



## ASX ANNOUNCEMENT

1 February 2008

The Manager  
Companies Announcement Platform  
Australian Stock Exchange Limited

### **PURCHASE OFFER FOR MT CARBINE REJECTED**

The Board of Republic Gold (“Republic” or the “Company”) today announces that the Company has made a substantial offer to purchase of the assets of the Nicholson Group of Companies, that included the former Mt Carbine tungsten mine and that this offer, with a potential value of \$14m, has been rejected. The exclusive option period that had been afforded to the Company ended at the close of business yesterday.

Managing Director of Republic Gold, Mr John Kelly said “The Board and staff have spent eight months investigating this potential purchase and a considerable amount of funds and time on due diligence, including over 800 metres of diamond drilling, with interesting results. We are bitterly disappointed that a very generous offer was rejected. The Company had offered the vendor a very fair and reasonable price that was a mixture of cash, shares and a royalty, with a potential value of \$14m which the Board believed was justifiable to shareholders. Given the technical risk associated with Mt Carbine the Board’s technical, legal and financial advisors indicated that it was not in the best interests of shareholders for the Company to increase its offer further by offering an excessive price.”

Commentating on the rejection of the Company’s offer for Mt Carbine, Managing Director, Mr John Kelly said “The vendor has left the door open for further discussions. The Company has cash reserves of over \$9M which will still be put to good use on its Far North Queensland and NSW projects, in reviewing new projects (specifically another large project that the Company has been working on) and in recovering its position with Luzon Minerals of Canada following the aborted merger efforts last year.”

The Company’s other existing exploration projects continue to show great promise and the assessments for mining developments on the gold projects continue.

In performing the due diligence on Mt Carbine, the Company has purchased an extensive amount of original data on the project, including many historic reports and hundreds of mine plans and sections plus the valuable drilling information from the two holes drilled by the Company and metallurgical testwork information. The Company also interviewed a number of former mine staff to discover that, apart from the data now owned by the Company, the remainder of the mine’s operating reports and other information has been destroyed. The information located and acquired is owned by the Company and will be available for future discussions with the vendor.

Yours faithfully

A handwritten signature in black ink that reads "John Kelly". The signature is written in a cursive style with a large, stylized initial "J".

John Kelly  
Managing Director  
Republic Gold Limited

**For more information, please contact: Greg Barns on 0419 691 846  
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