

AUSTRALIAN

RESEARCH



Contents

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Republic Gold Limited (RAU)



Sector Materials	Industry Group Materials	Industry Metals & Mining	Sub Industry Gold
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Company Overview

RAU is focused on the development and expansion of its Bolivian and Far North Queensland assets. The total Measured, Indicated and Inferred Resource in Far North Queensland total 462,000oz, with further drilling targeting high-grade potential. RAU's Amayapampa Gold Project in Bolivia has a Measured, Indicated and Inferred Resource of 1,294,000oz. Bankable Feasibility Studies for both the Amayapampa and Far North Queensland projects are well advanced.

Strategy

RAU's focus is on the Amayapampa Gold Project in Bolivia. With resources of 1.3Moz gold, and potential for growth, RAU is aiming to complete its Bankable Feasibility Study by June/July 2010 and begin production around 1Q11. In Far North Queensland, RAU's other significant project is in the Hodgkinson Basin. Here RAU is looking to develop a near-term cash generating asset. RAU is aiming to increase its Far North Queensland resource base to 650,000oz Au.

Aegis Comments as at March 2009

Outlook: Bankable Feasibility Studies are well advanced at RAU's Far North Queensland (FNQ) and Bolivian tenements, with the Amayapampa BFS scheduled for completion on June/July 2010. The delay in BFS timing in Bolivia is due to the decision to increase plant throughput. Pre-construction work at Amayapampa has entered a second phase, including the required civil works. The socialisation process has also advanced. A positive outcome from this process will see RAU granted its social licence.

Catalysts: As an exploration play, the share price is sensitive to news flow relating to drilling programs and resource upgrades. Bolivia is RAU's primary focus and progression toward production will be viewed favourably including a positive outcome for the BFS at Amayapampa. RAU has a drilling program in its FNQ assets, which may provide catalysts should the results be positive. RAU is seeking the earliest development of an operation to produce gold and cashflow at Hodgkinson Basin program.

Risks: RAU is an explorer seeking to emerge as a junior Au producer. Many approvals are needed prior to mine construction and production. These include negotiations with Native Title Holders and environmental approvals. Assuming a positive BFS for the QLD Au projects and Amayapampa, there could be risks relating to finance, although key shareholders are supportive of RAU's strategy. With its Bolivian operations, there is an element of political risk.

Earnings Summary

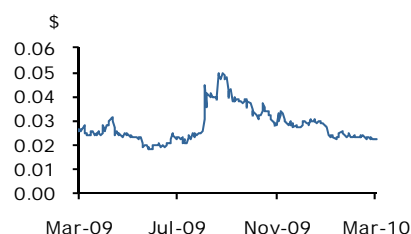
Yr to Dec	NPAT Rep \$M	NPAT ¹ Adj \$M	EPS ¹ c	EPS chg %	PER x	PER rel All Ords x	PER rel Sector x	DPS c	Yield %	Franking %	ROE %
2006A	(3.3)	(3.3)	(3.1)	n/a	(0.7)	(0.0)	(0.0)	0.0	0.0	0	(142.5)
2007A	(1.7)	(1.7)	(0.4)	n/a	(5.5)	(0.3)	(0.3)	0.0	0.0	0	(32.0)
2008A	(4.0)	(4.0)	(0.6)	n/a	(3.9)	(0.2)	(0.2)	0.0	0.0	0	(41.0)
2009A	(2.0)	(2.0)	(0.1)	n/a	(21.7)	(1.1)	(1.0)	0.0	0.0	0	(7.0)

¹ NPAT and EPS are adjusted by removing non-recurring items. All the above statistics are derived from normalised earnings.

Key investment information

Price:	\$0.02
Price as at:	29-Mar-10
Market Cap (\$M):	25.6
Equiv. Shares (M):	996.00
% All Ords:	0.00
12Mth Range (\$):	0.02 - 0.05
Shares Traded (\$M pa):	50.7
Listed since:	Jan 2004
Index:	n/a

Share price performance



Company contact



John Kelly
Managing Director
jkelly@republicgold.com.au
61 418 577759

www.republicgold.com.au

Financial Stability

Balance Sheet (Y/E Dec)	07A	08A
Net debt (cash) (\$M)	(3.7)	(6.8)
Total assets (\$M)	14.2	27.9
Net debt/equity (%)	(30.4)	(25.1)
Net interest cover (x)	n/a	n/a
NTA per share (\$)	0.06	0.03
Current ratio (x)	3.2	7.6

As at 31-Dec-08

Net debt (cash) (\$M)	(6.8)
Net debt (cash) / shr (\$)	(0.01)
Net debt (cash) / MktCap (%)	(26.5)

Substantial Shareholders

Nefco Nominees	6.9%
Zeus Pty Ltd	6.5%

Board

P Wicks (Non Executive Chairman)
 J Kelly (Managing Director)
 G Barns (Director)
 N Zurkic (Director)
 B K Choo (Director)

Key Executives

T Jackson (Exploration Manager)
 R Shand (Company Secretary)

Differentiating Factors

RAU is a junior explorer focused on gold, antimony and tungsten, with a total resource base of 1.75Moz. It is one of few listed companies focused on exploring in the Hodgkinson Basin and Bolivia. The company has significant experience in open-cut mining and heap leach gold processing, and plans to use bacterial oxidation technology to treat the gold-bearing sulphide ores.

Achievements

A number of drilling programs are currently in progress at its Hodgkinson Basin projects. RAU has good relations with Bolivian Government officials which should aid the company through the required regulatory processes. This strong relationship was evident when the Department government of Santa Cruz signed a letter of intent in late 2009 to jointly work toward exploration at the highly prospective El Mutun Iron Ore Project.

Recent Events

24 February 2010 – Major increase in Amayapampa treatment plant:

RAU announced an investigation in upgrading the Amayapampa treatment plant size from 5,000t per day to 7,500t per day (2.7Mtpa) increasing the scale of the operation to ~100,000ozpa output. The announcement of the plant upgrade comes following the upgrade of Amayapampa resources to 1.3Moz. The proposed 2.7Mtpa rate would indicate a mine-life of up to 10 years. RAU also advised the BFS for Amayapampa has been pushed back from March 2010 to June/July 2010.

15 February 2010 – Amayapampa resources increase to 1.3Moz:

RAU announced a substantial resource upgrade at the Amayapampa project. Around half of the upgrade was attributed to drilling and sampling undertaken during the 2009 program. The other half was due to a reduction in cut-off grade. Total resources increased 19.4%, up 210,000oz gold to 1,294,000oz. Measured and Indicated resources increased 48% to 990,000oz which is of significant importance given it is this resource category which will form the portion assessed for conversion into ore reserve.

12 February 2010 – Encouraging drill results from Tregoora:

RAU completed 2,252m of RC drilling prior to the onset of the wet season, with the remaining 2,700m to be completed after the wet weather. Drilling to date has shown the existence of a minimum of three high grade shoots. Results from the drilling program include a 4m intersection at 6.62g/t Au extending the main Terrace Creek shoot to 70m down plunge. A new southern shoot at Terrace Creek was discovered with a 10m intersection at 2.6g/t Au. 30 of 36 drill holes intersected mineralisation.

Capital Structure

RAU has 1,161M ordinary shares on issue plus 473.2M listed options. There are also 52.7M unlisted options with exercise prices from 3.75 cents to 6.25 cents, with expiry dates to October 2011.



Level 6, 33 York Street
Sydney NSW 2000 Australia
Locked Bag 7 Australia Square
Sydney NSW 1215
Phone 61 2 8296 1100
Fax 61 2 9299 3777
ABN 72 085 293 910
www.aegis.com.au