



ASX ANNOUNCEMENT

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LUZON MINERALS SETTLEMENT

Key Points

- **Settlement of litigation against BIRC, formerly Luzon Minerals.**
- **Republic now holds a strategic stake in BIRC.**
- **Costly and protracted litigation has now been averted.**
- **Republic can now continue progressing development of ~1.3million Ounce Amayapampa Gold Project in Bolivia without major distraction.**

The Directors of Republic Gold Limited (“**Republic**” or “**Company**”) are pleased to advise shareholders that the Company has settled its litigation with Black Isle Resources Corp, formerly Luzon Minerals (“**BIRC**”).

The basis of the settlement includes the Company receiving 1,500,000 shares at a deemed price of CAN\$0.10 per share in BIRC, amounting to 18.75% of BIRC’s current issued capital. The Company also now holds 500,000 warrants in BIRC exercisable at CAN\$0.15 per warrant within the next seven months, which can only be exercised if the Company will not own more than 1,500,000 shares in BIRC. BIRC has dropped all counterclaims of negligence against the Company and its staff. BIRC will also relinquish a default judgement it received against the owners of the Lipichi property in Bolivia as part of the settlement.

Republic’s Managing Director; John Kelly, said: “Whilst the size of the settlement is modest compared to the debt owed to the Company by BIRC, the issue of importance is that Republic is the sole owner of the Amayapampa Gold Project in Bolivia and BIRC has no interest in Amayapampa. Republic was able to negotiate much better terms than BIRC to purchase the Amayapampa Project from the vendor, after BIRC’s directors reneged on the contracted merger of the two companies three years ago. Republic now has a wholly-owned Project in Bolivia with a world-class gold resource for a junior company”.

Yours faithfully

John Kelly
Managing Director
Republic Gold Limited

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Amayapampa Mineral Resource Statement

	MEASURED		INDICATED		INFERRED		TOTAL		
	TONNES	GRADE	TONNES	GRADE	TONNES	GRADE	TONNES	GRADE	GOLD
	('000)	Au g/t	('000)	Au g/t	('000)	Au g/t	('000)	Au g/t	Ounces
AMAYAPAMPA RESOURCE ^{1,2}	4,360	1.6	22,800	1.0	8,230	1.1	35,390	1.1	1,294,000

Notes Accompanying The Mineral Resources Statement

¹ Figures are Republic's equity share of this project, being 100% of Amayapampa.

² For the Amayapampa resources, allowances have been made for depletion by estimated mining amounts for the predominantly underground historic workings. Resources may not sum to equal totals due to rounding.

Location	Grade Interpolation Method	Section Spacing Metres	COG* g/t Au Oxide	COG* g/t Au Sulphide	Oxide Density	Sulphide Density
Old Amayapampa Resource ¹	Ordinary Kriging	10 to 50	0.6	0.6	2.4	2.75
New Amayapampa Resource ¹	Ordinary Kriging	10 to 50	0.4	0.4	2.4	2.75

A top cut of 15.5 g/t Au was applied to the old Amayapampa model. 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. * COG is cut-off grade

JORC Compliance Statement

Information in this report that relates to the Amayapampa Mineral Resources for Republic Gold Limited is based on information estimated by Kerrin Allwood, Republic Gold's Independent Resource Consultant and a member of the Australasian Institute of Mining and Metallurgy. It is also based on information from Neb Zurkic Republic Gold's Technical Director, a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Kerrin Allwood and Neb Zurkic have a minimum of five years experience in the estimation, assessment and evaluation of Mineral Resources and Ore Reserves. Kerrin Allwood and Neb Zurkic have significant experience that is relevant to the styles of mineralisation and types 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". Kerrin Allwood and Neb Zurkic consent to the inclusion in this report of these matters based on the information in the form and context in which it appears.