REPUBLIC GOLD LIMITED

ABN 86 106 399 311

2010 ANNUAL REPORT

CORPORATE DIRECTORY

DIRECTORS

Peter Alan Wicks
Non-Executive Chairman

John Peter Kelly
Managing Director

Nebojsa Zurkic
Technical Director

Gregory Joseph Barns
Non-Executive Director

COMPANY SECRETARY

Roslynn Judith Shand

REGISTERED OFFICE

144 Cobra Road
Mareeba QLD 4880
Telephone: (07) 4092 2594
Facsimile: (07) 4092 3797

SOLICITORS

DLA Phillips Fox
William Street
Melbourne Vic 3000

AUDITOR

Lawler Draper Dillon
Level 12, 440 Collins Street
Melbourne VIC 3000

SHARE REGISTRY

Advanced Share Registry Services Limited
150 Stirling Highway
Nedlands WA 6009

CORPORATE ADVISOR

Carling Capital Partners Pty Limited
Level 7, 3 Spring Street
Sydney NSW 2000

ASX CODES

RAU - Ordinary Shares

RAUOA – Options expiring
5 June 2011

PRINCIPAL PLACE OF BUSINESS

144 Cobra Road
Mareeba Qld 4880
Telephone: (07) 4092 2594
Facsimile: (07) 4092 3797

CONTENTS

Chairman's Report

Dear Fellow Shareholder

Thank you for your continued support of Republic Gold over what has been a challenging past 12 months.

The Company is focussed on advancing its Amayapampa Gold Project in Bolivia and progressing towards becoming a gold producer.

A considerable amount of work was undertaken during the past year to significantly progress the Bankable Feasibility Study (BFS), with its completion announced to the market on 5 August 2010.

The Social Licence was also secured on 19 July 2010, a key step for the Company to enable the development of Amayapampa and obtain development finance.

The total Mineral Resources at the Amayapampa Gold Project ('Amayapampa' or 'Project') in Bolivia were also increased to 1,294,000 ounces. The focus of the Company is solely on getting the Project into production as soon as is feasible.

Confidentiality and Non-Disclosure agreements have been signed with debt financing institutions and project funding discussions pursued. With the US$ gold price continuing to rise and the likelihood of the gold price remaining strong into the foreseeable future, we are keen to ensure that our shareholders benefit from a strong gold price.

During the financial year, the Company continued to undertake successful capital raisings with some $6.1M raised through placements to institutional and sophisticated investors, with the assistance of Patersons Securities Limited.

The money raised was spent on completing the BFS and developing Amayapampa, where our management team from Australia and Bolivia have worked harmoniously and consistently with the local community and the Bolivian government to ensure strong support for the project.

During the year, work continued on the Company's Australian projects in Far North Queensland and New South Wales. As a result of the advancements and developments at Amayapampa, the Company is now reviewing its options to farm-out or divest its Australia properties with the overall objective being to focus all resources and management on Amayapampa.

Your Company has continued to push ahead with its business plan for its Bolivian assets and is confident in its ability to raise capital as and when required. The successful share placements are evidence of the Company's proactive approach to capital management even amidst difficult capital market conditions.

Lastly, I take this opportunity to thank my fellow Directors, our excellent Management team and professional consultants and contractors who have worked tirelessly to progress the Company over the past 12 months.

Regards

Peter Wicks
Chairman
Republic Gold Limited

Review of Operations and Development

During the financial year, the Company focused on the Amayapampa Gold Project in Bolivia, with significant progress made towards completing the Bankable Feasibility Study (BFS) for the Amayapampa Gold Project (Amayapampa) and in particular the obtaining of the Social Licence.

On 19 July 2010, the Company announced that it had secured the Social Licence which is critical to any mining operations in Bolivia. On 5 August 2010, the Company announced the completion of the BFS, which in conjunction with the Social Licence enable the Company to advance negotiations to source the necessary development finance for Amayapampa.

In Far North Queensland, the Company concentrated on resource and exploration drilling at the Company's 75% owned Northcote Gold Project and its 100% owned Tregoora Gold Project. A number of high grade intersections have now shown that the Terrace Creek Prospect at Tregoora has significant potential for high grade shoots of shear hosted, mesothermal gold mineralisation. Four Mining leases integral to our exploration at Tregoora were purchased and drilling was commenced to evaluate their potential.

The Company also completed a successful strategic data review on the Burraga Copper Project in New South Wales, with a new geological block model constructed giving a target potential of up to 125Mt @ 1.2% copper.

With the focus on Amayapampa, the Company announced in July 2010 that the Board will consider options to farm-out or divest its Australian properties (FNQ and Burraga) to enable the Company to free-up resources and contribute cash towards the future exploration and development of its more advanced flagship project at Amayapampa.

BOLIVIA

AMAYAPAMPA GOLD PROJECT

In April 2008, the Company concluded a transaction with Vista Gold Corp ("**Vista Gold**") of North America to purchase the Amayapampa Gold Project ('Project") in Bolivia. The transaction was structured so that the Company pays no money upfront to Vista Gold and will eventually pay Vista Gold US$3,000,000, plus a royalty after the Project reaches commercial production.

Significant progress was made on the BFS during the year, with major studies being finalised.

Key highlights during the year include:

- completion of the upgrade to road infrastructure in the Amayapampa region;
- infill grade control trenching commenced and high-grade results from initial four trenches including 55m @ 1.36 g/t Au, 45m @ 2.11 g/t Au, 50m @ 1.08 g/t Au, 45m @ 1.19 g/t Au and 10m @ 2.4 g/t Au;
- surface trenching suggesting Amayapampa strike length extended by up to 600m to north of designed open pit;
- two major engineering contracting firms involved in completing the metallurgical component of the BFS, Worley Parsons (tailings dam and water supply) and Fraser Osborn (treatment plant design and costing). The Company believes that sufficient expertise exists in Bolivia for the fabrication of considerable amounts of the treatment plant to be done in the country and for the plant to be constructed by Bolivian engineering firms

Amayapampa Location Map

During the year, the Company upgraded the Mineral Resource at Amayapampa to 1,294,000 ounces of gold, with a significant increase in the Measured and Indicated Mineral Resource at 990,000 ounces. Republic believes that the Mineral Resource still has significant potential for expansion and is targeting a +10 year mine life at Amayapampa. With the completion of the BFS, the Project's exploration team will continue their exploration efforts within the existing concessions

Significant milestones have subsequently been reached with the securing of the Social Licence on 19 July 2010 and the successful completion of the BFS on 5 August 2010.

Social Licence

On 19 July 2010, the Company announced that it had signed the Amayapampa Social Licence with Authorities from the communities around the Project. The Social Licence incorporated several crucial elements for the Company and the Project including:

- it 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;
- communities have acknowledged the social benefits contributed by the Company and 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 incorporated the following critical 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, will adequately train the workforce, including women in the communities, will assist the communities in the formulation of Community Development Plans and 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 and 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.

Bankable Feasibility Study

The Company announced the completion of the BFS on 5 August 2010. Key highlights include:

- an estimated ore reserve of 19,900,000 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 7.3 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; and
  - All critical permits and licensing secured including Amayapampa Social Licence.

Work will continue on the optimisation of various BFS elements prior to project go-ahead

Environmental Licence

The Company commenced operating at the Project under its Environmental Licence that was granted in 2007 and the formal commencement of pre-construction works under the licence represented an important step forward in the progression of the Project.

Debt Financing

Confidentiality and Non-Disclosure Agreements have now been signed with several global financial institutions and work continues on finalising a comprehensive financial plan to fully fund the costs of bringing the Project into production. Funding discussions are progressing with a number of financial institutions, equipment vendors and export credit agencies. Recent discussions in Bolivia have raised the opportunity of a possible bond issue to finance part of the Project from Bolivian financial institutions.

AUSTRALIA

HODGKINSON BASIN – FAR NORTH QUEENSLAND

Introduction

The Company's equity share of the FNQ projects totals 536,000 ozs of gold and 8,000 tonnes of antimony. Republic continued to hold an extensive land portfolio in the Hodgkinson Basin of granted EPMs and applications, either held outright or in joint venture. Exploration efforts were concentrated on the Tregoora Gold Project, with drilling undertaken at the Terrace Creek and Sleeping Giant Prospects.

Tregoora Gold Project

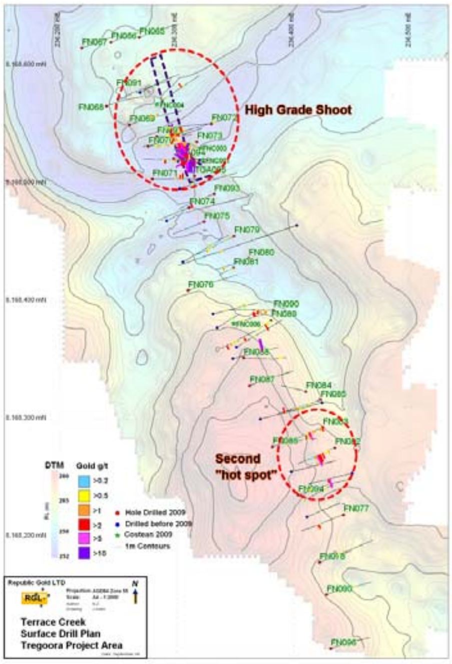
EPM 13937 contains the 100%-owned Tregoora Gold Project which the Company believes provides a development opportunity, along with the Northcote Gold Project. The Tregoora Gold Project contains the Sleeping Giant Prospect and lies on the Retina Fault, a major regional fault some 50 kilometres long, plus a number of other prospects further north along the Retina Fault, as well as to the east. Soil geochemistry sampling has indicated two new high grade hotspots at Tregoora (the East Ridge and West Ridge Prospects) approximately two kilometres to the north of the high grade Terrace Creek Prospect.

Rock chip sampling has yielded significant strong assays of 9.3, 7.9 and 3.7 g/t AU from three of five samples taken on the East Ridge Prospect Metallurgical test work and sulphide petrology of the Terrace Creek hotspot also showed good conventional gold recoveries extending below the base of oxidation.

A total of 4,210 metres of RC drilling and 526m of diamond core drilling was completed, with the primary focus being to investigate the potential to extend high grade shoots. Results included drillhole FN 098, which extended the main Terrace Creek shoot with a high grade intersection of 4 metres @ 6.62 g/t Au. This shoot is now 70 metres long down plunge. Drillhole FN101 extended a newly discovered shoot with an intersection of 10 metres @ 2.51 g/t Au from surface. Drillholes TGA101, 105 and 106 indicated a 130 metres long, high-grade shoot in the Sleeping Giant area with 12 metres @ 3.36 g/t Au, 8 metres @ 2.79 g/t Au and 4 metres @ 7.19 g/t Au.

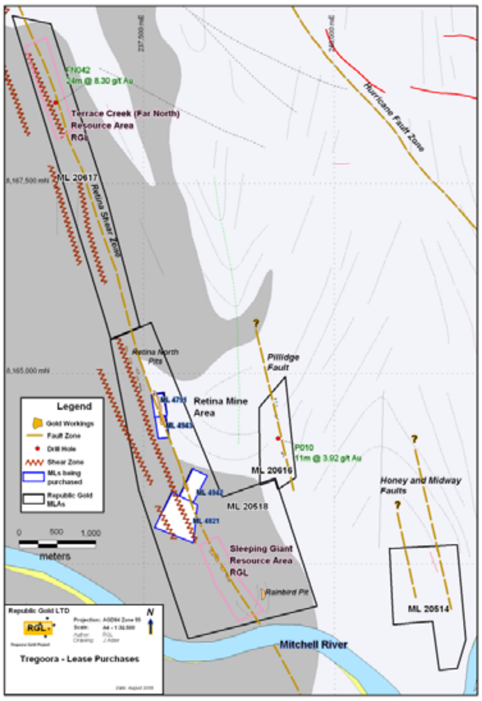
Tregoora Mining Leases

During the year, the Company completed the acquisition of 4 mining leases that lie in the central Retina area at Tregoora. The mining leases are strategically located between the Company's Sleeping Giant Prospect and the Terrace Creek Prospect. They cover the shallow open cut mining carried out 1999-2000 and historic mining area surrounding the Retina, Big "A" Antimony-gold underground mine that produced at the turn of the 19^{th} century.



Plan Showing High Grade Shoots at the Terrace Creek Prospect

Three of the mining leases cover 800 metres of the Retina Shear Zone. The Retina Shear Zone is the primary geological structure associated with gold and antimony mineralisation at Tregoora and strikes for approximately 50 kilometres, much of which is in the Company's exploration leases.



Mining Lease Locations at Tregoora

Northcote and Tregoora Feasibility Study

Both the Northcote and Tregoora Gold Projects were the subject of an ongoing Bankable Feasibility Study ("Study"), with a number of areas of this Study completed. The Company was working towards a total resource of 650,000 ounces. The Company's equity share of resources in the Hodgkinson Basin stands at 536,000 ounces, plus approximately 47,000 equivalent ounces for the antimony resource; with the majority of this in the high quality measured and indicated resource categories.

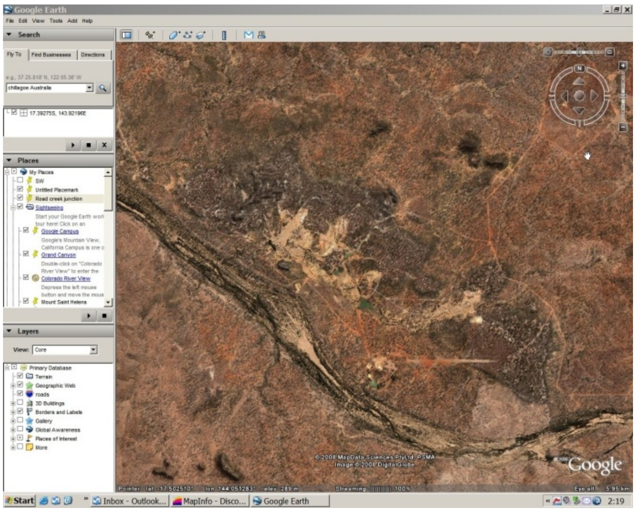
The Study saw further metallurgical test work undertaken and a focus on the newly emerging high grade zones at the Terrace Creek Prospect.

Northcote Gold Project and Whumbal West Tungsten Project

The Company did not undertake any fieldwork at these prospects during the year.

Kangaroo Creek Tin Joint Venture

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. The options regarding this project are currently under consideration.



Google Earth Image of the Kangaroo Creek Tin Workings

NEW SOUTH WALES

Burraga and Lucky Draw

The Company's Burraga project consists of two tenements, located in the Lachlan Fold Belt in New South Wales; including the historic high grade Lloyds copper mine.

Work during the year advanced the project with a number of new initiatives. A block model utilising all available data was constructed. A number of conceptual targets were identified following geological modelling of drilling, existing sub-surface drilling, extensive geochemistry and sampling. The Company acquired 100% of the project on 9 July 2010 and on 9 August 2010 announced that it had entered into an arrangement to sell the tenements to Burraga Copper Pty Limited. The transaction is consistent with the Company's strategy of focusing its efforts and resources on its flagship Amayapampa project in Bolivia.

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

SOUTH AUSTRALIA

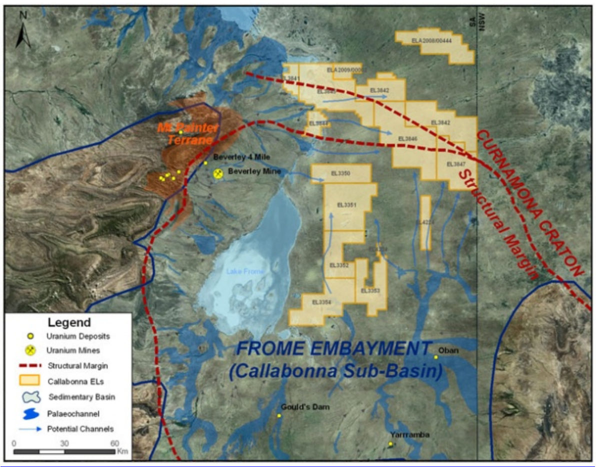
Callabonna Uranium

In July 2009, the Company's converted its interest in Callabonna Uranium Pty Limited (Callabonna) into shares in the listed and newly named company Callabonna Uranium Limited ("CUU"), formerly MKY Resources Limited.

The Company converted its 7.23% interest in Callabonna into 38,825,328 shares in CUU following the approval by CUU shareholders. The Company's shares in CUU were escrowed for a 12 month period from the time of the general meeting. This period has now expired and the shares are no longer subject to escrow.

Callabonna's 3,533 square kilometres of uranium areas in South Australia in the Frome Embayment are highly prospective and lie in the vicinity of four existing uranium projects – the producing Beverley Mine and the Oban, Honeymoon and 4 Mile Projects. The Callabonna Project has "drill-ready" sandstone channel uranium targets defined by airborne electro-magnetics.

The Company will share equally in a production royalty on the Callabonna tenements with the two other founding partners in the venture.



Callabonna Uranium Tenements in South Australia

Community, Human Relations & Safety

Republic Gold remains strongly committed to its responsibility to the community in which it operates and to the principles of sustainability.

The Company continues to employ a number of people from the local indigenous community, training them in field and office exploration skills.

Republic Gold was again a major sponsor of the Mareeba to Chillagoe Great Wheelbarrow Race and is also a member of the Mareeba Shire Chamber of Commerce. Other sponsorships were given to local schools in the Mareeba area.

The Company's social efforts throughout the financial year were a large part of the focus of the Company's activities at Amayapampa, particularly on the socialisation process.

The Company employs twelve schoolteachers for the Amayapampa region and two community nurses, whose main roles are to provide health services to the surrounding villages and first aid training for the Company's workforce. Prior to the establishment of the mine training programme, the Company's nurse was the only medical practitioner in the village and surrounding communities, as the National Health Service medical staff had been withdrawn from the area.

The company continues to support the health programs of Bolivian communities surrounding Amayapampa. The standard of health care is generally poor. Education standards are well below those of other countries in South America and the Company has expended considerable effort in upgrading the facilities at the Octavio Murillo Junior and Senior School at Amayapampa, the Janta Palca School and the Amayapampa Health Clinic. This has included the construction of a toilet block at the High School where previously no functional toilet block existed and the supply of running water for the Junior School and the Clinic. Ongoing work is required at the local schools to effect repairs and improve conditions.

The Company has been working with the local doctor to commence a programme designed to test the community of Amayapampa for mercury levels. Mercury is commonly used in artisanal gold mining throughout the world and has been extensively used in Amayapampa and the surrounding communities. The Company has been engaging with two well known Non-Government Organisations, to find a partner to assist it in its educational and health programme in the communities.

The Company is continuing with its significant efforts on a major training programme for its Amayapampa workforce. This programme is aimed at giving the workforce the necessary skills to work on the construction of the mine and its operation, including the use of heavy equipment. The Company continued to train staff on workplace safety and safe working practices and encourage active participation in this safety culture.

Business Development

A Letter of Intent (LOI) was signed on the El Mutun Project with the Government of the Department of Santa Cruz in Bolivia to work towards exploration at the El Mutun Iron Ore Project in Eastern Bolivia.

The LOI presents a significant opportunity for Republic and the matter is ongoing.

Mineral Resources Statement
Mineral Resources at 31 October 2009 – Resources – *Equity Share*

	MEASURED		INDICATED		INFERRED		TOTAL		
	TONNES ('000)	GRADE Au g/t	TONNES ('000)	GRADE Au g/t	TONNES ('000)	GRADE Au g/t	TONNES ('000)	GRADE Au g/t	GOLD Ounces ('000)
TOTAL NORTHCOTE [1]	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 [1]	---	---	890	1.9	46	1.7	936	1.9	57
REEDY-HURRICANE	---	---	---	---	797	1.3	797	1.3	33
TOTAL HODGKINSON BASIN	**1,136**	**2.2**	**4,913**	**1.7**	**3,911**	**1.5**	**9,960**	**1.7**	**536**
TOTAL LUCKY DRAW NSW [2]	---	---	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
TOTAL MINERAL RESOURCES	**5,496**	**1.7**	**27,889**	**1.1**	**12,631**	**1.3**	**46,016**	**1.2**	**1,887**

Antimony Resources - Equity Share

	MEASURED		INDICATED		INFERRED		TOTAL		
	TONNES	GRADE	TONNES	GRADE	TONNES	GRADE	TONNES	GRADE	TONNES Sb
NORTHCOTE ANTIMONY	**1,295**	**0.3%**	**1,056**	**0.2%**	**635**	**0.3%**	**2,985**	**0.3%**	**8,000***

** This tonnage equates to approximately 47,300 ounces of gold at a gold price of US$990/ounce and an antimony price of US$5,850/tonne before any metallurgical treatment parameters are taken into account.*

Notes:

[1] *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.*

[2] *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.

Resource Estimation Parameters

Location	Grade Interpolation Method	Section Spacing metres	COG g/t Au Oxide & Transition	COG g/t Au Sulphide	Oxide Density	Transition Density	Sulphide Density
HODGKINSON BASIN							
Northcote [1]	Block Model Ordinary Kriging	25	0.5	1.0	2.30	2.65	2.70
Tregoora [1]	Block Model Ordinary Kriging	25 to 50	0.5	1.0	2.30	2.45	2.60
Atric	Block Model ID2	25	N/A	0.5	2.50	-	2.50
LUCKY DRAW							
Lucky Draw West	Contoured WAA	--	N/A	0.5	2.50	-	2.50
Hackney's Creek Upper	Sectional WAA	25	N/A	0.5	2.50	-	2.50
Hackney's Creek Lower	Sectional WAA	25	N/A	1.0	2.50	-	2.50
BOLIVIA							
Amayapampa [3]	Block Model Ordinary Kriging	10 to 50	0.4	0.4	2.40	2.75	2.75

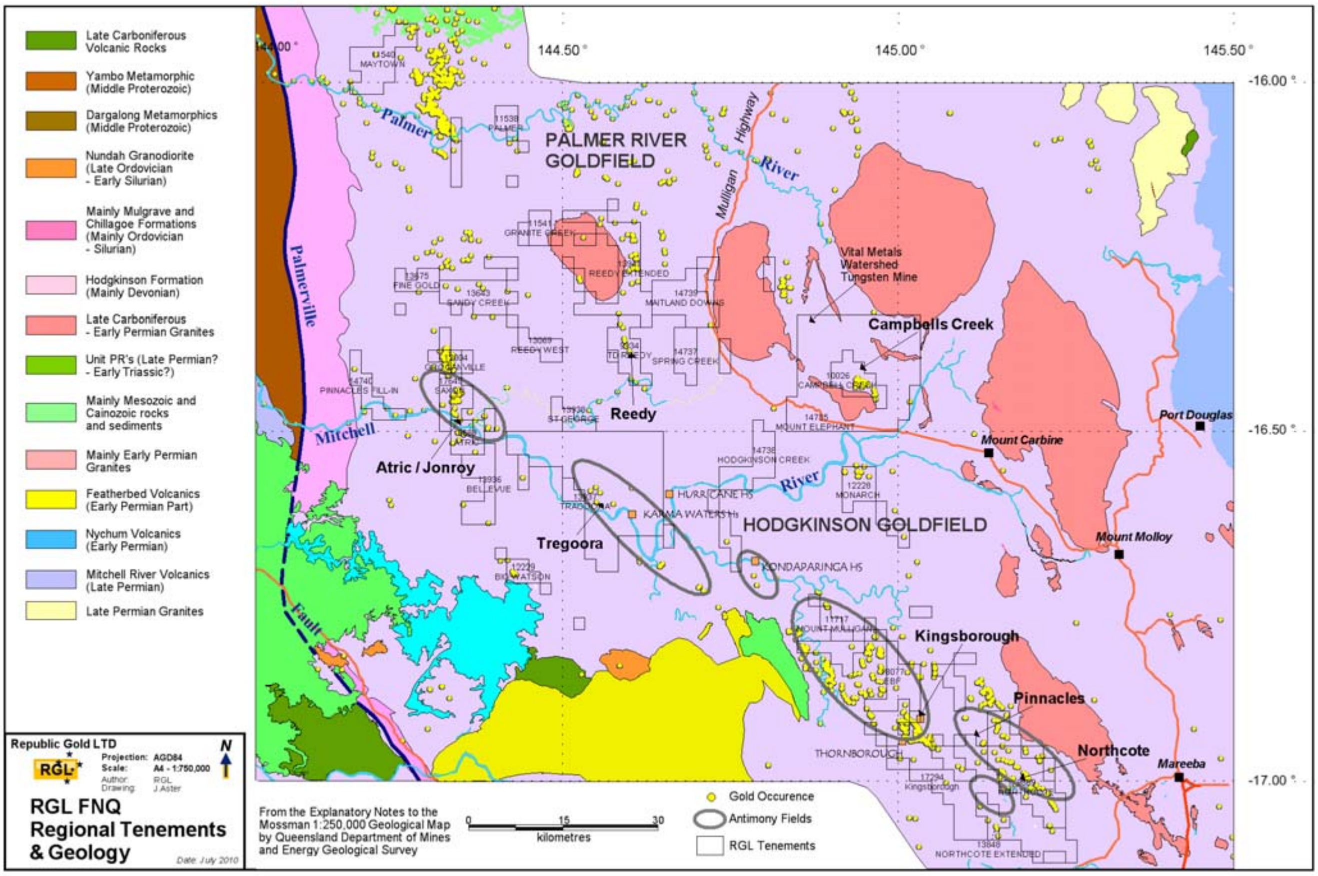
1 At Northcote, top cuts of 20 Au g/t for East Leadingham and 15 Au g/t for Emily and Emily South were applied to composite grades for grade estimation. No top cut was used at the other Northcote domains. At Tregoora, a top cut of 6.0 Au g/t was used for the Honey, Midway, Rainbird and Pillidge domains. No top cut was used at the other Tregoora domains. A top cut of 15.5 Au g/t was applied to the Amayapampa model.

2 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.

3 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.

Notes Accompanying the Mineral Resources Statement

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.



Far North Queensland Tenements

Schedule of Tenements as at 27 September, 2010

Tenement Holder	Tenement No.	Project Name	Area Sq Kms or Ha	Republic Gold Interest	Status
QUEENSLAND					
N.F Stuart	EPM 8689*	Atric	22	90%	Granted
Republic Gold Limited	EPM 9869	Northcote	80	75%	Granted
	EPM 9934	Reedy Extended	42	90%	Granted
	EPM 10026	Campbell Creek	42	90%	Granted
	EPM 12227	Pinnacles	29	100%	Granted
	EPM 12229	Big Watson	45	100%	Granted
	EPM 13848	Northcote Extended	48	75%	Granted
	EPM 13936	Bellevue	61	100%	Granted
	EPM 13937	Ringer	298	100%	Granted
	EPM 13938	St George	26	100%	Granted
	EPM 13941	Reedy West	122	100%	Granted
	EPM 14735	Mount Elephant	304	100%	Granted
	EPM 14737	Spring Creek	38	100%	Granted
	EPM 14738	Hodgkinson River	80	100%	Granted
	EPM 14739	Maitland Downs	80	100%	Granted
	EPM 14740	Pinnacles Fill-In	64	100%	Granted
	EPM 17294	Kingsborough	195	100%	Application
	EPM 17649	Saxon	13	100%	Application
	EPM 18077	EBF	83	100%	Application
	MLA 20525	Northcote	931 Ha	100%	Application
	MLA 20526	Navan Hill	121Ha	100%	Application
	MLA 20518	Tregoora	457 Ha	100%	Application
	MLA 20514	Midway Honey	112 Ha	100%	Application
	MLA 20616	Pillidge	51 Ha	100%	Application
	MLA 20617	Terrace Creek	197 Ha	100%	Application
	MLA 20614	Tunnel Hill	97 Ha	100%	Application
	MDL 254	Hurricane	250 Ha	100%	Granted
BHP Billiton Minerals Pty Limited	EPM 11538*	Palmer	26	90%	Granted
	EPM 11540*	Maytown	61	90%	Granted
	EPM 11541*	Granite Creek	19	90%	Granted
	EPM 11717*	Mt Mulligan	48	90%	Granted
	EPM 12004*	Groganville	6	90%	Granted
	EPM 12228*	Monarch	80	90%	Granted
GE Kelly	EPM 13643*	Sandy Creek	58	100% of hard rock gold	Granted
GW Kelly	EPM 13675*	Fine Gold Creek	58	100% of hard rock gold	Granted
Total Exploration Area Queensland	**2,465 square kilometres plus MLA & MDLA areas**				
NEW SOUTH WALES					
Republic Gold Ltd	EL 6463**	Lucky Draw	45	100%#	Granted
	EL 6874**	Fernleigh	27	100%#	Granted
Total Exploration Area NSW	**72 square kilometres plus MLA area**				

* The Company is earning an interest through a joint venture agreement with the licence holder.
** The Company obtained a 100% interest in the tenements, but has subsequently on-sold 100% its interest to Burraga Copper Pty Ltd.
\# Further expenditure has been incurred by the Company and its % interest is expected to increase.

Directors Report

Your directors present their report on the Company and its controlled entities ("Group") for the financial year ended 30 June 2010.

Directors

The names and details of directors in office at any time during or since the end of the financial year are:

Non-Executive Chairman – Peter Wicks FCA
(Appointed 2 November 2005)

Peter is a Chartered Accountant and a Fellow of the Australian Institute of Chartered Accountants. Peter has had extensive experience in the natural resources sector and more recently as a property developer. Peter was a long-term finance director for a large company operating in the oil and gas sector. He was also a director of a number of oil and gas companies listed on the Toronto Stock exchange. Peter has been both an executive and non-executive director of a number of mineral companies, including Perseverance Corporation Pty Ltd where he was a non-executive director from 1994 to 1998 and Drillsearch Energy Limited where he was a non-executive director from 2007 to 2009.

Managing Director - John Kelly BE (Mining) MAusIMM MAICD (Appointed 22 September 2003)

John is a mining engineer and was part of the executive team for Perseverance from 1991 to 2001. Prior to joining Perseverance, John worked as a Mine Superintendent at two open cut operations in Western Australia for three years and for seven years in the underground operations of Zinc Corporation Limited in Broken Hill. John has Mine Manager Certificates for NSW, WA and Victoria. In his time with Perseverance, John filled the roles of Mine Superintendent, Mine Manager, Executive Director and then Managing Director. In this time, Perseverance demonstrated itself as one of the pre-eminent exponents in Australia of heap leach gold production from smaller low grade gold deposits. John headed the team that took the Fosterville Gold Project from the hands of the receiver in 1992 and then produced approximately 230,000 ounces of gold. John's extensive experience with Fosterville oxide and sulphide mineralisation is directly relevant to the Company's Hodgkinson Basin projects. John has been President of the Victorian Minerals and Energy Council, an Executive Councillor of the Minerals Council of Australia and a founding director of the Australian Gold Council. John is a director of Far East Energy Corporation Pty Limited.

Technical Director – Nebojsa Zurkic BAppSc (App Geol) MSc (Min & Energy Economics) (Mining) MAusIMM MAIG (RP Geo) MAICD
(Appointed 6 November 2007)

Neb Zurkic graduated as a geologist from RMIT in 1989 and in 1995 was awarded a Masters in Mineral and Energy Economics. His primary areas of expertise are deposit modelling, resource estimation and ore control. He has been involved in resource estimation, due diligence reviews and ore control for a range of commodities and geological settings on the continents of Australia, Asia, South America and Africa. Commodities involved have included gold, silver and copper. Neb has extensive experience with MineSight mining software and is a Competent Person under the JORC Code for several types of copper/gold/silver deposits. He is also familiar with SEC and NI 43-101 reporting standards. Neb is fluent in written and spoken Serbian, and has basic conversational Spanish and Bahasa Indonesia.

Neb started his career as a mine geologist in 1990 at one of Australia's lowest grade gold mines at Nagambie in Victoria. In 1993 he moved to Fosterville to take on more senior mine geology roles including taking the lead in the first feasibility study to mine the significantly larger sulphide resource. While at Fosterville, Neb was also involved in due diligence reviews of acquisition targets both in Australia and abroad.

In 1999 Neb joined Newmont and was part of the team responsible for commissioning the Batu Hijau project in Indonesia. Following the successful commissioning, he was an integral part of the drive to increase mill throughput. Later, Neb initiated and led the project team that identified and quantified sampling biases that culminated in the addition of 4 million equivalent reserve ounces in the 2002 reporting year.

Once the training of Indonesian national geologists was completed, Neb moved to Newmont's Yanacocha mine in Peru in 2004. The mining group was re-structured and expanded to manage the transition from heap leachable oxide ores to deeper sulphide resources; mine production peaked and Yanacocha was the highest producing single site mine in the world in 2004. Neb's prime responsibilities were again resource estimation, near mine deposit optimisation and ore control activities, along with actively being involved in internal audits of reserves at other sites on an ongoing basis. Neb spent six months with AMC from July 2006, and has since run his own consultancy.

Non-Executive Director - Greg Barns BA LLB (Appointed 22 September 2003)

Greg is a barrister in practise in Tasmania and Victoria. Greg has been a high profile participant in the Australian gold sector, particularly over the 3-year period between 2000 and 2002 in his role as CEO of the Robert Champion de Crespigny-inspired Australian Gold Council ("AGC"). Prior to joining the AGC, Greg had no experience in the resources sector but a wealth of experience in both state and federal government. Greg is qualified as a lawyer and has worked as Chief-of-Staff for the former Tasmanian Premier Ray Groom and the Chief-of-Staff for the former Federal Finance Minister John Fahey. In his three years with the AGC, Greg was able to provide the directors of the AGC with advice on political and community issues affecting the Australian gold mining sector. Greg also formed lasting relationships with the Australian financial press and most importantly for the Company with the financial sector, both in Australia and overseas. Greg is a Non-Executive Director of Monaro Mining NL, Richmond Mining Limited and Resco Services Pty Limited. Greg has been the Non-Executive Chairman of Strata Mining Corporation Limited, is a former director of Excalibur Mining Corporation Limited and is a past Chairman of the Australian Republican Movement.

Non-Executive Director – Dato Beng Kai (BK) Choo (Appointed 28 May 2008 - Resigned 20 August 2010)

BK is the Group Managing Director of Masmeyer Holdings Sdn Bhd which has 11 subsidiaries. He joined the family-owned property development company in 1996 and after that started up his own company, Masmeyer Holdings Sdn Bhd in 2002. BK has 12 years of business experience majoring in developing and implementing innovative business concepts to achieve greater aims and has successfully established 11 subsidiaries specialising in property development, real estate investment, building construction, timber "lodging" & outdoor advertising.

BK is also actively involved in NGOs such as Penang Choo's Association as Deputy Chairman and World Choo's Association on the Central Committee.

In 2007 BK was conferred as AMK - "Order of the Crown of Kedah - Member" and DSAP - "Most Honourable Order of Sultan Ahmad Shah - Knight Commander" which carries the title "Dato". BK was also appointed as a JP - Justice of Peace by the State Government of Kedah, Malaysia in 2008.

BK is fluent in English, Bahasa Malaysia, Mandarin and three other local dialects and can write in English, Bahasa Malaysia & Mandarin.

Directors' Meetings

During the financial year the Company held 18 meetings of directors. The attendance of the directors at meetings of the Board was:

Number of Meetings Attended By	Board Meetings
P A Wicks	**18**
J P Kelly	**18**
G J Barns	**18**
N Zurkic	**18**
B K Choo (resigned 20 August 2010)	**15**

Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

Roslynn Shand was appointed Company Secretary on 2 November 2005. Roslynn has a combined degree in Arts/Law from the University of Queensland and is a fellow of the Chartered Secretaries Australia. Roslynn has been a company secretary for over 15 years for entities in the financial, agricultural and mining sectors. Roslynn is also company secretary of Discovery Metals Limited and Meridian Minerals Limited and as such is well versed in the requirements of a growing junior resource company.

Operating Results

The loss of the Group for the financial year amounted to $16,404,177 and the Company $14,686,551 (Group loss in 2009 - $1,971,009, Company - $1,891,110).

Review of Operations

The Company continued work to complete a Bankable Feasibility Study for the Amayapampa Gold Project in Bolivia and continued with its Australian gold and base metals exploration programme in both the Hodgkinson Basin in Far North Queensland and at Burraga in New South Wales.

During the year the Company raised an additional $6,622,902 (before costs) in working capital funds through a combination of:

- the exercise of 3 and 4 cent options issued in June 2009 and;
- a share placement at $0.026 in November 2009; and
- a share placement at $0.015 in May 2010.

Financial Position

The net assets of the Group have decreased by $10,339,156 from $31,457,887 as at 30 June 2009 to $21,118,731 as at 30 June 2010 primarily due to the recognition of impairment charges in respect of its Australian tenement portfolio.

The directors believe the Group is in a reasonably stable financial position to expand and grow its current operations.

Significant Changes in State of Affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the entity that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

Principal Activity

The principal activity of the entity during the course of the financial year was the exploration and development of projects for gold, copper, antimony tungsten and tin.

After Balance Date Events

Apart from that mentioned below, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

15th July 2010 - The Company announced its intention to focus on developing its flagship Amayapampa Gold Project in Bolivia through the concentration of both its financial and management resources to securing the requisite project finance and bringing the mine into production. As a consequence, the Board resolved to consider options to farm-out or divest the Company's Australian properties in Far North Queensland and Burraga, NSW. Adjustments to restate the Australian assets to estimated recoverable values have been recorded as amortisation and impairment charges within the financial statements at 30 June 2010.

5th August 2010 – The Company announced the completion of its Amayapampa Bankable Feasibility Study ("BFS") and a decision to proceed to development and production within 18 months subject to securing the requisite project finance.

Highlights of the Amayapampa Project BFS include:

- a targeted minimum 7.4 year mine life averaging 92,400 oz pa;
- a low cash operating cost of USD384 per ounce; and
- a Project pre tax NPV at USD1,200 per ounce of USD340 million

9th August 2010 – The Company announced the $800,000 sale of the Burraga exploration tenements located in NSW with a 12 month option to repurchase. The transaction is in line with the Company's strategy of focusing its efforts and resources on its flagship Amayapampa Project in Bolivia.

14th September 2010 - The Company announced a $2 million Placement and underwritten Share Purchase Plan ("SPP") to raise a total of $6 million prior to the end of November 2010. The funds raised will provide working capital to finalise the Amayapampa Project financing, with a timeline of 12-18 months until first production.

Future Developments, Prospects and Business Strategies

The entity will focus only on the exploration and development of its Bolivian exploration tenements.

Other than as referred to in this report, further information on the likely developments in the operations of the entity and the expected results of those operations would, in the opinion of the Directors, be speculative and would be likely to result in unreasonable prejudice to the entity.

Environmental Issues

The operations of the Group in Australia and Bolivia are subject to environmental regulation under the laws of the Commonwealth and the States in which those operations are conducted. The directors are not aware of any environmental breaches by the Group during the period covered by this report.

Dividends Paid or Recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Other disclosures in respect of unissued ordinary shares under options and exercise of options are contained in Notes 5 and 17 to the financial statements.

Indemnification of Officer or Auditor

The Company has agreed to indemnify and keep indemnified the following officers; Mr P A Wicks, Mr J P Kelly, Mr G J Barns, Mr N Zurkic and Dato B K Choo against all liabilities and all legal expenses incurred by the directors as a director of the Company.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company.

The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company or any related body corporate against a liability incurred by the auditor.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the

Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the financial year except for an action initiated in Canada in respect of recovering the receivable due from Black Isles Resources Corporation (formerly Luzon Minerals Inc.) which was settled in April 2010 and proceedings in Bolivia by the Company's Bolivian subsidiary, Minera Nueva Vista SA and Mrs Gladys Radic involving mining concessions at Amayapampa.

Services Provided by the Auditor

The following is the nature of non-audit services provided to the Company or the Group by the audit firm:

- advisory and compliance services in respect of the Company's tax affairs.

In view of the size of the Group and the nature of its activities, the Board has considered that establishing a formally constituted audit committee would contribute little to the effective management of the Group. Accordingly audit matters are reviewed by the Board as a whole and approved by resolution of the Board (with abstentions from relevant directors if there is any conflict of interest).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2010 which forms part of this report has been received and can be found on page 46 of the Annual Report.

REMUNERATION REPORT (Audited)

This report details the nature and amount of remuneration for each director of Republic Gold Limited. As Republic Gold Limited is a small company, the remuneration arrangements are as simple as possible.

Remuneration Policy

The remuneration policy of Republic Gold Limited has been designed to align director objectives with shareholder and business objectives by providing a fixed remuneration component and allowing specific long-term incentives based on key performance areas affecting the Company's financial results. The Board of Republic Gold Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the Company, as well as to create goal congruence between directors and shareholders. To-date no long-term incentives have been offered to any Director except for executive options.

The Board's policy for determining the nature and amount of remuneration for Board members of Republic Gold Limited is as follows:-

The remuneration policy, setting the terms and conditions for the directors was developed by the Board after Board members reviewed the remuneration of like positions in other small-cap gold exploration companies. All Directors receive either a base salary or a consulting fee (which is based on experience and commercial industry rates), superannuation and options. The Board reviews executive packages annually by reference to the Company's performance, directors' performance and comparable information from industry sectors and other listed companies in the small-cap resource exploration sector.

The performance of directors is measured against criteria agreed with each director and is based predominantly on any increase in shareholders' value. Any bonuses and incentives must be linked to predetermined performance criteria. The Board will approve all incentives, bonuses and options. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Directors are also entitled to participate in the employee share and option arrangements, subject to shareholder approval as mentioned above.

The Managing Director receives a superannuation guarantee contribution required by the government, which is currently 9%, and does not receive any other retirement benefits. Individuals can choose to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to Directors is valued at the cost to the Company and expensed, except that a portion has been capitalised to Amayapampa exploration. Shares given to Directors and executives will be valued as the difference between the market price of those shares and the amount paid by the Director or executive. Options will be valued using the Black Scholes methodology.

The Board policy is to remunerate non-executive Directors at market rates for comparable companies for time, commitment and responsibilities and determines payments to the non-executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive Directors are not linked to the performance of the Company.

However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

Performance Based Remuneration

Currently, no executive Directors' remuneration package has a performance-based component.

Remuneration

The remuneration for each Director of Republic Gold Limited during the year was as set in the table following. The Board considers that no employee, other than Directors, fall into the category of executives of the Company for the purposes of this report.

Type of Benefit	***PA Wicks***	***JP Kelly***	***BK Choo***	***GJ Barns***	***N Zurkic***
Salary & Bonuses	$ Nil	$300,301	$ Nil	$ Nil	$ Nil
Directors' Fees	$55,000	Nil	$40,000	$40,000	$40,000
Consulting Fee	$145,250	Nil	Nil	$83,800	$159,203
Super	$ Nil	$29,700	$ Nil	$ Nil	$ Nil
Total	$200,250	$330,001	$40,000	$123,800	$199,203

Options Issued as Part of Remuneration for the year ended 30 June 2010

There were no options allocated as part of remuneration to directors or executives during 2010.

Employment Contracts of Directors

Mr Kelly is an employee of Republic Gold Limited and his employment conditions as the Managing Director are formalised in a contract of employment. Messrs Wicks, Zurkic, Choo and Barns are paid an hourly fee for work done outside the normal range of non-executive Directors' duties.

Mr Kelly is employed under a fixed three-year contract, which commenced on 1 September 2007 and expires on 30 September 2010 at an annual salary of $330,000 per year, including superannuation. This contract includes a three-month notice period by either party and an annual review. Mr Kelly provides his own and another field vehicle and is reimbursed for usage on Company business on a kilometres used basis.

All Directors are reimbursed expenses incurred in their roles with the Company after the approval of these expenses by all other Directors.

Directors' Shareholdings

For details on directors' shareholdings please refer to Note 5 of the Financial Statements.

Signed in accordance with a resolution of Directors

Peter Wicks
Chairman

Dated this 30th day of September 2010

REPUBLIC GOLD LIMITED
ABN 86 106 399 311

Statement of Comprehensive Income
For the year ended 30 June 2010

		Consolidated		Parent Entity	
		2010	2009	2010	2009
	Note	$	$	$	$
Revenue	2	**142,537**	**387,288**	**1,690,942**	**835,672**
Exploration costs written off	3	(13,388,677)	(342,465)	(13,388,677)	(342,465)
Bad debt provision	3	(291,389)	-	-	-
Consultant expenses		(556,523)	(541,944)	(556,523)	(541,944)
Employee benefits expense		(404,484)	(359,004)	(404,484)	(359,004)
Share-based compensation options expense	3	-	(184,783)	-	(184,783)
Share registry and exchange fees		(138,709)	(254,164)	(138,709)	(254,164)
Other expenses from ordinary activities	3	(156,715)	(76,227)	(156,715)	(76,227)
Travel expenses		(172,555)	(153,609)	(172,555)	(153,609)
Legal fees		(95,882)	(112,192)	(95,882)	(112,192)
Audit and accounting fees		(170,929)	(167,237)	(170,929)	(167,237)
Amortisation expense	3	(1,000,000)	(61)	(1,000,000)	(61)
Marketing and promotion expenses		(114,165)	(35,385)	(114,165)	(35,385)
Loss on investments	3	-	(94,144)	-	(94,144)
Unrealised foreign exchange loss		-	-	(122,168)	(368,485)
Depreciation expenses	3	(53,297)	(36,886)	(53,297)	(36,886)
Interest expense	3	(3,389)	(196)	(3,389)	(196)
Expense		**(16,546,714)**	**(2,358,297)**	**(16,377,493)**	**(2,726,782)**
Loss before income tax expense		**(16,404,177)**	**(1,971,009)**	**(14,686,551)**	**(1,891,110)**
Income tax expense	4	-	-	-	-
Loss after income tax expense		**(16,404,177)**	**(1,971,009)**	**(14,686,551)**	**(1,891,110)**
Other comprehensive Income					
- Foreign currency translation		(257,449)	591,420	-	-
Total comprehensive income for the year		**(16,661,626))**	**(1,379,589)**	**(14,686,551)**	**(1,891,110)**
Basic loss after income tax per share (cents per share)	8	**(0.0125)**	**(0.0020)**	**(0.0112)**	**(0.0019)**
Diluted loss after income tax per share (cents per share)	8	**(0.0102)**	**(0.0013)**	**(0.0091)**	**(0.0012)**

REPUBLIC GOLD LIMITED
ABN 86 106 399 311

Statement of Financial Position
For the year ended 30 June 2010

		Consolidated		Parent Entity	
		2010	2009	2010	2009
	Note	$	$	$	$
CURRENT ASSETS					
Cash & cash equivalents	9	1,401,455	4,818,901	1,215,434	4,774,804
Trade and other receivables	10	568,921	582,506	226,008	191,936
Total Current Assets		**1,970,376**	**5,401,407**	**1,441,442**	**4,966,740**
NON-CURRENT ASSETS					
Trade and other receivables	10	102,168	180,849	12,393,559	4,814,225
Property, plant and equipment	11	414,366	303,737	202,871	170,596
Intangible assets	12	7,585,574	8,634,327	6,818,000	7,818,000
Deferred exploration expenditure	13	12,633,052	17,541,250	600,000	11,522,538
Financial assets	14	254,722	194,722	254,722	194,722
Total Non-Current Assets		**20,989,882**	**26,854,885**	**20,269,152**	**24,520,081**
TOTAL ASSETS		**22,960,258**	**32,256,292**	**21,710,594**	**29,486,821**
CURRENT LIABILITIES					
Trade and other payables	15	1,347,518	680,226	1,163,131	635,359
Employee provisions	16	459,483	87,550	128,986	87,550
Total Current Liabilities		**1,807,001**	**767,776**	**1,292,117**	**722,909**
NON CURRENT LIABILITIES					
Employee provisions	16	34,526	30,629	34,526	15,880
Total Non Current Liabilities		**34,526**	**30,629**	**34,526**	**15,880**
TOTAL LIABILITIES		**1,841,527**	**798,405**	**1,326,643**	**738,789**
NET ASSETS		**21,118,731**	**31,457,887**	**20,383,951**	**28,748,032**
EQUITY					
Issued capital	17	43,837,888	37,515,418	43,837,888	37,515,418
Accumulated losses		(26,157,675)	(9,753,499)	(24,302,341)	(9,615,790)
Reserves	18	3,438,519	3,695,968	848,404	848,404
TOTAL EQUITY		**21,118,731**	**31,457,887**	**20,383,951**	**28,748,032**

REPUBLIC GOLD LIMITED
ABN 86 106 399 311

Statement of Changes in Equity
For the year ended 30 June 2010

Consolidated		**Issued Capital Ordinary Shares**	**Accumulated Losses**	**Reserves**	**Total**
		$	**$**	**$**	**$**
Balance 30 June 2008	**17**	**31,745,977**	**(7,782,490)**	**2,919,765**	**26,883,252**
Shares issued during the year	**17**	6,128,800	-	-	6,128,800
Transaction costs	**17**	(359,359)	-	-	(359,359)
Net Loss		-	(1,971,009)	-	(1,971,009)
Share options issued as compensation	**18**	-	-	184,783	184,783
Adjustments from translation of Foreign Controlled Entities	**18**	-	-	591,420	591,420
Balance at 30 June 2009	**17,18**	**37,515,418**	**(9,753,499)**	**3,695,968**	**31,457,887**
Shares issued during the year	**17**	6,772,902			6,772,902
Transaction costs	**17**	(450,432)			(450,432)
Net Loss		-	(16,404,177)		(16,404,177)
Adjustments from translation of Foreign Controlled Entities	**18**	-	-	(257,449)	(257,449)
Balance at 30 June 2010	**17,18**	**43,837,888**	**(26,157,675)**	**3,438,519**	**21,118,731**

Parent Entity	**Note**	**Issued Capital Ordinary Shares**	**Accumulated Losses**	**Reserves**	**Total**
		$	**$**	**$**	**$**
Balance at 30 June 2008	**17**	**31,745,977**	**(7,724,680)**	**663,621**	**24,684,918**
Shares issued during the year	**17**	6,128,800	-	-	6,128,800
Transaction costs	**17**	(359,359)	-	-	(359,359)
Net Loss		-	(1,891,110)	-	(1,891,110)
Share options issued as compensation	**18**			184,783	184,783
Balance at 30 June 2009	**17,18**	**37,515,418**	**(9,615,790)**	**848,404**	**28,748,032**
Shares issued during the year	**17**	6,772,902	-	-	6,772,902
Transaction costs	**17**	(450,432)	-	-	(450,432)
Net Loss		-	(14,686,551)	-	(14,686,551)
		-			
Balance at 30 June 2010	**17,18**	**43,837,888**	**(24,302,341)**	**848,404**	**20,383,951**

REPUBLIC GOLD LIMITED
ABN 86 106 399 311

Statement of Cash Flow
For the year ended 30 June 2010

		Consolidated		Parent Entity	
		2010	2009	2010	2009
	Note	$	$	$	$
Cash Flow from Operating Activities					
Payments to suppliers and employees		(1,297,976)	(1,794,689)	(1,255,325)	(1,751,379)
Interest received		78,294	387,288	78,294	387,288
Net cash used in operating activities	**19 (b)**	**(1,219,682)**	**(1,407,401)**	**(1,177,031)**	**(1,364,091)**
Cash Flow from Investing Activities					
Proceeds from sale of investments		-	213,821	-	213,821
Payments for exploration activities		(8,197,074)	(6,383,629)	(2,316,139)	(2,816,517)
Payment for property, plant and equipment		(170,864)	(103,632)	(85,572)	(34,195)
Net cash used in investing activities		**(8,367,938)**	**(6,273,440)**	**(2,401,711)**	**(2,636,891)**
Cash Flow from Financing Activities					
Loans to subsidiaries		-	-	(6,153,098)	(3,658,812)
Proceeds from (repayment of) borrowings		-	(440,750)	-	(376,358)
Net proceeds from share issue		6,172,470	5,569,441	6,172,470	5,569,441
Net cash provided by financing activities		**6,172,470**	**5,128,691**	**19,372**	**1,534,271**
Net increase (decrease) in cash held		**(3,415,150)**	**(2,552,150)**	**(3,559,370)**	**(2,466,711)**
Net foreign exchange differences		**(2,296)**	**19,616**	**-**	**-**
Cash at beginning of financial year		**4,818,901**	**7,351,435**	**4,774,804**	**7,241,515**
Cash at end of financial year	**19 (a)**	**1,401,455**	**4,818,901**	**1,215,434**	**4,774,804**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is for Republic Gold Limited and controlled entities ('Consolidated Group' or 'Group'), and the separate financial statements and notes of Republic Gold Limited as an individual parent entity. Republic Gold Limited is a company limited by shares, incorporated and domiciled in Australia. The registered office of the Company is located at 144 Cobra Road, Mareeba, Queensland, 4880.

The financial report of Republic Gold Limited (the Company) for the year ended 30 June 2010 was authorised for issue in accordance with a resolution of the directors on 30 September 2010.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report of Republic Gold Limited and controlled entities complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) in their entirety with the exception of the treatment of accounting for Business Combinations in the 2008 year as described at Note 1(j).

The following is a summary of the material accounting policies adopted in the preparation of this financial report.

The accounting policies have been consistently applied, unless otherwise stated.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

a. Foreign Currency Transactions and Balances

Functional and Presentation Currency

The functional currency of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transactions and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange date at the date when the fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity or a qualifying cash flow or investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

Group Companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date
- income and expenses are translated at average exchange rates for the period: and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction

Exchange differences arising on the translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

b. Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted as at reporting date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled, based on tax rates enacted or substantially enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future tax profits will be available against which the benefits of the deferred tax asset can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

c. Financial Instruments

Recognition
Financial instruments, incorporating financial assets and financial liabilities, are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Derecognition
Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Current receivables are generally expected to be settled within 60 days. Receivables are recognised and carried at original invoice amount less provision for any uncollectible debts. An estimate for impaired debtors is made when collection of the full amount is no longer probable. Bad debts are written off as incurred. Other receivables include deposits to support bank guarantees in favour of the Minister for Energy and Resources.

Held-to-maturity investments
These investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the group's intention to hold these investments to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest rate method.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are designated as such or that are not classified in any other category. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities
Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Due to their short term nature trade and other payables are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 to 60 days of recognition.

Fair value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models. Unless otherwise disclosed in the notes to the financial statements, the carrying amount of the Group's financial instruments approximates their fair values.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

d. Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets is depreciated over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	15%
Plant and equipment	15%
Office furniture and equipment	7.5 – 50%
Motor vehicles	15 – 18.75%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

e. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of two months or less, and bank overdrafts.

f. Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

g. Intangibles

Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Tenements, Permits & Mining Assets

Tenements, Permits & Mining Assets are initially recorded at the purchase price at the date of acquisition. The balances are reviewed annually and any balance representing future benefits the realisation of which is considered to be no longer probable are written off.

h. Exploration Expenditure

Exploration, evaluation and development costs are accumulated in respect of each separate area of interest. These costs are carried forward where they are expected to be recouped through sale or successful development and exploitation of the area of interest or where activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

The ultimate recoupment of costs carried forward in respect of interests still in the exploration or evaluation phases is dependent on successful development and commercial exploitation, or alternatively, sale of respective areas.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the year the decision is made. Each area of interest is also reviewed annually and accumulated costs written off to the extent that they will not be recoverable in the future.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences. When production commences, carried forward exploration, evaluation and development costs are amortised over the life of the economically recoverable reserves.

i. Principles of Consolidation

Controlled entities

The consolidated financial statements incorporate the assets and liabilities of the Company and all controlled entities as at 30 June 2010, and the results of all controlled entities for the year then ended. The Company and its controlled entities together are referred to in this financial report as the Group or the consolidated entity.

A controlled entity is any entity over which Republic Gold Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities.

As at the reporting date the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Group during the year, their respective operating results have been included (excluded) from the date control was obtained (ceased).

All inter-group balances and transactions between entities in the Group, including unrealised profits and losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Investments in subsidiaries are accounted for at cost in the individual financial statements of the parent, less any impairment charges.

Joint ventures

The Group operates certain exploration ventures with other parties as unincorporated joint ventures. The liabilities and other assets of joint venture activities are incorporated in the financial statements under the appropriate headings. Details of the joint ventures are set out in Note 13.

j. Business Combinations

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method.

The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and probable contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control together with costs directly attributable to the business combination. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and probable contingent liabilities recognised. If the fair value of the acquirer's interest is greater than probable cost, under AASB 3 the surplus should be immediately recognised in profit and loss.

In the 2008 year the Group accounts were not prepared in accordance with the provisions of *AASB3 Business Combinations* in respect of calculating any profit on acquiring a business at a cost less than the assessed fair value of net assets acquired. In this case the impact of not recording this difference or 'gain' as income in the 2008 Group Statement of comprehensive income was to overstate the Loss before income tax in 2008 by $2,354,387 and to record a premium on consolidation reserve of the same amount direct to Shareholders Equity.

In April 2008 the parent entity purchased a number of companies containing the Amayapampa Gold Project assets. The consideration payable for the shares in these companies, or the 'cost' of the net assets acquired, was both contingent and deferred pending the outcome of future exploration works, future project financing, local sovereign approvals and the eventual commissioning of a gold mine at Amayapampa, Bolivia. (See Notes 20 & 22).

The directors of Republic Gold Limited are of the view that the conditions precedent to incurring a cost to the vendor for the acquired shares are sufficiently uncertain so as to render the deferred, contingent liability *not yet probable*. When sufficient further exploration and development works are completed and the mine development is confirmed the parent entity will recognise the deferred costs of acquisition and at that stage determine any difference between cost and the fair value of the net assets acquired.

k. Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

l. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

m. Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured

n. Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to settle within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year are disclosed in future dollars and have not been measured at the present value of the estimated future cash outflows to be made for those benefits.

o. Contributed Equity

Ordinary shares are classified as equity and recognised at the fair value of the consideration received by the Company. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

p. Earnings per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

q. Share-based Payments

Share-based compensation benefits are provided to directors, executives, employees, and contractors of the Company via its Executive Option Plan and other grants of unlisted options approved by the board of directors and shareholders.

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the recipient becomes unconditionally entitled to the options.

The fair value is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of options granted is adjusted to reflect market vesting conditions, but excludes the impact of non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the Company revises the estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised in each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised on the statement of comprehensive income with a corresponding adjustment to equity.

r. Determination and presentation of operating segments

The consolidated group has applied AASB 8 Operating Segments and its associated amending standards from 1 July 2009. The group has identified its operating segments based on the internal reports that are reviewed and used by the Managing Director and the Board of Directors (the group's chief operating decision makers) in assessing performance and in determining the allocation of resources.

An operating segment is a component of the consolidated group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components. An operating segment's operating results are reviewed regularly by the Board to make decisions about resources to be allocated to the segment and assess its performance, for which discrete financial information is available.

Segment results that are reported for the purpose of management's decisions include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate office assets, head office expenses, and any income tax related balances.
Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

s. Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and internally.

Tenements, Permits & Mining Assets, and the associated Deferred Exploration Expenditure (Exploration Assets)

Exploration assets are carried forward in accordance with policy Note 1(h). The future recoverability of exploration assets is dependent on a number of factors, including whether the Group decides to exploit the related tenements itself, or if not, whether it successfully recovers the assets through sale.

Factors that may impact the future recoverability include the level of resources, future technological changes that may impact the cost of extraction, future legal changes and changes to commodity prices.

In the event that exploration assets are determined not to be recoverable in future, profits and net assets will be reduced in the period in which the determination is made.

Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

t. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

u. New/Amended Accounting Standards and Interpretations

Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Group has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2009:

- AASB 3 Business Combinations (revised)
- AASB 7 Financial Instruments: Disclosures
- AASB 8 Operating Segments
- AASB 101 Presentation of Financial Statements (revised)
- AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvement Project

Revised AASB 3 Business Combinations, AASB 127 Consolidated and Separate Financial Statements and AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127

The revised AASB 3 continues to apply the acquisition method to business combinations, but with some significant changes. Changes affect the valuation of non-controlling interests, accounting for transaction costs, the initial recognition and subsequent measurement of contingent consideration, and business combinations achieved in stages. The changes will impact the amount of goodwill recognised, the reported results in the period an acquisition occurs, and future reported results.

AASB 7 Financial Instruments: Disclosures

The amended Standard requires additional disclosure about the fair value measurement of financial instruments and liquidity risk. Disclosures are contained in Note 25.

AASB 8 Operating Segments and consequential amending standards

The group has identified its operating segments based on the internal reports that are reviewed and used by the Managing Director and the Board of Directors (the group's chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Group has concluded that the operating segments determined in accordance with AASB 8 are the same as the segments reported under the predecessor standard AASB 114 Segment Reporting. Disclosures required by AASB 8 are shown in Note 24, including re-presented comparative information.

AASB 101 Presentation of Financial Statements and consequential amending standards

As a result of the revised standard, changes reflected in the financial report include:

- Replacement of the consolidated income statement with the consolidated statement of comprehensive income. Items of income and expense not recognised as profit or loss are now disclosed as components of 'other comprehensive income'. These items are no longer reflected as equity movements in the statement of changes in equity.
- Adoption of the single statement approach to the presentation of the consolidated statement of comprehensive income.
- Other financial statements are renamed in accordance with the Standard.

(ii) Australian Accounting Standards and Interpretations issued but not yet effective

The following Standards and Interpretations issued or amended are applicable to the Group but not yet effective and have not been adopted in preparation of the financial statements at reporting date. The Group's and the parent entity's assessment of the impact of these new standards and interpretations is set out below.

AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project

The amendments to various Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments relate to terminology and editorial changes. The Standard will be applied by the Group with effect from 1 July 2010, however the impacts are expected to have no or minimal effect on the Group's accounting and disclosures.

AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9

AASB 9 includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139).

Under AASB 9:

i. Financial assets are classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. This replaces the numerous categories of financial assets in AASB 139, each of which had its own classification criteria.

ii. An election is allowed on initial recognition to present gains and losses on equity investments not held for trading in other comprehensive income, with no impairment testing and no recycling through profit or loss on derecognition.

iii. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

Various other Standards are consequentially revised through AASB 2009-11. The Standards will be applied by the Group with effect from 1 July 2013, at which point the impacts will be more readily determinable.

AASB 124 Related Party Disclosures (Revised)

The revised AASB 124 simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition. The impacts of the Standard, to be applied with effect from 1 July 2011, are not expected to be significant.

AASB 2009-12 Amendments to Australian Accounting Standards

This amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations. The impacts of the Standard, to be applied with effect from 1 July 2011, are not expected to be significant.

AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project

The amendments to various Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments relate to terminology and editorial changes. The impacts of the Standard, to be applied with effect from 1 July 2010, are expected to have no or minimal effect on the Group's accounting and disclosures.

AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project

The amendments to various Standards provide clarification and guidance relating primarily to disclosures. The impacts of the Standard, to be applied with effect from 1 July 2011, are not expected to be significant.

Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments

The interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability are 'consideration paid' in accordance with IAS 39. As a result, the financial liability is derecognised and the equity instruments issued are treated as consideration paid to extinguish that financial liability.

Equity instruments issued in a debt for equity swap should be measured at the fair value of the equity instruments issued, if this can be determined reliably.

The impacts of the Standard, to be applied with effect from 1 July 2010, are expected to have no or minimal effect on the Group's accounting.

		Consolidated		**Parent Entity**	
		2010	**2009**	**2010**	**2009**
		$	$	$	$
Note 2: REVENUE					
- Interest income – other		81,683	387,288	81,683	387,288
- Interest income – controlled entities		-	-	888,380	237,665
- Management fee income – controlled entities		-	-	660,025	210,719
- Legal settlement proceeds	**10, 14**	60,000		60,000	-
- Realised exchange gain		854	-	854	-
		142,537	**387,288**	**1,690,942**	**835,672**

Note 3: PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities has been determined after the following expenses:				
- Interest expense	3,389	196	3,389	196
Depreciation of non-current assets				
- office furniture and equipment	11,969	16,811	11,969	16,811
- motor vehicles	17,933	4,324	17,933	4,324
- buildings	8,323	8,248	8,323	8,248
- plant and equipment	15,072	7,503	15,072	7,503
	53,297	36,886	53,297	36,886
Amortisation of intangibles				
- impairment charge	1,000,000	-	1,000,000	-
- incorporation costs		61		61
Provision for doubtful debts	291,389	-	-	-
Loss on investments		94,144		94,144
Joint venture interest written off	669,290	-	669,290	-
Exploration expenditure written off	12,719,387	342,465	12,719,387	342,465

Note 4: INCOME TAX EXPENSE

(a) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:

Prima facie income tax expense/(benefit) on loss from ordinary activities before income tax at 30% (2009 year 30%)	**(4,921,253)**	**(591,302)**	**(4,405,965)**	**(567,333)**
Add:				
Tax effect of:				
- exploration and other impairment charges	4,316,603	102,757	4,316,603	102,757
- doubtful debt provision	87,416	-	-	-
- unrealised exchange loss	-	-	36,650	110,545
- net movement in provisions	18,024	5,438	18,024	5,438
- Share-based compensation options expense	-	55,434	-	55,434
Total tax losses not brought to account	**(499,210)**	**(427,673)**	**(34,688)**	**(293,159)**
Tax effect of unused tax losses not recognised and for which no deferred tax asset has been recognised	**5,785,881**	**4,510,444**	**5,321,359**	**4,358,586**

The future income tax benefit attributable to these losses has not been brought to account because the benefit is not reasonably certain of realisation. The potential future income tax benefits which may arise from these losses will only be realised if:

- The Group derives future assessable income of a nature and sufficient amount to enable the benefit of the losses to be realised;
- The Group continues to comply with the conditions of deductibility imposed by the law; and
- No changes in tax legislation adversely affect the Group in realising the benefit from the deduction for the losses.

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

Names and positions held of Group key management personnel in office at any time during the financial year are:

Key Management Personnel	**Position**
Mr Peter A Wicks	Chairman – Non-Executive
Mr John P Kelly	Managing Director – Executive
Mr Greg J Barns	Non-Executive Director
Mr Nebojsa Zurkic	Technical Director - Executive
Dato Beng Kai Choo	Non-Executive Director

(a) Key Management Personnel Compensations

2010 year

Key Management Personnel	Base Salary	Director Fee	Consultancy Fee	Super	Equity*	Total
PA Wicks		55,000	145,250			200,250
JP Kelly	300,301			29,700		330,001
GJ Barns		40,000	83,800			123,800
N Zurkic		40,000	159,203			199,203
BK Choo (resigned 20 Aug 2010)		40,000				40,000
	300,301	**175,000**	**388,253**	**29,700**		**893,253**

2009 year

Key Management Personnel	Base Salary	Bonus	Director Fee	Consultancy Fee	Super	Equity*	Total
PA Wicks	-		51,833	115,350	-	-	167,183
JP Kelly	200,675	110,294	-	-	29,325	-	340,294
GJ Barns	-	-	37,499	30,400	-	-	67,899
N Zurkic	-	-	37,499	110,800	-	115,489	263,788
BK Choo	-	-	37,499	30,000	-	69,293	136,792
	$200,675	**$110,294**	**$164,330**	**$286,550**	**$29,325**	**$184,782**	**$975,956**

* Grant date 27 October 2008 - Black & Scholes valuation of 3 year options with a $0.0625 exercise price when the prevailing market closing price was $0.025 per fully paid ordinary share.

(b) Compensation Options issued in 2009

The following options were approved at shareholders meeting 27 October 2008.

Key Management Personnel	Granted No.	Grant Date	Value per option at Grant Date $	Exercise Price $	Exercise Date
Nebojsa Zurkic	10,000,000	27.10.2008	0.0115	0.0625	27.10.2011
Dato Beng Kai Choo	6,000,000	27.10.2008	0.0115	0.0625	27.10.2011

All 2009 granted options have no vesting period.

Information with respect to the number of compensation options granted, lapsed and exercised is as follows:

	2010		2009	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Balance at beginning of year of options granted in favour of executives	42,000,000	$0.0625	26,000,000	$0.0625
- granted	-	-	16,000,000	$0.0625
- lapsed/cancelled	-	-	-	-
- exercised	-	-	-	-
Balance at end of year	42,000,000	$0.0625	42,000,000	$0.0625

Options held at the beginning and end of the reporting year:

Number of options	**Grant and vesting date**	**Expiry date**	**Weighted average exercise price**	**Fair value at grant date**
As at 30 June 2010:				
26,000,000	10 October 2007	10 October 2010	$0.0625	$0.0229
16,000,000	27 October 2008	27 October 2011	$0.0625	$0.0115
As at 30 June 2009:				
26,000,000	10 October 2007	10 October 2010	$0.0625	$0.0229
16,000,000	27 October 2008	27 October 2011	$0.0625	$0.0115

The fair value of the options was determined using a binomial model. Key inputs used in the calculation of the value of options issued during the year are:

	2010	**2009**
Grant date	-	27 October 2008
Expiry date	-	27 October 2011
Exercise price	-	$0.0625
Expected price volatility	-	100%
Expected dividend yield	-	-%
Risk free interest rate	-	5.50%

(c) Directors' Shareholdings

At the date of this report, the interests of the directors in the shares of the Company are:

	Ordinary Shares		**Options**	
	Direct	**Indirect**	**Direct**	**Indirect**
P A Wicks	---	2,750,000	---	6,350,000
J P Kelly	1	72,320,435	10,000,000	15,839,392
G J Barns	30,001	64,397,099	4,000,000	13,074,392
N Zurkic	520,000	---	11,065,000	---

(d) Directors' Interests and Benefits

Since the end of the previous financial period no director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements), by reason of a contract made by the Company or a related body corporate with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except for:-

i. Payment for geological services in the ordinary course of business to Mr Nebojsa Zurkic.

ii. Payment for provision of public and governmental relations services in the ordinary course of business to Mr Greg J Barns, and

Iii Payment for provision of advisory services in the ordinary course of business to Mr P A Wicks and Mr B K Choo.

(e) Remuneration Practices

The Board reviews the remuneration packages and policies applicable to the Executive Directors, and Non Executive Directors on an annual basis. The Board does not have any formal remuneration policy, but any decision on remuneration increases or bonuses is made having due regard to the Company's performance and other relevant factors. Remuneration levels are competitively set to attract the most qualified and experienced Directors and senior executives. Where necessary the Board obtains independent advice on the appropriateness of remuneration packages. The elements of emoluments have been determined on the basis of the cost to the Company. Executives are those directly accountable and responsible for the operational management and strategic direction of the Company.

Note 6: DIVIDENDS

No dividends were paid or declared since the start of the financial period. No recommendation for payment of dividends has been made.

Note 7: AUDITORS' REMUNERATION

	Consolidated		**Parent Entity**	
	2010	**2009**	**2010**	**2009**
Remuneration of the auditor for the Company for:				
- auditing or reviewing the financial reports	93,500	129,000	93,500	129,000
- other services	4,600	4,000	4,600	4,000
- taxation services	8,000	10,000	8,000	10,000

Note 8: EARNINGS PER SHARE

	Consolidated		**Parent Entity**	
	2010	**2009**	**2010**	**2009**
Basic loss per share (cents per share)	**(0.0125)**	**(0.0020)**	**(0.0112)**	**(0.0019)**
Diluted loss per share (cents per share)	**(0.0102)**	**(0.0013)**	**(0.0091)**	**(0.0012)**
Number of shares used in calculating basic earnings per share	**1,316,894,358**	995,996,455	**1,316,894,358**	995,996,455
Number of shares used in calculating diluted earnings per share	**1,612,998,627**	1,537,605,037	**1,612,998,627**	1,537,605,037

Note 9: CASH AND CASH EQUIVALENTS

	Consolidated		Parent Entity	
	2010	**2009**	**2010**	**2009**
	$	**$**	**$**	**$**
Cash on hand and at bank	255,804	184,436	69,783	140,339
Term deposits	1,145,651	4,634,465	1,145,651	4,634,465
	1,401,455	**4,818,901**	**2,215,434**	**4,774,804**

Cash at bank and in hand includes working cash balances in cheque and cash management accounts. Cash held in term deposits as at year end had an effective annual interest rate of 5.5%, maturing within 3 months. Cash balances are invested for short terms with banks with minimal interest rate risk exposure (refer Note 25).

Note 10: TRADE AND OTHER RECEIVABLES

Current					
GST refundable		183,475	112,704	183,475	112,704
Share subscriptions receivable		41,732	79,232	41,732	79,232
Sundry receivables		635,103	390,570	801	-
- provision for non recovery		(291,389)	-	-	-
Secured loan to Black Isle Resources Corp (formerly Luzon Minerals Limited)	(i)	-	2,454,912	-	2,454,912
- provision for doubtful debts		-	(2,454,912)	-	(2,454,912)
		568,921	**582,506**	**226,008**	**191,936**
Non Current					
Security deposits		102,168	180,849	101,000	101,000
Loans to controlled entities	(ii)	-	-	12,292,559	4,713,225
		102,168	**180,849**	**12,393,559**	**4,814,225**

(i) Secured Loan to Black Isle Resources Corp “Black Isle” (formerly Luzon Minerals Limited)

On 5 May 2010 the Company announced it had reached an agreement with Black Isle whereby Republic were issued with 1.5 million fully paid common shares in Black Isle a Canadian listed company and a further 500,000 share purchase warrants in full and final settlement of loan claims by Republic. Refer note 14 – Financial Assets

(ii) Loans to controlled entities

During the financial year, the Company advanced loans to Minera Nueva Vista S.A., one of its Bolivian controlled entities, to finance the exploration work at the Amayapampa Gold Project (refer Note 20). Loans advanced are interest bearing and have no specified terms of repayment. In addition the Company provided management services to Minera Nueva Vista S.A. on commercial terms and conditions. Interest accrued at the rate of 10%, and management fees are charged to the loan account.

	Consolidated		Parent Entity	
	2010	**2009**	**2010**	**2009**
	$	**$**	**$**	**$**
Note 11: PROPERTY, PLANT AND EQUIPMENT				
Property				
Land, at cost	58,490	59,785	-	-
Plant and Equipment				
Office Furniture & Equipment				
At Cost	198,578	154,896	118,949	118,949
Less accumulated depreciation	(93,292)	(74,560)	(81,875)	(69,906)
	105,286	80,336	37,074	49,043
Plant & Equipment				
At Cost	131,036	105,282	103,276	84,049
Less accumulated depreciation	(52,303)	(43,756)	(48,067)	(37,683)
	78,733	61,526	55,209	46,366
Motor Vehicles				
At Cost	184,129	117,251	116,271	54,615
Less accumulated depreciation	(59,429)	(70,641)	(52,840)	(34,908)
	124,700	46,610	63,431	19,707
Buildings				
At Cost	72,375	72,375	72,375	72,375
Less accumulated depreciation	(25,218)	(16,895)	(25,218)	(16,895)
	47,157	55,480	47,157	55,480
Total Property, Plant and Equipment	**414,366**	**303,737**	**202,871**	**170,596**

REPUBLIC GOLD LIMITED
ABN 86 106 399 311

Note 11: PROPERTY, PLANT AND EQUIPMENT (continued)

Movements in property Plant & Equipment carrying amounts:

2010 – Consolidated

	Opening Balance	Disposals	Additions	Currency translation adjustment	Accumulated Depreciation	Closing Balance
Office Furniture & Equipment	80,336	-	38,859	(1,940)	(11,969)	105,286
Plant & Equipment	61,526	-	33,730	(1,451)	(15,072)	78,733
Motor Vehicles	46,610	-	98,274	(2,251)	(17,933)	124,700
Buildings	55,480	-	-	-	(8,323)	47,157
Land	59,785	-	-	(1,295)	-	58,490
	303,737		**170,863**	**(6,937)**	**(53,297)**	414,366
2010 – Parent Entity						
Office Furniture & Equipment	49,043	-	-		(11,969)	37,074
Plant & Equipment	46,366	-	23,915		(15,072)	55,209
Motor Vehicles	19,707	-	61,657		(17,933)	63,431
Buildings	55,480	-	-		(8,323)	47,157
	170,596		**85,572**		**(53,297)**	202,871
2009 – Consolidated						
Office Furniture & Equipment	53,877	-	42,344	926	(16,811)	80,336
Plant & Equipment	46,007	-	22,570	452	(7,503)	61,526
Motor Vehicles	24,031	-	26,129	774	(4,324)	46,610
Buildings	51,139	-	12,589	-	(8,248)	55,480
Land	52,290	-	-	7,495	-	59,785
	227,344	**-**	**103,632**	**9,647**	**(36,886)**	**303,737**
2009 – Parent Entity						
Office Furniture & Equipment	52,110	-	13,744		(16,811)	49,043
Plant & Equipment	46,007	-	7,862		(7,503)	46,366
Motor Vehicles	24,031	-	-		(4,324)	19,707
Buildings	51,139	-	12,589		(8,248)	55,480
	173,287	**-**	**34,195**		**(36,886)**	**170,596**

	Consolidated		Parent Entity	
	2010	2009	2010	2009
	$	$	$	$
Note 12: INTANGIBLE ASSETS				
Tenements, Permits & Mining Assets	7,585,574	8,634,327	6,818,000	7,818,000
Total intangible assets	**7,585,574**	**8,634,327**	**6,818,000**	**7,818,000**

In July 2010 the Company announced it was seeking to rationalise its Australian asset portfolio in order to concentrate its resources into bringing the Amayapampa gold project into development. In accordance with the stated accounting policy the Company has reviewed the Tenements, Permits & Mining Assets, and the associated Deferred Exploration Expenditure to determine the amount by which these assets should be impaired. The Company is of the view that the future value of the assets will be linked to any sales proceeds. It has engaged consultants to assist in the asset rationalisation process and as at the date of this report the Company has responded to and engaged in discussion with parties who have registered expressions of interest in the assets. The Company has considered current market conditions and prices, stage of exploration, JORC resource and the nature and probability of deriving cash flows associated with alternative means of disposal. The assessment has resulted in the Deferred Exploration Expenditure being written off as impaired, and Tenements, Permits & Mining Assets being written down to recoverable amount.

The remaining asset will remain sensitive to the inputs to estimations and assumptions as discussed in Note 1.s.

Note 13: DEFERRED EXPLORATION EXPENDITURE

Group operated exploration permits	**(a)**	12,033,052	16,326,776	-	10,308,064
Joint Venture interests	**(b)**	600,000	1,214,474	600,000	1,214,474
Total deferred exploration expenditure		**12,633,052**	**17,541,250**	**600,000**	**11,522,538**

(a) Deferred exploration costs

In July 2010 the Company announced it was seeking to rationalise its Australian asset portfolio in order to concentrate its resources into bringing the Amayapampa gold project into development.

Associated with the decision by the Company to rationalise its Australian asset portfolio, deferred exploration costs have been assessed and written off as impaired. For further information refer Note 12.

(b) Joint venture interests

The Company formed a Joint Venture agreement with Staldor Mining Pty Limited (Staldor) in June 2008 to explore and mine tin on a series of granted exploration permits and exploration permit applications and granted mining leases and mining lease applications in Far North Queensland.

In July 2010 the Directors resolved to rationalise its Australian asset portfolio to enable focused concentration of resources and management on the Company's Amayapampa gold project. An impairment charge has been recorded to restate the Joint Venture interest to its recoverable amount.

		Consolidated		Parent Entity	
		2010	**2009**	**2010**	**2009**
Note 14: FINANCIAL ASSETS		**$**	**$**	**$**	**$**
Available-for-sale financial assets		**254,722**	**194,722**	**254,722**	**194,722**
Available-for-sale financial assets comprise:					
Unlisted Investments at cost					
- units in unlisted trust		194,721	194,721	194,721	194,721
Listed Investment at cost					
- beneficial interest in					
Australian listed corporations		-	-	-	-
Canadian listed corporations	10 (i)	60,000	-	60,000	-
		254,721	**194,721**	**254,721**	**194,721**
Unlisted investments at recoverable amount					
- shares in unlisted corporations – Australia		**1**	**1**	**1**	**1**
Market value of shares in listed corporations at the date of this report:					
Available for sale		**331,000**	**-**	**331,000**	**-**

Available-for-sale financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

The fair value of unlisted available-for-sale financial assets cannot be reliably measured as there are no observable market prices or rates available to support fair value measurement.. As a result all unlisted investments are reflected at cost.

The Group holds an investment in the Australian listed company Callabonna Uranium Limited - "CUU". The principal activity of CUU is exploring for uranium in South Australia. Republic Gold Ltd holds 38,825,328 ordinary shares in CUU representing 3.2% of the Company.

Borneo Coal Unit Trust

Principal activity is investing in coal exploration in South East Asia. Republic Gold Ltd has a 77.5% interest in Borneo Coal Unit Trust that has invested 100% of its funds in Far East Energy Corporation Pty Limited. J P Kelly is a director of Far East Energy Corporation Pty Limited.

	Consolidated		Parent Entity	
	2010	**2009**	**2010**	**2009**
	$	$	$	$
Investment (at cost)	194,721	194,721	194,721	194,721

Note 15: TRADE AND OTHER PAYABLES

	Consolidated		Parent Entity	
	2010	**2009**	**2010**	**2009**
Current				
Trade payables	1,089,078	499,594	978,784	454,727
Sundry payables and accrued expenses	258,440	180,632	184,347	180,632
	1,347,518	**680,226**	**1,163,131**	**635,359**

Note 16: PROVISIONS

Employee annual leave entitlements				
Opening balance	87,550	70,568	87,550	70,568
Additional provision	371,933	16,982	41,436	16,982
Closing balance	**459,483**	**87,550**	**128,986**	**87,550**
Employee long service leave entitlements				
Opening balance	15,880	14,733	15,880	14,733
Additional provision	18,646	15,896	18,646	1,147
Closing balance	**34,526**	**30,629**	**34,526**	**15,880**
Total employee provisions	**494,009**	**118,179**	**163,512**	**103,430**
Analysis of total provisions				
Current	459,483	87,550	128,986	87,550
Non current	34,526	30,629	34,526	15,880
	494,009	**118,179**	**163,512**	**103,430**

Provision for Employee Entitlements

Provisions have been recognised for employee entitlements relating to both annual leave and long service leave. The measurement and recognition criteria pertaining to the employee benefits have been included in Note 1 to this report.

	Consolidated		Parent Entity	
	2010	**2009**	**2010**	**2009**
	$	**$**	**$**	**$**
Note 17: ISSUED CAPITAL				
1,316,894,358 fully paid ordinary shares (30 June 2009: 995,996,455 shares)	46,933,512	40,160,611	46,933,512	40,160,611
Less: Capital raising costs	(3,095,624)	(2,645,193)	(3,095,624)	(2,645,193)
	43,837,888	**37,515,418**	**43,837,888**	**37,515,418**

Note 17: ISSUED CAPITAL (continued)

Shares issued during the year:

Details		Date	Number of Shares	Issue Price $	Dollars $
Beginning of reporting period		**1 July 2009**	**995,996,455**		**37,515,418**
Mining lease tenement acquisition cost	(i)	May 2010	7,142,857	$0.021	150,000
Share placement		Nov 2009	150,000,000	$0.026	3,900,000
Exercise of listed options		Various	17,088,360	$0.031	522,902
Share placement		May 2010	146,666,667	$0.015	2,200,000
Capital raising costs during the period	(ii)				(450,432)
End of reporting period		**30 June 2010**	**1,316,894,339**		**43,837,888**

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.
(i) Shares issued pursuant to purchase of 4 tenements in far north Queensland
(ii) The costs of both the November 2009 and May 2010 placements have been offset against equity.

Listed options
At balance date there are 243,454,288 listed options exercisable at $0.04 before 5 June 2011. (2009: 244,479,291 exercisable at $0.03 before 5 June 2010 and 244,479,291 exercisable at $0.04 before 5 June 2011).

Unlisted options
Unlisted Options to acquire ordinary shares have been granted to certain directors and consultants. No voting or other rights are attached to the options. At balance date the following unlisted options are outstanding:

Expiring 10 October 2010, exercisable at $0.0625: 26,000,000 (2009: 26,000,000)
Expiring 17 October 2010, exercisable at $0.0375: 10,650,000 (2009: 10,650,000)
Expiring 27 October 2011, exercisable at $0.0625: 16,000,000 (2009: 16,000,000)

Capital risk management
The company's equity management is determined by funds required to undertake exploration activities and meet corporate and other costs. Where joint venture partners participate in particular projects the partners contribute in proportion to their respective interests.

Note 18: RESERVES

Premium of consolidation	(i)	2,354,387	2,354,387		-
Foreign currency translation reserve	(ii)	235,728	493,177		-
Share option reserve	(iii)	848,404	848,404	848,404	848,404
		3,438,519	**3,695,968**	**848,404**	**848,404**

Nature and purpose of reserves

(i) Premium on consolidation reserve
The reserve records the excess of the fair value of the Bolivian assets acquired as at April 2008 and the purchase cost incurred on the acquisition.

(ii) *Translation reserve*
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of the foreign controlled entities.

(iii) Share option reserve
The share option reserve is used to record the implied value assigned to share-based incentives at the relevant grant date (refer also Notes 3 and 5).

	Consolidated		Parent Entity	
	2010	**2009**	**2010**	**2009**
NOTE 19: CASH FLOW INFORMATION				
(a) Reconciliation of cash				
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:				
Cash on hand	25,664	13,024	-	-
Cash at bank	230,140	171,412	69,783	140,339
Term deposits	1,145,651	4,634,465	1,145,651	4,634,465
	1,401,455	**4,818,901**	**1,215,434**	**4,774,804**
(b) Reconciliation of net cash provided by operating activities:				
Loss from ordinary activities after income tax	**(16,404,177)**	**(1,971,009)**	**(14,686,551)**	**(1,891,110)**
Non-cash flows in loss from ordinary activities				
- increase provision for doubtful debts	291,389	-	-	-
- increase in employee provisions	60,082	32,878	60,082	18,129
- share-based compensation	-	184,783	-	184,783
- capital (gain) loss on sale of assets	-	94,144	-	94,144
- related company charges	-	-	(1,426,238)	-
- legal settlement income	(60,000)	-	(60,000)	-
- impairment expense	13,388,677	342,465	13,388,677	342,465
- depreciation and amortisation	1,053,297	36,947	1,053,297	36,947
- increase (decrease) in payables	668,273	334,069	527,772	331,159
- decrease (increase) in receivables	(217,223)	(461,678)	(34,071)	(480,608)
Net cash provided (consumed) by operating activities	**(1,219,682)**	**(1,407,401)**	**(1,177,032)**	**(1,364,091)**

NOTE 20: INVESTMENT IN CONTROLLED ENTITIES

In April 2008 the Company announced the purchase of the Bolivian gold assets of Vista Gold Corp ('Vista') through the acquisition of 100% of the shares in Vista's wholly-owned subsidiary, Vista Gold (Antigua) Corp, a company incorporated in Antigua and Barbuda.

Vista Gold (Antigua) Corp has a number of 100% beneficially owned subsidiary companies in Bolivia including:

- Compania Inversora Vista S.A.
- Compania Exploradora Vistex S.A.; and
- Minera Nueva Vista S.A. ('MNV')

MNV is the registered holder of the concessions that comprise the Amayapampa Gold Project. Under the terms of the share purchase agreement Republic Gold Limited paid no upfront consideration for the Bolivian companies but has agreed to pay three equal payments of US$1 million should the Amayapampa Gold Project proceed to production. Post commencement of mining operations at Amayapampa the first payment to Vista will be due when the mine is deemed to have reached "commercial production" as defined by the contract. The remaining two payments are scheduled for the first and second anniversaries of the date that commercial production is reached.

At the date of acquisition MNV had capitalised exploration expenditure in the sum of US$2.1 million and net assets of US$2.2 million. In light of the $Nil upfront consideration 'cost' paid for the Amayapampa assets and the uncertainty as to the eventual payment of the deferred, contingent US$3.0 million liability to Vista (see Note 22) the directors resolved not to adopt the AASB3 *Business Combinations* prescribed treatment of taking any excess in fair values acquired over cost to income in the 2008 financial year. The difference between the purchase cost incurred to date and the *fair value* of the Bolivian assets as at April 2008 was recorded as a premium on consolidation of $2,354,387 in the 2008 Group financial statements.

Vista retains a first right of refusal over the Amayapampa Gold Project such that Vista has a right to repurchase the Project if the Group has not completed financing to put the Project into production within 5 years of the April 2008 purchase date. Should the repurchase occur Vista is obliged to pay the Company 75% of the aggregate costs incurred by the Company post the acquisition date in developing the Project. During fiscal 2011 the Company plans to complete a Bankable Feasibility Study for the Amayapampa project and make a decision as to whether to proceed to production, subject to finance.

NOTE 21: CAPITAL AND LEASING COMMITMENTS

The Group holds Australian exploration and mining licences that have annual minimum expenditure obligations. Variation to these tenement obligations can be negotiated where circumstances allow. The terms and conditions attached to the licences are subject to variation upon renewal. The individual licence periods range from one to five years. Generally, application is made to renew the licences at renewal date throughout the entire life of the related exploration project. The licences have an annual expenditure requirement of approximately $2.0 million.

The Group has no other capital and leasing commitments.

NOTE 22: CONTINGENT ASSETS AND LIABILITIES

The Company has no contingent assets or liabilities except:

(a) a deferred, contingent share purchase consideration liability of US$3 million to Vista Gold Corp; a company domiciled in the United States of America in respect to the April 2008 purchase of Vista's Bolivian gold asset portfolio. This liability will only become payable over a 2 year period should the Amayapampa Gold Project proceed to production within 5 years from the date of purchase. See Note 20.

In accordance with Australian Accounting Standards Board AASB3 *Business Combinations* the Directors have considered the appropriate treatment of this deferred, contingent consideration sum. Republic believes that at the date of acquisition and this report, there is a degree of uncertainty as to whether the Amayapampa Gold Project will progress through the various phases of feasibility, financing, permitting and then on into production. The Board is of the opinion that the AASB3, paragraph 32 *probable* test cannot as yet be satisfied and as such did not record in the Company's 2008 financial statements either the US$3.0 million contingent liability to Vista nor the corresponding purchase consideration as an asset within the parent company.

NOTE 22: CONTINGENT ASSETS AND LIABILITIES (continued)

(b) In buying the chain of Bolivian companies from Vista Gold Corp including the Amayapampa Gold Project in April 2008 the Company assumed responsibility for litigation commenced against Minera Nueva Vista S.A. by Mrs Gladys Radic. The claim is in respect to clear title to the Amayapampa mining tenements. The Company believes the litigation is completely without merit.

NOTE 23: RELATED PARTY TRANSACTIONS

Apart from the matters disclosed in relation to key management personnel compensation (Note 5), and loans advanced to controlled entities (Note 10(ii)) there were no related party transactions during the year reported on.

NOTE 24: SEGMENT INFORMATION

The consolidated group is organised into the following operating segments:

Exploration activities in Australia
Exploration activities in Bolivia

2010	**Australian Exploration**	**Bolivian Exploration**	**Other**	**Total**
Revenue - external	-	-	142,357	142,357
Operating result	(14,829,088)	(1,717,626)	142,537	(16,404,177)
Cash flow on exploration assets	2,316,139	5,880,935	-	8,197,074
As at 30 June 2010				
Exploration assets	7,518,999	12,801,795	-	20,320,794
Total assets	5,464,399	15,067,890	2,427,969	22,960,258
Total liabilities	(243,528)	(1,435,648)	(162,352)	(1,841,527)
2009				
Revenue - external	-	-	387,288	387,288
Operating result	(1,869,913)	(488,384)	387,288	(1,971,009)
Cash flow on exploration assets	2,816,517	3,567,112	-	6,383,629
			-	
As at 30.06.2009				
Exploration assets	19,591,538	6,920,859	-	26,512,397
Total assets	19,897,792	7,482,696	4,875,804	32,256,292
Total liabilities	(443,273)	(59,616)	(295,516)	(798,405)

NOTE 25: FINANCIAL RISK MANAGEMENT

Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks. These risks include market risk (currency and interest rate risk), credit risk and liquidity risk.

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, while in addition to these items the parent's financial instruments include loans to controlled entities. Exploration activities are being funded by equity and do not expose the group to significant financial risks. There are no speculative or financial derivative instruments.

Financial assets include cash balances, a secured loan to a joint venture partner and security deposits with banks.
Cash balances have a modest interest rate exposure. Funds are invested with domestic banks for various short term periods to match forecast cash flow requirements.

NOTE 25: FINANCIAL RISK MANAGEMENT (continued)

(a) Categories of financial instruments

	Consolidated		**Parent Entity**	
	2010	**2009**	**2010**	**2009**
Financial assets				
Cash and cash equivalents	1,401,455	4,818,901	1,215,434	4,774,804
Loans and receivables	671,090	763,355	12,619,568	5,006,162
Other financial assets	254,722	194,722	254,722	194,722
	2,327,267	**5,776,978**	**14,089,724**	**9,975,688**
Financial liabilities				
Trade and other payables	1,347,518	680,226	1,163,131	635,359
Other financial liabilities		-	-	-
	1,347,518	**680,226**	**1,163,131**	**635,359**

(b) Market risk – Currency risk
Foreign currency risks arise from the Group's investment in foreign controlled subsidiaries. The currencies in which these transactions are primarily denominated are US Dollars. The Group's investment in subsidiaries is not hedged as the currency positions are considered to be long term in nature.

The Company's exposure to foreign currency risk at reporting date is as follows:

	Consolidated		**Parent Entity**	
	2010	**2009**	**2010**	**2009**
Receivables denominated in US Dollars	-	-	12,292,561	4,713,225

The following significant exchange rates were applied during the year:

	Average rate		**Year-end spot rate**	
	2010	**2009**	**2010**	**2009**
US Dollar	0.8646	0.7138	0.8560	0.8114

Had the spot rate varied by +/- 5% at year-end the impact on the Company's loss would have been lower/higher by approximately $700,000.

(c) Market risk – Interest rate risk
The Group has minimal interest rate risks arising from its cash and security deposits. If at 30 June 2010, interest rates had changed from +/- 50 basis points from actual rates with all other variables held constant, the post tax loss for the year would have been $10,000 lower/higher (2009: $50,000 lower/higher).

(d) Credit risk exposures
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. Credit risk arises principally from cash on deposit, trade and other receivables. The objective of the entity is to minimize risk of loss from credit risk exposure.
The maximum exposure to credit risk, excluding the value of any collateral or other security at balance date is the carrying amount of those assets, net of any impairment, as disclosed in the statement of financial position and notes to the financial statements.
There is no concentration of credit risk as the Group did not have customers during the year. The Group manages its credit risk associated with funds on deposit and cash at bank by only dealing with reputable financial institutions.

(e) Liquidity Risk
Liquidity risk is the risk that the entity will not be able to meet its financial obligations as they fall due.
The objective of managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due. Working capital primarily comprises of cash. The entity has established the following processes for managing liquidity risk: monitoring actual against budgeted cashflows; regularly forecasting long term cashflows; and regularly monitoring the availability of equity capital and current market conditions.

(f) Fair values
All financial assets and liabilities have been recognised at cost less accumulated impairment which approximates their fair value.

NOTE 26: GOING CONCERN

The accounts have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and liabilities in the normal course of business.

The Consolidated Group recorded a loss of $16,404,177 for the year ended 30 June 2010 (2009 $1,971,009). The loss is due to the accounting policy of expensing costs not directly attributable to the exploration of mineral assets and the restatement of deferred exploration and exploration permit costs should they be as assessed in excess of recoverable amount.

On 14 September 2010 the Group announced a successful $2 million equity placement and a Share Purchase Plan ("SPP") offer to all shareholders. The SPP is underwritten to a value of $4 million. These new equity funds when added to both the $1.4 million on hand at the end June 2010 and the proceeds of realised and anticipated Australian asset sales will be sufficient to enable the Group to undertake its budgeted expenditure for the next financial year of approximately $7.7 million.

The Directors acknowledge that to begin the development of the Group's Amayapampa project according to its business plan further capital raising will be required to secure the requisite project finance debt facility. On 30 September 2010 the Group announced the appointment of Jennings Capital Inc in Canada and BDP Sociedad de Titularizacion S.A in Bolivia to assist the Group secure the required Amayapampa development funding. The Company remains dependent on its ability to raise funding in volatile capital markets.

However, the Directors continue to believe that the going concern basis of accounting by the Parent Entity and Consolidated Group is appropriate for the following reasons:

- The Company and Consolidated Group have successfully completed capital raisings during the year to 30 June 2010, notwithstanding some of the most challenging conditions in equity markets brought about by the global financial crises and market uncertainties created by recent Australian Government announcements concerning the taxation of the Australian mining industry.
- In addition, as at 30 June 2010 the Company had 243.5 million ASX listed ordinary share options on issue with an exercise price of $0.04 and an expiry date of 5 June 2011. (ASX – RAUOA).
- The Company has the ability to continue to raise additional funds on a timely basis, pursuant to the Corporations Act 2001 and
- Prior to closing its planned Project financing for the Amayapampa project the Group has no debt obligations.
- As at 30 June 2010 the Consolidated Group had Australian tenement expenditure commitments of approximately $2 million (Note 21) however since 30 June 2010 the Group has announced a programme to rationalise its Australia tenement portfolio and retains the ability to scale down its operations to conserve cash and if required to wholly or in part farm-in or dispose of its interests in mineral exploration and development assets.

In consideration of the above matters, the Directors have determined that it is reasonably foreseeable that the Company and Consolidated Group will continue as going concerns and that it is appropriate that the going concern method of accounting be adopted in the preparation of the financial statements. In the event that the Consolidated Group is unable to continue as a going concern (due to an inability to raise future funding requirements), it may be required to realise its assets at amounts different to those currently recognised, settle liabilities other than in the ordinary course of business and make provisions for other costs which may arise as a result of cessation or curtailment of normal business operations.
Accordingly, the financial statements do not include adjustments relating to the recoverability and classification of asset amounts or to the amounts and classification of liabilities that might be necessary if the Company and Consolidated Group do not continue as going concerns.

NOTE 27: EVENTS SUBSEQUENT TO YEAR END

15 July 2010 - The Company announced its intention to focus on developing its flagship Amayapampa gold project in Bolivia through the concentration of both its financial and management resources to securing the requisite project finance and bringing the mine into production. As a consequence the Board resolved to consider options to farm-out or divest the Company's Australian properties in Far North Queensland and Burraga, NSW. Adjustments to restate the Australian assets to estimated recoverable values have been recorded as amortisation and impairment charges within the financial statements at 30 June 2010.

5 August 2010 – The Company announced the completion of its Amayapampa Bankable Feasibility Study ("BFS") and a decision to proceed to development and production within 18 months subject to securing the requisite Project finance.

NOTE 27: EVENTS SUBSEQUENT TO YEAR END (continued)

Highlights of the Amayapampa Project BFS include:

- a targeted minimum 7.4 year mine life averaging 92,400 oz pa;
- a low cash operating cost of USD384 per ounce; and
- a Project pre tax NPV at USD1,200 per ounce of USD340 million

9 August 2010 – The Company announced the $800,000 sale of the Burraga exploration tenements located in NSW with a 12 month option to repurchase. The transaction is in line with the Company's strategy of focusing its efforts and resources on its flagship Amayapampa Project in Bolivia.

14 September 2010 - The Company announced a $2 million Placement and underwritten Share Purchase Plan ("SPP") to raise a total of $6 million prior to the end of November 2010. The funds raised will provide working capital to finalise and close the Amayapampa, Bolivia gold project financing with a timeline of 12 – 18 months until first production.

DIRECTORS' DECLARATION

In accordance with a resolution of the Board of Directors of Republic Gold Limited, it is stated that, in the opinion of the Directors:

1. The financial statements, notes and the additional disclosures included in the Directors' Report designated as audited, of the Company and of the consolidated entity are in accordance with the *Corporations Act 2001* including:

    (a) giving a true and fair view of the Company's and of the consolidated entity's financial position as at 30 June 2010 and of their performance for the year ended on that date; and

    (b) complying with Accounting Standards and the *Corporations Regulations 2001*;

2. The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1;

3. The Managing Director and the Chairman have each declared that:

    (a) the financial records of the Consolidated Group for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

    (b) the financial statements and notes for the financial year comply with the Accounting Standards; and

    (c) the financial statements and notes for the financial year give a true and fair view.

4. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Peter Wicks
Chairman

Dated this 30th day of September 2010

lawler draper dillon chartered accountants

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF REPUBLIC GOLD LIMITED

In relation to our audit of the financial report of Republic Gold Limited for the financial year ended 30 June 2010 to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Melbourne
Sydney
Newcastle
Brisbane

LAWLER DRAPER DILLON

G. Athans

GEORGE ATHANS

PARTNER

Melbourne, 30 September 2010

Lawler Draper Dillon
Audit & Assurance
ABN 15 503 135 070

www.lawlerdraperdillon.com.au

Melbourne
Level 12, 440 Collins Street
Melbourne VIC 3000 Australia

telephone 03 9679 2222
facsimile 03 9679 2288

mail@lawlerdraperdillon.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REPUBLIC GOLD LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Republic Gold Limited (the company), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state that the financial report, comprising the financial statements and notes, currently complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Lawler Draper Dillon
Audit & Assurance
ABN 15 503 135 070

Melbourne
Level 12, 440 Collins Street
Melbourne VIC 3000 Australia
telephone 03 9679 2222
facsimile 03 9679 2288
www.lawlerdraperdillon.com.au
mail@lawlerdraperdillon.com.au

Auditor's Opinion

In our opinion:

(a) the financial report of Republic Gold Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the financial position of Republic Gold Limited and the consolidated entity as at 30 June 2010 and of their performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

(b) the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 26 Going Concern, which comments on the company's and the consolidated entity's continuation as going concerns, depending on their success in obtaining additional capital or other funds. These conditions, along with other matters as set forth in Note 26, indicate the existence of uncertainty that may cast doubt about the company's and the consolidated entity's ability to continue as going concerns and therefore, whether they will realise their assets and discharge their liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the financial year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Republic Gold Limited for the financial year ended 30 June 2010 complies with section 300A of the *Corporations Act 2001*.

LAWLER DRAPER DILLON

G. athans.

GEORGE ATHANS

PARTNER

Melbourne, 30 September 2010

ASX ADDITIONAL INFORMATION

Additional information required by Australian Stock Exchange Limited and not shown elsewhere in this Annual Report is set out below. The information is made up to 23 September 2010.

Distribution of Shareholders and Option holders

Distribution Range	Fully Paid Shares	Options 05/06/2011
1 - 1,000	1,049	39
1,001 - 5,000	362	160
5,001 - 10,000	366	102
10,001 - 100,000	2,011	458
100,001 and over	1,360	222

Holders of Non-Marketable Parcels of Shares

There are 2,962 fully paid ordinary shareholders who hold less than a marketable parcel.

Top 20 Shareholders and Option holders

Rank	Shareholders	Shares	Percentage
1	Nefco Nominees Pty Ltd	102,003,180	6.63%
2	Zeus Gold Pty Ltd	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	ANZ Nominees Limited <Cash Income a/c>	29,218,994	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	20,011,000	1.30%
12	Troca Enterprises Pty Ltd	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	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	Berne No 132 Nominees Pty Ltd <376804 a/c>	9,000,000	0.59%
20	Phillip Securities Pte Ltd	8,936,233	0.58%
Total		**592,055,635**	**38.51%**

Rank	Option holders - options expire on 5/06/2011 at 4.0 cents	Options	Percentage
1	HSBC Custody Nominees (Australia) Limited	21,175,051	8.70%
2	Bell Potter Nominees Ltd <BB Nominees a/c>	20,050,000	8.24%
3	Zeus Gold Pty Ltd	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	3.50%
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	Mr Peter Andrew Proksa	5,234,564	2.15%
9	Spring Street Holdings Pty Ltd	5,025,000	2.06%
10	Mr Noel David McEvoy & Mrs Shelley Dawn McEvoy <ND McEvoy Super Fund a/c>	4,866,165	2.00%
11	Mr Ian Raymond 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	ANZ Nominees Limited <Cash Income a/c>	2,646,629	1.09%
20	Mr Veng So	2,570,731	1.06%
Total		**135,424,164**	**55.66%**

CORPORATE GOVERNANCE

Introduction

The directors of Republic Gold Limited ("the Company") are committed to high standards of corporate governance and this statement outlines the main corporate governance practices in place throughout the financial year. Having regard to the size of the company and the nature of its enterprise, it is considered that the Company complies as far as possible with the spirit and intentions of the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations 2nd Edition'.

1. Board of Directors

The Board of Directors of the Company is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

As the Board acts on behalf of shareholders, it seeks to identify the expectations of shareholders, as well as other ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuing arrangements are in place to adequately manage those risks.

The primary responsibilities of the Board include:

- formulation and approval of the strategic direction, objectives and goals of the Company;
- monitoring the operational and financial position and performance of the Company, including approval of the Company's financial statements;
- requiring that financial and other reporting mechanisms are put in place which result in adequate, accurate and timely information being provided to the Board and the Company's shareholders and the financial market as a whole being fully informed of all material developments relating to the Company
- ensuring that adequate internal control systems and procedures exists and that compliance with these systems and procedures is maintained;
- the identification of significant business risks and ensuring that such risks are adequately managed;
- appointment of the Managing Director and all direct executive reports, the review of their performance and remuneration;
- the establishment and maintenance of appropriate ethical standards; and
- reviewing and, to the extent necessary, amending the Board and Committee Charters regularly.

Due to its size and structure, the Board of Directors is able to meet regularly throughout the year for management and formal Board meetings, as well as being in frequent communication by way of telephone to ensure compliance with ASX Listing Rule disclosure requirements.

The responsibility for the operation and administration of the Company is carried out by the Managing Director, who operates in an executive capacity, supported by a technical director and senior professional staff. The Board ensures that this team is suitably qualified and experienced to discharge their responsibilities, and assesses on an ongoing basis the performance of the management team, to ensure that management's objectives and activities are aligned with the expectations and risks identified by the Board.

At that date of this report, the current directors of the Company are as follows:

Independent

Mr Peter Wicks	- Chairman
Mr Greg Barns	- Non-Executive Director

Not independent

Mr John Kelly	- Managing Director
Mr Neb Zurkic	- Technical, Executive Director

For information in respect to each director, refer to the Directors' Report.

2. Independent Directors

Under ASX guidelines there are two members of the current Board that are considered to be independent, namely the Chairman, Mr Peter Wicks and Non-Executive Director Mr Greg Barns. Under the ASX guidelines, the other 2 directors are not considered to be independent. The Board is considered to be appropriate for the size of the Company, the nature of its operations considers and is a cost effective structure for managing the Company.

3. Board Composition

When the need for a new director is identified, selection is based on the skills and experience of prospective directors, having regard to the present and future needs of the Company. Any director so appointed must then stand for election at the next meeting of shareholders of the Company.

4. Term of Appointment as a Director

The constitution of the Company provides that a director other than the Managing Director may not retain office for more than three calendar years or beyond the third annual general meeting following his or her election, whichever is longer, without submitting for re-election. One third of the directors must retire each year and are eligible for re-election. The directors who retire by rotation at each Annual General Meeting are those with the longest length of time in office since their appointment or last election.

5. Audit, Risk management and Internal Controls

The Board acknowledges that it does not fully comply with the ASX's recommendation on Principle 4, but in view of the size of the Company and the nature of its activities, the Board considers that establishing a separate audit and risk management committee would contribute little to the effective management of the Company.

Accordingly, the Board as a whole reviews audit and risk management matters and accepts the responsibility to ensure truthful and factual presentation of the Company's financial position. An audit and risk management charter is being developed to formalise the following responsibilities:

- Assessing the appropriateness of accounting policies, practices and disclosures and whether the quality of financial reporting is adequate;
- Reviewing the scope and results of external and compliance audits,
- Maintaining open lines of communication between the Board and external auditors;
- Reviewing the annual report, the half yearly financial report and all other financial information published by the Company or released to the market;
- Assessing the adequacy of the Company's internal controls and make informed decisions regarding compliance policies, practices and disclosures;
- Ensuring effective development and use of risk management processes;
- Nomination of the external auditors and review the terms of engagement, the scope and quality of the audit and the auditor's independence;
- Reviewing the level of non-audit services provided by the external auditor and ensure that it does not adversely impact on auditor independence.

The Company uses the services of an independent audit firm that has only a small number of partners. The Board, to a certain extent, relies on the auditors to ensure compliance with relevant accounting standards and gives full and complete co-operation to its auditors without absolving itself of its responsibility. Where appropriate the Board is able to engage independent experts or professional advisors to assist with the identification and/or management of any key risk areas identified.

Each year the Chairman and the Managing Director provides a statement to the Board in writing in respect to the integrity of the financial statements, that they are founded on a sound system of risk management and internal compliance and control and that the Company's risk management and internal compliance and control systems are operating efficiently and effectively in all material respects.

Management has established and implemented a risk management and internal control system for identifying, assessing , monitoring and managing strategic, operational, financial reporting and compliance risks for the Company. The system is based upon policies, guidelines, delegations, industry practices and reporting as well as the selection and training of qualified personnel. The Board believes the current framework to be suitable for the Company's current operations and stage of development. Whilst priority is given to the management of risk in the Company, investors are reminded that Republic Gold is engaged in mineral exploration and development activities which by their very nature are high risk.

7. Board Committees

Nominations Committee and Remuneration Committee

The board believes that establishing separate Nomination and Remuneration Committees would contribute little to the Company's effective management. Accordingly the nomination of new directors and the setting, or review, of remuneration levels of directors and senior executives are reviewed by the Board as a whole and approved by resolution of the Board (with abstentions from relevant directors where there is a conflict of interest). Where the Board considers that particular expertise or information is required, which is not available from within their number, appropriate external advice may be taken and reviewed prior to a final decision being made by the Board.

8. Remuneration and Performance

The Board as a whole deals with the remuneration of directors and key executives of the Company and a separate remuneration committee was deemed not to be required at this stage. The board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders. Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the directors' option plan.

9. Ethical standards

All directors, management and employees are expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Company. The following policies or obligations have been established to guide directors, management and employees in carrying out their duties and responsibilities to the Company, shareholders, suppliers, other stakeholders and the wider community.

- Continuous Disclosure
- Code of Conduct
- Share Trading
- Board Charter

The policies of the Company will be continually reviewed in accordance with the standards required of the Company by the Directors, the ASX, ASIC and other stakeholders to ensure that appropriate governance standards are maintained.

10. Conflict of Interest

The directors must keep the Company informed, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes a significant conflict exists, the director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is considered.

11. Independent Professional Advice

Each director has the right of access to all relevant Company information and to the Company's executives. Directors have the right, in connection with their duties and responsibilities as directors, to seek independent professional advice at the Company's expense. Prior approval of the Chairman is required, which will not be unreasonably withheld.

12. Communication to Market & Shareholders

The Board of Directors aims to ensure that the shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of the directors and the Company. Information is communicated to shareholders and the market through:

- the Annual Report which is made available to all shareholders;
- other periodic reports which are lodged with ASX and available for shareholder scrutiny;
- other announcements made in accordance with ASX Listing Rules;
- special purpose information memoranda issued to shareholders as appropriate;
- the Annual General Meeting and other meetings called to obtain approval for Board action as appropriate; and
- the Company's website.

13. Share Trading

In accordance with the Corporations Act 2001 and the ASX Listing Rules, share trading by directors, management or employees is not permitted at any time whilst in the possession of price sensitive information. Prior to any director trading in the Company's securities, that director must inform the other directors of his decision to trade.

14. External Auditors

The external auditor is **Lawler Draper Dillon**.

The external auditor attends the Annual General Meeting and part of the agenda is the tabling of the financial statements and inviting shareholders to ask the directors or the auditor any questions with regard to the financial statements and the audit report.