

REPUBLIC GOLD LIMITED QUARTERLY REPORT DECEMBER 2006



Chief Geologist Trevor Jackson Sampling the Far North Prospect at Tregoora

SIGNIFICANT ACHIEVEMENTS

Hodgkinson Basin (Queensland) Projects Development

- ◆ Infill geochemical sampling further defines new drilling targets announced in the June Quarter over 7 kilometres of the Retina Fault and indicates a new anomaly over 600 metres
- ◆ Soil sampling At Northcote has defined an anomalous zone at least 400 metres in length along the southerly extension of the Black Bess deposit

Lucky Draw & Burraga (NSW) Projects Development

- ◆ An interrogation of the Burraga historical data as part of a modelling exercise has shown historic drilling intersections not assayed for gold of 34.6m @ 1.49% Cu, 9.75m @ 1.73% Cu and 10.65m @ 1.09% Cu and 5.0 m @ 1.87% Cu, 28 g/t Ag and 1.88% Zn. Samples of smelter slag dumps from past mine treatment contain values of 0.8 - 1.8% Cu and 0.1 - 0.3 Au g/t

SA Uranium Tenements

- ◆ Application for a series of tenements in the Curnamona Basin in South Australia covering 2,344 square kilometres prospective for uranium, with 3 parties interested in joint venturing into the project

Luzon Minerals Limited (Bolivia) Projects Development

- ◆ 69 metres @ 5.8 g/t Au, with significant silver and antimony from channel sampling of Lipichi crosscut, containing 8 metres at 26.3 g/t Au, within 16 metres at 15.6 g/t Au

Corporate

- ◆ The signing of an Asset Sales Agreement to combine the assets of the Company into Luzon Minerals followed by Luzon terminating the agreement
- ◆ The announcement of an underwritten Share Purchase Plan that closed in January raising \$600,000
- ◆ The resignation of the Company's Corporate Development Director, Mr McLucas from the boards of the Company and Luzon Minerals
- ◆ The resignation of the Luzon President from the Luzon board and the appointment of the Company's Exploration Director as Luzon's new President and the appointment of Vista Gold Corps' President as a non-executive director of Luzon

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HODGKINSON BASIN (QUEENSLAND) PROJECTS

Hodgkinson Basin Programme

Work in the December Quarter in the Hodgkinson Basin continued on the geochemical sampling programme commenced in the previous quarter. No drilling was carried out.

The principal aim of work planned to be carried out in 2007 is the addition to the existing resource base available to the Company for project development. The following programme is planned for 2007: -

- ◆ Exploration drilling on new targets defined during the previous season, at both Tregoora and Northcote
- ◆ Infill of new zones located for resource estimation
- ◆ Drilling to provide further samples for metallurgical testwork
- ◆ Strategic drillholes to examine depth potential of existing resources
- ◆ Regional reconnaissance testing of the widespread gold occurrences within the Company's large holdings, for significant sulphide hosted gold occurrences
- ◆ Assessment of the Company's holdings for tungsten, tin and antimony potential
- ◆ Continued project development assessment and planning

The 2005 field season was successful in further increasing the total Hodgkinson Basin Project resource base to 590,000 ounces of gold and gold equivalent ounces, as reported to the ASX on 15 May 2006. This was comprised of a total of 515,000 ounces of gold in all resource categories, as defined in the table below and 75,000 equivalent ounces of gold from contained antimony. The Company's equity share of these projects totals 497,000 ounces of gold and gold equivalent. The overall increase for the Tregoora project area following the 2005 drilling was a 44% increase of approximately 50,000 ounces, to approximately 155,000 ounces.

The Company is targeting a further significant resource increase to 750,000 ounces from the programmes at Northcote and Tregoora.

The Company remains focussed on the earliest possible development of an operation to produce gold and a positive cash flow. This includes re-evaluation of the potential of commencing production in the Hodgkinson Basin from oxide ore, following encouraging results from exploration at Northcote and Tregoora. Figure 1 shows the Company's Hodgkinson Basin tenements.

EPM 13937 – Tregoora Project (Republic 100%)

EPM 13937 contains the 100%-owned Tregoora Project, which the Company believes provides an early development opportunity, along with the Northcote Project. The Tregoora Project contains the Sleeping Giant Prospect that lies on the Retina Fault, a major regional fault some 50 kilometres long, plus a number of other prospects to the east of the Retina Fault.

An extensive mapping and geochemical sampling programme was continued during the Quarter along the Retina Fault for a distance of approximately 7 kilometres to the north of the northernmost of the old oxide pits mined during the 1990's. The sampling work extended well beyond the new Far North Prospect discovered at the end of the 2005 field season, 3 kilometres north of the oxide pits (see Figure 2). The programme was very positive, with the Retina Fault clearly showing for the entire length of the 7 kilometre long zone studied and with a number of anomalous zones.

Infill soil sampling along this 7 kilometre extension of the Retina confirmed the importance of this zone and defined additional areas of gold anomalism that are ready for drilling. The only previous drillholes recorded in this area are the discovery holes drilled late last field season by the Company, which included FN006 with 16 metres @ 2.40 g/t Au at Retina Far North.

Mapping at the south of this geochemically tested area indicated significant potential on a further line to the west of the Retina Fault trend. This area in and north of the previously mined Retina pits has had only sparse earlier drilling around the old pits. Downhole values from that drilling include 6 metres @ 2.2 Au g/t, 10 metres @ 1.4 Au g/t and 12 metres @ 1.2 Au g/t, confirming the potential of this trend with wide sulphide bearing mineralisation. This western line has been inferred over 600 metres of strike length at present.

Further drillholes have been added to the planned programme as a result of the recent work, bringing the number of initial holes to 20.

The drilled +120,000 ounce resource at Sleeping Giant covers a distance of only 1.2 kilometres of the Retina Fault. The extent of the new geochemistry on the Retina Fault provides potential for significant resource increases at Tregoorra.

EPM 9869 – Northcote Project (Republic 75%)

At Northcote, soil sampling has also defined a zone at least 400 metres in length of anomalous gold values, along the southerly extension of the Black Bess deposit.

Drilling is planned to be carried out here in conjunction with a programme to test trend and deeper plunge extensions of the East Leadingham deposit, the highest grade deposit at Northcote. This deposit was previously mined for oxide mineralisation yielding an average grade of 9.8 Au g/t and remains one of the most attractive targets in the region both along trend and at depth.

Tregoorra and Northcote Projects Pre-Feasibility Study Programme

Pre-feasibility studies on project development continued as indicated. A preliminary economic analysis indicated that the Hodgkinson Basin Project is likely to be cash positive at current gold prices. However, the capital costs of establishment mean that economic returns would be considerably improved by the addition of more resource ounces. The Company believes that further drilling, in targeted areas detailed in this announcement, will provide such an increase and would yield a much improved return on investment at this stage.

Mine Permitting

The mining licence applications made in the March Quarter continue to be progressed with the Queensland EPA.

Metallurgical Testwork

No metallurgical testwork was undertaken.

Interest has been expressed by a Chinese smelting company in the Company's Far North Queensland antimony resources. The Company has supplied a sample of antimony concentrate from the Northcote Project to a Chinese smelting company for testwork. The smelting company was very pleased with the quality of the concentrate and has expressed interest in securing a contract for any antimony concentrate that the Company can produce. The same group has expressed interest in any tungsten resources that the Company might be able to develop on its 100%-owned ground in FNQ. The Company plans to explore the potential of a strategic relationship with the smelting company in the New Year.

Regional Hodgkinson Basin Exploration Programme

Regional exploration work included the follow-up of historic anomalies with mapping and sampling, demonstrating of the extent of a number of mineralised zones.

Future Work Programme at Tregoora

A Stage III drilling programme for Tregoora has been designed, based upon the recent geochemical results, to follow-up promising scout drillhole results from the end of the last season.

Future Work Programme at Northcote

Further drilling is planned this season for Northcote, as the currently chosen area for initial development, to boost potential resources for mining and assess deeper, higher grade zones.

Expenditure

Expenditure for the December Quarter on the Hodgkinson Basin tenements amounted to \$55,000. Expenditure in the March Quarter will be at similar levels with the continuation of the wet season.

LUCKY DRAW (NSW) PROJECT

Work During the Quarter

Work during the Quarter on the development of the Lucky Draw tenement into a NSW-focused vehicle was slowed due to the Luzon transaction and its likely dependence on this transaction.

As part of a systematic reassessment of the existing resources in the NSW Exploration Licence 6463 south of Bathurst, initial modelling of the historical Burruga copper-gold deposit is being carried out. The Lloyds mine was an underground mine that worked a rich copper shoot intermittently from 1870 to 1927, producing over 500,000 tonnes at 3.7% Cu and was the focus of the NSW copper industry at the turn of the century. The modelling is aimed at compiling all past information into a 3D computer model to allow strategic drill testing of the area.

Substantial exploration was carried out at Burruga in the 1960's to 1980's. This work indicated a significant area of copper anomalism around the historical mine extending over 2 kilometres to the north of the old mine. This has been confirmed in places by drilling. However, the drilling was relatively sparse and where it was near the main shoot of the old mine the drilling was nearly all at shallow depths of less than 60 metres below the surface. There has been no testing of the deeper down-plunge extensions of the rich shoot at all. Drillholes through previously worked areas in the near surface part of the main shoot (which were not assayed for gold) gave encouraging downhole intersections such as:

SP2:	34.6m @ 1.49% Cu (close to true width)
SP1:	6.1m @ 0.81% Cu and 6.1 m @ 1.17% Cu
UP5:	9.75m @ 1.73% Cu (hole ended in mineralisation)
UP9/10:	10.65m @ 1.09% Cu
UP12:	7.0m @ 0.83% Cu
UP15/16	7.1m @ 1.8% Cu
UP13/14	3.6m @ 2.0% Cu
UP2:	4.88m @ 0.85% Cu
UP8:	6.7m @ 0.63% Cu (hole ended in mineralisation)

Old mine level plans and drilling show significant widths of 0.5% to 2% Cu material suggesting that there is potential for a moderate tonnage, moderate grade orebody associated with and around the areas of old mining. Drilling to test for this and deeper extensions of the rich shoot is strongly warranted.

Past scout drilling of the widespread anomalism around the mine also gave some encouraging intersections such as 6.0 m @ 1.48% Cu and 16 g/t Ag from 150 m (no gold assays; hole P22) and 5.0 m @ 1.87% Cu, 28 g/t Ag and 1.88% Zn from 59 m (no gold assays; hole P27), supporting the potential for new high grade deposits. Samples of smelter slag dumps from past mine treatment contain values of 0.8 -1.8% Cu and 0.1 - 0.3 Au g/t.

The mineralisation is hydrothermal Cu-Au style with a suggested deeper porphyry intrusive source, similar to most of the major discoveries in NSW over the last 20 years. High quality magnetics can be used successfully for exploration in this environment. Figure 3 shows the position of the historical Lloyds mine workings and the past drilling and also shows a number of magnetic high targets for follow up.

Late in the June 2006 Quarter a title issue arose with EL6463, Lucky Draw in relation to tailings associated with the licence. The Company continues to address this issue with the NSW Mines Department and its operating partners on the project.

Notes Accompanying the Burraga Exploration Results

Drilling results quoted above from historical sources are of various methods including openhole percussion and diamond core and are of uncertain reliability at this stage. However, they are generally located to provide practical intersections through mineralisation and are interpreted as satisfactorily indicating the general tenor and extent of mineralisation for further verification and follow up.

Information in this report that relates to exploration results is based on information compiled by Chris Roberts, a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists who has visited the sites recently 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 Mineral Resources and Ore Reserves". Chris Roberts consents to the inclusion in this report of those matters based on the information in the form and context in which it appears.

Expenditure & Future Programme

Expenditure for the December Quarter on the Lucky Draw tenement amounted to \$3,000. Expenditure in the March Quarter will be at similar levels or higher if planned drilling can be commenced.

Progress for drilling access at the Burraga Copper-Gold Project was made with plans to commence drill testing of the deposit in the next quarter.

Resolution of the title issue concerning EL 6463 and continuation of the computer block modelling of the resources and past mining and exploration data is planned to refine targeting of drilling anticipated in the next quarter. The targets are associated with the Lucky Draw gold mine and extensions and the substantial historical copper mine at Burraga. Targets at the Burraga deposit include extensions to the high grade intersections above and sites to evaluate the larger scale potential of the project.

CALLABONNA URANIUM (SA) PROJECT

Work During the Quarter

Work during the Quarter sought expressions of interest from parties for a joint venture on the Callabonna tenements in South Australia's Curnamona Craton where the Company and its partners are seeking a party to fund exploration of the extensive 2,344 square kilometre application areas to allow rapid commencement of exploration on granting,, which is anticipated shortly.

A number of parties have now expressed interest in joint venturing into the four licence applications around the northern margins of this highly prospective uranium province. The Curnamona Craton is host to the Honeymoon, Beverley and Gould's Dam uranium deposits and the recently discovered Beverley 4 Mile prospect.

The Company anticipates that the successful joint venture party will be decided shortly.

Expenditure & Future Programme

Work in the March Quarter will centre on deciding upon a joint venture partner and then ensuring that this party spends sufficient funds on a geophysical survey of the tenements once these are granted.

Expenditure for the December Quarter on the Callabonna tenements was insignificant as the tenements are now yet granted.

LUZON MINERALS LIMITED – BOLIVIA

The Company owns a strategic stake in TSX-Ventures Exchange listed Luzon Minerals Limited of Canada. Luzon Minerals has an interest in two projects in Bolivia, the Amayapampa and the Lipichi Gold Projects and in conjunction with the Company and South Boulder Mines Limited has a joint venture on the La Fortaleza Project. Figure 4 shows the locations of Luzon's projects.

The Company owns 3,269,840 shares, 634,929 15-cent warrants and has 1,000,000 15-cent (Canadian) options over shares in Luzon Minerals. An option over 2,000,000 shares lapsed because a financing hurdle was not satisfied and an option over a further 1,000,000 shares was used in a settlement with the director who resigned during the Quarter.

Bolivian Politics & Recent Developments

The politics involved in the mining sector during the Quarter provided some clarity on the Bolivian Government's future mining policies. Luzon continues to enjoy a good working relationship with the Bolivian Government and, in that context, has already met with the newly appointed Mining Minister, Guillermo Dalance a number of times and his newly appointed Vice Minister Alberto Echazu.

Significantly, on December 31, Bolivia's President Evo Morales said that his Government's proposed reforms of the mining industry would not involve the expulsion of foreign investment. "There are important investments that some entrepreneurs have made. As always, an entrepreneur must gain earnings. We aren't going to expel no one, but they can't gain as much as they did in the past," President Morales said.

A series of seminars are being held across the country with stakeholders to outline the direction the Government is seeking to take with a revised Mining Code. Representatives of Luzon have attended the initial seminar. [A number of the proposals are seen as part of the President's "nationalisation" process to see greater State involvement in the industry.] The following series of points has come out of this seminar: -

1. The procedure to obtain mining concessions is not going to change.
2. The original ownership of all mineral resources (as defined on the Bolivian Mining Code and in the Bolivian Constitution) is by the Bolivian State, as it is in Australia.
3. A Resolution of the Bolivian Constitutional Court in 2006 made it illegal to transfer, inherit or mortgage mining concessions, patently providing difficulties to debt fund mining projects. The Government is seeking to amend the Mining Code so that this judgment becomes meaningless.
4. All activities related to mining (exploration, exploitation, milling, smelting, mineral and metal trading, and use in the industry of the metals and minerals, will be considered as mining activities thus extending the definition.
5. The mining concession owners must submit to the Government Exploration or Mining Plans, as already occurs in Australia, with the Government having the right to conduct inspections on the concessions and determine if there is compliance with the presented plan.
6. The maximum size of a mining concession will be reduced to 25,000 hectares from the current limit of 62,500 hectares. There is no limit as to the number of mining concessions that can be held by a company or an individual. COMIBOL, the State mining company, will not be subject to the restriction.
7. Fiscal Reserve Zones and Priority Mining Development Zones will be created. The Fiscal Reserves can be exploited by COMIBOL, in association with the State or through special concessions. The Priority Zones will be defined with the purpose of providing economic and technical assistance to the concession owners.
8. COMIBOL is going to have more faculties and will be empowered to participate in every step of the mining industry. The current Mining Code has COMIBOL only as a contracts administrator, with the exception of the Huanuni tin deposit. The ability of COMIBOL to execute JV and lease agreements is to be ratified.

9. SERGEOTECMIN (the technical institution of the Bolivian government for mining) will be maintained and a new entity will be created to provide control of Exploration and Mining Plans.
10. Another entity will be created to provide control to mineral trading in Bolivia (including exports). That is to have better control over taxes and therefore more money gathered as mining taxes (ICM). All the export process will be done through the new government agency. The ICM (Complementary Tax for Mining) will be controlled as well by the new entity. This is seen as a mechanism for the Government to significantly enhance its tax take as has been recently announced by the Minister for Mines and Metallurgy.
11. New taxes will not be created. The ICM will be increased by an as-yet to be specified amount. Speculation in Bolivia is a small increase and not the large increases speculated in the press.
12. Aboriginal Communities will have priority to apply for mining concessions, with the mechanism for that to be defined. Current mining concessions will not be affected by such priority. The Aboriginal Communities must be organised and comply with mining, environmental and taxation laws.
13. Mining Activities in "sacred places" are permitted as long as a study shows that mining will not affect the area.
14. The ICM will be redistributed to provide benefits to the Aboriginal Communities.
15. Any mining activity that requires an Environmental Impact Study (exploration is excluded according to the current environmental law and the environmental decree for mining activities) will require a consultation process with the Aboriginal Communities (as currently established on the environmental laws). Again, this is the same as for Australia.

AMAYAPAMPA GOLD PROJECT

Technical

The Feasibility Study progressed slowly, pending further fund raising by Luzon.

The Company has been made aware by Vista Gold Corp that legal proceedings had been instituted in the Bolivian courts questioning the validity of the title of some concessions at Amayapampa with respect to a previous owner. Similar proceedings had been taken by the same claimant in 1998 and were not successful. Vista states that it believes the claims are without merit and that it does not anticipate that this dispute will have a material adverse effect on the value of its holdings in Bolivia.

Social

Work continued on the social issues at Amayapampa. An active programme is taking place with the local villagers by keeping in close contact with the community leaders and the villagers themselves. To this end, the Company's Managing Director had been invited to be the "Godfather" for the final year class at the Amayapampa High School, with 2006 being the first year that the school taught a final year. A Graduate Certificate presentation was held at the end of the year with the Company prominently represented.

LIPHICHI GOLD PROJECT

Luzon received the assay results from a series of channel samples taken from the No. 50-Metre Cross-Cut on Level 1 East at the Lipichi Mine in Bolivia. The highest grade gold and antimony zone encountered in this sampling was 2 metres of 21.4 g/t Au and +20% Sb. This is contained within 18 metres at 9.93 g/t Au and 12.9% Sb.

There are also significant silver credits, with the entire cross-cut length recently sampled of 48 metres averaging 20 g/t Ag, 4.16 g/t Au 3.9% Sb. Sampling has not yet reached the NE boundary of this mineralisation.

Significant other base metals results have been received from earlier sampling. In the new results received there is one sample of 2 metres of 2.11% Pb, 123 g/t Ag and 2.81% Zn.

This sampling follows on from sampling announced in July 2005 of the No. 50-Metre Cross-Cut on Level 2 East of 69 metres of 5.8 g/t Au. This cross-cut is 31 metres vertically above the recently sampled cross-cut on Level 1 East, thus demonstrating good vertical continuity of the mineralisation.

The stibnite results are extremely high and based upon these results Lipichi could be considered as a potential antimony mine with gold credits. At current prices of US\$3,900 per tonne for antimony and US\$620/ounce for gold, 1% antimony equates to a value of US\$39 per tonne of rock and 1 g/t gold equates to a value of US\$19.90 per tonne of rock.

Figures 5 and 6 below show the gold only sample values and the gold equivalent values based on the above prices (with some areas not yet analysed for antimony). This clearly shows the substantial increase in the amount of economic grade material and the continuity of this zone when the values of gold and antimony are both taken into account.

Development exploration is now underway on Levels 1E, 2E and 4E.

The samples quoted above are from 1 and 2-metre long horizontal channel samples, approximately 150mm wide and 50mm deep, which are appropriately orientated for the sub-vertical trending mineralisation and veining.

A 3,000-metre drilling programme has been designed for Lipichi to infill the existing drilling and underground development. Importantly this programme will test the up-dip extensions of the mineralisation. Old workings on the face of the hill extend nearly all the way up the hill to the main road approximately 185 metres above Level 1. This programme will see drilling from both surface and underground locations.

All analyses have been carried out by ALS Chemex utilising regular laboratory standards and check samples provided by the Company which have shown industry acceptable correlations with the results quoted above.

LA FORTALEZA GOLD PROJECT

The La Fortaleza Joint Venture has progressed following earlier community problems with preliminary discussions being held with the directors of the mining co-operative.

JOINT VENTURE OPTION WITH COMIBOL

Due to the community problems with the La Fortaleza joint venture, the Company had earlier sought and was granted an extension to the option agreement with Comibol on the ground surrounding the La Fortaleza Project.

Expenditure & Future Programme

Expenditure for the December Quarter on Luzon's projects amounted to \$637,000. Expenditure in the March Quarter will be approximately half of this level. The total amount owed to the Company by Luzon, including interest, now totals approximately \$1,825,000.

Corporate

Combination between Republic Gold & Luzon Minerals

During the Quarter the Company announced that it signed an Asset Sales Agreement with the Company's strategic alliance partner, Luzon Minerals Limited, to combine the two companies. Subsequent to the signing of this agreement the Company was informed by Luzon that it had terminated this agreement during the due diligence period.

In conjunction with the termination Luzon indicated that it had commenced discussions with Vista Gold Corp, the owner of the Amayapampa Gold Project in Bolivia, to extend the payment terms for the purchase by Luzon of this property. The Company was invited to attend the discussions with Luzon and Vista on the purchase extension and the future of the Company's involvement in Amayapampa.

As part of these tripartite discussions, Luzon's Board was reconstituted. Mr Don MacDonald, Luzon's President, resigned. Ms Marion McGrath remained a director. Mr Mike Richings, Vista's President, was appointed to the Luzon Board as a non-executive director. Mr Chris Roberts, Republic's Exploration Director, was appointed to the Luzon Board as President and CEO.

An amended Asset Sale Agreement has subsequently been submitted to Luzon for comment. This agreement now includes provision for a fairness opinion on the transaction for Luzon shareholders and a shareholder vote by Luzon shareholders. The agreement had already provided for a vote on the transaction by Republic shareholders.

The current equity resource base of the combined entity would be 1.74 million ounces of gold, plus 3.42 million ounces of silver and 63,000 tonnes of antimony. Details of the resource base are attached as Schedule 1. As at December 31, 2006, the combined market capitalisation of the two companies was approximately US\$8.8M which equates to approximately US\$5 per ounce of gold resource, plus credits for silver and antimony.

Annual General Meeting

The Company's 2006 Annual General Meeting was held on 20 November 2006 and all resolutions were unanimously passed on a show of hands.

Share Purchase Plan

The Company announced a Share Purchase Plan ("SPP") in November to allow all shareholders to take up to \$5,000 of new ordinary shares in the Company at 5 cents per share. The SPP was subsequently underwritten for \$600,000 by Kefu Underwriters Pty Limited. The SPP closed on 17 January 2007 and raised \$363,000 from shareholders and a further \$237,000 from the underwriting. A total of 136 shareholders took up the offer, contributing an average of \$2,670 per shareholder. During the Quarter, 3,320,000 shares were issued under the Share Purchase Plan. A further 3,941,987 shares have been issued following the closing of the SPP in January 2007.

The funds raised are being used to progress Company's Hodgkinson Basin projects and the combination of the Company with the Company's strategic alliance partner, Luzon Minerals of Canada and for working capital.

Directors' Share Transactions

There were no Directors' share transactions during the Quarter.

Director's Resignation

The Company's Corporate Development Director Mr McLucas resigned from the Board on 19 October 2007. Subsequently Mr McLucas resigned from the Board of Luzon Minerals as Chairman and as a director. As part of a settlement with Mr McLucas, he has relinquished the 5,000,000 incentive options granted to him by shareholders in 2005.

Options' Expiry

Two sets of options expired during the Quarter. A total of 2,800,000 directors options expired and a total of 14,596,453 listed options expired.

Value of Investments

The Company owns 3,269,840 shares, 634,929 15-cent warrants and has 15-cent options over 1,000,000 shares in TSXV-listed Luzon Minerals Limited. At the end of the Quarter Luzon Minerals shares were trading at CAN\$0.11 cents valuing this stake at approximately \$380,000.

Cash Assets

Cash on hand at the end of the December Quarter was approximately \$31,000.

At 31 December 2006 the Company was owed a receivable of \$1,825,000 by Luzon Minerals for work completed and for funds advanced over the past 15 months. This debt is to be extinguished as part of the proposed combination transaction between the Company and Luzon. The Company will send a further invoice to Luzon for the December Quarter for a total of approximately \$637,000. The debt is secured by the Canadian equivalent of a fixed and floating charge.

Top 20 Shareholders

The following table show the Company's Top 20 Shareholders at the end of the Quarter.

Rank	Shareholders	Shares	Percentage
1	Zeus Pty Limited <Republic Gold Unit Trust>	24,085,000	19.59%
2	Yarraandoo Pty Limited <Yarraandoo Super Fund A/C>	5,625,000	4.58%
3	Romadak Pty Limited <Romadak Super Fund A/c>	5,175,000	4.21%
4	Forbar Custodians Limited <Forsyth Barr Ltd Nominees A/C>	3,073,107	2.50%
5	Clodene Pty Ltd	2,732,625	2.22%
6	Citicorp Nominees Pty Limited	2,575,061	2.09%
7	Fortis Clearing Nominees P/L	2,444,565	1.99%
8	Geraldton Agricultural Services Pty Limited	2,301,099	1.87%
9	FNL Investments Pty Ltd	2,000,000	1.63%
10	Malaysia Smelting Corporation Berhad	1,854,087	1.51%
11	Palazzo Nominees Pty Limited <Palazzo Investments A/C>	1,500,000	1.22%
12	ANZ Nominees Limited <Cash Income A/C>	1,463,700	1.19%
13	Gateway Mining NL	1,350,000	1.10%
14	Robert Cameron & Jane Amanda Galbraith <Camanda Super Fund A/C>	1,275,000	1.04%
15	Hooper Bailie Industries Pty Limited	1,250,000	1.02%
16	Shareholding Pty Limited	1,200,000	0.98%
17	Kailis Consolidated Pty Ltd	1,125,000	0.92%
18	Leonard Hartnett	1,000,000	0.81%
19	International Goldfields Limited	1,000,000	0.81%
20	RJ & EE Mitchell Pty Ltd <Jim Mitchell Family Account>	1,000,000	0.81%
Total		64,029,244	52.09%

A handwritten signature in black ink that reads "John Kelly". The signature is written in a cursive style with a large initial 'J' and 'K'.

John Kelly
Managing Director
REPUBLIC GOLD LIMITED

Corporate Information

Directors

Peter Wicks Non-Executive Chairman
John Kelly Managing Director
Chris Roberts Exploration Director
Greg Barns Non-Executive Director

Exploration Geology Team

Trevor Jackson, Jeremy Belcher, Lex Johnston, George Ross, Susan Brickl, Denise Cochrane, Steve King, and Kerrin Allwood

Company Secretary

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Australian Stock Exchange
Ordinary Shares Code **RAU**

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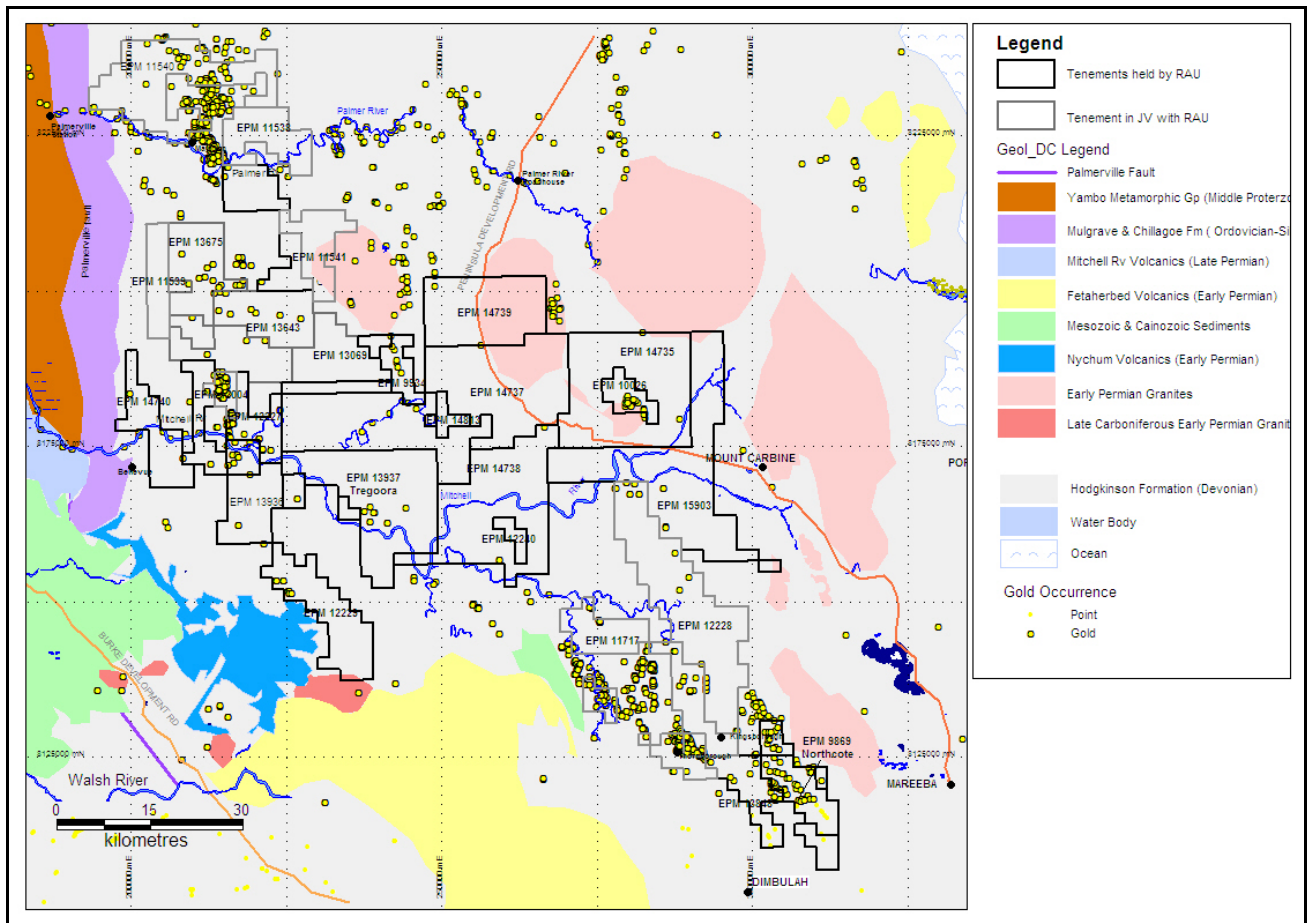


Figure 1 - The Hodgkinson Basin Tenements

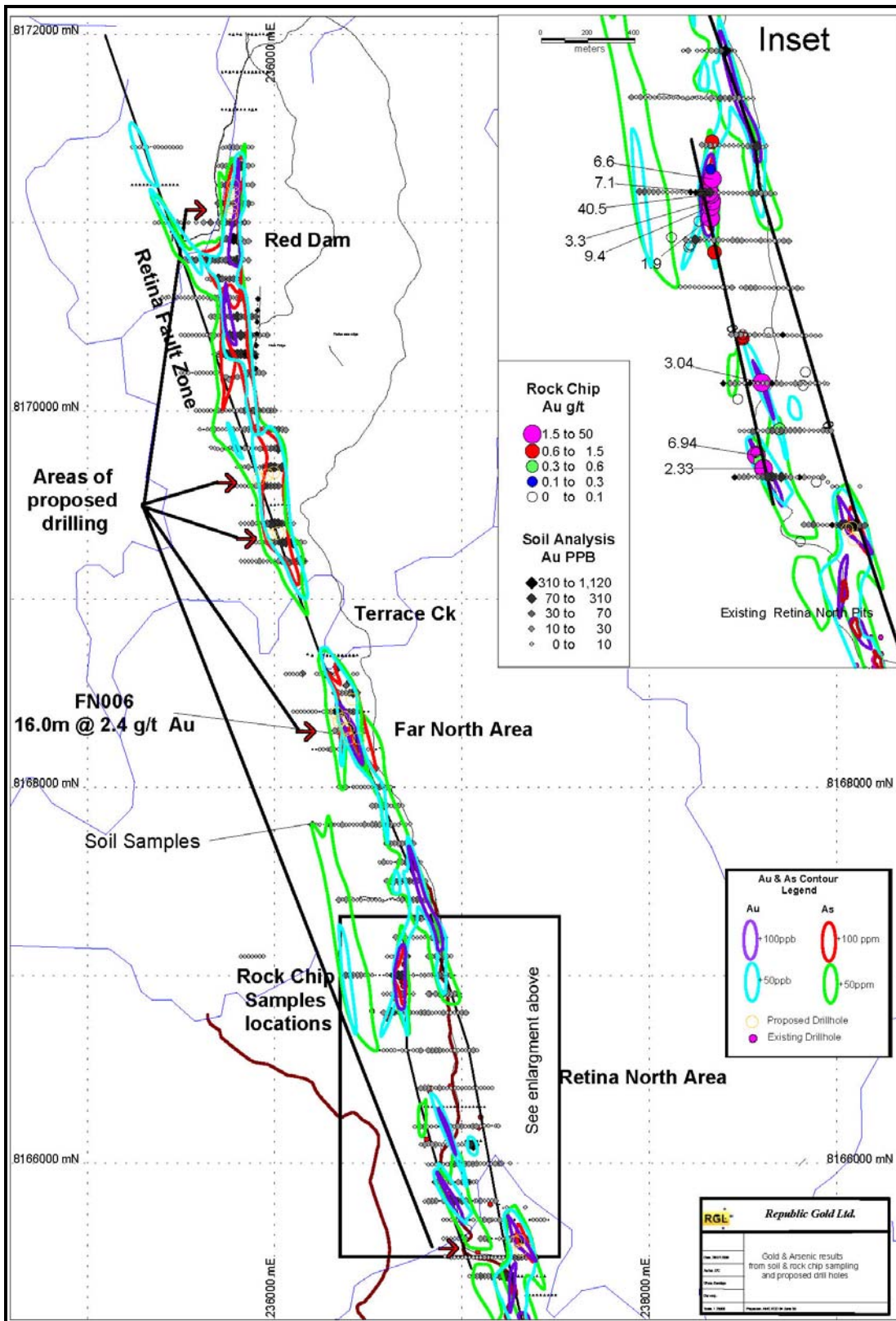


Figure 2 - The Tregoora Geochemistry and Drill Targets

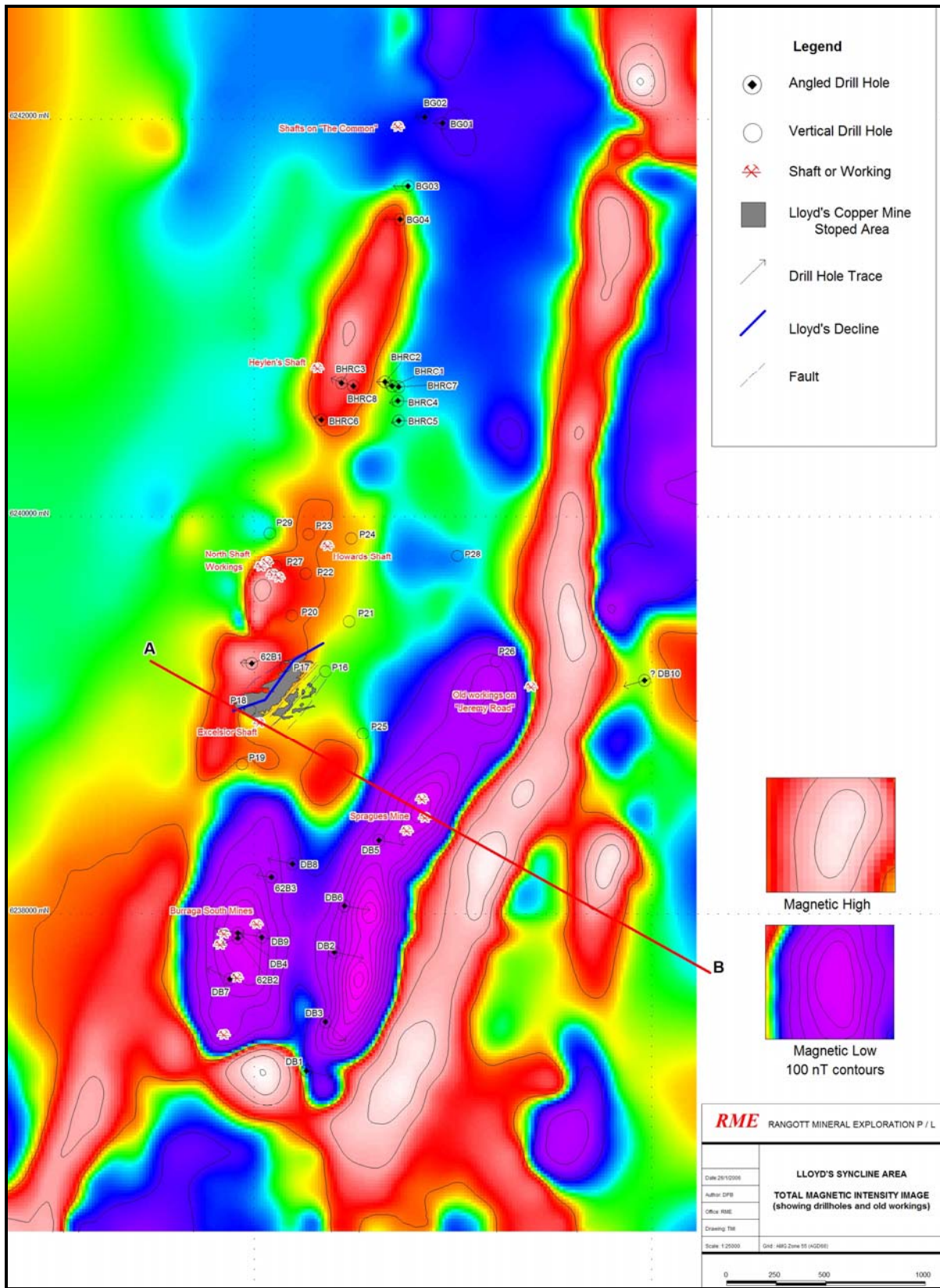


Figure 3 - Lloyd's Mine Drilling Locations



Figure 4 - Luzon Minerals' Bolivian & Republic Gold's Bolivian Projects

Figures 5 and 6 – Lipichi Crosscut 50 Sampling Results

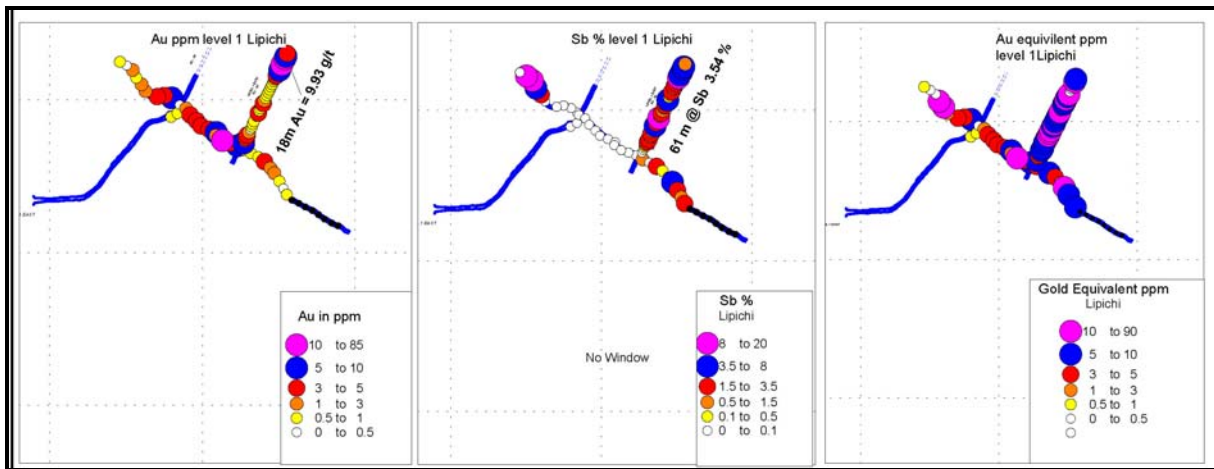


Figure 5 - Au ppm, Sb % & Au equivalent ppm Level 1 East Lipichi

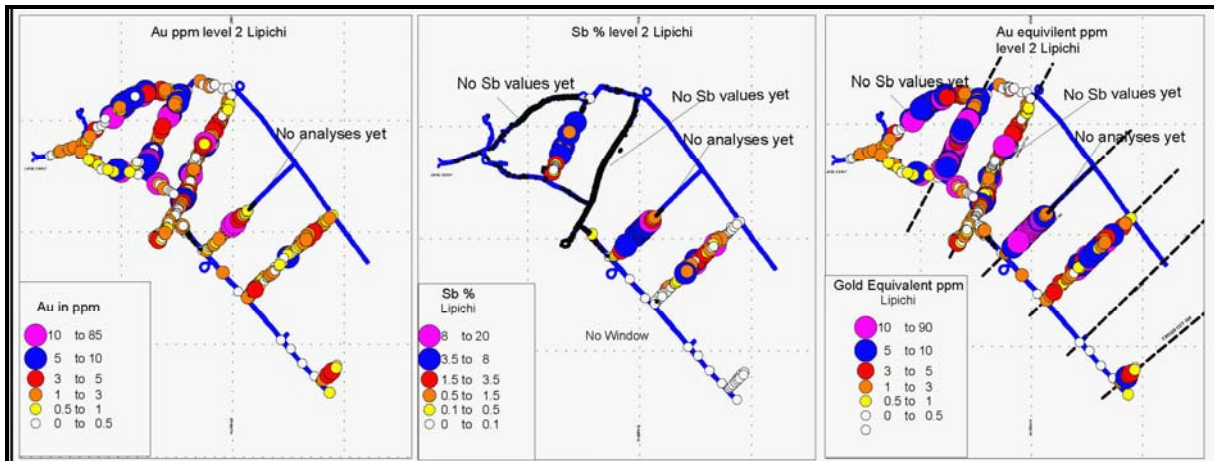


Figure 6 - Au ppm, Sb % & Au equivalent ppm, Level 2 East Lipichi

SCHEDULE 1

Project	Measured	Grade	Indicated			Inferred			Grade	Total
	Mt	g/t or %	ozs or t	Mt	g/t or %	ozs or t	Mt	g/t or %	ozs or t	ozs or t
Northcote Au	1.3	2.3	96,000	1.1	1.8	63,000	0.6	1.8	37,000	195,000
Tregoora				1.6	1.8	93,000	1.2	1.6	63,000	156,000
Hodgkinson Basin Other				0.9	1.9	54,000	0.8	1.3	36,000	90,000
Lucky Draw NSW				1.3	0.9	35,000	0.5	2.9	45,000	80,000
Amayapampa	5.2	1.6	265,000	9.0	1.4	396,000	2.0	0.9	59,000	720,000
Lipichi							8.5	1.8	495,000	495,000
Total	6.5	1.7	361,000	13.9	1.4	641,000	13.6	1.7	735,000	1,736,000
Northcote Sb	1.3	0.3	4,000t	1.1	0.2	2,000t	0.6	0.3%	2,000t	8,000t
Lipichi Ag							7.3	15		3,420,000
Lipichi Sb							7.3	0.8%		55,000t

* Republic Gold Limited holds 75% of the Northcote and Lucky Draw Projects and 90% of the Atric and Reedy Projects forming the Hodgkinson Basin Other Group. As noted in the body of this report, there is an issue with title over tailings associated with the Lucky Draw project affecting 31,000 ozs of the Lucky Draw total, which the company is in the process of resolving.

** Luzon holds option agreements to acquire 90% of the Amayapampa project and 100% of the Lipichi project.

Combined Equity Resource Base of a Merged Republic Gold and Luzon Minerals

Notes Accompanying the Mineral Resource Statement

Information in this report that relates to mineral resources for Republic Gold Limited and for the Lipichi Project is based on information compiled by Chris Roberts, a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists and on information estimated by Kerrin Allwood a member of the Australasian Institute of Mining and Metallurgy, both of whom have a minimum of five years experience in the estimation, assessment and evaluation of mineral resources and ore reserves. Chris Roberts and Kerrin Allwood have significant experience that is relevant to the style of mineralisation and type 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". Chris Roberts and Kerrin Allwood consent to the inclusion in this report of these matters based on the information in the form and context in which it appears. Resources for Luzon Minerals Limited's Amayapampa project have been published in a Canadian NI 43-101 report which meets the standards for reporting of resources under the JORC Code. Detailed information on these resource estimates has been provided in earlier ASX releases by the Company. Resources for Republic Gold Limited are those previously published, which are subject to some variations between reporting periods and will be fully updated and detailed in subsequent releases.

Luzon Minerals Limited has posted NI 43-101 reports for the Amayapampa and Lipichi projects on SEDAR on 9/08/2005 and 9/05/2006 respectively.

APPENDIX 5B

MINING EXPLORATION ENTITY QUARTERLY REPORT

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Republic Gold Limited

ABN

86 106 399 311

Quarter ended ("current quarter")

31 December 2006

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	0	0
1.2 Payments for (a) exploration and evaluation	(58)	(241)
(b) development	0	0
(c) production	0	0
(d) administration	(123)	(417)
1.3 Dividends received	0	0
1.4 Interest and other items of a similar nature received	0	0
1.5 Interest and other costs of finance paid	0	0
1.6 Income taxes paid	0	0
1.7 Other (provide details if material)	0	(8)
GST	82	40
Net Operating Cash Flows	(99)	(626)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	29	149
(b)equity investments	0	0
(c) other fixed assets	0	0
1.9 Proceeds from sale of: (a)prospects	0	0
(b)equity investments	0	0
(c)other fixed assets	0	0
1.10 Loans to other entities	(520)	(573)
1.11 Loans repaid by other entities	0	0
1.12 Other (provide details if material)	0	0
Net investing cash flows	(491)	(424)
1.13 Total operating and investing cash flows (carried forward)	(590)	(1,050)

1.13	Total operating and investing cash flows (brought forward)	(590)	(1,050)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	174	954
1.15	Proceeds from sale of forfeited shares	0	0
1.16	Proceeds from borrowings	0	0
1.17	Repayment of borrowings	0	0
1.18	Dividends paid	0	0
1.19	Other (provide details if material)	0	0
	Net financing cash flows	174	954
	Net increase (decrease) in cash held	(416)	(96)
1.20	Cash at beginning of quarter/year to date	447	574
1.21	Exchange rate adjustments to item 1.20	0	0
1.22	Cash at end of quarter	31	478

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	88
1.24	Aggregate amount of loans to the parties included in item 1.10	0
1.25	Explanation necessary for an understanding of the transactions	
	N/A	

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

—

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

—

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	Nil
3.2	Credit standby arrangements	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	Nil
Total	300

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	31	447
5.2 Deposits at call	0	0
5.3 Bank overdraft	0	0
5.4 Other (provide details)	0	0
Total: cash at end of quarter (item 1.22)	31	447

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased				

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil	Nil		
7.3 +Ordinary securities	122,924,725	122,924,725		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	3,320,000	3,320,000	5 cents	5 cents
7.5 +Convertible debt securities (description)				

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil	Nil		
7.7	Options (description and conversion factor)	3,000,000 1,500,000		Exercise price 20 cents 18 cents	Expiry date 30/06/2009 04/08/2011
7.8	Issued during quarter	Nil	Nil		
7.9	Exercised during quarter	Nil	Nil		
7.10	Expired during quarter	2,800,000 14,596,453 1,000,000 4,000,000 (relinquished)	- 14,596,453	Exercise price 25 cents 25 cents 25 cents 15.6 cents	Expiry Date 31/10/06 30/11/06 01/11/06 20/05/11
7.11	Debentures (totals only)	Nil	Nil		
7.12	Unsecured notes (totals only)	Nil	Nil		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
(Director)

Date: 31 January 2007

Print name: John Kelly

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, AASB 1022: Accounting for Extractive Industries and AASB 1026: Statement of Cash Flows apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.