



ASX ANNOUNCEMENT

14 October 2011

The Manager
Companies Announcement Platform
Australian Securities Exchange Limited

Sale of Far North Queensland assets to Territory Minerals

The Directors of Republic Gold Limited ("the Company") today announce that the Company has entered into a Tenement Sale Agreement with Territory Minerals Pty Ltd ("Territory") whereby Territory is acquiring all of the Company's Far North Queensland assets ("FNQ") in return for consideration comprising a mix of cash and shares. Completion of the sale is subject to the satisfaction by the parties of certain conditions.

The transaction is in line with the Company's strategy of focusing its efforts and resources on its flagship Amayapampa project in Bolivia. The Company has for the past year been in the process of reviewing its Australian properties and as part of the review, the Board considered all options to farm-out or divest these properties.

The Company's FNQ assets consist of 37 tenements held, or in which the Company has an interest and certain physical assets associated with those tenements. Territory will assume the responsibility to maintain the tenements and pay the appropriate security bonds in accordance with State legislative requirements.

The Company is selling the tenements with mortgages and caveats over them, which will be released at the time Territory is admitted to the official list of the ASX.

The terms of the sale include a combination of cash payment and shares to be received by the Company as follows:

- Due diligence deposit paid - \$50,000;
- Initial cash and share consideration - \$75,000 and 13 million ordinary shares in Territory (which are subject to certain trading restrictions); and
- Cash consideration payable by Territory upon being admitted to the official list - \$125,000.

The Company's Managing Director, Campbell Smith, said the arrangement would bring cashflow into the Company and allow it to progress its Amayapampa gold project.

"Amayapampa is set to become Bolivia's largest producing gold mine with total JORC Reserves of 787,300 ounces of gold, from JORC Resources of over 1,280,000 ounces of gold. The Company

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wants to move into production as quickly as possible and the cash injection it is receiving from Territory through this arrangement will go towards Amayapampa,” Mr Smith added.

Yours faithfully
Campbell Smith
Managing Director
Republic Gold Limited

For more information, please contact Campbell Smith on 0409 644 345

Competent Persons 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 and by Paul Pyke, Republic Project Development Manager, both are members of the Australasian Institute of Mining and Metallurgy and Neb Zurkic is a member of 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. Paul Pyke, Neb Zurkic and Kerrin Allwood have a minimum of five years experience in the estimation, assessment and evaluation of Mineral Resources and Ore Reserves. Paul Pyke, 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". Paul Pyke, Neb Zurkic and Kerrin Allwood consent to the inclusion in this report of these matters based on the information in the form and context in which it appears.

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