



ASX ANNOUNCEMENT

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REPUBLIC TARGETS 10 MILLION CUBIC METRES OF TIN BEARING ALLUVIUM

The Board of Republic Gold (“**Republic**” or the “**Company**”) announces that it has signed a Heads of Agreement to enter into 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. The Company plans to commence an initial phase of work immediately, consolidating all of the historical geological data for one of the most prospective areas, the Kangaroo Creek Project, and then move into an alluvial mining phase at Kangaroo Creek. Kangaroo Creek has an existing treatment plant from earlier mining activity that will require refurbishment and a serviceable camp. Staldor Mining believes that the Kangaroo Creek Tin Mine has potential for 5.5 million cubic metres of tin bearing alluvial material and the Dickson Creek Tin Prospect has potential for 4.4 million cubic metres of tin bearing alluvial material. Appraisal of the other project areas will be commenced after the initial work at Kangaroo Creek is completed.

The ability to generate a cash flow in the near future from this investment is of prime importance to the Company. Nearly all the lease areas have considerable potential for tin, with the aim of the Joint Venture being to set up a number of operating tin plants on the project areas. The price of tin has exploded in the past few months, rising from US\$16,000 per tonne at the start of the year to its current price of over US\$20,000. Tin’s recent high was over US\$25,000 per tonne.

Joint Venture Structure

The Joint Venture is to be structured as follows: -

- The Company has paid Staldor Mining \$650,000 to purchase the Kangaroo Creek and Boomerang Projects from local prospectors after paying an initial \$25,000 deposit.
- The Company will pay Staldor Mining’s shareholders a total of \$50,000 and seek shareholder approval to allot the Staldor Mining shareholders \$200,000 in Republic Gold shares.
- The Company will provide \$150,000 for the Joint Venture to assess the projects and develop a mining plan, probably commencing at Kangaroo Creek. If this assessment is not satisfactory then the Company is not obligated to spend further funds and will own 25% of the Joint Venture.
- The Company will then provide a further \$875,000 for the Joint Venture to develop the first tin mining project, probably at Kangaroo Creek, at which point it will have earned 51% in the Joint Venture.
- From this point both Joint Venture parties contribute at their levels of interest or dilute.
- Staldor Mining has accepted the appointment of four Republic nominees to its Board, with a Republic nominee to fulfil the role of Chairman of the new Board of seven people.

- Once the Joint Venture agreement is signed, anticipated to be within the next month, the four Republic nominees will retire from the Staldor Mining Board. A Joint Venture Committee of 7 appointees will be formed to run the projects with 4 representatives of Republic Gold and 3 representatives of Staldor Mining.
- Staldor Mining has applied for four EPMs that are remote from the main tin projects, to the south-east. The Company is able to investigate these projects by spending up to \$100,000 on each. If the Company decides that any of these EPMs is of interest then they will be included in the Joint Venture, with no change in the Joint Venture equity by the payment of \$200,000 to Staldor Mining for each EPM transferred into the Joint Venture.

Importantly for the Company, a number of the Staldor Mining shareholders will play an active field role for the Joint Venture. These include two experienced tin prospectors and an experienced geologist. This will relieve the work load on the Company's technical staff.

Kangaroo Creek Tin Mine and Boomerang Tin Prospect

The Kangaroo Creek Tin Mine is located approximately 70 kilometres south-west of Chillagoe, with Chillagoe being two hours drive west of Mareeba on a bitumen road. The town of Chillagoe supports a number of mining and exploration projects, including the Mungana Base Metals Project being developed by Kagara Limited. The project area is serviced by a gravel road and also has an airstrip nearby. The Kangaroo Creek Tin Mine consists of three granted mining leases and one granted EPM. MLs 5115, 5134 and 5135, covering 259 hectares, will be the focus of initial attention, as these leases have been most recently worked by prospectors and will enable the Joint Venture to commence tin mining operations on granted mining leases. There is a serviceable camp at these leases and a small treatment plant, although this plant is not being considered for use at the Kangaroo Creek Tin Mine. The current Staldor Mining plan envisages the construction of a new treatment plant for mining operations at Kangaroo Creek in the near future. There is a large stockpile of tin bearing material ready for treatment, plus the potential of retreating the tin tailings from former operations. It is believed that the metallurgical recoveries through the existing treatment plant were poor, with visible heavy mineral being seen in the tailings.

Pit sampling (310 pits) was undertaken on the leases in the 1980s by Alberta Mines and Eden Exploration, when the last significant tin production took place. There are no resources from this sampling work that can be quoted, although Alberta Mines did quote an ore reserve in its 1980s prospectus estimated by Normin Consultants, who specialised in alluvial operations. Resource estimation will be one of the first priorities for the area, with a reconciliation of mined and unmined material to be done. It is believed that this sampling did not penetrate what is considered to be a "false bottom" with potential for tin bearing wash to exist beneath this false bottom.

The Boomerang Creek Prospect sits in ML 5136, covering 100 hectares, approximately 4 kilometres to the north of the Kangaroo Creek Tin Mine. The current plan by Staldor Mining is to move the existing Kangaroo Creek Tin Mine treatment plant to Boomerang Creek.

The two project areas also offer the potential to produce screened aggregate and sand as by-products for the Far North Queensland, including Cairns, building and residential markets.

Staldor Mining believes that the Kangaroo Creek Tin Mine has potential for 5.5 million cubic metres of tin bearing alluvial material. This target quantity will be tested in the first phase of work by the Joint Venture.

Dickson Creek Prospect

The Dickson Creek Tin Prospect lies 4 to 6 kilometres to the north-west of the Kangaroo Creek Tin Mine and is covered by five mining lease applications, MLAs 20554, 20555, 20556, 20557 and 20559, covering 219 hectares. There are also two EPM applications in this area, EPMA 16330 and 16703, covering 439 square kilometres, where one of the applications has a competing application in the western portion of the EPM area. This competing application does not impact the mining lease applications that are all located in the eastern portion of this EPM application.

Sampling grades for the Dickson Creek Tin Prospect are higher than for the Boomerang Creek Tin Project and have ranged from 1 to up to 10 kilograms per tonne of cassiterite.

Staldor Mining believes that the Dickson Creek Tin Prospect has potential for 4.4 million cubic metres of tin bearing alluvial material. This target quantity will also be tested in the first phase of work by the Joint Venture.

Other Tin Prospects Near the Kangaroo Creek Tin Mine

There are two other EPMs 40-50 kilometres to the south-east of the Kangaroo Creek Tin Mine that are part of the Joint Venture and are also prospective for tin. These are EPMs 16033 and 16253 covering 544 square kilometres. Staldor Mining believes that EPM 16033 has potential for several million cubic metres of tin bearing alluvial material.

Other Exploration Permits

The Joint Venture can potentially explore four EPM applications, including those above, covering a total of 674 square kilometres, EPMA 16033, 16253, 16264 and 16528. These are located in the Ravenshoe and Innot Hot Springs areas to the south-east of the Kangaroo Creek Tin Mine. These EPM applications are prospective for tin, gold, molybdenum and base metals.

Tin Usage & Occurrences

Tin has excellent fusion abilities and hence is used in the making of alloys, notably bronze, pewter and die-casting alloys. Tin is also alloyed with tungsten to make it more machineable. The largest uses for tin are for the production of solders and tin plating. Tin is also used in the manufacture of glass and in the chemicals industry.

Historically, Malaysia was the dominant player in the world tin industry. Today that role has been taken over by China. Bolivia also has a number of world class tin mines and tin prospects in Bolivia are being looked at by the Company, as well as gold, base metals and iron ore prospects.

The Company's mining engineer in Bolivia, Sn Juan Cabrera has spent 40 years working in the tin industry and will be able to provide considerable assistance for the Joint Venture projects.

Yours faithfully

A handwritten signature in black ink that reads "John Kelly". The signature is written in a cursive, slightly slanted style.

John Kelly
Managing Director
Republic Gold Limited

JORC Code Compliance Statement

Information in this report that relates to geological information is based on information compiled by Mr Chris Roberts, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Roberts is the Chief Geologist of the Company and has a minimum of five years experience relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Roberts consents to the inclusion in this report of the matters based on information provided by him and in the form and context in which it appears.

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Kangaroo Creek Tin Mine Tailings Sand Showing Black Heavy Mineral



The Lynd River at the Kangaroo Creek Tin Mine Which Will Provide Water for the Project