

Terms and Conditions of Options

1. The holder of one option ('Option') is entitled to the allotment and issue of one fully paid ordinary share ('Share') in Republic Gold Limited ('Company') upon payment of the Exercise Price before the Exercise Date.
2. The Option is exercisable at any time after the date of grant and **on or before 5 June 2011** ('Exercise Date') by the holder completing an exercise notice and lodging it with the Company in the manner determined by the Board from time to time together with payment for the Shares at the exercise price of **4 cents** per Share ('Exercise Price').
3. The holder may not exercise less than 100,000 Options at any one time, unless the holder has less than 100,000 Options in which event, the holder must exercise all such Options together.
4. After an Option is validly exercised the Company must:
 - (a) issue and allot the Shares within 10 business days of the exercise of the Option; and
 - (b) subject to the securities of the Company being listed on ASX and to any restrictions imposed on the Options or Shares issued upon exercise of the Options under the ASX Listing Rules, do all such acts, matters and things to obtain the grant of quotation for the Shares on ASX no later than 3 business days after the issue and allotment of the Shares.
5. Shares issued on exercise of Options will rank equally with all existing shares on and from the date of issue in all respects.
6. Options may be transferred in the same manner as Shares unless classified as restricted securities under the ASX Listing Rules and may be exercised by any other person or body corporate.
7. The holder of a Option may participate in new issues of securities to holders of Shares only if and to the extent that:
 - (a) an Option has been exercised; and
 - (b) a Share has been issued in respect of the exercise before the record date for determining entitlements to the new issue.
8. If the Company makes a bonus issue of shares or other securities to existing shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment);
 - (a) the number of Shares which must be issued on the exercise of the Option will be increased by the number of Shares which the holder of the Option would have received if the holder of the Option has exercised the Option before the record date for the bonus issue; and
 - (b) no change will be made to the Exercise Price.
9. If there is any reconstruction of the issued share capital of the Company, the number of Shares to which the holder of the Options is entitled, and/or the Exercise Price, must be reconstructed in a manner which will not result in any benefits being conferred on the holder of the Options which are not conferred on shareholders (subject to the provisions with respect to the rounding of entitlements as sanctioned by the meeting of shareholders approving the reconstruction of capital), but in all other respects, the terms for the exercise of the Options will remain unchanged.