



## ASX ANNOUNCEMENT

7 May 2009

The Manager  
Companies Announcement Platform  
Australian Stock Exchange Limited

### **PLACEMENT AND UNDERWRITTEN RENOUNCEABLE RIGHTS ISSUE RAISING \$4.7M TO FUND THE COMPLETION OF THE AMAYAPAMPA AND FNQ FEASIBILITY STUDIES**

The Directors of Republic Gold Limited ("**Republic**" or the "**Company**") are pleased to announce that the Company has closed a Placement for \$750,000 at 2.0 cents per share ("**Placement**") and signed an Underwriting Agreement for a 1-for-4 renounceable Rights Issue to all shareholders also at a price of 2.0 cents per share ("**Rights Issue**"). The Rights Issue is fully underwritten by Patersons Securities Limited. The funds raised from this financing will enable the Company to complete feasibility studies for its Amayapampa Gold Project in Bolivia and its Tregoorra and Northcote Gold Projects in Far North Queensland.

Republic's Managing Director, John Kelly, said:

*"The Company now has the funding certainty to complete its two feasibility studies and move to production. Both feasibility studies are progressing very well. In Bolivia, the Company's Technical Director Mr Neb Zurkic is currently on site reviewing the recent diamond drill core information, prior to the Company upgrading its mineral resource at Amayapampa. We'll then do some more metallurgy testwork to improve on the recoveries and finalise the study. At FNQ, we recently announced a resource upgrade, the completion of a number of the feasibility sub-studies and are working through the balance of the feasibility sub-studies. The successful application of the funds raised should enable the Company to be re-rated as an emerging producer."*

#### **Details of the Issues**

Both the Placement and sub-underwriting of the Rights Issue have been completed with Patersons' institutional and high net worth clients.

The terms of the Placement are as follows: -

- 37,500,000 shares placed at 2.0 cents per share to raise \$750,000 before costs.
- Each placement share has two free attaching options. One option is exercisable at 3.0 cents by 5 June 2010. The second option is exercisable at 4.0 cents by 5 June 2011. If all the options are exercised a further \$2,625,000 will be raised.
- It is expected that these options will be issued and listed on the ASX following the completion of the Rights Issue.

The terms and conditions of the Rights Issue are as follows: -

- Pro-rata 1-for-4 issue of ordinary shares (New Shares) by the Company at 2.0 cents per New Share to all shareholders on the Company's share register at 4.00pm on the Record Date which is expected to be 18 May 2009.

- The Rights Issue is fully underwritten and will result in the allotment of 197,229,291 New Shares to raise \$3,945,000 before costs.
- Each New Share has two free attaching options. One option is exercisable at 3.0 cents by 5 June 2010. The second option is exercisable at 4.0 cents by 5 June 2011. If all the options are exercised a further \$13,806,000 will be raised.
- The Company will seek to have the options quoted on the ASX.
- The Rights Issue is renounceable with right's trading expected to commence on 14 May 2009 and conclude on 29 May 2009.
- The Rights Issue is expected to close on 5 June 2009.
- A Rights Issue Prospectus will be made available when the New Shares are offered under the Rights Issue.
- The Rights Issue Prospectus is expected to be lodged with ASIC on 8 May 2009. Once this is completed, it will be released to ASX along with an accompanying Appendix 3B.
- The Rights Issue Prospectus is expected to be sent to the Company's shareholders on 22 May 2009.
- The Company's shareholders should review and consider the Rights Issue Prospectus in deciding whether to acquire New Shares.
- Any of the Company's Shareholders wishing to acquire New Shares under the Rights Issue will need to complete an Application Form that will be in, or will accompany, the Rights Issue Prospectus.

An Investor presentation is attached to this announcement.

Yours faithfully



John Kelly  
Managing Director  
Republic Gold Limited

**For more information, please contact John Kelly on 0418 577 759  
or Tony Nagy on 0413 645 126.**

**Republic Gold Limited**

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# Republic Gold Limited

## Investor Presentation

**April 2009**





# Company Overview

## Introduction

- Highly Experienced Exploration & Mine Operations Team
- Gold-focused projects with early production potential
- *Republic's Core Focus – Amayapampa Gold Project in Bolivia – 1.1moz and growing...*
- Bolivian gold project cash flow forecast to commence 1Q 2011
- Potential for early-stage FNQ gold project cash flow (1H 2010)

## Financial Snapshot

Share Price:	\$0.03/share
52wk Range:	\$0.023-\$0.125
Market Cap:	\$22.5m
Issued Capital:	751m Ordinary Shares 55.7m Unlisted Options
Cash at Bank	A\$1.6m
Debt	Nil

## Gold Resources

Bolivia	23.2mt @ 1.3g/t – 1.1moz
Australia (Qld)	8.7mt @ 1.7g/t - 462koz







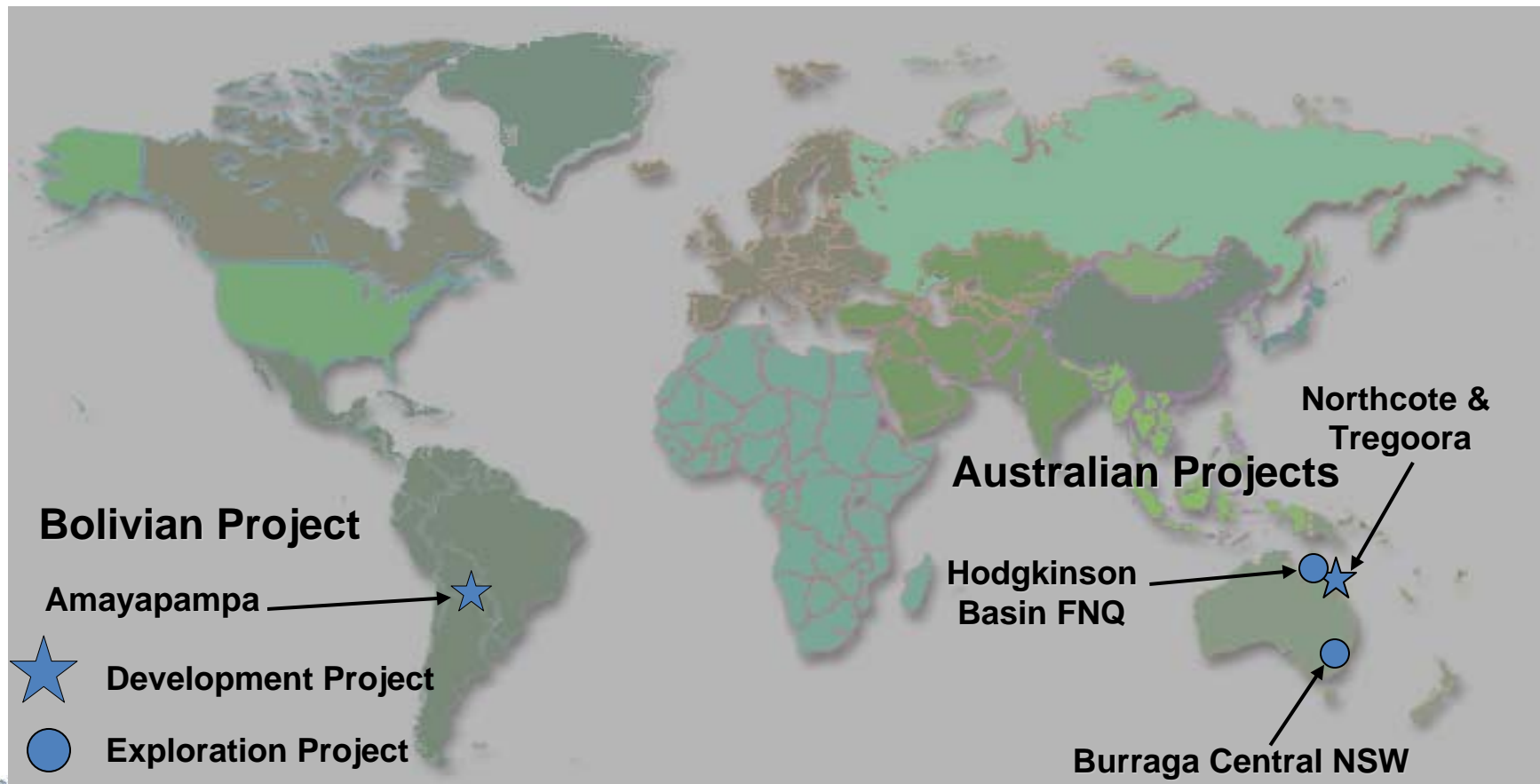
# The Republic Team

Role	Name	Experience
<b>Chairman</b>	Peter Wicks	40 years experience in Accounting & Resources (Ex-PSV Chairman)
<b>Managing Director</b>	John Kelly	25 years experience as Mining engineer (Ex-PSV MD & Mine Manager)
<b>Technical Director</b>	Neb Zurkic	18 years experience as geologist incl. 10 years with Newmont Mining (Ex-PSV mine/exploration geologist)
<b>Non-Executive Directors</b>	Greg Barns BK Choo	Barrister & former CEO of Australian Gold Council Malaysian shareholders representative
<b>Company Secretary</b>	Ros Shand	Lawyer with 10 years experience as Co. Secretary
<b>Australian Team</b>	Chris Roberts Trevor Jackson Dallas Cox Vern Langdale Paul Pyke Kerrin Allwood	Ex-PSV Exploration Director & JORC Committee Member Ex-PSV Mine Geologist Ex-PSV Mine Manager Ex-PSV Senior Mining Engineer Ex-PSV Metallurgy Superintendent Ex-PSV Resource Geologist
<b>Bolivian Team</b>	Maria Esther Jiton Juan Cabrera Herbert Chavez Guillermo Cordero	President of Bolivian subs. Lawyer Mining Engineer & Ex COMIBOL President Geologist Geologist





# RAU Project Overview



**Bolivia focused with strong development potential, geopolitical diversification and 2011 production & cashflow**



# Project Milestones

Gold Projects	Q4 2009		Q1 2010		Q2 2010		Q3 2010		Q4 2010		Q1 2011		Q2 2011	
<b>Amayapampa (Bolivia)</b>														
Pre-Construction + BFS														
Development														
Production & Cashflow														
<b>Far North QLD</b>														
Drilling														
BFS														
Development														
Production & Cashflow														

- Bankable Feasibility Studies for Bolivia & FNQ well advanced
- Pre-Construction earthworks set to commence at Amayapampa
- Further drilling at FNQ to target high grade potential







# Amayapampa Project - Bolivia

***“South America’s Undeveloped Gem”***







# Major Projects in Bolivia

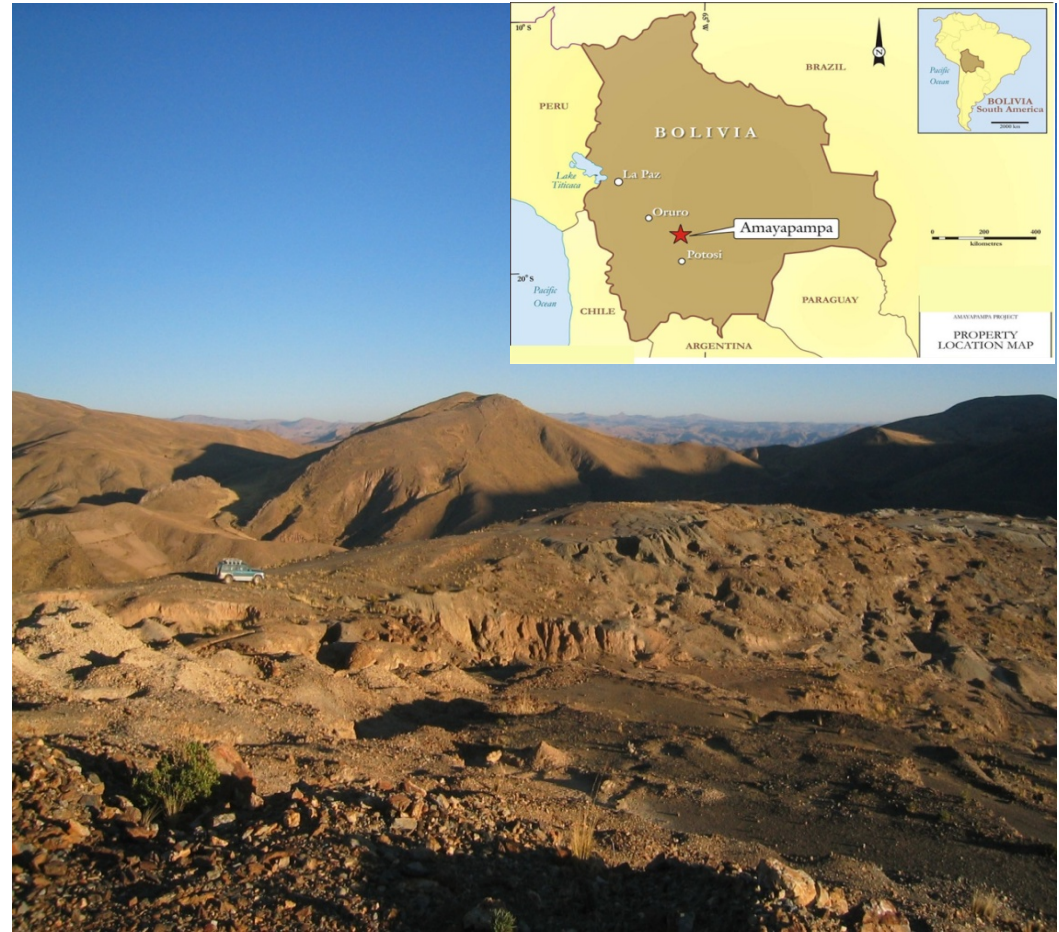
- >US\$1B in capital spent since Evo Morales (Bolivian President since 2006) came to power
- >US\$2B committed to development of El Mutun (Iron Ore) & US\$210m committed to Corocora
- RAU has been working in Bolivia since 2005
- RAU understands Bolivian politics very well and has close ties with Vice Minister for Mines





# Project Overview

- Amayapampa Gold Project is 400kms South of La Paz in the Bolivian Altiplano at 4,100m above sea level
- Current Resource is ~1.1Moz – most recent feasibility study (2005) produced ore reserves of 423,000ozs at a cash cost of US\$176/oz
- Mineralisation identified is 30-70m wide, 1.5kms in strike length and open along strike and at depth
- Free milling ore - mostly gravity recoverable gold
- BFS targeted for completion September 2009



**>A\$15M spent on Amayapampa since 1996 (by Republic and former owners of the Project)**







# Project Highlights

- RAU understands the geology & its potential well – similar to FNQ and Central Victoria
- Amayapampa has multi-million ounce potential & sits in a mineralised belt of 20km's with no other corporate involvement
- Project is well sampled: ~11,300m of Diamond Drilling; 13,300m of RC Drilling & ~8,400m channels
- Amayapampa has 4.2% of individual 1m sample intersections better than 5 g/t
- Resource has been modeled very conservatively, with significant upside possible from the numerous high grade zones
- Being a developing country, Bolivia's cost of operations will be low. The 250-strong workforce is expected to cost the Company only ~US\$1.5m per annum
- Environmental & operating permits in place. Social license in the process of being obtained





# Recent Drilling

- Visible gold encountered
- Intercepts included:
  - 1m @ 228 g/t
  - 1.3m @ 36.5 g/t
  - 77m @ 1.58 g/t
  - 62m @ 1.41 g/t
- Recent Trenching intercepts include:
  - 20m @ 10.9 g/t
  - 60m @ 1.31 g/t
  - 45m @ 1.27 g/t
- *Resource upgrade expected in June/July*
- Feasibility contractors retained from San Cristobal (owned by Sumitomo) & San Vicente (owned by an American Silver). Both significant mining operations in Bolivia

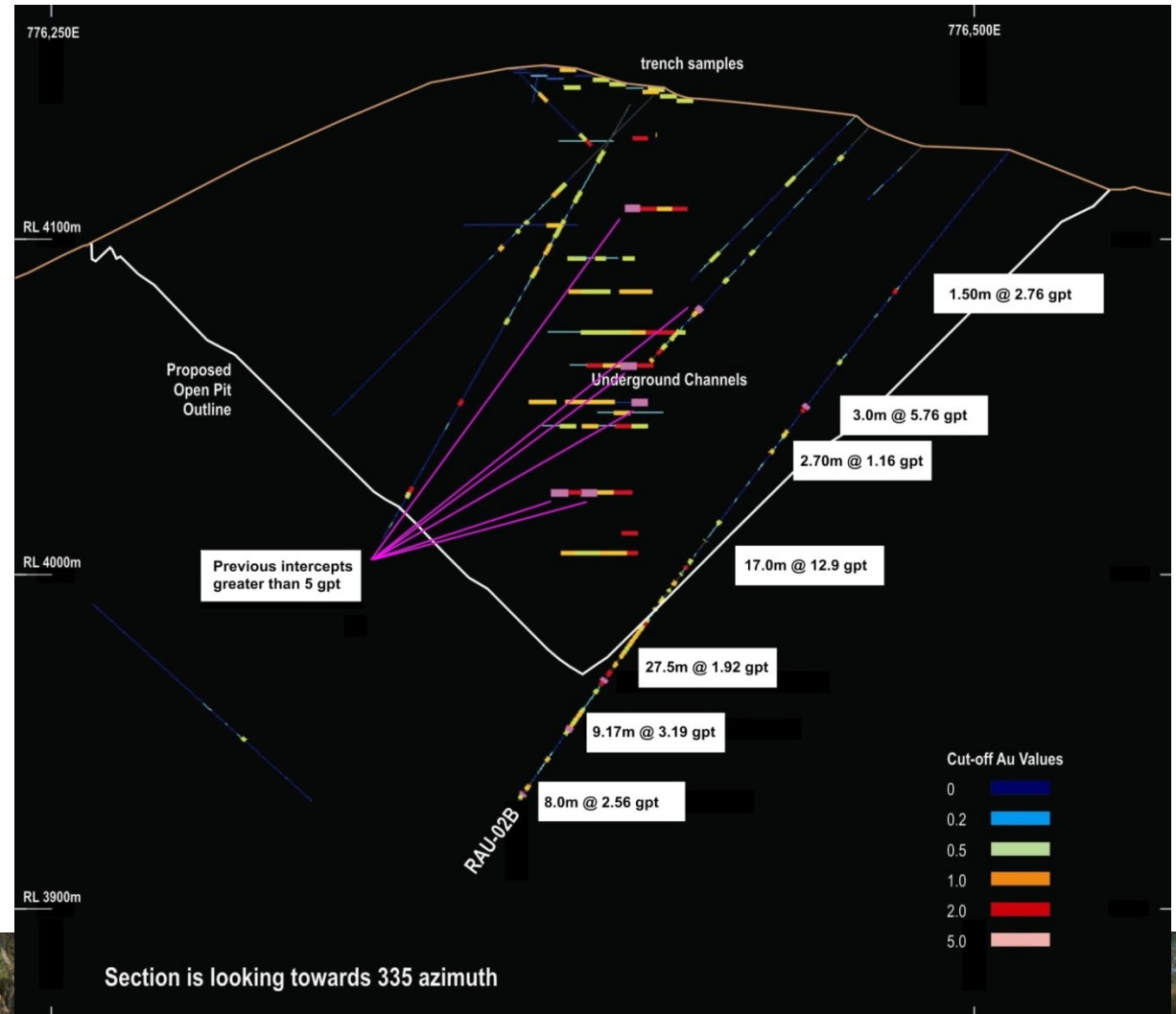






# Drilling X-Section

- Significant number of high grade underground channel samples in the core of the orebody
- 5m @ 127 g/t and 20m @ 41 g/t are the best channel intersections
- Very good underground mining potential
- Recent drilling got 1m @ 228 g/t at depth



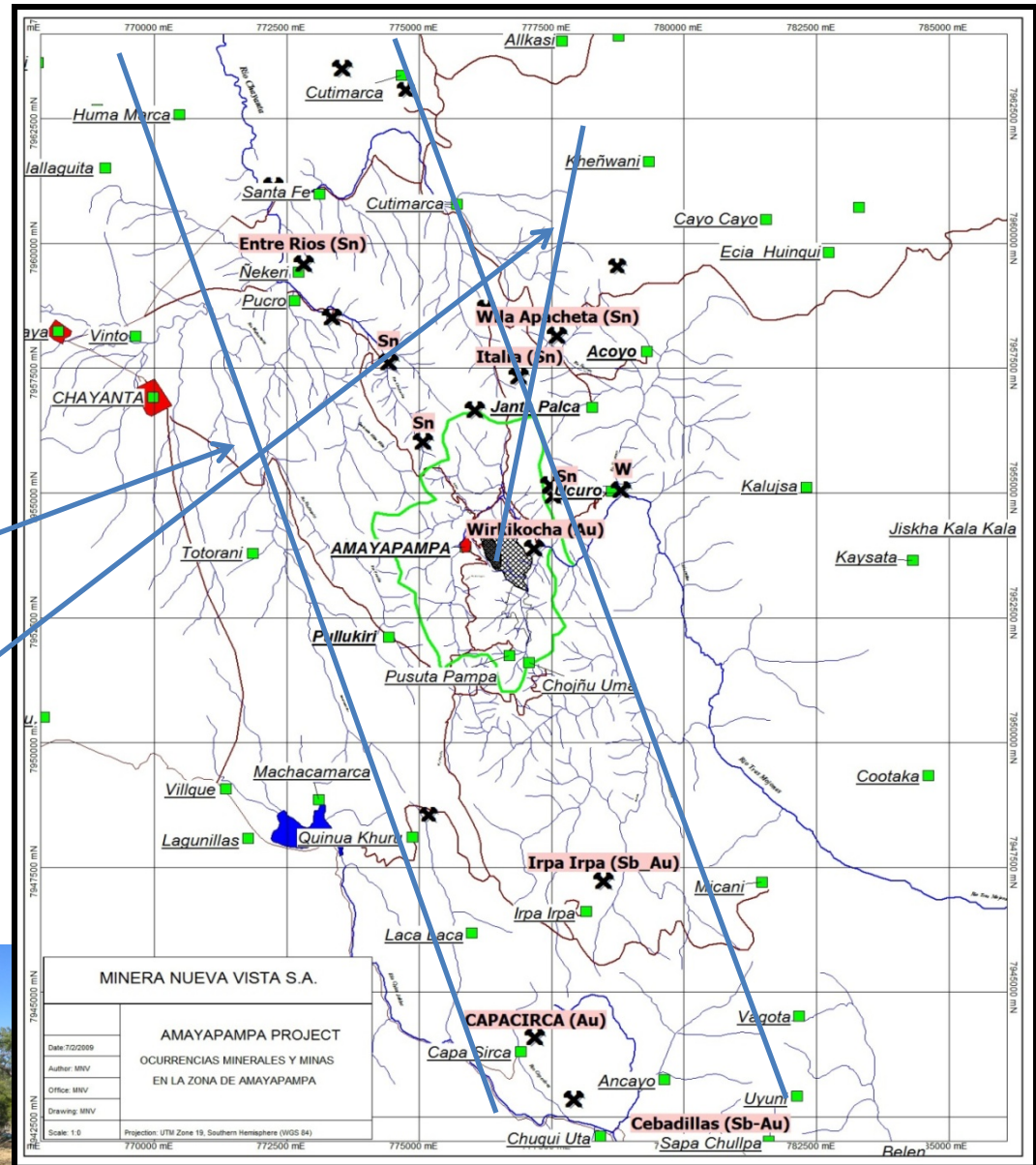
Section is looking towards 335 azimuth





# Regional Picture

- +20 km long mineralised belt
- Gold, tin, zinc & silver mines in the belt, some active
- Mineralised corridor
- Main structure





# Republic's Other Projects

## Hodgkinson Basin Project







# Republic's QLD Strategy

- **Develop a near-term cash generating asset**
- **Aim to increase FNQ Resource base to 650,000 ounces of gold**
- **Production will be a combination of conventional heap leaching of surface oxide mineralisation and bacterial oxidation heap leaching of deeper refractory sulphide mineralisation**
- **At current A\$ gold price Hodgkinson Basin projects are very robust**
- **Cash flow from projects will be directed to ongoing exploration and organic development of Company projects**

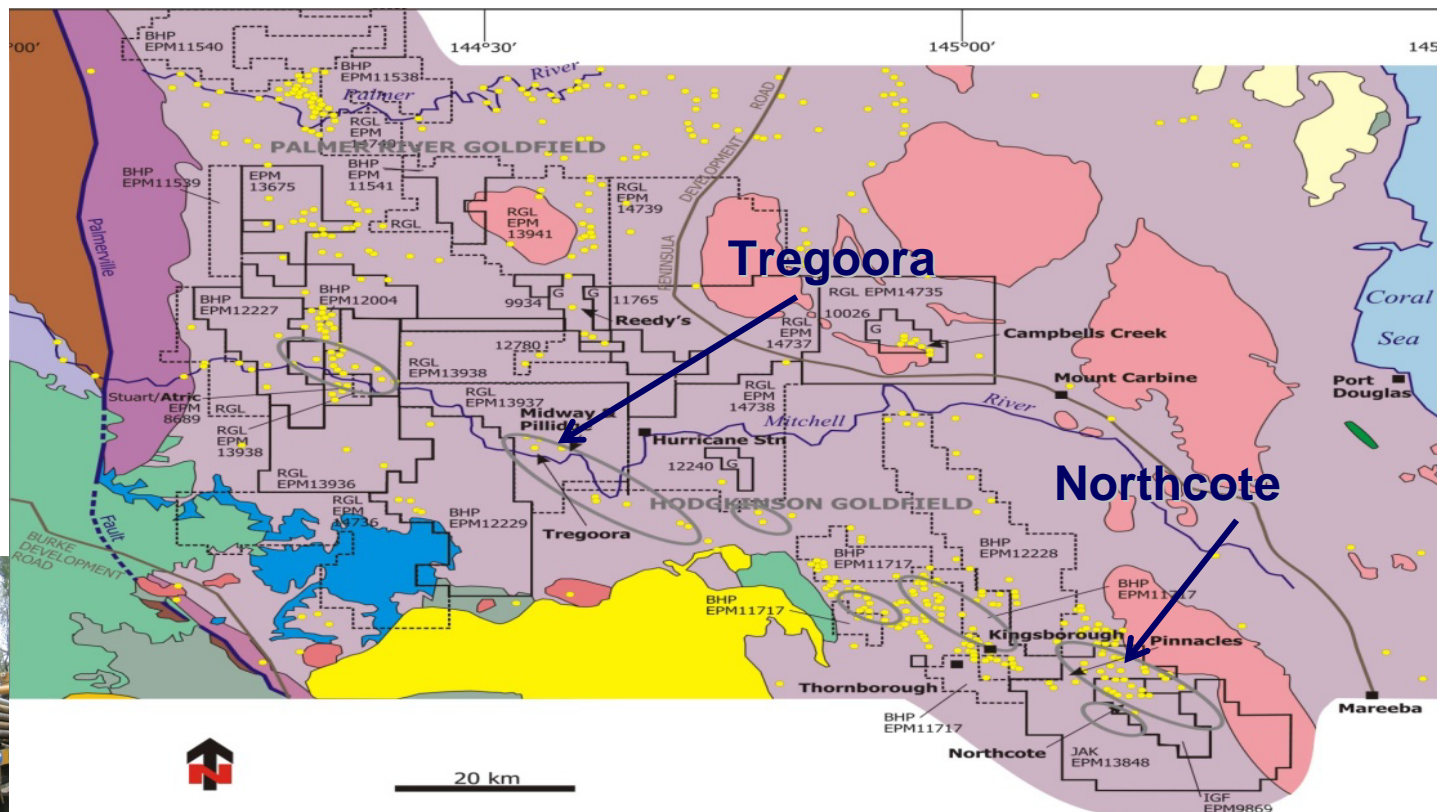






# FNQ – Hodgkinson Basin Project

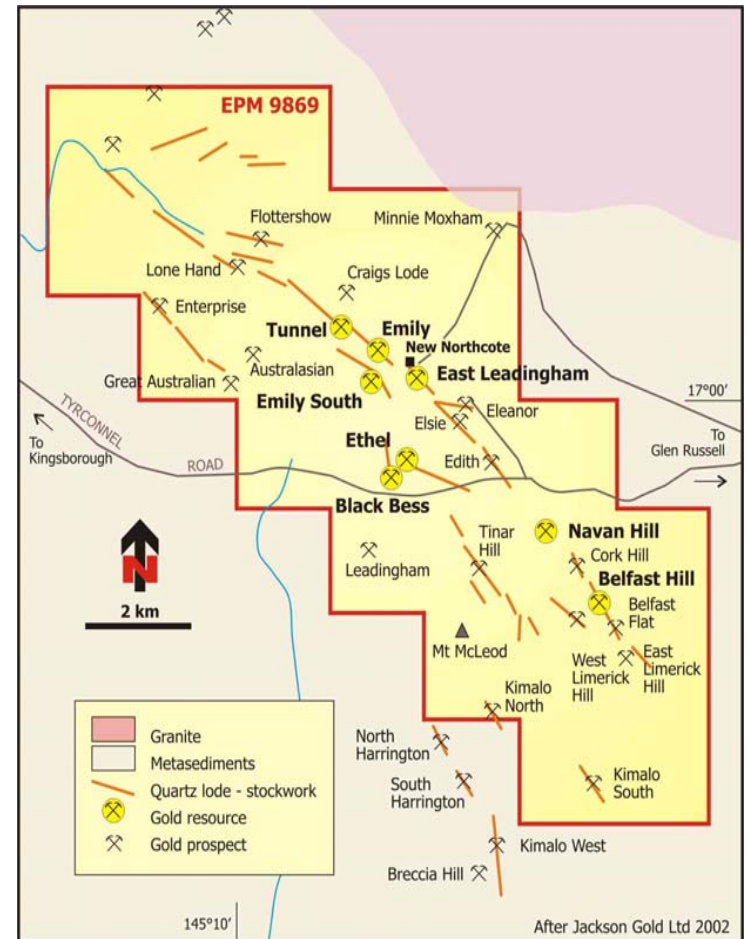
- Geological model is based on the highly successful +3Moz Fosterville Mine in Central Victoria
- Approximately 1,800 sq km's of ground owned outright or in JV
- Total Resources of approx. ~460kozs Au plus 8,000 tonnes of Antimony





# Northcote Project

- Northcote Project has undergone 5 drilling programmes
- Mature field but new zone found in 2008
- 85% of holes intersect mineralisation on strong structures
- Resource upgraded to 217,000 oz gold plus 8,000 tonnes of antimony with additional Resources under estimation
- 78% of Resource now Measured or Indicated

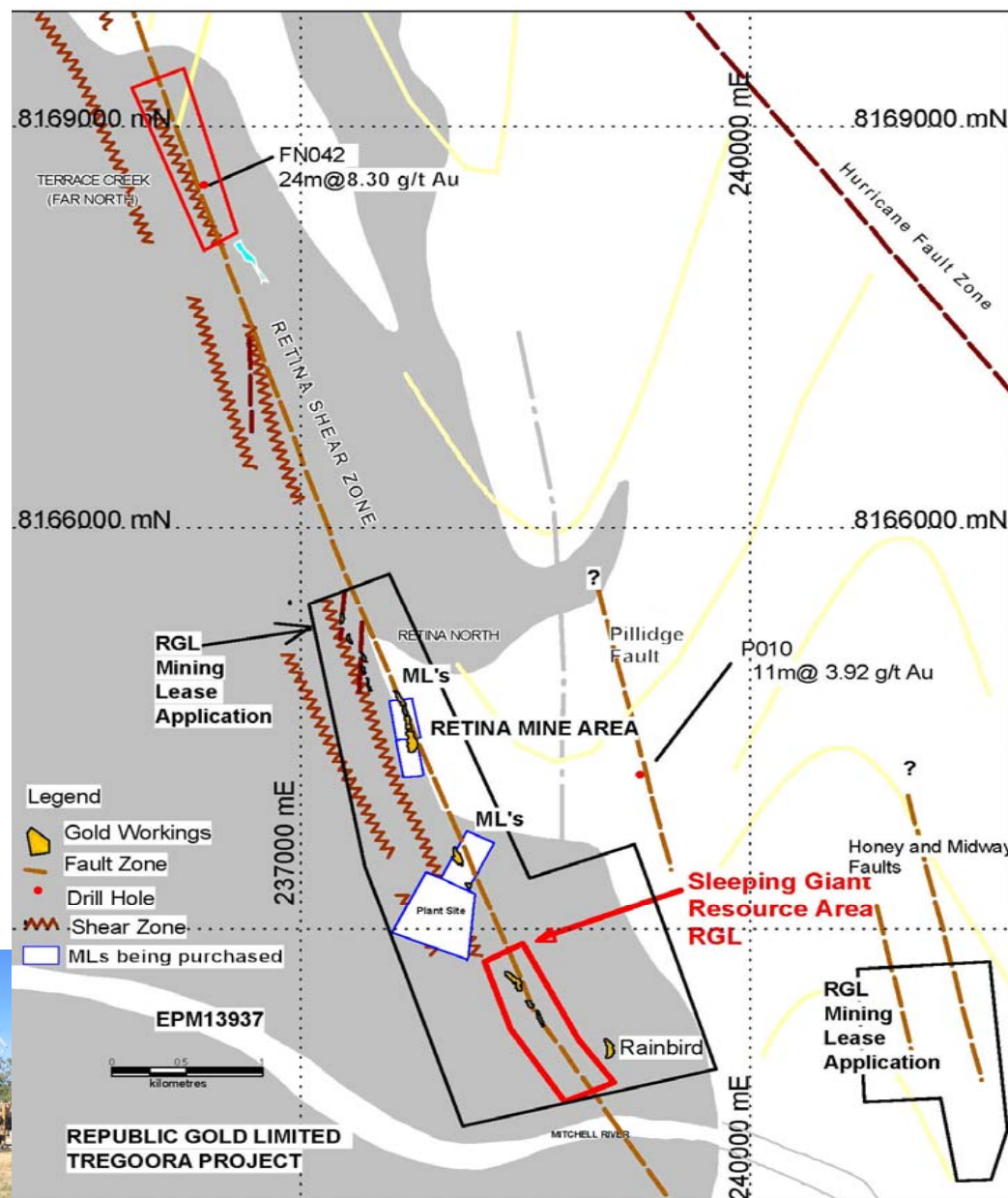






# Tregoora & Far North Tregoora

- Substantial historical mining
- JORC Resource of 155koz Au (65% Meas & Ind) at Tregoora
- High grade intercepts in past 2 years:
  - 24m @ 8.3 g/t
  - 24m @ 4.78 g/t in X-holes on the same drill section
- +80% cyanide recoveries in high grade oxide zone
- Highly prospective new zones
- Resource upgrade in 2009*
- Continued drilling at Far North in 2009, including drilling on the acquired leases





# Capital Raising

- \$750,000 Share Placement at \$0.02/share combined with a 1 for 4 Renounceable Rights Issue to raise a further A\$3.94m for a total capital raising of ~A\$4.7m
- All Placement and Rights Issue shares applied for will have 2 free attaching options as follows:
  - 1 x 12 month option at \$0.03/share exercise price ("Option 1")<sup>1</sup>; &
  - 1 x 24 month option at \$0.04/share exercise price ("Option 2")<sup>2</sup>
- Attractive discount at market close Monday 4 May, 2009:

Period		Discount
Last Close	(3.00¢)	33.33%
5-day VWAP	(3.03¢)	34.03%
30-day VWAP	(2.94¢)	32.07%

- Current cash on hand is A\$1.6M and No Debt

Capital Structure	Shares (m)	Option 1 <sup>1</sup>	Option 2 <sup>2</sup>	%
Existing Shares on Issue	751.4	-	-	76.2
Placement Shares	37.5	37.5	37.5	3.8
Rights Issue Shares (1:4)	197.2	197.2	197.2	20
<b>Total</b>	<b>986.1</b>	<b>234.7</b>	<b>234.7</b>	<b>100</b>

Use of Funds	
Amayapampa	\$3.5m
Hodgkinson Basin	\$0.8m
Working Capital & Issue Costs	\$0.4m
<b>Total*</b>	<b>\$4.7m</b>

\* Assumes ~\$4.7m raised from Placement and Rights Issue







# Timetable

Timetable Event	Date (2009)
Trading Halt (am)	Tues, 5 May
Allocations / Letters Sent	Wed, 6 May
Firm Acceptance Receipt	9am Thurs, 7 May
Lodge Prospectus with ASX & ASIC	Fri, 8 May
DvP Settlement (Placement)	Tues, 12 May
New Placement Shares Allotted	Wed, 13 May
Ex-date, Rights trading commences	Thurs, 14 May
Record Date	Wed, 20 May
Prospectus despatch date ("Opening Date")	Mon, 25 May
Rights trading closes	Fri, 29 May
Offer period closes	Fri, 5 June
Notice of Shortfall shares	Mon, 8 June
Settlement on Shortfall	Thurs, 11 June
Allot & dispatch holding statements	Fri, 12 June





# Progressing towards Production

- Republic moving towards 2-tiered production:
  - Bolivia: 80,000 - 100,000 oz Au p.a.
  - Hodgkinson Basin: 35,000 - 45,000 oz Au p.a.
- Bolivia is the primary focus – providing exciting exploration potential and an existing Resource of >1moz and still growing
- *Bolivian production cash costs likely to be bottom quartile amongst current producers – Amayapampa likely to be highly profitable at current US\$ gold prices*
- Continued to focus on regions where Republic's Technical & Operating strengths are best utilised





# JORC Resources & Competent Person's 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	('000) Ozs
TOTAL AMAYAPAMPA	4,390	1.7	10,400	1.3	11,400	1.1	26,190	1.3	1,084
TOTAL NORTHCOTE <sup>1</sup>	1,125	2.2	1,722	1.6	908	1.6	3,755	1.8	217
TOTAL TREGOORA	24	1.9	1,924	1.6	1,241	1.4	3,190	1.5	155
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>1,149</b>	<b>2.2</b>	<b>4,536</b>	<b>1.7</b>	<b>2,992</b>	<b>1.4</b>	<b>8,678</b>	<b>1.7</b>	<b>462</b>
TOTAL LUCKY DRAW NSW <sup>2</sup>	---	---	176	2.2	490	2.9	666	2.7	57
<b>TOTAL MINERAL RESOURCES</b>	<b>5,539</b>	<b>1.8</b>	<b>15,112</b>	<b>1.4</b>	<b>14,882</b>	<b>1.2</b>	<b>35,534</b>	<b>1.4</b>	<b>1,603</b>

Information in this report that relates to mineral resources for Republic Gold Limited is based on information compiled by Chris Roberts, a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists and on information estimated by Kerrin Allwood a member of the Australasian Institute of Mining and Metallurgy, both of whom have a minimum of five years experience in the estimation, assessment and evaluation of mineral resources and ore reserves. Chris Roberts 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". Chris Roberts 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.

