



ASX ANNOUNCEMENT

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MAJOR INCREASE IN AMAYAPAMPA TREATMENT PLANT THROUGHPUT RATE TO 2.7MTPA FOR A POTENTIAL +100,000 OZPA OPERATION

Key Points

- **Fraser Osborn and Gekko Systems briefed to investigate upgrading the Amayapampa treatment plant size from 5,000 tonnes per day to 7,500 tonnes per day, or 2.7M tpa.**
- **Early mine life production potential is well in excess of 100,000 ounces per annum.**
- **The conservative nature of the new geological block model adds significant potential to the Project.**
- **Appointment of new Minister for Mining and Metallurgy in Bolivia; Senor Jose Pimentel.**

The Directors of Republic Gold Limited (“**Republic**” or “**Company**”) are pleased to provide shareholders with information on two new and important developments at the Company’s Amayapampa Project in Bolivia (“**Amayapampa**” or “**Project**”);

1. The potential major increase of the treatment plant throughput rate to 2.7M tonnes per annum, and
2. The appointment of a local politician from near-by Llallagua, Senor Jose Pimentel as the new Minister for Mining and Metallurgy.

Republic’s Managing Director; John Kelly, said: “The Company’s recent Amayapampa resource upgrade announcement to ASX is perhaps the most significant made by the Company to-date. Republic is now considering a treatment plant throughput rate of 2.7M tonnes per annum and a possible mine life of up to 10 years at this rate. This is a testament to the efforts of the Company’s staff, particularly the workforce at Amayapampa, when you compare the original expected throughput rate of 0.85M tonnes per annum over a possible 10 years when the Project was purchased 22 months ago,

“The Project has had a number of objectives to meet to advance to this stage but with the full support of all stakeholders, this Project will proceed as it will bring significant social and economic benefits to the people of Amayapampa and surrounding areas.”

“The appointment of a local in Senor Jose Pimentel as Minister for Mining and Metallurgy is very positive for the Project. I am looking forward to working with Minister Pimentel on the development of Amayapampa to bring significant social and economic benefits to the region of the North of Potosi, in which Amayapampa and Llallagua are located. I would like to thank the outgoing Vice Minister Senor Eugenio Mendoza for the significant contribution he made to the Project over the last 18 months.

Project Upgrade

When the Company purchased Amayapampa in April 2008 the prognosis for the Project was an annual production rate of 850,000 tonnes per annum, an average metallurgical recovery of 83.8% for the potential production of approximately 360,000 ounces over 10 years from a total resource of 720,000 ounces.

In late-2008 the Company increased the resource to in excess of 1M ounces and decided that a more applicable annual production rate was approximately 1.8M tonnes per annum based upon a Measured and Indicated resource of approximately 670,000 ounces.

With the recent, conservative mineral resource upgrade announced last week to 990,000 ounces in the Measured and Indicated categories, the Board has decided to instruct its engineering consultants to investigate increasing by 50% the treatment rate previously considered to 2.7M tonnes per annum. With the current round of metallurgical optimisation work aimed at increasing the metallurgical recovery in the primary mineralisation from the current 86.6% this could see the project producing at an average of approximately 90,000 ounces per annum over 10 years, with production rates to be sought in the critical early years of the mine well in excess of 100,000 ounces per annum.

Timeline

Republic has previously advised the market that the Company anticipated the BFS for Amayapampa would be completed by the end of March 2010. The revised timetable for the completion of the BFS is now June/July 2010. The positive justifications for the extension date are:

- On 15 February 2010 the Company announced a significant resource upgrade at Amayapampa from 1,084,000 ounces to 1,294,000 ounces – a 19% increase. More importantly, the Measured and Indicated component of the resource has leapt by 48% to 990,000 ounces, represented by approximately 27 million tonnes.
- Earlier technical efforts by the Company were focused on a mine producing 2,300 tonnes per day of ore. Following the resource upgrade at the Project last year, the Board decided to increase this to 5,000 tonnes per day. The most recent resource increase has seen the Board decide that a more appropriate mining and treatment rate is now 7,500 tonnes per day, or approximately 2.7 million tonnes per annum.
- This decision to increase plant throughput means that the recently completed scoping study by Gekko Systems needs to be amended and that the scope of work decided upon between the Company and Fraser Osborn needs to be reworked. Due to the anticipated increased tonnage throughput, the engineering work required of Fraser Osborn, the engineering consultants, will increase adding some delay to the BFS timeline.
- The completed Gekko Systems metallurgical test work has resulted in an improvement to the gold recovery for the Project. The success of this initial testwork has resulted in the need for further test work, which is now underway, to identify the optimum process conditions and generate data to be used for finalising the plant design for the full engineering study. The results of this optimisation test work will not cause further delay. The Company believes that the change in process technology and the use of Bolivian fabricators (see below) will result in a more robust process flowsheet, lower capital costs, a reduction in ongoing operating expenditure and increased gold recovery. These enhancements will positively contribute to the Company's objective of being in the lowest cost quartile of the gold producers. The cost base in Bolivia is significantly lower than in Australia, as is instanced by the fact that the current 280-strong workforce costs approximately US\$1.2M per annum. The low manpower costs flow through to many other cost items associated with the Project.

- Research into the domestic Bolivian industrial fabrication market has shown that local firms will be able to complete much of the fabrication work at the mine at significantly lower cost than was originally budgeted. The opportunity to save significantly on fabrication costs does, however, mean that Fraser Osborn is required to produce a substantial number of additional drawings to provide to the Bolivian fabricators, meaning that this part of the BFS requires additional time. While this change of plans has caused part of the delay in the process, the cost savings are expected to be substantial.

The Board is convinced that these changes, whilst causing some delays, will have a significant positive impact on the Amayapampa Project economics.

The patience of the Board in accepting the recent delay of the new surface topography for Amayapampa demonstrated that through persistence and thoroughness the Company has achieved a much better result for shareholders.

Patience has enabled the Company to record a significant resource upgrade, including upgrading a significant portion of the new mineral resource from the Inferred category into the Indicated category. Amayapampa is economically robust and the Company is very confident that the capital markets will support the Project.

New Bolivian Minister for Mining and Metallurgy

The Morales Government recently appointed Senor Jose Pimentel as Minister for Mining and Metallurgy. Minister Pimentel was a Congressman in the previous Morales Government representing the city of Llallagua and surrounds, a very short distance from the Project. The Company is looking forward to working with Minister Pimentel on the development of Amayapampa and in bringing significant economic and social benefits to the region of the North of Potosi, in which Amayapampa and Llallagua are located.

Vice Minister Eugenio Mendoza is no longer in this role. The Vice Minister has played a significant role in advancing the Amayapampa Project and for this the Board of Directors and Bolivian staff would like to extend their sincere appreciation.

Yours faithfully



John Kelly
Managing Director
Republic Gold Limited

**For more information, please contact John Kelly on +61 418 577 759
Or Fergus Ross of Six Degrees Media on +61 420 980 448**

Republic Gold Limited

ACN 106 399 311

PO Box 2317 Mareeba Qld 4880 Australia

Phone + 61 7 4092 2594 Fax + 61 7 4092 3797 Mobile 0418 577 759

Registered Office: 144 Cobra Road Mareeba QLD 4880 Australia

E-mail: info@republicgold.com.au

www.republicgold.com.au

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
BOLIVIA						
Amayapampa Resource	Ordinary Kriging	10 to 50	0.4	0.4	2.4	2.75

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.