



ASX ANNOUNCEMENT

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The Manager
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AMAYAPAMPA 1,800 METRES DRILLING PROGRAMME & SURFACE SAMPLING PROGRAMME COMMENCED

The Board of Republic Gold (“**Republic**” or the “**Company**”) announces that the Company has commenced a 1,800 metre diamond drilling programme and surface sampling programme at the Amayapampa Gold Project in Bolivia.

The programme has been extended over what was initially envisaged. The aim of the drilling programme is to check a number of high grade channel samples in the orebody and to extend the mineralisation to depth where a small number of drillholes and one channel sample indicate that the mineralisation has good potential for extensions at depth (see diagram below). Ten drillholes are planned, with the longest hole being 230 metres.

The surface sampling programme will use trench sampling, mapping and a series of short drillholes to provide better definition of the mineralisation at surface. This will also assist with mine planning by giving the Company’s technical staff the best information about the near-surface mineralisation so that the most optimal area of mineralisation can be chosen for the commencement of mining operations.

“We consider that at current gold prices, any upgrade of the inferred material below the base of the pit to the measured or indicated categories enhances the potential for a much larger open pit. This could then feed into a longer life and much larger project,” the Managing Director of Republic Gold, Mr John Kelly said.

“As part of the Amayapampa Bankable Feasibility Study, the Company is working with Denver-based engineering firm Lyntek to investigate the potential of doubling the treatment throughput from 2,400 tonnes per day to 4,800 tonnes per day. If this is possible then the project economics will be greatly enhanced,” he said

“Following the drilling programme the Company will upgrade the resource model for Amayapampa,” Mr Kelly said.

The orogenic, sediment-hosted style of the Amayapampa mineralisation lends itself to the high grades already encountered and also to significant depth and strike potential. The geological corridor that hosts Amayapampa has a strike length of 15 kilometres and is mineralised with a number of base and precious metals at a series of current and historic mines, where the Company will extend its exploration programme in the future. The Company’s Bolivian subsidiary holds mining concessions that cover approximately 5.5 kilometres of this mineralised corridor.

The Company has engaged an experienced local drilling contractor, Maldonado Drilling, which has commenced drilling at the Project. Maldonado's drilling work has covered the majority of the exploration projects in Bolivia and has expanded its operations to Peru, Chile and Argentina.

In recent weeks political problems have flared up in Bolivia, the worst of which were in the far north-east of the country in the Department of Pando. Amayapampa is situated in the south-western Department of Potosi, a long way from the trouble spot. In recent days the news from Bolivia is that the Country's President, Senor Evo Morales, has negotiated a settlement with the five eastern Departments of the country, including Pando.

In a few weeks three directors of the Company, including the Chairman, will be visiting Bolivia to assess progress with the Amayapampa Project and the important training programme for the workers. The directors will also meet with the Minister for Mines and Metallurgy, Senor Luis Alberto Echazú Alvarado and his Vice-Minister, Senor Eugenio Mendoza Tapia.

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 John Kelly, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Kelly is the Managing Director 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 Kelly 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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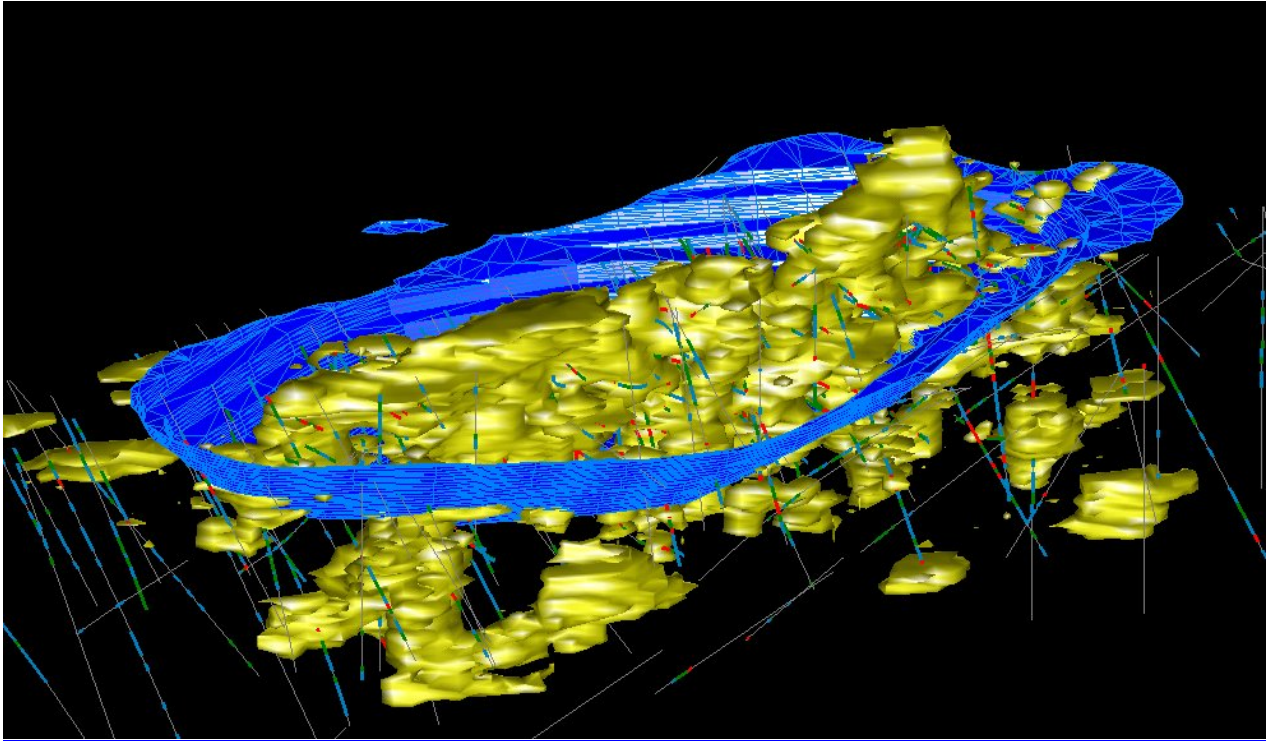
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**Amayapampa Resource Model Showing Inferred (Gold Colour) Material
Outside an Optimised Open Pit (Blue Outline)**