gold and 8,000 tonnes of antimony.

### Tregoora Gold Project (EPM 13937 Republic 100%)

EPM 13937 contains the 100%-owned Tregoora Project, which the Company believes provides a development opportunity, along with the Northcote Project. The Tregoora Project lies on the Retina Fault, a major regional fault some 50 kilometres long, plus a number of other prospects to the north along the Retina Fault and to east of the Retina Fault.

Activities at Tregoora included the collection of 400 geochemical samples at Tregoora West, Retina South, Red Dam and East Ridge prospects to follow up earlier anomalous sampling.

### **Northcote Gold Project (EPM 9869 Republic 75%)**

No fieldwork was done at Northcote during the Quarter.

### **Whumbal West Tungsten Project (EPM 14737 Republic 100%)**

No fieldwork was done at Whumbal West during the Quarter.

### **Tregoora and Northcote Projects**

The results for flotation testing by AMDEL were very consistent in that Au recovery averaged 95% into an 8% by weight concentrate assaying 42 Au g/t, at a grind P80=75um. The results were encouraging considering that no grind or flotation conditions optimisation was undertaken prior to running the float tests.

The flotation concentrate was despatched to HRL and tested for Albion processing. Given the ratio of pyrite to arsenopyrite in the sample, both Acid Albion Leaching (AAL) and Neutral Albion Leaching tests were completed. Whilst recoveries in AAL plateaued at 70-75%, the NAL demonstrated a linear dependence on sulphur oxidation and achieved an encouraging 80-90% gold recovery.

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## **KANGAROO CREEK TIN PROJECT (QUEENSLAND)**

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### **Work During the Quarter**

The Company has a Joint Venture with Staldor Mining Pty Limited ("Staldor Mining") to explore and mine on a series of granted exploration and mining leases and lease applications that are highly prospective for tin and other heavy minerals in and around Kangaroo Creek in FNQ. Kangaroo Creek is located south-west of Chillagoe, outside of the Hodgkinson Basin.

No fieldwork was done during the Quarter and options regarding this project are being reviewed.

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## **BURRAGA POLYMETALIC & LUCKY DRAW GOLD (NSW) PROJECTS**

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On 9 August 2010, the Company announced that it had entered into an arrangement with Burraga Copper Pty Ltd ("BCPL") whereby BCPL agreed to buy the Burraga assets in New South Wales for \$800,000. The Burraga assets consist of two tenements, located in the Lachlan Fold Belt in New South Wales, including the historic high grade Lloyds copper mine.

Under the arrangement, the Company also has the right to buy back the Burraga assets at three different times and three different prices during the next 12 months. BCPL will also enter into a Management Agreement with the Company to ensure the proper management of the licences and tenements.

The transaction is in line with the Company's strategy of focusing its efforts and resources on Amayapampa in Bolivia.

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## **EL MUTUN IRON ORE PROJECT**

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During the Quarter, there was no activity on progressing the El Mutun Project and discussions continue between the Bolivian Government and the 50% owner of the Project.

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## **CALLABONNA URANIUM (SA) PROJECT**

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The Company's shares in Callabonna Uranium Limited (CUU) have been released from escrow and are currently worth approximately \$450,000.

## RESOURCE STATEMENT & JORC CODE COMPLIANCE STATEMENTS

	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 ('000)
TOTAL NORTHCOTE <sup>1</sup>	1,125	2.2	1,722	1.6	908	1.6	3,755	1.8	217
TOTAL TREGOORA	11	2.1	2,301	1.6	2,160	1.5	4,472	1.6	229
ATRIC <sup>1</sup>	-	-	890	1.9	46	1.7	936	1.9	57
REEDY-HURRICANE	-	-	-	-	797	1.3	797	1.3	33
<b>TOTAL HODGKINSON BASIN</b>	<b>1,136</b>	<b>2.2</b>	<b>4,913</b>	<b>1.7</b>	<b>3,911</b>	<b>1.5</b>	<b>9,960</b>	<b>1.7</b>	<b>536</b>
TOTAL LUCKY DRAW NSW <sup>2</sup>	-	-	176	2.2	490	2.9	666	2.7	57
TOTAL AMAYAPAMPA	4,360	1.6	22,800	1.0	8,230	1.1	35,390	1.1	1,294
<b>TOTAL MINERAL RESOURCES</b>	<b>5,496</b>	<b>1.7</b>	<b>27,889</b>	<b>1.1</b>	<b>12,631</b>	<b>1.3</b>	<b>46,016</b>	<b>1.2</b>	<b>1,887</b>

### Gold Mineral Resources – Equity Share

	MEASURED		INDICATED		INFERRED		TOTAL		
	Tonnes	Grade	Tonnes	Grade	Tonnes	Grade	Tonnes	Grade	Tonnes
	('000)	Sb %	('000)	Sb %	('000)	Sb %	('000)	Au g/t	Tonnes
<b>NORTHCOTE ANTIMONY</b>	<b>1,295</b>	<b>0.3</b>	<b>1,056</b>	<b>0.2</b>	<b>635</b>	<b>0.3</b>	<b>2,985</b>	<b>0.3</b>	<b>8,000*</b>

### Antimony Mineral Resources - Equity Share

\* This antimony tonnage equates to approximately 47,000 ounces of gold at a gold price of USD\$900 & antimony metal price of USD\$4,500/t before any metallurgical treatment parameters are considered.

Notes:

<sup>1</sup> Figures are Republic's equity share of these projects, being 75% of the Northcote and Lucky Draw projects and 90% of the Atric and Reedy projects.

<sup>2</sup> Resources for Lucky Draw have been estimated by a competent person in accordance with the JORC Code and have been adopted for this report. The Company is in the process of making its own estimates by block modelling, but has no reason to doubt the existing resources at this stage.

For the Northcote resources, allowances have been made for depletion by the recorded mining amounts for the 1990's Nittoc mining campaign. Resources may not sum to equal totals due to rounding.

Location	Gold Grade Interpolation Method	Section Spacing Metres	COG g/t Au Oxide	COG g/t Au Sulphide	Oxide Density	Transition Density	Sulphide Density
<b>HODGKINSON BASIN</b>							
Northcote	Block model ordinary kriging	25	0.5	1.0	2.3	2.65	2.7
Tregoora	Block model ordinary kriging	25 to 50	0.5	1.0	2.3	2.45	2.6
Atric	Block model ID2	25	N/A	0.5	2.5	-	2.5
<b>LUCKY DRAW</b>							
Lucky Draw West	Contoured WAA	-	N/A	0.5	2.5	-	2.5
Hackney's Creek Upper	Sectional WAA	25	N/A	0.5	2.5	-	2.5
Hackney's Creek Lower	Sectional WAA	25	N/A	1.0	2.5	-	2.5
<b>BOLIVIA</b>							
Amayapampa	Block model ordinary kriging	10 to 50	0.4	0.4	2.4	2.75	2.75

Notes:

<sup>1</sup> At Northcote top cuts of 20 Au g/t for East Leadingham and 15 Au g/t for Emily and Emily South were applied to composite grades for grade estimation. No top cut was used at the other Northcote domains. At Tregoora a top cut of 6.0 Au g/t was used for the Honey, Midway, Rainbird and Pillidge domains. No top cut was used at the other Tregoora domains. At Amayapampa cuts are 20 g/t Au for primary mineralisation, 10 g/t Au in transitional mineralisation and 5 g/t Au in oxide mineralisation.

<sup>2</sup> In the table above COG = Cut-Off Grade. At higher gold prices or with improved economics the current Mineral Resources cut-off grades may be lowered thus increasing the FNQ Mineral and Amayapampa Resources.

## **JORC Compliance Statement**

### **Conceptual Exploration Targets**

Information in this report that relates to Conceptual Exploration Target size for Republic Gold Limited is based on information compiled by Neb Zurkic, Republic Gold's Technical Director and a member of the Australasian Institute of Mining and Metallurgy. It is also based on information from Trevor Jackson, Republic Gold's Exploration Manager, a member of the Australasian Institute of Mining and Metallurgy. Neb Zurkic and Trevor Jackson 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". Neb Zurkic and Trevor Jackson consent to the inclusion in this report of these matters, based on the information in the form and context in which it appears.

The numbers presented in this report should not be misrepresented or misconstrued as an estimate of Mineral Resources or Ore Reserves, except where explicitly stated as such. They are not Mineral Resources or Ore Reserves. The exploration target range quoted in this report is based upon existing drilling which is currently considered insufficient for the Company to be able to quote a Mineral Resource and geological concepts developed for the Burruga Project by the Company and its consultant. Thus the potential tonnage and grade stated is conceptual in nature and there can be no guarantees that further drilling and sampling will lead to the estimation of a Mineral Resource

*Information in this report that relates to Mineral Resources for Republic Gold Limited is based on information compiled by Neb Zurkic, Republic Technical Director, a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. It is also based on information estimated by Kerrin Allwood, Republic Gold's Resource Estimation consultant, a member of the Australasian Institute of Mining and Metallurgy. Both Neb Zurkic and Kerrin Allwood have a minimum of five years experience in the estimation, assessment and evaluation of Mineral Resources and Ore Reserves. Information in this report that relates to Mineral Resources for Amayapampa is based on information reviewed by John Kelly, Republic Gold's Managing Director, a member of the Australasian Institute of Mining and Metallurgy who has a minimum of five years experience in the estimation, assessment and evaluation of Mineral Resources and Ore Reserves. John Kelly, Neb Zurkic and Kerrin Allwood have significant experience that is relevant to the style of mineralisation and type 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". John Kelly, Neb Zurkic and Kerrin Allwood 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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## **Corporate**

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### **Placement and Shareholder Purchase Plan (SPP)**

On 14 September 2010, the Company announced that it has successfully raised \$2 million through a placement of shares ("Placement") to institutional and sophisticated investors. The \$2 million Placement entailed the issue of 200 million shares at a price of 1 cent per share.

Republic also announced at that time an SPP for registered holders of fully paid ordinary shares in the Company with an address as recorded in the Company's share register in Australia or New Zealand, with \$4 million underwritten by Patersons Securities Limited ("Patersons")

Shareholders who were recorded on the Company's share register as at close of business on 13 September 2010 will be offered up to a maximum of \$15,000 of Republic shares at 1 cent per share. The SPP documents have been despatched to all shareholders and the SPP closes on Wednesday 3 November 2010.

Funds raised to provide working capital to finalise project financing and to further develop the Company's flagship Amayapampa Gold Project in Bolivia, with a timeline of 12 - 18 months until first production.

### **Directors**

During the Quarter, Dato Choo Beng Kai resigned as a non-executive director, effective 20 August 2010.

There were no shareholding dealings by Directors during the quarter. Unlisted options on issue to Directors, employees and contractors, with various expiry dates during October 2010, were not exercised and have now lapsed.

### **General Meeting**

At the Company's General Meeting held on 20 July 2010, shareholders ratified the prior placement of shares to Patersons Securities Limited and approved the issue of a further 30 million shares in the Company.

## Annual Report and Annual General Meeting

The Company's 2010 Annual Report was released to the market on 30 September 2010. Hard copies of the Annual Report have been despatched to those shareholders who requested a copy. An electronic copy of the Annual Report is available on the Company's website [www.republicgold.com.au](http://www.republicgold.com.au).

The Company's Annual General Meeting is scheduled to be held on Tuesday, 2 November 2010 at 11.00am (Sydney time) at Christie Corporate Centre, Cnr Spring and Gresham Streets, Sydney, NSW.

### Cash Assets

Cash on hand at the end of the September Quarter was approximately \$1,516,000. Further funding is being pursued by the directors.

### Top 20 Shareholders

The following tables show the Company's Top 20 Shareholders as of 30 September 2010.

Rank	Shareholders	Shares	Percentage
1	Nefco Nominees Pty Ltd	113,078,180	7.35%
2	Zeus Gold Pty Limited	64,397,099	4.19%
3	Citicorp Nominees Pty Limited	54,668,255	3.55%
4	HSBC Custody Nominees (Australia) Limited	53,314,545	3.47%
5	Bell Potter Nominees Ltd <BB Nominees A/C>	40,050,000	2.60%
6	Mr Phillip John Coulson	30,000,000	1.95%
7	DMG & Partners Securities PTE LTD <Clients A/C>	29,408,404	1.91%
8	JP Morgan Nominees Australia Limited <Cash Income a/c>	29,290,691	1.90%
9	Colbern Fiduciary Nominees Pty Ltd	25,000,000	1.63%
10	Merrill Lynch (Australia) Nominees Pty Limited	22,099,001	1.44%
11	UOB Kay Hian Private Limited <Clients A/C>	20,011,000	1.30%
12	Troca Enterprises Pty Ltd <Coulson Super a/c>	20,000,000	1.30%
13	Astor Consultants Pty Ltd <The Parker Family a/c>	18,534,482	1.21%
14	Mr Chew Lai Ooi	17,542,647	1.14%
15	Chin Nominees Pty Ltd <Chin Super Fund a/c>	13,519,231	0.88%
16	Corostar Pty Ltd <The Campbell Smith a/c>	13,333,333	0.87%
17	Mr Siat Yoon Chin	11,019,231	0.72
18	Greatside Holdings Pty Ltd <ADL a/c>	10,000,000	0.65%
19	Paticoa Nominees Pty Ltd	9,925,000	0.65%
20	Berne No 132 Nominees Pty Ltd <376804 a/c>	9,000,000	0.59%
<b>Total</b>		<b>604,191,099</b>	<b>39.28%</b>

The following tables show the Company's Top 20, 4 Cent Option holders as of 30 September 2010.

Rank	Shareholders	Shares	Percentage
1	HSBS Custody Nominees (Australia) Limited	21,175,051	8.70%
2	Bell Potter Nominees Ltd <BB Nominees A/C>	20,050,000	8.68%
3	Zeus Gold Pty Limited	13,074,392	5.37%
4	Nefco Nominees Pty Ltd	10,294,000	4.23%
5	Bookman Pty Ltd <Trading a/c>	8,500,000	3.49%
6	Citicorp Nominees Pty Limited	7,516,433	3.09%
7	Mr Graham James Large & Mrs Adele Leith Large <Graham J Large S/F a/c>	7,000,000	2.88%
8	Spring Street Holdings Pty Ltd	5,025,000	2.06%
9	Mr Peter Andrew Proksa	5,000,000	2.05%
10	Mr Noel David McEvoy & Mrs Shelley Dawn McEvoy <The ND McEvoy Super Fund a/c>	4,866,165	2.00%
11	Mr Ian Schlipalius	4,500,000	1.85%
12	Acorn International Pty Ltd <Acorn International a/c>	3,561,782	1.46%
13	Mr Garry Webb	3,400,000	1.40%
14	Mr Siew Wah Teh	3,375,000	1.39%
15	ABN Amro Clearing Sydney Nominees Pty Ltd <Custodian a/c>	3,332,591	1.37%
16	Mr Sanjay Sharma & Dr Seema Sharma <Reliance Super Fund a/c>	3,192,116	1.31%
17	Merrill Lynch (Australia) Nominees Pty Limited	3,096,257	1.27%
18	Mr Dennis Loh	3,013,453	1.24%
19	Mr Veng So	2,570,731	1.06%
20	Mr Wee Lock Ho	2,562,500	1.05%
<b>Total</b>		<b>135,105,471</b>	<b>55.50%</b>

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## Corporate Information

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**Directors**

Peter Wicks      Executive Chairman  
John Kelly      Managing Director  
Neb Zurkic      Technical Director  
Greg Barns      Non-Executive Director

**Stock Exchange Listing**

Australian Stock Exchange  
Ordinary Shares Code      **RAU**  
Listed Options Codes      **RAUOA**

**Exploration & Development Teams**

Neb Zurkic      Technical Director  
Trevor Jackson      FNQ Exploration Manager  
Paul Pyke      Project Development Manager

**FNQ** - Susan Brickl, Chris Jelonek, Ian Wilson, James Astor, Jodie Simpson, Dallas Cox and Kerrin Allwood

**Bolivia** - Maria Esther Jitton, Juan Cabrera, Herbert Chavez, Guillermo Cordero, Adhemar Pinto, Javier Miranda and Maria Renee Rojas

**Company Secretary**

Roslynn Shand

**Registered Office & Operations Office**

144 Cobra Road, Mareeba  
PO Box 2314 Mareeba Queensland 4880  
Telephone: + 61 7 4092 2594  
Facsimile: + 61 3 4092 3797  
Email: [jkelly@republicgold.com.au](mailto:jkelly@republicgold.com.au)

Shares on issue - 1,538,092,948 ordinary shares

Listed Options on Issue -

- ◆ 243,454,291 options exercisable at 4.0 cents expiring 5 June 2011 (RAUOA).

**Web Site**

[www.republicgold.com.au](http://www.republicgold.com.au)

**Shareholder Enquiries**

Advanced Share Registry Services Limited  
150 Sterling Highway  
Nedlands WA 6009  
Telephone: + 61 8 9389 8033  
Facsimile: + 61 8 9389 7871  
Web site: [www.advancedshare.com.au](http://www.advancedshare.com.au)



Figure 1 – Location Map For Amayapampa

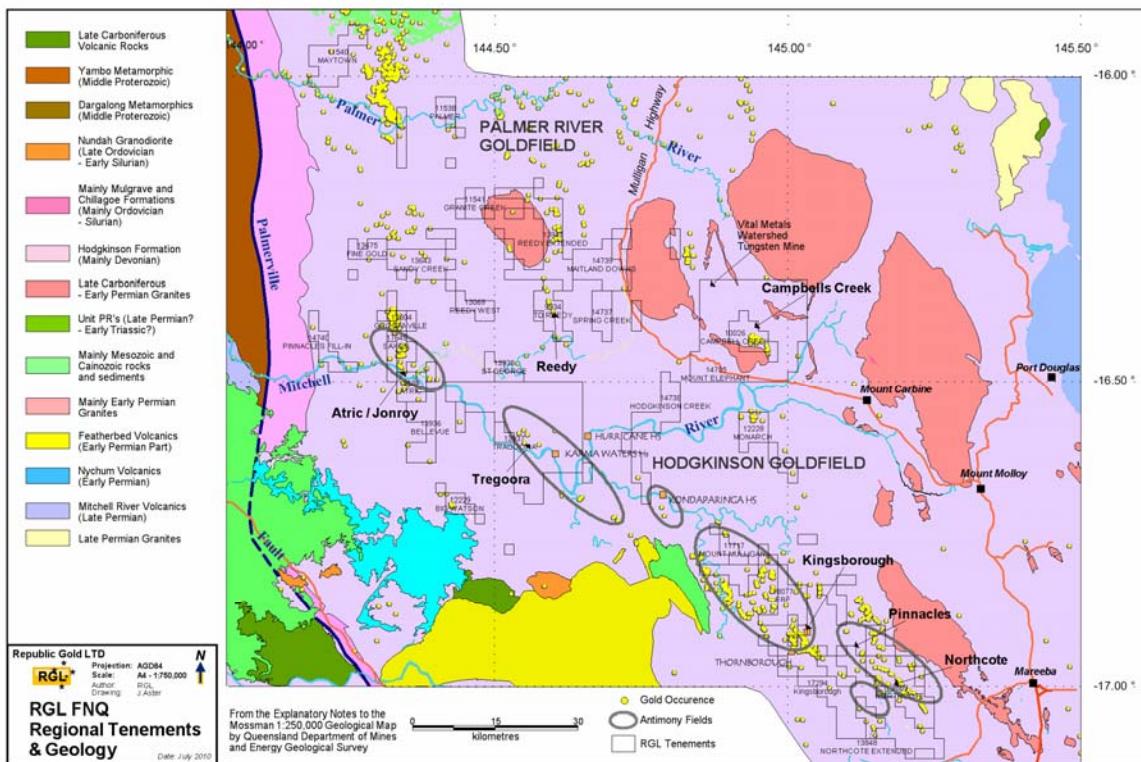


Figure 2 - The Company's Hodgkinson Basin Tenements

*Rule 5.3*

**Appendix 5B**

**Mining exploration entity quarterly report**

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

REPUBLIC GOLD LIMITED

ABN

86 106 399 311

Quarter ended ("current quarter")

30 September 2010

**Consolidated statement of cash flows**

		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(253) - - (705)	(253) - - (705)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	11	11
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other GST (Paid) Refund	279	279
<b>Net Operating Cash Flows</b>		(668)	(668)
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	519 - -	519 - -
1.10	Loans to other entities	(1,428)	(1,428)
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
<b>Net investing cash flows</b>		(909)	(909)
1.13	Total operating and investing cash flows (carried forward)	(1,577)	(1,577)

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(1,577)	(1,577)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	1,868	1,868
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	1,868	1,868
	<b>Net increase (decrease) in cash held</b>	291	291
1.20	Cash at beginning of quarter/year to date	1,225	1,225
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	1,516	1,516

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	(311)
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payment of fees and salaries to directors

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

On 13 September, Republic announced a \$4M underwritten Share Purchase Plan – this closes 3 November 2010.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

-

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	30
4.2 Development	600
4.3 Production	-
4.4 Administration	300
<b>Total</b>	<b>930</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	161	70
5.2 Deposits at call	1,355	1,155
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,516</b>	<b>1,225</b>

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed		-	-	-
6.2 Interests in mining tenements acquired or increased		-	-	-

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

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**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities (description)</b>	-	-	-	-
7.2 Changes during quarter	-	-	-	-
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	1,538,092,948	1,538,092,948		
7.4 Changes during quarter				
(a) Increases through issues	18,534,482 25	18,534,482 25	1.16 cents 4 cents	1.16 cents 4 cents
(b) Decreases through returns of capital, buy-backs	2,664,083 200,000,000	2,664,083 200,000,000	1.2387 cents 1 cent	1.2387 cents 1 cent
7.5 <b>+Convertible debt securities (description)</b>	-	-	-	-
7.6 Changes during quarter	-	-	-	-
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 <b>Options (description and conversion factor)</b>	243,454,291 26,000,000 10,650,000 16,000,000		Exercise price 4 cents 6.25 cents 3.75 cents 6.25 cents	Expiry date 05/06/2011 10/10/2010 17/10/2010 27/10/2011
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	25	25	4 cents	05/06/2011
7.10 Expired during quarter	-	-		
7.11 <b>Debentures (totals only)</b>	-	-		
7.12 <b>Unsecured notes (totals only)</b>				

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+ See chapter 19 for defined terms.

### Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Company Secretary Date: 29 October 2010  
Print name: Roslynn Shand

### Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.