ASX ANNOUNCEMENT

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VERY HIGH GRADE COSTEAN RESULTS AT TERRACE CREEK PROSPECT IN FNQ

Key Points

- **Mapping and sampling of three costeans has taken place in the vicinity of the previously drilled high grade intercepts of FN042 and FN060, confirming the high grades and orientations of these intercepts of 24m @ 4.78 g/t Au from 2m, including 8m @ 10.28 g/t Au and 24m at 8.30 g/t Au, respectively.**
- **Costean FNC001, directly above the FN042 and FN060 drilling intercepts, returned 11m @ 12.97 g/t Au.**
- **FNC003 is a costean approximately 15m north of the FN042 and FN060 drilling intercepts and returned 17m @ 2.72 g/t Au, including 4m at 7.82 g/t Au.**
- **FNC002 is a costean excavated in the direction along strike of the quartz unit, which confirmed that the quartz unit caused better than average grades and returned 15m @ 5.47 g/t Au, including 5m @ 13.66 g/t Au.**
- **Geological mapping confirms earlier interpretations that this style of splay faulting off the main trend of shearing and mineralisation provides a favourable host for very high gold grades.**

The Directors of Republic Gold Limited ("**Republic**" or the "**Company**") today announce that the Company has commenced metallurgical drilling at its 100%-owned Tregoora Gold Project in Far North Queensland ("**FNQ**") and in preparation for resource definition drilling at Terrace Creek, has undertaken costeaning (or trenching), surface mapping and sampling.

In order to facilitate the planning of both the metallurgical and resource definition drilling at Terrace Creek, a series of four costeans have been excavated. Three of these have been mapped and sampled and have returned the significant intercepts reported above. A geological section showing the interpretation of one the costeaned areas is included below. The blind (under cover) massive quartz vein shown in the figure below strikes at approximately 010^0, while the general trend of mineralisation is at 330^0. The dilation quartz vein seems to have played a part in a broader zone of shearing and alteration providing the consistently high gold grades across considerable widths. These oblique features will be investigated closely to identify repetitions along the general trend of mineralisation. Other, similar high grade pods have more than likely been exploited by earlier miners. At Terrace Creek, the occurrence was hidden below shallow cover.

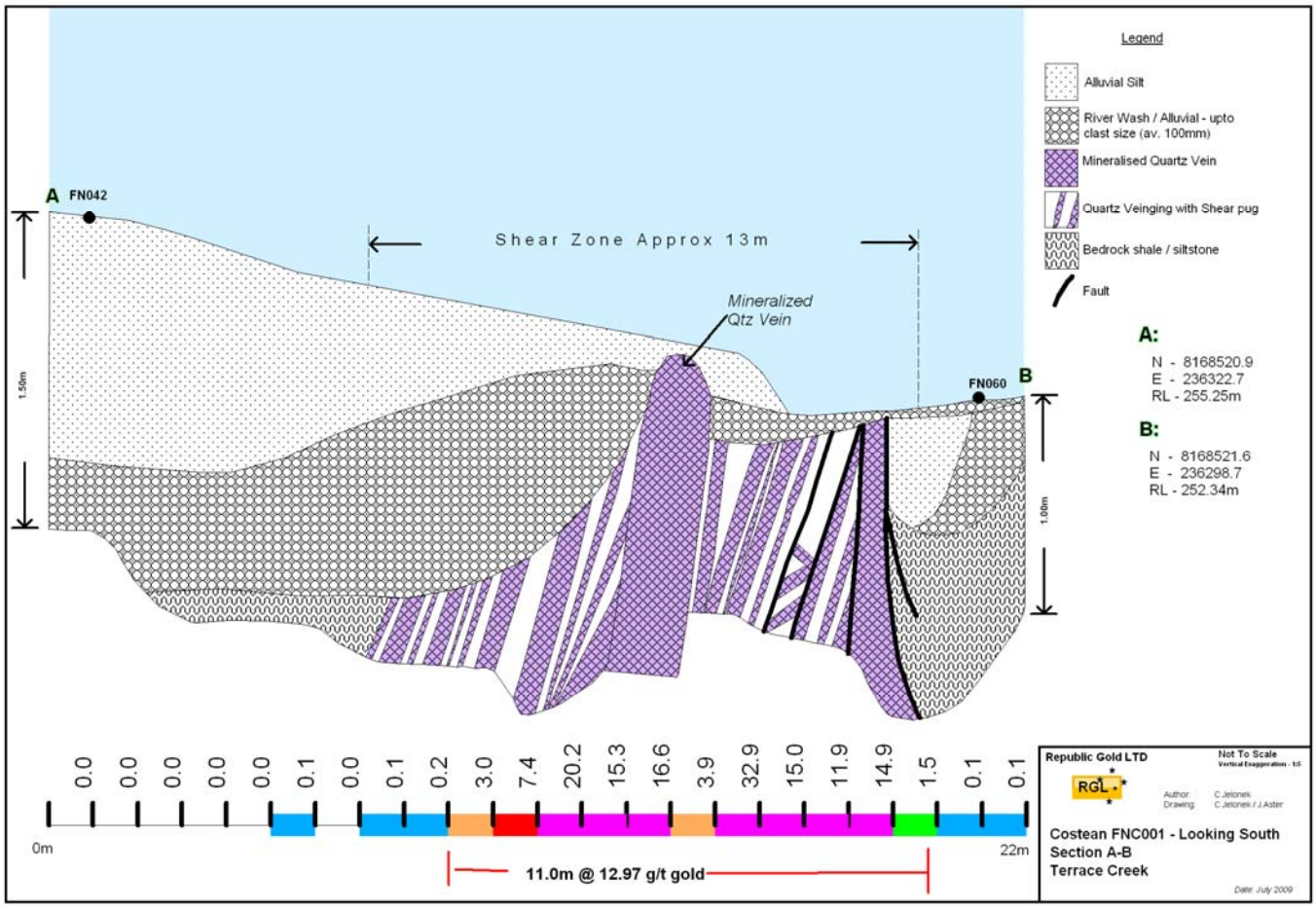
Costeans FNC001 and 003 were excavated across the strike of the mineralisation and costean FNC002 was excavated along strike, to confirm that the quartz unit obliquely transecting the general trend of shearing and mineralisation was causing the better than average grades. Costean FNC004 was excavated to determine the orientation and tenor of the mylonitic shear zone striking to the north. Analysis results for this costean are expected shortly.

The reverse circulation ("RC") programme has now been revised and increased in light of the costean information. The initial focus will be to define the full extent of this splay effect and then to investigate the possible location and frequency of these splays along the main trend of mineralisation. A broader programme of RC will follow on from the localised delineation to ensure that the entire Terrace Creek area is sufficiently drilled to allow for resource estimates to be reported. The grade distribution seen at Terrace Creek to-date is not only high, but is consistently high from sample to sample, which means that the values are amenable to robust and highly reliable resource estimates.

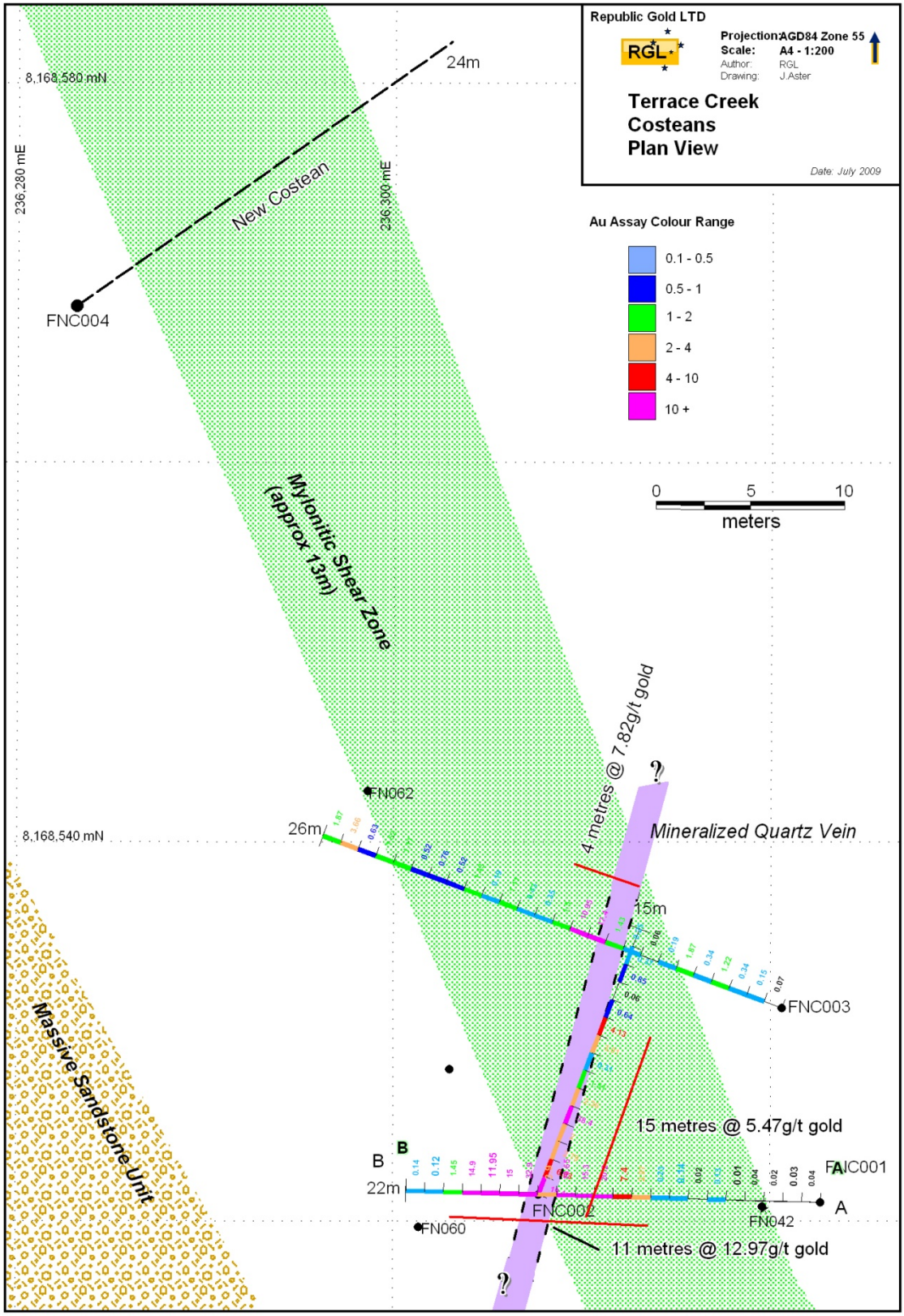
As part of the ongoing Bankable Feasibility Study, the Company has engaged a mechanical engineer to assess the gold and antimony treatment plant at Tregoora that is not owned by the Company. Although the engineer's full report has not been received yet, he has indicated that the plant is serviceable, although in need of a considerable refurbishment.

Republic's Managing Director; John Kelly, said:

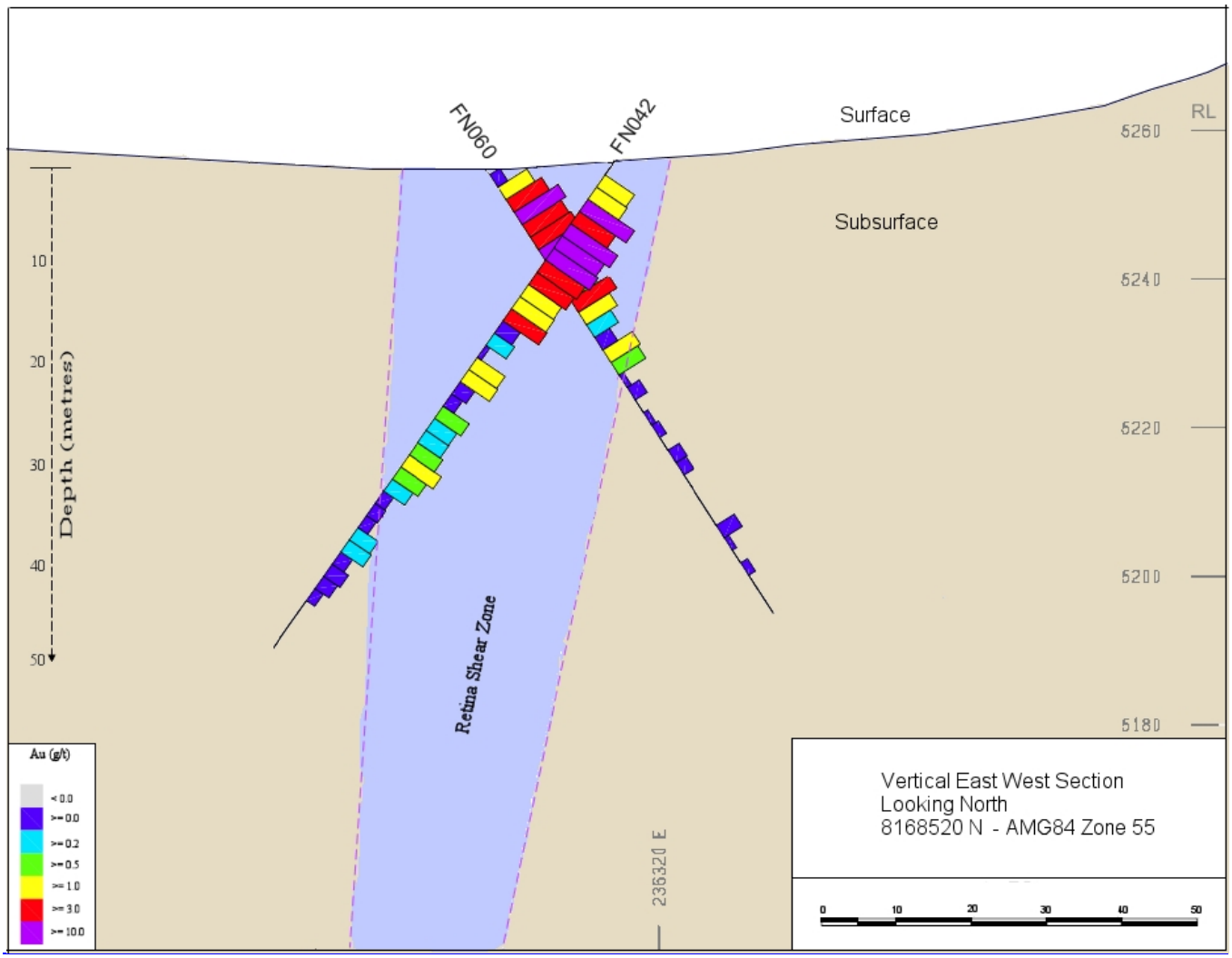
"There was a lot of excitement in the Company when the initial two high grade drillholes intersected this large quartz vein but we only had two dimensions. This costeaning work has added the third dimension and also an orientation to the vein. Obviously we're very keen to get the results of this programme. When you're intersecting good widths with individual grades from half to one ounce, you can quickly add ounces to your resource base. If the Company can secure the Tregoora treatment plant then the potential of a small high grade operation with low capital and operating costs is a distinct possibility before we embark on the much larger sulphide project



Terrace Creek Costean on Cross-Section 8,168,520 mN Showing a Broad Zone of Highly Mineralised Shearing and the Cross-Cutting Massive Quartz Vein. The Section is Exaggerated Vertically.



Terrace Creek Plan of Costeans Showing the Mapped Cross-Cutting Quartz Vein Splay and General Mineralisation Trend.



Terrace Creek Drilling Cross-Section 8,168,520 mN with Bonanza Drillholes FN042 & FN060

Yours faithfully

John Kelly
Managing Director
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JORC Compliance Statement

Information in this report that relates to Exploration Results and Mineral Resources for Republic Gold Limited is based on information compiled by Chris Roberts, a consultant to Republic Gold and a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. It is also based on information from Neb Zurkic and Trevor Jackson, respectively Republic Gold's Technical Director and Exploration Manager, both members of the Australasian Institute of Mining and Metallurgy. Trevor Jackson, Neb Zurkic and Chris Roberts 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". Trevor Jackson, Neb Zurkic and Chris Roberts consent to the inclusion in this report of these matters, based on the information in the form and context in which it appears.