
Republic Gold Limited

Annual Report 2005

Corporate Directory

Directors

John Peter Kelly - Managing Director
Christopher Linden Roberts - Exploration Director
William Phillip McLucas - Corporate Development Director
Gregory Joseph Barns - Non-Executive Director & Company Secretary

Registered Office

C/- Bentley's MRI
Level 7, 114 William Street
Melbourne VIC 3000

Operations Office

144 Cobra Road
Mareeba
PO Box 2317
Mareeba QLD 4880
Telephone: (07) 4092 2594
Facsimile: (07) 4092 3797
Email: info@republicgold.com.au

Auditors

Draper Dillon Pty Limited
4th Floor, 499 St Kilda Road
Melbourne VIC 3004

Bankers

Bendigo Bank Limited
Fountain Court
Bendigo VIC 3552

Share Registrars

ASX Perpetual Registrars
Level 4, 333 Collins Street
Melbourne VIC 3000

Solicitors

Phillips Fox
Collins Street
Melbourne Vic 3000

Securities Quoted

Australian Stock Exchange Limited
Home Exchange - Melbourne
ASX Code - Shares: RAU
ASX Code - Options: RAUO

Web Pages www.republicgold.com.au & www.luzonminerals.com

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Republic Gold Limited
Annual Report

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Managing Director's Report

Dear Fellow Shareholders

In January 2004 the Company floated on the basis of the technical skills of our Exploration Director, Chris Roberts, and myself in three specific areas, plus an extensive portfolio of tenements in the Hodgkinson Basin in Far North Queensland. The first and perhaps most important of the skills is sediment-hosted, orogenic gold deposits. Chris and I have a firm belief that these types of geological environments have the potential to produce world-class gold orebodies. We have been able to study a number of these over more than the past decade by watching closely the development of the Bendigo and Ballarat Goldfields in Victoria, and of course through our hands on experience at Fosterville. The Board will continue to investigate opportunities where this geological skill set is applicable, with the Company's recently announced involvement in Bolivia falling into this category.

The other two technical skills that we bring to the table are in heap leaching and bacterial oxidation. Both of these skill sets were honed in Victoria over more than a decade.

The Company's Hodgkinson Basin Projects see all three of the skill sets brought into play; with this region being a sediment-hosted, orogenic gold province, and the various projects within this large area being amenable to heap leaching and bacterial oxidation recovery techniques. The Company has spent considerable effort in investigating the potential of the GEOCOAT® metallurgical process, that combines heap leaching and bacterial oxidation, to demonstrate that it is applicable to the FNQ projects. To-date the results have been very positive.

The Company has investigated a number of potential projects that would fit into the Company's portfolio, always bearing in mind that these should fit with the technical skills available to the Company and that they must have imminent production potential. In some cases the Board has been successful in these efforts, in others the demonstrated skill sets of Republic have been ignored. The Board believes that growth for the Company will come from organic growth from existing projects and from introducing new projects into the Company's portfolio.

Republic Gold has had a very active year progressing its projects in Far North Queensland and to a lesser extent its Lucky Draw Project in New South Wales. In the last month of the year the Board was busy examining a proposal to become involved in Luzon Minerals Limited of Canada, with its Bolivian projects. In July 2005 the Company announced the result of this work, with it buying shares and taking an option over nearly 19% of Luzon's issued capital. The Board sees this investment as important for the Company as it gives the Company equity ounces in a project that is close to development in the right geological environment and provides access to the Canadian investment market.

In the first part of the year the Company completed its first stage drilling programme at its 75%-owned Northcote Project, commenced and completed first stage drilling programme at its 100%-owned Tregoora Project and also drilled the Atric and Reedy Prospects. Since then the Company has commenced second stage drilling at the Northcote Project to define resources to a level sufficient to allow feasibility studies.

The results of these initial drilling programmes were excellent, with the resource base at the Company's FNQ projects jumping from 209,000 ounces at the start of the year to reach 434,000 ounces. Work continues into the 2006 year on improving this resource base.

The Company has also increased its granted exploration licence coverage in the Hodgkinson Basin from 1,587 square kilometres to 4,349 square kilometres. In doing so and in conjunction with outstanding applications and agreements over additional areas giving a total coverage in excess of 6,000 square kilometres, the Company effectively controls the gold province of the Hodgkinson Basin.

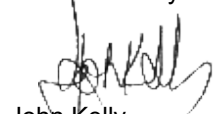
Your Board has also determined that to provide the best return to shareholders, the Burruga-Lucky Draw Project in New South Wales, because of its location and type, should be managed within a specifically New South Wales focused company. To this end the directors are assembling a portfolio of NSW properties to combine with Lucky Draw in a spin-off float to be done most likely in early 2006. During the year the importance of the Burruga copperfield has been recognised, just a few kilometres to the south of the Lucky Draw goldfield. The new company will have a purely copper-gold focus in NSW.

The Board was pleased to be able to welcome a new member, Willie McLucas as Executive Director Corporate Development. Willie brings a wealth of experience and contacts with overseas markets and has demonstrated his ability to fulfil this role with the introduction of the Luzon Minerals holding to the Company subsequent to year end.

Republic might be a young company, but it offers great potential and my thanks go to the Board and shareholders for supporting this foray into Far North Queensland and for the dedicated work of our small team; Neil, Andrew, Lex, Sue, Dennis, Glenn, David, Alwyn, Rafferty and Cedric, plus the efforts of our drilling contractor, OME Drilling of Charters Towers. I would also like regretfully to mark the passing of our inaugural Chairman, Tom Linardos and all of his efforts in establishing the new young company.

And lastly, I need to congratulate my long-time colleague, Chris Roberts, on being asked to join the JORC (Joint Ore Reserves Committee) late in the year.

Yours sincerely



John Kelly
Managing Director

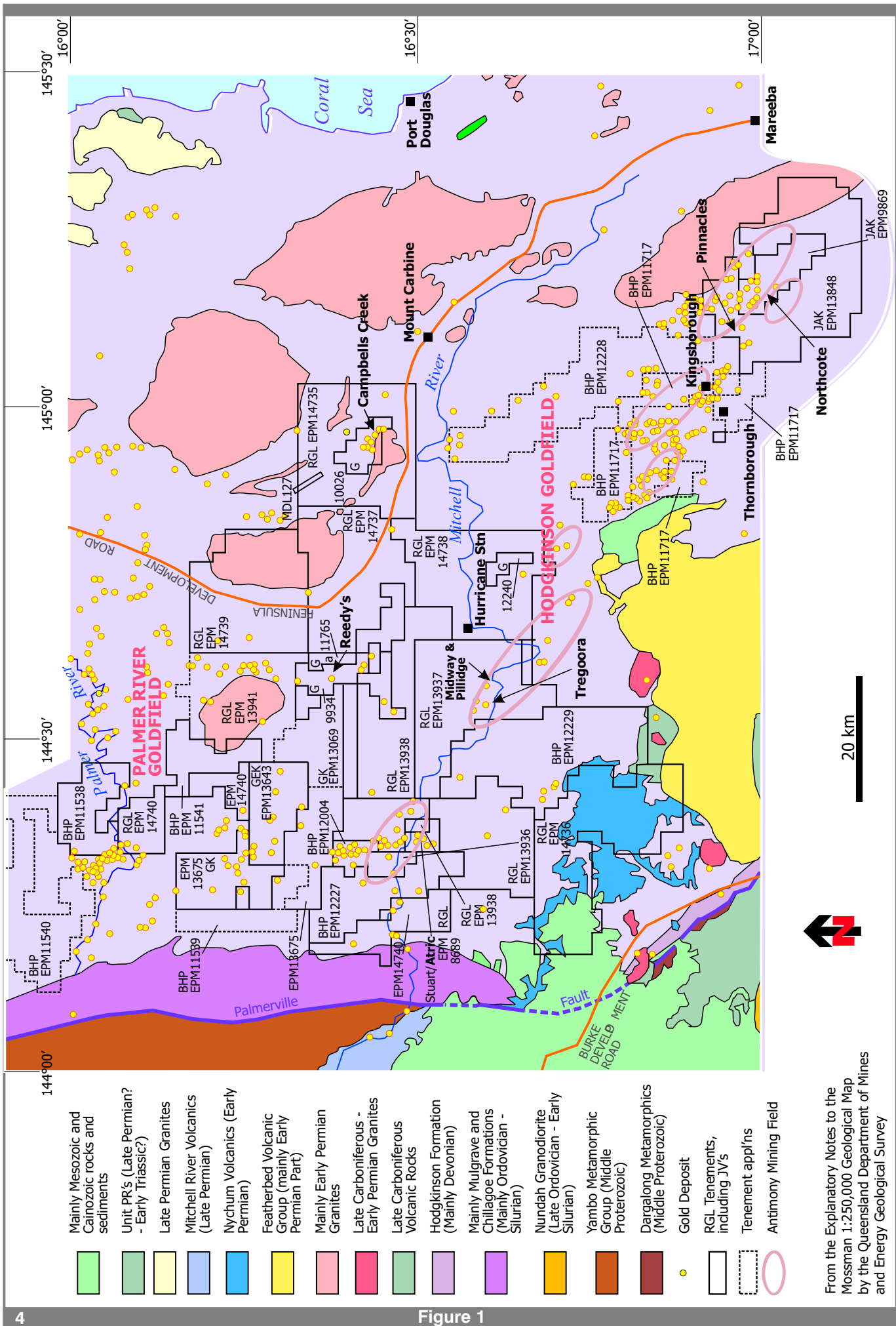


Figure 1

From the Explanatory Notes to the Mossman 1:250,000 Geological Map by the Queensland Department of Mines and Energy Geological Survey

Review of Operations and Development

Hodgkinson Basin Project Areas

Exploration Fieldwork

The Company had a very active year in the field and has increased its already significant tenement portfolio in the Hodgkinson Basin in Far North Queensland (Figure 1). At listing this covered 3,246 square kilometres. It now covers 5,549 square kilometres, with some additional areas covered by agreements with local prospectors. Importantly the Company has been able to develop important relationships with these local prospectors operating in the area. The combination of the extensive land position and these relationships gives the Company effective control over the gold area of the Hodgkinson Basin.

A number of issues affecting the mining industry generally had an impact on the Company's operations during 2005. The most severe was the price of contract drilling. The other major impediment has been sample turnaround at both assay and metallurgical testwork laboratories, due to heightened exploration activities in the region and industry generally. Despite the Company using three laboratories during 2005, sample turnaround has been very slow compared to recent years. Using diamond drilling as an example, given the large amount of diamond drilling completed by the Company, it is taking up to three months from the time a hole is drilled until the assay results are received from the metallurgical laboratories in Western Australia.

Since listing the Company has embarked on a significant drilling programme, as indicated in Table 1 below. The majority of this drilling has been concentrated on the Northcote and Tregoora Projects, as detailed further below in the report.

I - EPMs 9869 and I3848 - Northcote Project (Republic 75%) - Figure 2 (Northcote Plan)

The Northcote Project is a joint venture between the Company (75%) and Jackson Gold Limited and International Goldfields Limited (25% combined). The Company is the sole funder of exploration for the project up to the point where it commits to a mine development. At this stage the two joint venture partners can elect to contribute or dilute.

Financial Year	Diamond Drilling Metres	RC Drilling Metres	Total Metres
2004	644	403	1,047
2005	2,308	10,405	12,713
2006 to-date	568	3,063	3,631
Total	3,520	13,871	17,391

Table 1 - Total Drilling Metreage for the Hodgkinson Basin Projects

A significant effort was put into the digital database at Northcote to ensure that it is free from errors. This is the foundation for the Company's main assets, its resources. The Company inherited this database, with its records of past work, from Jackson Gold and it had previously been in the hands of a number of other companies. It was known that errors existed, which required that the Northcote Project resource was all classified as inferred. As reported in the 2004 Annual Report much of this work was done with the assistance of Dr Steve King, the Company's consulting structural geologist. Due to the strict requirements imposed on "Responsible Persons" under the JORC Code and the need to ensure that the resource estimates are as accurate as possible, the Company has extended this task to a complete internal audit of the database, tracking all information back to original hard copy sources. This task took a number of months and further errors were encountered as the audit proceeded. Given that a considerable proportion of the drilling took place in the 1980's, this was a significant task, but one that was made possible by the excellent reporting regime that the Queensland Department of Natural Resources and Mines has had in place for the past few decades. The Company considers that this work is now complete.

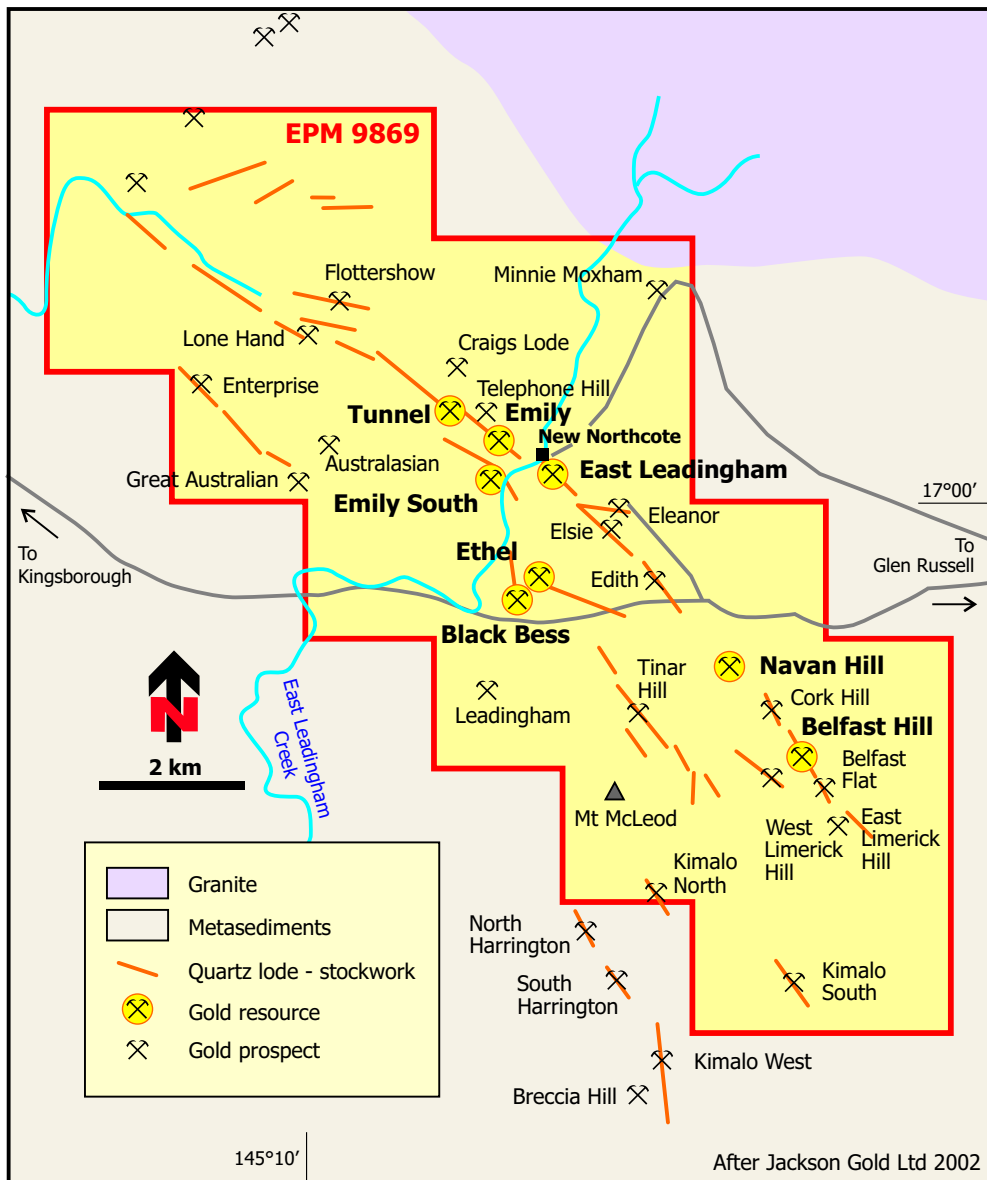
The Company has now completed two significant drilling programmes at Northcote, with the second programme finishing in the 2006 financial year. In total 11,893 metres have been drilled at Northcote in these two programmes, the details of which are shown in Table 2. As with the Stage I programme, the Stage II programme was extended due to favourable results.

Financial Year	Diamond Drilling Metres	RC Drilling Metres	Total Metres
2004	644	403	1,047
2005	1,216	6,197	7,413
2006 to-date	370	3,063	3,433
Total	2,230	9,663	11,893

Table 2 Northcote Project Stage I and II Drilling Metreage

The Company's Stage 1 drilling programme at Northcote over the 2004 and 2005 years concentrated on areas of known mineralisation. This was a very successful programme, with 83% of holes intersecting mineralisation on strong structures. This resulted in the resource base at Northcote increasing from the original 148,000 ounces in the inferred category to 212,000 ounces in the indicated and inferred categories, as is shown in Table 4. The directors believe that to make a viable project, this resource figure should be nearer 800,000 ounces, although the recent strong rise in the gold price, if it is sustainable, could reduce this figure significantly.

NORTHCOTE PLAN



Review of Operations and Development - Continued

An element of the Stage II drilling programme this year was to investigate some of the outlying prospects at Northcote that had either no drilling in them or just a few holes. This work was designed to increase the resource base in the inferred category at new deposits. The results of this work were disappointing in the least explored areas, but are expected to lead to modest resource increases from some areas including Emily and Emily South. Oxide resources also are expected to be defined to a point where initial gold production may be able to be established on these by simple oxide heap leach methods. Part of this programme was to drill a number of metallurgical diamond drill holes in the areas of known resources. This work was largely successful

based on logging of the drillholes, but as yet no assays are available. Table 3 shows some of the better drilling results received for the year from Northcote.

Once all of the results from the Stage II drilling programme are available, these will be utilised with advances in the geological knowledge of the deposits to revise the Northcote resource models to allow feasibility assessment. The Company has been able to secure the services of a geologist who has considerable expertise in the geological block modelling of deposits similar to those of the Hodgkinson Basin, with this experience being gained at Fosterville in Victoria.

Hole No.	Location	Elevation	Azimuth	Dip	RC Depth	DD Depth	Significant Intersection	Depth From	Depth To
BH005	16,237N11,440E	501	230° MN	-60°	20.6	59.5	3.0m @ 2.98 g/t Au	71.0	74.0
EL018	18,275N 8,174E	546	14° MN	-60°	49.0	N/A	2.0m @ 3.60 g/t Au	37.0	39.0
EL019	18,314N 7,954E	529	14° MN	-60°	90.0	N/A	1.0m @ 5.20 g/t Au	68.0	68.0
EL022	18,222N 8,278E	546	14° MN	-60°	47.0	N/A	6.0m @ 3.42 g/t Au	41.0	47.0
EL007	18,251N ,210E	540		-90°	90.0	N/A	3.0m @ 3.59 g/t Au	28.0	31.0
							4.0m @ 2.32 g/t Au	34.0	38.0
							7.0m @ 2.16 g/t Au	41.0	48.0
							2.0m @ 2.92 g/t Au	59.0	61.0
EL008*	18,272N 8,242E	540	307° MN	-60°	20.8	69.5	3.0m @ 2.00 g/t Au	25.0	28.0
							2.0m @ 3.60 g/t Au	41.0	43.0
							5.0m @ 1.60 g/t Au	51.0	56.0
							13.0m @ 3.60 g/t Au	60.0	73.0
EL009	18,273N 8,243E	540	307° MN	-60°	60.0	23.5	5.0m @ 2.19 g/t Au	18.0	23.0
ELM006	19,903N 7,824E		37° MN	-60°	30.0	N/A	4.0m @ 2.75 g/t Au	38.0	42.0
EY018	20,377N 7,494E	523	37° MN	-60°	50.7	39.3	4.2m @ 3.37 g/t Au	35.0	39.2
EY027	20,278N 7,568E	518	37° MN	-60°	N/A	16.3	5.0m @ 2.63 g/t Au	58.0	63.0
EY032*	20,426N 7,506E	527	217° MN	-60°	40.0	54.5	13.4m @ 6.33 g/t Au	37.2	50.6
EYS003	20,064N 7,046E	530	37° MN	-60°	56.5	N/A	4.0m @ 3.47 g/t Au	16.0	20.0
EYS004	19,685N 7,369E	521	37° MN	-60°		N/A	2.0m @ 3.56 g/t Au	22.0	24.0
					60.0		5.6m @ 1.38 g/t Au	64.4	70.0
EYS005	19,705N 7,367E	521	37° MN	-60°	65.0	N/A	2.0m @ 5.26 g/t Au	52.0	54.0
EYS007	19,745N 7,335E	521	37° MN	-60°	70.0	N/A	4.0m @ 3.15 g/t Au	50.0	54.0
EYS011	19,762N 7,315E	522	37° MN	-60°	79.0	N/A	2.0m @ 5.16 g/t Au	57.0	59.0
NH001	17,517N10,895E	494	240° MN	-60°	95.0	N/A	7.0m @ 1.86 g/t Au	37.0	44.0
TEH004	20,618N 7,134E	546	37° MN	-60°	50.0	N/A	6.0m @ 3.55 g/t Au	78.0	84.0
TEH008	20,618N 7,204E	543	37° MN	-60°	50.0	N/A	6.0m @ 1.97 g/t Au	16.0	22.0
TEH012	20,533N 7,289E	536	37° MN	-60°	5.7	N/A	5.0m @ 1.67 g/t Au	34.0	39.0
THL010*	21,668N 5,785E	567	217° MN	-65°		84.6	11.0m @ 3.06 g/t Au	1.0	12.0
							21.0m @ 2.93 g/t Au	27.0	48.0
							12.0m @ 1.07 g/t Au	55.0	67.0

Table 3 - Northcote Project Drilling Results

- Notes:
- * Metallurgical hole, oblique intercept.
 - Most holes were drilled so as to intersect as close to perpendicular to mineralisation as feasible, with intersections generally representing greater than 70% true width.
 - All intersections are for sulphides unless above approximately 15m depth.
 - For total drillhole depth the RC and DD intervals must be added together.
 - The location symbols for the above table are as follows; ELM = East Leadingham, EY = Emily, EYS = Emily South, THL = Tunnel Hill, EL = Ethel, BH = Belfast Hill, NH = Navan Hill and TEH = Telephone Hill.

Review of Operations and Development - Continued

Prospect Name	Indicated		Inferred		Total		Contained
	Tonnes	Grade	Tonnes	Grade	Tonnes	Grade	Ounces
East Leadingham	405,000 t	3.1 Au g/t	90,000 t	2.2 Au g/t	495,000 t	2.9 Au g/t	47,000 ozs
Emily	470,000 t	2.7 Au g/t	60,000 t	2.1 Au g/t	530,000 t	2.6 Au g/t	45,000 ozs
Emily South	110,000 t	2.3 Au g/t	20,000 t	1.7 Au g/t	125,000 t	2.2 Au g/t	9,000 ozs
Ethel	380,000 t	2.4 Au g/t	150,000 t	2.7 Au g/t	530,000 t	2.5 Au g/t	42,000 ozs
Belfast Hill	160 000 t	1.6 Au g/t	---	---	160 000 t	1.6 Au g/t	8,000 ozs
Black Bess	330,000 t	2.7 Au g/t	125,000 t	2.1 Au g/t	455,000 t	2.5 Au g/t	37,000 ozs
Navan Hill	45,000 t	1.6 Au g/t	5,000 t	1.6 Au g/t	50,000 t	1.6 Au g/t	3,000 ozs
Tunnel Hill	260,000 t	2.0 Au g/t	85,000 t	1.9 Au g/t	340,000 t	1.9 Au g/t	21,000 ozs
Total Northcote	2,160,000 t	2.5 Au g/t	535,000 t	2.2 Au g/t	2,690,000 t	2.4 Au g/t	212,000 ozs

Table 4 - Current Indicated and Inferred Resources at Northcote

Significant additional work has been performed on metallurgical testwork and environmental studies. These are covered in separate sections of the report.

2 - EPM 13937 - Tregoora Project (Republic 100%)

The Tregoora Project lies on the regionally significant Retina Fault that is known to strike for 50 kilometres north-south. Of this known extent, 25 kilometres of this falls within the Company's EPMs. The Tregoora Project lies completely within EPM 13937. There are four small mining leases owned by a prospector that are excised from the EPM. This prospector mined oxide mineralisation at the site for a number of years. The scale of this oxide mining is comparable to some of the oxide mining at Fosterville, with a series of shallow pits being mined over approximately 3 kilometres of strike length and mineralised structures outlined over several times that distance. The Company believes that the Tregoora area conforms to the orogenic/Fosterville style of mineralisation that is the Company's model for exploration in the Hodgkinson Basin.

The Retina Fault is shown in Figure 3. There are a number of gold occurrences along the fault, including the Sleeping Giant and Retina deposits. Gold occurrences are not limited to the fault alone, with a number of north-south occurrences in a zone extending some 3 kilometres to the north east, paralleling the fault. A number of these prospects have small numbers of shallow drillholes indicating gold mineralisation. The Stage II drilling programme at Tregoora will target a number of these occurrences away from the main lode.

Prior to drilling commencing at Tregoora, EPM 13937 needed to be granted. This EPM was an application when the Company floated. There were some issues with the bureaucracy in achieving grant, with this eventually happening with the considerable assistance of the local Native Title claimants, the Western Yalanji and the North Queensland Land Council. This grant, and the Native Title Access Agreement that was required for the grant, was received only days before the drill rig was ready to commence work at Tregoora.

The Company hires an existing mine camp at Tregoora and has added additional facilities to the camp in order to complete the Atric and Tregoora drilling programmes. The Tregoora Project is well serviced by a network of haul roads from the 1990's mining operation in the area. As such, the initial part of the drilling programme was able to be continued after the wet season commenced.

Work during the year commenced with the construction of a digital database. All the records for Tregoora were in paper form as the great majority of the work done to-date was during the 1980's. Once this database was generated, drilling cross-sections were able to be plotted and the Stage I drilling programme was designed during the December 2004 Quarter.

This drilling programme commenced just before the wet season, when drilling stopped. There are a few drillholes that are outstanding from this programme which will be drilled now that the drill rig is back at Tregoora. Details of this drilling are given in Table 5.

Financial Year	Diamond Drilling Metres	RC Drilling Metres	Total Metres
2004	---	---	---
2005	262	2,722	2,984
2006 to-date	198	---	198
Total	460	2,722	3,182

Table 5 Tregoora Project Stage I and II Drilling Metreage

Drilling at Tregoora indicated that there are multiple mineralised zones, and that in some areas these zones were increasing in width at depth. Importantly, while the drilling was being undertaken the Company's geologists were able to map the small oxide open pits and develop a conceptual geological model for the region. This model conforms to that at Fosterville where there are a number of fault zones within a few tens of metres of each other that allows for the development of mineralisation between the faults. Figure 4 shows this model.

Review of Operations and Development - Continued

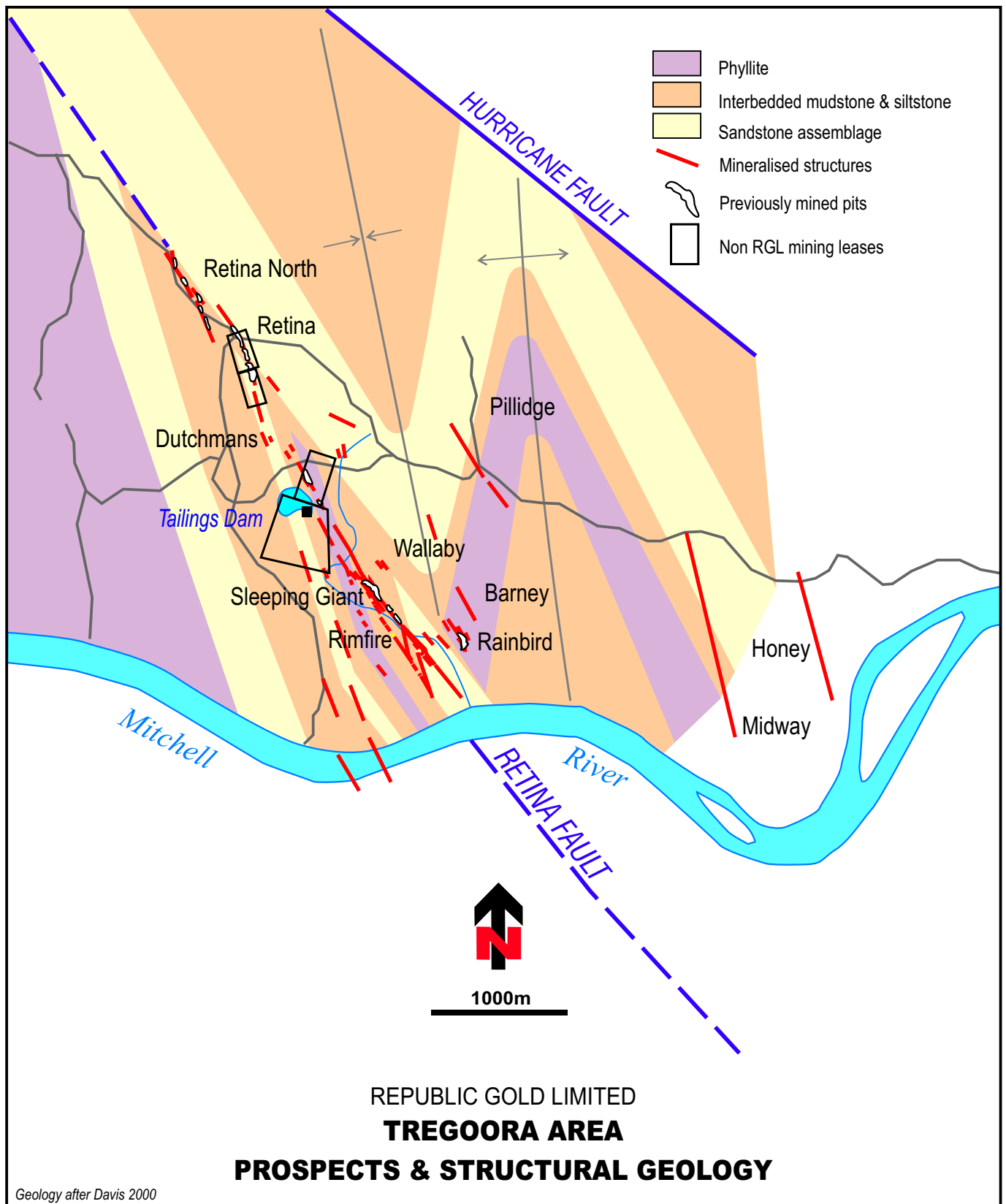


Figure 3

Review of Operations and Development - Continued

As the development of the new Sleeping Giant Prospect conceptual model occurred after the commencement of the Stage 1 drilling programme, this model now drives the planning for the remainder of the Stage 1 drilling programme. The development of the conceptual model by the Company's geologists was from a combination of the drilling done at Tregoora since mid-December and from mapping of the old open pits along the Sleeping Giant Prospect. The crucial new aspect of this model relates to the development of a new structural geological framework from the identification of multiple mineralised faults.

This new structural geological framework indicates that:

- The faults are relatively close together, hence they will be able to be mined together in one pit,

- The faults provide drill targets likely to intersect good widths of mineralisation where the faults coalesce see cross section 11150N Figure 5 on page 11. The results of the Stage 1 drilling indicated a widening of the mineralised zone at the Sleeping Giant Prospect with depth, as illustrated in the cross section, and
- There is now potential for a greater resource to be defined.

TGA012 also contained narrower intersections on higher, adjacent faults, see table 6 below. In addition, TGA013, with 10 metres at 2.51 g/t Au on an upper fault in the series, illustrates the potential in the multiple faults that are adjacent to the main fault.

Hole No	Location	Elevation	Azimuth	Dip	RC Depth	DD Depth	Significant Intersection	Depth From	Depth To
TGA008	62.621N 8,379E	197	55° MN	-62°	115.0	0.0	4m @ 1.46 g/t Au 6m @ 1.61 g/t Au 10m @ 2.79 g/t Au	18.0 42.0 64.0	22.0 48.0 74.0
TGA009	62.619N 8,374E	197	55° MN	-72°	139.0	0.0	4m @ 2.28 g/t Au 4m @ 3.04 g/t Au 2m @ 1.12 g/t Au 10m @ 4.46 g/t Au	24.0 54.0 84.0 104.0	28.0 58.0 86.0 114.0
TGA011	62.585N 8,416E	199	55° MN	-60°	48.0	33.4	8m @ 2.00 g/t Au 8m @ 2.60 g/t Au	14.0 58.0	22.0 64.0
TGA012	62.580N 8,406E	199	55° MN	-73°	84.0	52.5	2m @ 1.38 g/t Au 2m @ 2.63 g/t Au 2m @ 1.69 g/t Au 2m @ 2.60 g/t Au 14m @ 2.70 g/t Au inc 8m @ 3.94 g/t Au	48.0 82.0 88.0 102.0 110.0 113.0	50.0 84.0 90.0 104.0 124.0 121.0
TGA013	62.557N 8,467E	189	55° MN	-60°	31.0	0.0	10m @ 2.51 g/t Au	6.0	16.0
TGA015	62.523N 8,409E	191	55° MN	-66°	138.0	0.0	2m @ 2.01 g/t Au 6m @ 2.78 g/t Au	48.0 78.0	50.0 84.0
TGA017	62.484N 8,442E	189	55° MN	-60°	111.0	0.0	6m @ 0.68 g/t Au 6m @ 2.86 g/t Au 14m @ 1.67 g/t Au 2m @ 1.06 g/t Au	12.0 90.0 100.0 124.0	14.0 96.0 114.0 126.0
TGA018	62.472N 8,442E	189	55° MN	-60°	151.0	0.0	24m @ 1.74 g/t Au 2m @ 1.06 g/t Au	90.0 124.0	114.0 126.0
TGA020	62.441N 8,446E	185	55° MN	-60°	121.0	0.0	10m @ 2.55 g/t Au	94.0	104.0
TGA029	62.265N 8,573E	191	55° MN	-60°	101.0	0.0	20m @ 1.74 g/t Au	76.0	96.0
TGA032	62.223N 8,580E	186	55° MN	-60°	121.0	0.0	6m @ 4.04 g/t Au 10m @ 1.67 g/t Au	86.0 104.0	92.0 114.0
TGA036	62.138N 8,633E	183	54° MN	-66°	127.0	0.0	10m @ 1.48 g/t Au	106.0	116.0
TGA065*	62.136N 9,022E	192	55° MN	-60°	109.0	0.0	6m @ 3.51 g/t Au	52.0	58.0
TGA066*	62.286N 8,619E	188	55° MN	-60°	6.8	23.8	6m @ 7.24 g/t Au inc 4m @ 1.46 g/t Au	9.0	15.0
TGA067*	62.324N 8,611E	185	235° MN	-65°	2.0	31.6	3m @ 6.02 g/t Au	22.0	25.0

Table 6 - Tregoora Project Significant Drilling Results

Notes: - * Metallurgical hole, oblique intercept. Most holes were drilled so as to intersect as close to perpendicular to mineralisation as feasible, with intersections generally representing greater than 70% true width.

All intersections are for sulphides unless above approximately 15m depth. For total drillhole depth the RC and DD intervals must be added together.

Review of Operations and Development - Continued

Prospect Name	Indicated		Inferred		Total		Contained Ounces
	Tonnes	Grade	Tonnes	Grade	Tonnes	Grade	
Midway	---	---	---	---	---	---	---
Pillidge	---	---	---	---	---	---	---
Rainbird	---	---	---	---	---	---	---
Sleeping Giant	---	---	---	---	---	---	---
Total Tregoora	---	---	2,282,000 t	1.7 Au g/t	2,282,000 t	1.7 Au g/t	112,000 ozs
			2,282,000 t	1.7 Au g/t	2,282,000 t	1.7 Au g/t	112,000 ozs

Table 7 - Current Inferred Resource at Tregoora

Only a few holes from the Stage I drilling programme were completed in time to enable them to be incorporated into the database and have a geological block model completed so that a resource could be estimated. There are approximately 200 drillholes from the 1980's in the database. The results of this estimation process are shown in Table 7. This is the initial JORC-compliant resource estimated for Tregoora. At this stage all of the resource is in the inferred category until geology can be input into the database. With this being done now, this model will be refined and there will be an upgrade to the resource model in the coming months.

There were 3 diamond drillholes completed before the drill rig was demobilised from site to provide sample for metallurgical testwork. The two earliest diamond drillholes were completed with varying degrees of success. One of these two drillholes produced an intersection of 41 metres of variously mineralised material which was a much wider zone than was expected. These assay intervals contained some excellent intersections, both in terms of grade and width and, consistent with initial drilling at the Project, continued to demonstrate multiple mineralised zones. No diamond core from the 1980's drilling programme remains.

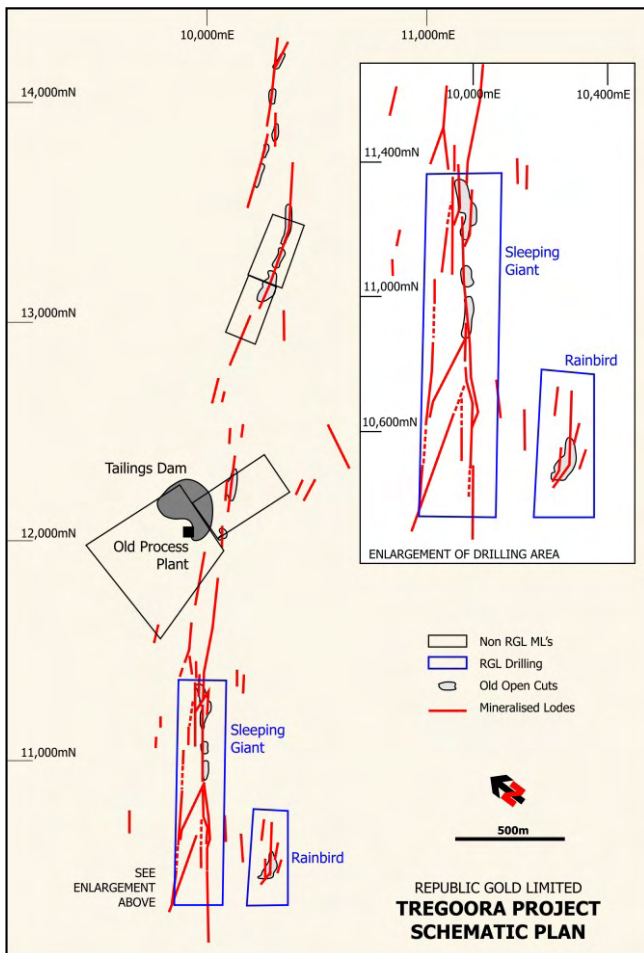


Figure 4

The Stage II drilling programme that has just commenced will, if successful result in resources being generated for the Midway, Pillidge and Rainbird Prospects that, as Table 7 indicates, currently have no resource estimated for them. Remaining holes from the Stage I drilling programme that are still deemed necessary will be drilled as part of the Stage II programme.

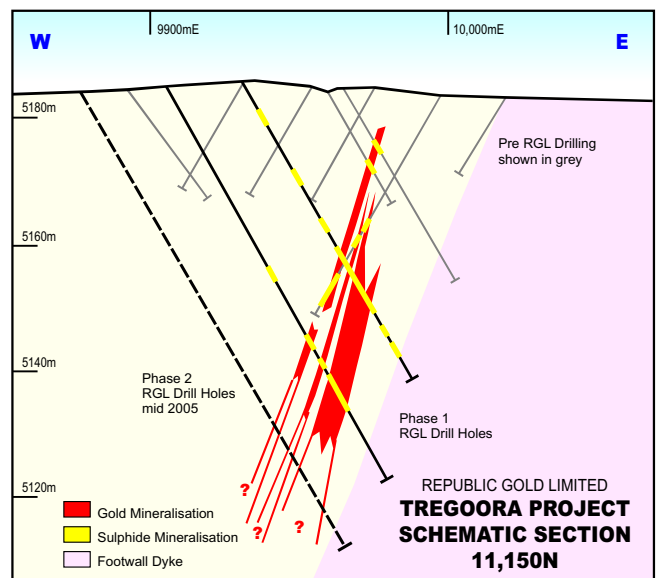


Figure 5

Review of Operations and Development - Continued

Hole Number	Mineralised Interval	Intersection	Prospect
H 9302	10-18 metres	8 metres @ 3.04 g/t Au	Honey North
H 9303	12-18 metres	6 metres @ 1.33 g/t Au	Honey North
H 9307	0-4 metres	4 metres @ 5.22 g/t Au	Honey North
H 9310	8-16 metres	6 metres @ 1.54 g/t Au	Honey Central
H 9311	2-12 metres	10 metres @ 2.62 g/t Au	Honey Central
H 9312	0-18 metres	18 metres @ 2.09 g/t Au	Honey Central

Table 8 Oxide Intersections at Tregoorra Satellite Deposits

As well as the deposits on the Retina Fault, Tregoorra also contains a number of other highly prospective satellite areas, including the Rainbird, Honey, Midway and Pillidge Prospects, all within a few kilometres of Tregoorra. The Stage II, 2005 drilling programme will initially concentrate on these prospects (Figure 3). A number of these prospects were drilled by Hawk Investments Limited in the 1980's. More recently, Centamin Egypt Limited drilled the area with some encouraging results in a series of shallow 18 to 20 metre deep holes, mostly dipping at 60°. Table 8 above presents some of the better results of Centamin's drilling programmes in this area.

3 - EPM 8689 - Atric Project (Republic Earning Up To 90%)

The Atric Project was the reason for the Company's initial interest in the Hodgkinson Basin with its marked geological similarities to the Fosterville deposit in Victoria. Although moderately isolated, it is only approximately 30 kilometres to the west of Tregoorra, and as such now appears as though it might best fit the Company's production strategy by being a satellite operation of a larger operation at Tregoorra.

Financial Year	Diamond Drilling Metres	RC Drilling Metres	Total Metres
2004	---	---	---
2005	428	601	1,029
2006 to-date	---	---	---
Total	428	601	1,029

Table 9 Atric Project Stage I Drilling Metreage

The database for Atric was digitised and a preliminary resource model generated from the original drilling data. A Differential GPS survey has been done at Atric, with all drillholes collars being surveyed. This work then enabled accurate cross sections to be plotted and a drilling programme planned. Drilling at Atric commenced in late-September and concluded in late-October.

A short, 6-hole drilling programme was undertaken at Atric, details of which are shown in Table 10. The results of this programme were a fairly modest increase in the total resource at Atric from 61,400 ounces to 63,000 ounces, but importantly the confidence in this resource was able to be increased from 100% in the inferred category to a majority in the indicated category, as shown in Table 11.

Hole No	Location	Elevation	Azimuth	Dip	RC Depth	DD Depth	Significant Intersection	Depth From	Depth To
AC001	71,599N 8,322E	512	44° MN	-70°	119.7	105.5	6m @ 1.72 g/t Au	18.0	22.0
AC002	71,598N 8,321E	512	44° MN	-75°	157.6	114.8	11m @ 2.64 g/t Au	42.0	48.0
AC003	71,835N 8,231E	501	224° MN	-80°	0.0	60.0	13m @ 2.82 g/t Au	64.0	74.0
AC004	71,826N 8,222E	502	44° MN	-70°	0.0	26.7	1m @ 3.18 g/t Au 6.7m @ 6.00 g/t Au	24.0 54.0	28.0 58.0
AC005	71,562N 8,356E	502	44° MN	-75°	162.0	0.0	Failed to reach target	84.0	86.0
AC005A	71,563N 8,357E	502	44° MN	-80°	161.8	120.5	Failed to reach target	104.0	114.0

Table 10 - Atric Prospect Drilling Results

Where a drillhole has a diamond tail, this diamond tail is targeting the predicted mineralised zone.

Review of Operations and Development - Continued

Prospect Name	Indicated		Inferred		Total		Contained
	Tonnes	Grade	Tonnes	Grade	Tonnes	Grade	Ounces
Atric	990,000 t	1.9 Au g/t	50,000 t	1.7 Au g/t	1,040,000 t	1.9 Au g/t	63,000 ozs

Table 11 - Current Indicated and Inferred Resource at Atric

Expenditure on the joint venture for EPM 8689 has reached the point where the Company has earned a 90% interest.

4 - EPM 9934 - Reedy Project (Republic 90%) and Gateway/A-cap Tenements

In October 2004 the Company announced that it had reached agreement with Gateway Mining NL and A-Cap Resources Limited to purchase a 90% interest in both of these company's joint ventured mineral interests in the Hodgkinson Basin for 2,250,000 ordinary shares. Included in the purchase was the 37,000 ounces Reedy Project contained within EPM 9934. This was the only significant gold prospect in the Hodgkinson Basin not owned by the Company. The Company also purchased 90% of EPMs 10026 and 12240, EPM application 11765 and MDL application 254. EPM 9934 contained the Reedy Project with what was a measured, indicated and inferred oxide and sulphide gold resource of 37,000 ounces that had been defined by nearly 200 RC drillholes. In addition, MDL(A) 254 contained a small oxide resource of 6,700 ounces at the Hurricane Project.

The Reedy Project was and still is after drilling by the Company, open along strike to the north and south and at depth and the mineralisation is identical to that sought by the Company. The Company considers this area to be highly prospective, containing a number of known but untested anomalies.

EPM 10026 contains the Campbell's Creek Project that has a number of interesting intersections, although no resource has been calculated due to the wide-spaced nature of the drilling. The best intersections at this

prospect are 4 metres at 14.4 g/t Au, 32 metres at 1.68 g/t Au and 14 metres at 2.86 g/t Au. EPM 10026 is wholly contained within a new EPM application by the Company, as is EPM 12240.

The Reedy deposit on EPM 9934 is only 20 kilometres from the Company's Tregoora Project in EPM 13937. MDL(A) 254 lies within EPM 13937 and is less than 10 kilometres from the Tregoora Project.

Gateway Mining and A-CAP Resources are to be free-carried to the point that the Company announces a decision to mine, at which point both companies will either contribute for their respective shares or they will dilute to either a combined 4% share and then contribute at this level or to a 1% NSR royalty.

Financial Year	Diamond Drilling Metres	RC Drilling Metres	Total Metres
2004	---	---	---
2005	403	885	1,288
2006 to-date	---	---	---
Total	403	885	1,288

Table 12 Reedy Project Stage I Drilling Metreage

In November the Company commenced a 17-drillhole drilling programme at the Reedy Project as detailed in Table 12. There was a focus in the drilling programme on diamond core in order that adequate structural information could be gained about the project. There was previously no diamond drilling at the Reedy Project.

Hole No	Location	Elevation	Azimuth	Dip	RC Depth	DD Depth	Significant Intersection	Depth From	Depth To
RCR201	86,996N 2.571E	335m	80° MN	-60°	54.0	96.2	2m @ 3.38 g/t Au	59.0m	61.0m
RCR202	87,017N 2.594E	334m	80° MN	-60°	40.0	45.8	3m @ 4.56 g/t Au 1m @ 3.94 g/t Au	49.0m 77.0m	52.0m 78.0m
RCR203	87,037N 2.580E	337m	80° MN	-60°	60.7	42.0	1m @ 7.88 g/t Au	66.0m	67.0m
RCR204	87,041N 2.638E	334m	80° MN	-60°	17.8	36.3	2m @ 2.78 g/t Au 2m @ 3.92 g/t Au	28.0m 46.0m	30.0m 48.0m
RCR205	87,059N 2.603E	337m	80° MN	-60°	47.8	33.5	2m @ 5.08 g/t Au	57.0m	59.0m
RCR210	87,528N 2.663E	342m	80° MN	-60°	60.0	0.0	6m @ 1.32 g/t Au	40.0m	46.0m
RCR212	87,568N 2.663E	336m	80° MN	-60°	60.0	0.0	12m @ 1.06 g/t Au	40.0m	52.0m
RCR213	87,588N 2.661E	332m	80° MN	-60°	55.0	0.0	10m @ 1.19 g/t Au	36.0m	46.0m
RCR214	87,609N 2.627E	338m	80° MN	-60°	47.6	42.7	6m @ 0.86 g/t Au 14m @ 2.06 g/t Au	26.0m 42.0m	32.0m 56.0m
RCR215	87,626N 2.626E	340m	80° MN	-60°	60.0	0.0	4m @ 4.14 g/t Au 4m @ 2.74 g/t Au	16.0m 46.0m	20.0m 50.0m

Table 13 - Reedy Prospect Drilling Results

Review of Operations and Development - Continued

Prospect Name	Indicated		Inferred		Total		Contained
	Tonnes	Grade	Tonnes	Grade	Tonnes	Grade	Ounces
Hurricane	100,000 t	0.9 Au g/t	130,000 t	0.9 Au g/t	230,000 t	0.9 Au g/t	7,000 ozs
Reedy	---	---	656,000 t	1.4 Au g/t	656,000 t	1.4 Au g/t	30,000 ozs

Table 14 Reedy and Hurricane Resources

Table 13 shows the better results received for the Reedy Project drilling programme. Where a drillhole has a diamond tail, this diamond tail is targeting the predicted mineralised zone.

The drilling programme was successful in intersecting mineralisation in 14 of the 17 drillholes. A number of the intersections were narrow and higher grade, but widths of up to 10-14 metres downhole were intersected. It was considered that this drilling had extended the existing resource but a recalculation of the resource by the Company resulted in the resource being downgraded to 30,000 ounces, as is indicated in Table 14. The downgrade does not suggest that there was anything drastically incorrect with the earlier resource estimate, but more that there is a different geological interpretation used and some additional conservatism. Along with all the other resources that have been estimated by the Company, the Reedy's resource will be reviewed in 2005.

5 - EPM 13848 - Pinnacles Project (Republic 75%)

The Pinnacles Prospect sits 10 kilometres to the west of Northcote. It has been drilled, with 25 RC holes, but has not had a JORC-compliant resource calculated for it. The Pinnacles Project is a series of shallowly dipping stacked veins that have the potential to bulk up into a shallow low grade open-pittable oxide resource. No known drilling into sulphide mineralisation exists at Pinnacles.

To-date the Company has concentrated its drilling efforts on what are believed to be higher priority targets and hence no drilling has taken place on the Pinnacles Prospect.

6- BHP-Billiton Joint Venture (Republic Earning Up To 100%)

The two granted tenements, EPMs 12227 and 12229 are still subject to the negotiation of native title access agreements. Difficulty has been encountered with the various parties in getting agreement on the access agreements. To facilitate a solution, BHP Billiton has offered to allow the Company to register these EPMs in the Company's name, a process which is occurring. EPMs 11538, 11541 and 12004 were granted late in the year.

The Company's work to-date on this tenement package has been limited to review of past data and a search for

all available information relating to the tenements, which is being added to the already extensive database of drilling and sampling that was provided by BHP-Billiton as part of the joint venture.

With the establishment of a semi-permanent presence of Company staff and contractors at the Tregoora mine camp, preliminary fieldwork can commence on the two granted BHP-Billiton Joint Venture EPMs in the Tregoora area. Part way between Tregoora and Atric lies the remains of an antimony mining and treatment operation dating to the 1970's. These remains indicate that a sizeable treatment plant was in operation, although the old workings found to date do not support a large plant. It is possible that this operation was closed down prematurely due to the fall in price for stibnite concentrate. A number of old stibnite workings have been found that strike for nearly 2 kilometres. With the current high price for stibnite this area will be concentrated on over the coming quarters. The Company is keen to commence work on a number of the BHP-Billiton EPMs because of the presence of this former antimony operation, which lies on the boundary between these two BHP-Billiton EPMs and the Company's 100%-owned EPM 13937. The Company believes that, due to the close association between gold and antimony in the Hodgkinson Basin, this area is highly prospective for gold. As soon as access agreements can be agreed, fieldwork will commence.

As part of the BHP-Billiton joint venture the Company has now completed a search of the Department of Natural Resources and Mines QDEX tenement system for all company reports lodged with the Department over the joint venture ground and all other ground under the Company's control in the Hodgkinson Basin. This search has resulted in a total of 1,001 reports being located dating back to the 1960's. The Company has briefed a contract geologist to review these reports for all drilling data so that the extensive database provided to the Company by BHP-Billiton can be updated and validated. This work is ongoing.

7 - Republic's Other Tenements Regional Exploration

Only reconnaissance fieldwork was performed on the remaining granted EPMs in the Company's Hodgkinson Basin portfolio which covers more than 5,000 square kilometres from the Walsh River to the Palmer River.

In the 1970's and 80's widespread exploration from the Mitchell River to the Palmer River indicated a number of

Review of Operations and Development - Continued

prospective areas now covered by Republic's holdings, but little drilling was carried out on these. At that time, and subsequently, widespread alluvial workings have demonstrated the extent of gold anomalism without locating the source of these "enigmatic" gold occurrences.

Recent field examination of a number of these alluvial workings has revealed significant areas of quartz veining and sulphide mineralisation of the style sought by the Company. These included areas where arsenopyrite was in evidence. Arsenopyrite is generally a strong indicator of good gold grades. Further work is planned to follow up the many occurrences, using the regional database developed by the Company from past work in the area to provide targets and priorities.

11 EPMs were granted during the year.

Bacterial Oxidation Processes

Unlike many Australian gold deposits where the gold is free-milling, testwork performed on the sulphide mineralisation at the Company's major prospects in the Hodgkinson Basin indicates that the gold is refractory and is contained largely in either solid solution in arsenopyrite or present as particles contained within pyrite crystals. Oxidation of these sulphides is required to liberate the gold so that it becomes amenable to recovery by conventional means, i.e. cyanidation. Without oxidation, typical gold recoveries from Hodgkinson Basin sulphide mineralisation by conventional cyanidation techniques alone are less than 30% and could be as low as 1 to 5%. Obviously, an appropriate gold extraction technique is required to justify the expense and effort in exploring for gold resources that cannot be treated by cyanidation alone.

Bacterial oxidation is used around the world. In Australia it is currently used at the Beaconsfield Mine in Tasmania, the Fosterville Mine in Victoria and at the Wiluna Mine in Western Australia. The world's largest bacterial oxidation plant currently is the Sansu Plant at the Obuasi Mine in Ghana owned by Ashanti Goldfields, where the bacterial oxidation plant has for a number of years produced in excess of 450,000 ounces per annum.

The Company is investigating two methods of bacterial oxidation by testwork; BIOX®, the bacterial oxidation technology owned by Goldfields Limited of South Africa, and GEOCOAT®, owned by GeoBiotics LLC of the USA.

The last significant exploration programme at Northcote in sulphide mineralisation was carried out in the late-1980s. At this time bacterial oxidation was just in the process of being commercialised and as such was not a technology that was available to be used on Northcote mineralisation. The Directors believe that the significant advances made over the subsequent 15 years with the proven BIOX® technology, support the potential for a viable commercial sulphide operation at Northcote.

Both BIOX® and GEOCOAT® utilise the same naturally occurring bacteria, a type that is termed moderate thermophiles. More specifically, the bacteria are *Acidithiobacillus ferrooxidans*, *Acidithiobacillus thiooxidans* and *Leptospirillum ferrooxidans*. These bacteria oxidise the iron and sulphur that occurs in the sulphide minerals and thus release the gold enabling it to be won by conventional gold extraction techniques.

Both technologies require a sulphide concentrate, which is produced by a crushing, grinding and flotation circuit. In the BIOX® process this sulphide concentrate is fed into large stainless steel tanks where the oxidation process is carried out. In the GEOCOAT® process the sulphide concentrate is oxidised on a heap leach pad. The oxidised concentrate from either process is then fed to a neutralisation circuit before the gold is leached.

GEOCOAT® is a relatively new technology from a commercial perspective, with the Agnes Mine in South Africa successfully utilising the technology since early 2003 for the first time. The Company has visited the Agnes Mine twice in the past 12 months to view this operation. BIOX® is now tried and proven technology, having been used commercially for the past 15 years.

The recent commercial development of GEOCOAT® shows that this technology offers benefits in the treatment of Hodgkinson Basin mineralisation. On the evidence the Company has seen to date, GEOCOAT® is a simple and very robust technology, combining bacterial oxidation with heap leaching. These are two treatment techniques that the technical Directors of the Company have extensive experience in. The GEOCOAT® process involves coating crushed and sized waste rock with a sulphide concentrate and bacteria and stacking the material on a heap leach pad for the duration of the oxidation phase. Once oxidation is completed to the required level, the material is removed from the pad, the oxidised concentrate is washed off, neutralised and the treated in a CIP/CIL plant. As the oxidation phase is carried out on a heap leach pad it may be that considerable capital and operating cost savings can be achieved with GEOCOAT® compared to BIOX®.

Review of Operations and Development - Continued

Metallurgical Testwork Programme

A comprehensive programme of metallurgical testwork commenced during the September Quarter utilising diamond drill core from the Tunnel Hill and Ethel Prospects at Northcote. The testwork examined the metallurgical response of both oxide and sulphide mineralisation.

The testwork programme was designed and overseen by Metallurgy International Pty Limited of Castlemaine in Central Victoria. Metallurgy International was extensively involved in the metallurgy testwork programme used for the initial feasibility study for the Fosterville sulphide deposit in Central Victoria, which is the geological model being used by the Company. This work demonstrated the technical and economic viability of the BIOX® technology for Fosterville.

Sulphide Test Programme

There are a number of elements to this testwork programme:

- Comminution testwork, aimed at deriving the crucial crushing and grinding parameters for the design of the “front end” of a treatment plant
- Sulphide flotation tests to determine likely recoveries to the sulphide concentrate and to produce concentrates for the oxidation tests and for testing variability of the mineral deposits
- Bench tests of GEOCOAT® and BIOX® sulphide concentrate oxidation techniques
- Cyanide leaching of oxidised concentrates to determine overall gold recoveries

The comminution tests are being done by Ammtec with additional SAG mill characterisation testwork done by JK Tech. The flotation and grind size optimisation and bulk concentrate production continues to be conducted by Ammtec. GEOCOAT® BAT tests and the BIOX® BAT test are being conducted at Lakefield South Africa on behalf of GeoBiotics and Goldfields. The various reports produced will then be compiled by Metallurgy International.

Sulphide Test Results

Initial testwork was carried on samples from the Tunnel Hill and Ethel deposits which are 3 kilometres apart and represent a reasonable spread of the Northcote field.

Tests to establish the crushing and grinding characteristics of the mineralisation gave results in line with expectations and indicate that the material is likely to be relatively simple to treat in this regard. Testwork performed by JKMRC suggest that the mineralisation is likely to be suitable for SAG milling, resulting in a more efficient crushing and grinding circuit.

Initial and non-optimised flotation testwork produced excellent results. These initial tests resulted in an average of 96.3% of the gold being recovered into a concentrate that averaged 10.6% of the weight of the total feed material. The following table indicates the results, showing recovery to the flotation concentrate, from 3-stage float tests conducted on the two samples.

Hole	Weight	Gold	Antimony
THL010	12.4%	94.8%	83.0%
EL008	8.8%	97.8%	84.1%

Table 15 Flotation Recoveries to Concentrate

The level of carbonate in the concentrate, averaging 1.6%, was low. This is particularly important for two reasons. High carbonate levels can slow the rate of the likely oxidation process, bacterial oxidation, and it can also result in the need to add expensive acid to neutralise the carbonate prior to bacterial oxidation commencing.

Initial bacterial oxidation Batch Amenable Tests (“BAT tests”) were performed to test the bacteria used in the GEOCOAT® bacterial oxidation. The initial two BAT tests produced an average sulphur oxidation level of 96%. The resultant cyanide bottle rolls on these oxidised samples produced an average gold recovery of 88%. These results are positive in terms of speed and level of oxidation for first pass tests and can be expected to be improved through diagnostic testwork and optimisation.

Density testwork indicated a range from 2.71 to 2.75 tonnes per cubic metre for both oxide and sulphide core which is in line with expectations for sulphide material but more favourable than expected for oxide if supported by further work.

Review of Operations and Development - Continued

Oxide Testwork

Testwork on oxide mineralisation aimed at determining the heap leaching characteristics of the mineralisation is being carried out. This involves comminution tests to allow selection of a crushing circuit, bottle roll testwork at various crush sizes to assess the level of cyanide extractable gold at differing crush sizes and flooded and short height heap leach column testwork to assess the permeability and competence of the agglomerates and the cement addition needs and gold recovery.

Metallurgy International performed column testwork on a sample of semi-oxidised mineralisation from the Tunnel Hill Prospect to demonstrate its amenability to heap leaching. This resulted in a recovery of 66.8% after 43 days on material crushed to -6mm. This is a slow, but acceptable result for this type of material at what is a fine crush size. The addition of 5 kg/t of cement produced a small amount of slumping in the slump column tests, 1.3%, which is indicative of the levels that would be used in a production scenario.

Metallurgy International also performed a flotation test on the same material, grinding it to a P80 of 125 microns. This resulted in a gold recovery of 61.6%, which is acceptable for semi-oxidised material. The flotation testwork was done to determine if this method of gold recovery might provide an alternative to heap leaching of oxide mineralisation which would utilise the sulphide treatment plant.

Further samples from Northcote have been despatched for more heap leach column testwork.

The results of all of the metallurgical testwork are expected to be collated in the January Quarter for mine feasibility assessment.

Antimony or Stibnite Mineralisation

The gold mineralisation at Northcote is associated with stibnite, or antimony sulphide. Antimony's main use is as a fire retardant in the form of value added antimony trioxide. In the past year the antimony metal price has risen significantly due largely to demand and shortfall in supply in China.

The latest antimony metal price is US\$3,700 per tonne, a rise of over 20% in the past 12 months. Recent price commentary indicates that the Chinese antimony industry, the world's biggest market, expects the price to breach the US\$4,000 barrier shortly.

At US\$3,700/t and an exchange rate of 76c, 1% antimony in the ground is worth ~AUD\$49/t. At the current gold price of ~AUD\$620/oz this equates to a

gold grade of 2.4 g/t Au. Current resource estimation work on the Northcote project, following completion of recent drilling, is planned to provide initial estimates of contained antimony grades.

The drilling programme at Northcote encountered a number of intersections of high grade stibnite as below:

Hole	Depth From	Depth To	Interval	g/t Au	% Sb
EL003	104.7	105.7	1.0	6.98	>2.50
EL003	105.7	106.7	1.0	1.17	2.22
EL004	50	51	1.0	3.2	1.41
EL005	72	75	3.0	2.89	>2.50
EL007	41	44	3.0	3.48	1.30
THL002	14	17	3.0	5.54	>2.50
THL002	28	29	1.0	3.39	1.68
THL003	58	60	2.0	2.44	1.60
THL003	118	119	1.0	3.51	1.29
THL004	22	23	1.0	2.67	1.52
THL005	69	70	1.0	0.82	1.07

Table 16 - Northcote Antimony Drilling Intersections

Future Work Programme at Northcote and Tregoorra

Exploration

As indicated above, the Company is planning to drill the Stage II drilling programme at Tregoorra in the September Quarter. Drilling will take place on the Midway, Pillidge, Honey and Kurrajong Prospects. Further metallurgical samples will be obtained from the Sleeping Giant Prospect.

At Northcote, geological block models exist for the East Leadingham, Emily, Emily South, Tunnel Hill, Ethel, Black Bess, Belfast Hill and Navan Hill Prospects. These block models will be refined with the addition of new drilling results. New resource block models will be constructed for the Telephone Hill, Minnie Moxham, East Leadingham Feather Zone and Ethel South Prospects.

The Company has still to complete the re-analysis of elevated antimony samples containing stibnite, and carry out further bulk density measurements. With the re-assaying of the stibnite samples complete, it will be possible to estimate antimony grades for the resources.

Mine Development Scenarios

A preliminary mine plan has been devised for Northcote and Tregoorra. This mine plan is the basis of the mine permitting discussions being held with the EPA. The concept of the mine plan is for open pit and possible eventual underground mining at both Northcote and Tregoorra.

Review of Operations and Development - Continued

The concept that has been decided upon is that construction of a complete plant, i.e. crushing, grinding, flotation (of both a gold and stibnite concentrate), bacterial oxidation (whether BIOX® or GEOCOAT®) and gold leaching and recovery, will be carried out at one site. The second location would have only the crushing, grinding and flotation plant built, with the gold-sulphide concentrate being trucked to the full plant for oxidation. Both plants would produce a stibnite concentrate for sale, assuming a viable antimony resource can be demonstrated.

The location of the full plant will be dictated by the operating economics which relate primarily to the resources able to be established at either site, sources of limestone needed for neutralisation of the bacterial oxidation product, available fresh water and other infrastructure and labour costs.

Both the Atric and Reedy's resources are sufficiently close to Tregoora that satellite operations at both locations may be able to truck run-of-mine ore to Tregoora.

Mine Permitting

AustralAsian Resource Consultants of Brisbane ("AARC") was appointed to initiate mine permitting for the Northcote and Tregoora Projects to parallel resource drilling and testing to minimise time required to establish operating conditions.

The outcome of the preliminary stage of the mine permitting will be a determination on whether the Company is required to conduct an Environmental Management Overview Strategy ("EMOS") or an Environmental Impact Statement (EIS).

If the mine permitting process is via an EMOS, then it is anticipated that this would take a minimum period of six months. Permitting through an EIS would involve a longer timeframe. A positive outcome from either process would see the Company granted an Environmental Authority and have approved a Plan of Operations, which together form the necessary documentation to commence mining.

The Company and AARC have developed the draft Initial Advice Statement to the EPA on the projects, to accompany mining lease applications, which are required to be submitted concurrently.

A number of studies background studies on aspects such flora and fauna and soils have been completed to support the Initial Advice Statement and additional studies will be required in due course, including waste rock characterisation, groundwater and tailings dam studies.

Nothing being proposed in the Initial Advice Statement triggers any of the guideline limits that would require an Environmental Impact Statement to be carried out. Hence, the Company expects the lower level permitting process of an Environmental Management Plan to apply. Formal presentation of the report will be done when the mining lease applications are finalised.

Mining Lease

In conjunction with the delivery of the Initial Advice Statement to the EPA, the Company will lodge its application for a mining lease at Northcote. The application for the mining lease will formerly commence Native Title negotiations. Currently there are no Native Title claims over the proposed mining lease area.

Mining Pre Feasibility Studies

Treatment

Queensland consulting engineering firm specialising in mining treatment plant design and construction supervision, Fraser Osborn were appointed to produce pre-feasibility study order-of-accuracy plant designs and capital and operating cost estimates for a gold treatment plant using Geobiotics' GEOCOAT® technology. Similar work will be done at a later stage utilising BIOX® technology.

The report estimated that the construction cost of a 500,000 tonnes per annum treatment plant, including tailings facilities and power, was \$27.7 million. Work is in progress to refine this report. Given the close understanding of each of the elements of the plant as it has been specified, Fraser Osborn believe that this cost estimate has an order of accuracy of +/-15% and is potentially as good as a +/10% order of accuracy estimate. The basis for the costing of the plant is all new equipment, except for certain items of equipment in the crushing circuit that are readily available in the second-hand market

The Company and Fraser Osborn expect significant savings if more second-hand plant were employed, particularly if a secondhand mill and CIL plant were available.

The cost estimate highlighted a number of areas that require further investigation. The report indicates a need for more extensive metallurgical testwork, which is currently underway.

Preliminary exploration for a suitable source of limestone located two limestone occurrences with indicative calcium oxide levels of 41% and 56%, suitable for use in processing. These occurrences lie approximately 25 kilometres and 17 kilometres from Tregoora respectively.

Review of Operations and Development - Continued

Mining

Preliminary open pit mining optimisation studies have been undertaken. This work highlighted the need to work on a number of aspects relating to any mining operation including geotechnical aspects for pit design and mining contractor costs. It also highlighted areas in the various "optimised pits" where the strongest grades exist.

The pit optimisation work will be refined when the remodelling of resources to include the new drilling results has been completed.

Native Title

The first Native Title agreement, for granted EPM 13675, a joint ventured tenement with Mr Gilbert Kelly, was received in July. The agreement was negotiated between the Company, the Native Title Claimants, the Western Yalanji People and the North Queensland Land Council.

Access Agreements were later agreed between the Company, the Western Yalanji and the North Queensland Land Council to cover EPMs 13937, 13938 and 13941, allowing grant of these three high impact EPMs.

The Department of Natural Resources and Mines granted three of the outstanding BHP-Billiton EPM applications during the June Quarter. These were EPMs 11538, 11541 and 12004. The EPMs have been granted with the state-based Native Title Protection Conditions attached.

The Company did not carry out any fieldwork on the two granted EPMs, 12227 and 12229, due to an impasse between BHP-Billiton and the North Queensland Land Council on access agreements for these EPMs. To get around this impasse, BHP-Billiton has agreed to transfer these two EPMs into the Company's name so that the Company can proceed to reach agreement with the NQLC. The two EPMs still remain part of the overall BHP-Billiton Joint Venture.



NT Site Clearance Team and Employees

Vital Metals Agreement

Republic Gold concluded an option agreement with Vital Metals Limited, which will allow Vital to explore for tungsten and related metals on Republic's EPM 14735, located in the Hodgkinson Basin in Far North Queensland. The Company granted Vital Metals access to EPM 14735 to explore for tungsten in exchange for \$20,000 and 500,000 shares in Vital Metals.

EPM 14735 encloses Mineral Development Licence 127 over Watershed Grid, a significant tungsten deposit to be acquired by Vital from BHP-Billiton. Vital requires

access to Republic's surrounding EPM 14735 to cover potential extensions of mineralisation. Vital will explore this deposit and has since completed an IPO focussed on Australian tungsten projects.

The agreement provides Republic with exposure to the tungsten market without expenditure by Republic. World tungsten prices have reached record highs over the past 12 months due to escalating demand, primarily from China, for steel products.

Lucky Draw

Dr Max Rangott compiled a report on the prospectivity of the Burruga Copperfield. The most recent work performed at Burruga dates back to the early 1980's. The report provided a compilation of the previous extensive exploration work at Burruga, and provided a number of well defined targets for copper-gold mineralisation based on past mining, mapping, geochemistry, geology and geophysics.

The Burruga copperfield shows evidence of being within a large alteration/mineralisation system with its prospectivity enhanced by recent exploration developments elsewhere on this style of deposit in NSW.

The Company received notification from the Department of the grant of replacement tenement EL 6463, over most of the area of the former EL 5777, with the reduced area still covering principal sites over the Lucky Draw Gold Project and the Burruga Copperfield.

The Company is investigating the spin-off of the Lucky Draw tenement into a specifically NSW-focused Copper-Gold company as the most effective way to create value for shareholders. Discussions are being held on other NSW tenements, to secure complementary tenements to the Burruga-Lucky Draw project.

Review of Operations and Development - Continued

Community, Human Relations & Safety

Republic Gold is strongly committed to the principles of sustainability and the Company takes seriously its responsibility to the community in which it operates. During the past 12 months, Republic Gold has supported community and environmental projects in the Mareeba district.

In April this year Republic announced an alliance with the Mareeba Wetlands Foundation. With a donation of \$7,500 Republic became a platinum sponsor of the Foundation. The Foundation manages the Mareeba Tropical Savannah and Wetland Reserve which protects over 5,000 acres of savannas and wetlands, providing a sanctuary for much of tropical Australia's savannah and wetland flora and fauna, and cultural heritage.

In announcing the alliance with the Foundation's Gwyneth Nevard, Republic's Managing Director John Kelly said, "Having established the viability of prospects in Mareeba Shire we were keen to support local initiatives. The Mareeba Wetland project not only presented a golden opportunity for us to support a local organisation, but one with a growing national and international reputation in conservation." Republic has now linked its website with that of the Foundation's and vice versa.

For the second year in succession Republic Gold was a major sponsor of the Mareeba to Chillagoe Great Wheelbarrow Race. This year's Race started in Mareeba on Friday the 20th of May and traversed 149 km's of road to Chillagoe, before finishing on Sunday the 22nd of May. More than 150 individuals and 16 teams participated in the 2005 Race. Republic Gold entered its own team and finished a very creditable 4th.



The Republic Gold Wheelbarrow Race Team

Republic is also a proud member of the Mareeba Shire Chamber of Commerce and in February this year the Chamber and the Company held an information evening in Mareeba to brief the community on the Company's progress towards mining. Almost 100 people attended the briefing and Republic now intends to make this an annual event.

Republic continues to look at economic and community based initiatives to assist the Indigenous communities of the Mareeba Shire. The Company believes that the success it has had in gaining native title access agreements is due to the very positive relationships that have been built-up quite quickly with the Northern Queensland Land Council and the Western Yalanji Peoples, the local Indigenous group in a large part of the country the Company is exploring in.

There were no lost time injuries at the Company's exploration sites during the year and the Company continued to train staff on workplace safety and safe working practices and encourage active participation in this.



Mareeba Wetlands Project

Resources

When the Company listed on the Australian Stock Exchange in January 2004 it had a total of 208,700 ounces in the inferred category in its Hodgkinson Basin tenement portfolio, as indicated in Table 17 below.

Prospect Name	Tonnes	Grade	Contained Ounces
East Leadingham	353,000	2.6	29,900
Emily	455,000	2.6	37,900
Emily South	110,000	2.4	8,400
Black Bess	405,000	3.0	38,900
Ethel	30,000	3.1	32,600
Total Northcote	1,653,000	2.8	147,700
Atric	860,000	2.2	61,000
Total	2,513,000	2.6	208,700

Table 17 - Hodgkinson Resources at Listing

The Hodgkinson resources were remodelled during the year to incorporate new drilling up to December 2004, yielding an increase in total contained ounces of 108% to 434,000 ounces.

The new resources are detailed in the table at the top of page 22.

Around the site



Finally un-bogged in the wet season



Tunnel Hill to Ethel Hill



Drilling in progress



Limestone mining - Chillagoe



Drilling in progress



Staff relaxing at the Mareeba office at the end of the day

Mineral Resource Statement

Mineral Resources at 30 June 2005

	MEASURED		INDICATED		INFERRED		TOTAL		
	TONNES (‘000)	GRADE Au g/t	TONNES (‘000)	GRADE Au g/t	TONNES (‘000)	GRADE Au g/t	TONNES (‘000)	GRADE Au g/t	GOLD Ounces
NORTHCOTE									
East Leadingham	---	---	405	3.1	90	2.2	495	2.9	47,000
Emily	---	---	470	2.7	60	2.1	530	2.6	45,000
Emily South	---	---	110	2.3	20	1.7	125	2.2	9,000
Ethel	---	---	380	2.4	150	2.7	530	2.5	42,000
Belfast Hill	---	---	160	1.6	---	---	160	1.6	8,000
Black Bess	---	---	330	2.7	125	2.1	455	2.5	37,000
Navan Hill	---	---	45	1.6	5	1.6	50	1.6	3,000
Tunnel Hill	---	---	260	2.0	85	1.9	345	1.9	21,000
TOTAL NORTHCOTE	---	---	2,160	2.5	535	2.2	2,690	2.4	212,000
Midway	---	---	---	---	---	---	---	---	---
Pillidge	---	---	---	---	---	---	---	---	---
Rainbird	---	---	---	---	---	---	---	---	---
Sleeping Giant	---	---	---	---	2,282	1.7	2,282	1.7	112,000
TOTAL TREGOORA	---	---	---	---	2,282	1.7	2,282	1.7	112,000
ATRIC	---	---	990	1.9	50	1.7	1,040	1.9	63,000
HURRICANE	---	---	100	0.9	130	0.9	230	0.9	7,000
REEDY	---	---	---	---	656	1.4	656	1.4	30,000
TOTAL HODGKINSON BASIN	---	---	3,250	2.3	3,653	1.7	6,898	2.0	434,000
Lucky Draw Tailings ¹	---	---	1,442	0.7	---	---	1,442	0.7	30,600
Lucky Draw West ²	---	---	---	---	271	3.3	271	3.3	29,000
Hackney's Creek Upper Pod ²	---	---	234	2.2	---	---	234	2.2	16,400
Hackney's Creek Lower Pod ³	---	---	---	---	383	2.5	383	2.5	31,100
TOTAL LUCKY DRAW	---	---	1,676	0.9	654	2.9	2,330	1.5	107,100
TOTAL MINERAL RESOURCES	---	---	4,926	1.8	4,307	1.9	9,228	1.9	541,100

Notes Accompanying The Mineral Resources Statement

The information in this report that relates to mineral resources and ore reserves is based on information compiled by John Peter Kelly, a member of the Australasian Institute of Mining and Metallurgy who has a minimum of five years experience in the estimation, assessment and evaluation of mineral resources and ore reserves. John Peter Kelly has significant experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is 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". John Peter Kelly consents to the inclusion in this report of these matters based on the information in the form and context in which it appears. All of the resource estimates above have been carried

out by previous companies and Republic is in the process of validating the databases and updating the estimates by block modelling methods.

Notes to the Mineral Resources - (1) This resource is from the metallurgical balance calculated from mine records. The previous tenement holder carried out a programme of 17 drillholes on the tailings and calculated a lesser grade than that shown above of 0.53 g/t Au. At this grade the resource is 24,600 ounces. (2) These resources are calculated at a cut-off grade of 0.5 g/t Au. (3) This resource is calculated at a cut-off grade of 1.0 g/t Au. Resources may not sum to equal totals due to rounding. Resource parameters are tabled below.

For the Northcote resources, allowances have been made for depletion by the recorded mining amounts for the 1990's Nittoc campaign.

Location	Classification	Grade Interpolation Method	Section Spacing m	COG g/t	Top Cut g/t	Oxide Density	Sulphide Density
NORTHCOTE							
East Leadingham	Inferred	Block Model ID2	25	1.0	30	2.0	2.7
Emily	Inferred	Block Model ID2	25	1.0	15	2.0	2.7
Emily South	Inferred	Block Model ID2	25	1.0	15	2.0	2.7
Black Bess	Inferred	Block Model ID2	25	1.0	10	2.0	2.7
Ethel	Inferred	Block Model ID2	25	1.0	10	2.0	2.7
TREGOORA	Inferred	Block Model ID2	40-50	1.0	-	2.0	2.7
ATRIC	Inferred	Block Model ID2	50	1.0	-	2.7	2.7
HURRICANE	Inferred	Sectional WAA	10-40	0.5	-	2.5	2.5
REEDY	Inferred	Block Model ID2	20	0.5-1.0	-	2.4	2.7
LUCKY DRAW							
Lucky Draw Tailings	Indicated	Met. Balance	-	-	-	2.5	2.5
Lucky Draw West	Inferred	Contoured WAA	-	0.5	-	2.5	2.5
Hackney's Creek Upper Pod	Indicated	Sectional WAA	25	0.5	-	2.5	2.5
Hackney's Creek Lower Pod	Inferred	Sectional WAA	25	1.0	-	2.5	2.5

Schedule of Tenements as at 30 Sept 2005

Tenement Owner	Tenement No.	Project Name	Area Sq Kms	Interest	Status
Queensland					
BHP Billiton Minerals Pty Limited*	EPM 11538	Palmer	109	Earning to 90%	Granted
	EPM 11539	White Horse Creek	65	Earning to 90%	Application
	EPM 11540	Maytown	254	Earning to 90%	Application
	EPM 11541	Granite Creek	89	Earning to 90%	Granted
	EPM 11717	Mt Mulligan	240	Earning to 90%	Application - Expedited Procedure
	EPM 12004	Groganville	26	Earning to 90%	Granted
	EPM 12227	Pinnacles	260	Earning to 90%	Granted
	EPM 12228	Monarch	329	Earning to 90%	Application - Expedited Procedure
	EPM 12229	Big Watson	362	Earning to 90%	Granted
Gilbert William Kelly	EPM 13675	Fine Gold Creek	237	100% of hard rock gold	Granted
Neil Francis Stuart*	EPM 8689	Atric	23	Earning to 90%	Granted
Republic Gold Limited	EPM 9869	Northcote	82	75%	Granted
	EPM 13848	Northcote Extended	200	75%	Granted
	EPM 13936	Bellevue	247	100%	Granted
	EPM 14735	Mount Elephant	330	100%	Granted
	EPM 14736	Elizabeth Creek	414	100%	Granted
	EPM 14737	Spring Creek	310	100%	Granted
	EPM 14738	Hodgkinson River	329	100%	Granted
	EPM 14739	Maitland Downs	330	100%	Granted
	EPM 13643	Sandy Creek	122	100%	Granted
	EPM 14813	Spring Ck West	20	100%	Granted
	EPM 14740	Pinnacles Fill-In	260		Granted
Republic Gold Pty Ltd	EPM 13937	Ringer	306	100%	Granted
	EPM 13938	St George	230	100%	Granted
	EPM 13941	Reedy Extended	250	100%	High Impact Application
Gateway Mining	EPM 9934	Reedy Extended	43	90%	Granted
	EPM 12240	Hurricane South	20	90%	Granted
	EPMA 11765	Tempest	16	90%	Application
	MDLA 254	Hurricane	2.5	90%	Application
	EPM 10026	Campbell Creek	43	90%	Application
New South Wales					
Republic Gold Limited	EL 6463	Lucky Draw	84	75%	Granted
Total			5,633		

* The Company is earning an interest through a joint-venture agreement with the licence holder.

Corporate Governance Statement

Corporate Governance

Unless disclosed below, all best practice recommendations of the ASX Corporate Governance Councils have been applied for the entire financial year ended 30 June 2005.

Board Composition

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report and their term of office are detailed in the director's report.

The names of directors of the company are:

John Kelly
Greg Barns
Chris Roberts
William McLucas

None of the directors listed can be classified as independent. The size and scope of the Company's activities does not justify the cost of appointing five additional directors.

Trading Policy

The Company has a formal policy which sets out time restrictions on share dealings. The Company policy is that of the Corporations Law and ASX Listing Rules which states that dealings are not permitted at any time whilst in the possession of price sensitive information not readily available to the market. Prior to any Director trading in the Company's securities that Director must inform the other Directors of his decision to trade.

Audit Committee

In the directors' view of the size of the Company and the nature of its activities, the Board has considered that establishing a formally constituted audit committee would contribute little to the effective management of the Company. Accordingly audit matters are reviewed by the Board as a whole and approved by resolution of the Board (with abstentions from relevant directors if there is any conflict of interest).

Performance Evaluation

Due to the size and structure of the Board, a formal evaluation process is not conducted. The Company operates with three executive directors and one full-time senior employee.

Remuneration Policies

The Company does not have a remuneration policy other than to ensure that directors, staff and consultants are paid market rates in accordance with their qualifications, experience and contribution to the Company. Directors' remuneration for both executive and non-executive directors is compared to other "junior explorers" as a guide industry rates. There are no performance remuneration schemes. The amount of remuneration for all directors, including all monetary and non-monetary components, are detailed in the Note 5 to the financial report.

Remuneration Committee

The role of the Remuneration Committee has been assumed by the full Board. The size and scope of the Company's activities does not justify the establishment of such a committee. No director participated in any deliberation regarding his own remuneration or related issues.

Other Information

Further information relating to the company's corporate governance practices and policies has been made publicly available on the company's web site at www.republicgold.com.au.

Directors' Report

Your directors present their report on the company for the financial year ended 30 June 2005.

Directors

The names of the directors in office at any time during or since the end of the financial year are:

Tom Linardos (died 4th May 2005)

John Kelly
Greg Barns
Chris Roberts
William McLucas (Appointed 20th April 2005)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Greg Barns Is an inaugural non-executive director of the company and was appointed company secretary on 29th March 2005

Operating Results

The loss of the company for the financial year amounted to \$2,888,160 (2004 period loss of \$804,924).

Review of Operations

The Company conducted a very active exploration programme in the Hodgkinson Basin in Far North Queensland during the year. This programme resulted in the gold resource base of the Company in this area increasing from 209,000 ounces in the inferred category to 434,000 ounces in the indicated and inferred categories.

As part of the exploration programme mentioned above, the Company carried out an extensive programme of metallurgical testwork and completed many of the necessary environmental studies in order to submit an application to permit a mine.

The New South Wales Department of Mineral Resources cancelled the Company's only exploration lease in that state, EL 5777. After discussions with the Department a new exploration lease was granted in its place, EL 6463.

As noted above, the Company's inaugural Chairman, Mr Tom Linardos, died on 4 May 2005. Prior to Mr Linardos' passing, the Board appointed Mr Willie McLucas as Executive Director Corporate Development. Mr McLucas has been offered a package of director's

incentive options that will be voted on by shareholders at the Company's 2005 Annual General Meeting. Mr McLucas has been offered 5,000,000 options in 3 tranches. Tranche one is 1,000,000 options with an exercise price of 25 cents and expiry date of 1 November 2006. Tranches 2 and 3 are 2,000,000 options each at an exercise price of 25% above the market price of the Company's shares at the close of business on the day before the Board appointment is made, i.e. 15.6 cents, with an expiry date 5 years after appointment to the Board, i.e. 20 April 2010. Tranches 2 and 3 have a vesting period of 18 months. Tranche 2 will vest if McLucas successfully introduces a transaction to the Company that increases the Company's market capitalisation by more than 150%. Tranche 3 will vest if the resultant transaction increases the Company's market capitalisation by more than 300%.

In December 2004 the company reached an agreement to purchase a 90% interest in all of Gateway Mining NL's and A-Cap Resources Limited's joint ventured mineral interests in the Hodgkinson Basin. Included in the purchase was the 37,000 ounces Reedy's Project.

This transaction continued the company's philosophy of consolidating all important tenements in the Hodgkinson Basin. The company issued 2,250,000 shares to Gateway Mining NL and A-Cap Resources Limited for the tenement package. Gateway Mining NL and A-Cap Resources Limited will be free-carried to the point that the company announces a decision to mine, at which point Gateway Mining NL and A-Cap Resources Limited will either contribute for their respective shares or they will dilute to either a combined 4% share and then contribute at this level or to a 1% NSR royalty

Financial Position

The net assets of Republic Gold Ltd have decreased by \$3,127,576 from 30 June 2004 to \$9,669,055 in 2005.

The directors believe the group is in a strong and stable financial position to expand and grow its current operations.

Significant Changes in State of Affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the entity that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

Principal Activity

The principal activity of the entity during the course of the financial year was gold exploration. There was no significant change in the nature of the entity's activities during the period.

Directors' Report - Continued

After Balance Date Events

Apart from that mentioned below, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

On 26th July 2005 the Company announced to the Australian Stock Exchange that it had acquired an interest in the Canadian listed company, Luzon Minerals Limited. Luzon's principal activity is gold exploration in Bolivia in South America. At the date of this report the Company had advanced Luzon approximately \$106,000, which is secured.

Future Developments, Prospects and Business Strategies

The entity will focus on the exploration and development of its and Luzon Minerals' portfolio of exploration tenements and the acquisition of new projects and/or tenements.

Other than as referred to in this report, further information on the likely developments in the operations of the entity and the expected results of those operations would, in the opinion of the Directors, be speculative and would be likely to result in unreasonable prejudice to the entity.

Environmental Issues

The operations of the Entity in Australia are subject to environmental regulation under the laws of the Commonwealth and the States in which those operations are conducted.

The directors are not aware of any environmental breaches by the Company during the period covered by this report.

Dividends Paid or Recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Options

Refer to review of operations above for details on options granted during the financial year. No further options have been issued after the financial year.

Indemnification of Officer or Auditor

The Company has agreed to indemnify and keep indemnified the following officers, Mr J P Kelly, Mr C L Roberts, Mr G J Barns and Mr W McLucas against all liabilities incurred by the directors as a director of the

Company and all legal expenses incurred by the directors as a director of the Company.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company or any related body corporate against a liability incurred by the auditor.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The Company was not a party to any such proceedings during the financial year.

Directors

The names and details of directors in office at the date of this report or at any time during the financial period are:

Managing Director - John Kelly BE (Mining) MAusIMM MAICD

John is a mining engineer and was part of the executive team for Perseverance from 1991 to 2001. Prior to joining Perseverance, John worked as a Mine Superintendent at two open cut operations in Western Australia for three years and for seven years in the underground operations of Zinc Corporation Limited in Broken Hill. John has Mine Manager Certificates for NSW, WA and Victoria. In his time with Perseverance, John filled the roles of Mine Superintendent, Mine Manager, Executive Director and then Managing Director. In this time, Perseverance demonstrated itself as the one of the pre-eminent exponents in Australia of heap leach gold production from smaller low grade gold deposits. John headed the team that took the Fosterville Gold Project from the hands of the receiver in 1992 and then produced approximately 230,000 ounces. John's extensive experience with Fosterville oxide and sulphide mineralisation is directly relevant to the Company's Hodgkinson Basin projects. Perseverance's share price experienced significant capital growth through the mid 1990's and it also paid dividends. John has been President of the Victorian Minerals and Energy Council, an Executive Councillor of the Minerals Council of Australia and a founding director of the Australian Gold Council. John was also a non-executive director and non-executive chairman of Monto Minerals NL, a Queensland based heavy minerals explorer.

Directors' Report - Continued

Exploration Director - Chris Roberts FRMIT MAusIMM MAIG

Chris is a geologist with over 30 years of experience, much of it in gold. Chris is now a non-executive director of Perseverance where he was until recently Exploration and Development Director. Prior to this he was the Chief Geologist for Perseverance, a role that dates back to 1990. Chris has been directly responsible for the exploration success of the Fosterville Mine. Chris has grown the oxide and sulphide resource base at Fosterville from approximately 220,000 ounces in 1992 to in excess of 2,500,000 ounces today, including past production by Perseverance. Of this amount, 1,840,000 ounces falls into the high grade sulphide category in the Central Zone alone. Chris has also been a non-executive director of Sedimentary Holdings Limited, a Melbourne-based explorer currently enjoying considerable success with its Cracow Gold Project in Central Queensland. Chris was recently appointed to the JORC (Joint Ore Reserves Committee).

Non-Executive Director - Greg Barns BA LLB

Greg has been a high profile participant in the Australian gold sector over the past 3 years in his role as CEO of the Robert Champion de Crespigny-inspired Australian Gold Council ("AGC"). Prior to joining the AGC Barns had no experience in the resources sector but a wealth of experience in both state and federal government. Greg Barns is qualified as a lawyer and has worked as Chief-of-Staff for the former Tasmanian Premier Ray Groom and the Chief-of-Staff for the former Federal Finance Minister John Fahey. In his three years with the AGC, Barns was able to provide the directors of the AGC with advice on political and community issues affecting the Australian gold mining sector. Barns also formed lasting relationships with the Australian financial press and most importantly for the Company with the financial sector, both in Australia and overseas. Greg Barns is also the Non-Executive Chairman of Strata Mining Corporation Limited, a director of Excalibur Mining Corporation Limited and is the immediate past Chairman of the Australian Republican Movement.

Corporate Development Director - William McLucas

Willie McLucas is a mining financier with over twenty-five years experience in all aspects of mining, from exploration through to development and production, on a global basis.

He was a stockbroker in London covering South Africa and lately Australia from 1978 to 1984. From 1984 until 1997 he was Investment Director of the Australasian Gold Fund, which helped to finance the renaissance of the Australian gold industry through the mid 1980. During the 1990s, as CEO of Waverley Mining Finance plc, he rescued Perseverance Corporation in Australia as well as financing several other projects.

In 1998 he set up Thistle Mining Inc, which acquired gold projects in Kazakhstan, the Philippines and South Africa.

Remuneration Report

This report details the nature and amount of remuneration for each director of Republic Gold Limited. As Republic Gold Limited is a small company, the remuneration arrangements are as simple as possible.

Remuneration Policy

The remuneration policy of Republic Gold Limited has been designed to align director objectives with shareholder and business objectives by providing a fixed remuneration component and allowing specific long-term incentives based on key performance areas affecting the company's financial results. The Board of Republic Gold Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the company, as well as to create goal congruence between directors and shareholders. To-date no long-term incentives have been offered to any Director except for executive options.

The Board's policy for determining the nature and amount of remuneration for Board members of Republic Gold Limited is as follows.

The remuneration policy, setting the terms and conditions for the directors was developed by the Board after Board members reviewed the remuneration of like positions in other small-cap gold exploration companies. Directors receive either a base salary and superannuation or a fee (both based on experience) and options. An employee share and option scheme will be voted on at the 2005 Annual General Meeting. The Board reviews executive packages annually by reference to Republic Gold Limited's performance, directors' performance and comparable information from industry sectors and other listed companies in the small-cap gold exploration sector.

The performance of directors' is measured against criteria agreed with each director and is based predominantly on any increase in shareholders' value. Any bonuses and incentives must be linked to predetermined performance criteria. The Board will approve all incentives, bonuses and options. To-date none have been granted. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Directors' are also entitled to participate in the employee share and option arrangements, subject to shareholder approval as mentioned above.

Directors' Report - Continued

The Managing Director receives a superannuation guarantee contribution required by the government, which is currently 9%, and does not receive any other retirement benefits. Individuals can choose to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to Directors is valued at the cost to the company and expensed. Shares given to Directors and executives will be valued as the difference between the market price of those shares and the amount paid by the Director or executive. Options will be valued using the Black-Scholes methodology.

The Board policy is to remunerate non-executive Directors at market rates for comparable companies for time, commitment and responsibilities and determines payments to the non-executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive Directors are not linked to the performance of the company. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and are able to participate in the employee option plan.

Performance Based Remuneration

Currently, no executive Directors' remuneration package has a performance-based component.

Remuneration

The remuneration for each Director of Republic Gold Limited during the year was as follows. The Board considers that no employee, other than Directors, fall into the category of executives of the Company for the purposes of this report.

Performance Income as a Proportion of Total Remuneration

There were no performance based bonuses paid to executives during 2005. Performance based bonuses paid to executives during 2005.

Options Issued as Part of Remuneration for the Year Ended 30 June 2005

There were no options allocated to executives during 2005. Shareholders will vote on the performance-based options package proposed for Mr McLucas at the 2005 Annual General Meeting.

Employment Contracts of Directors

The employment conditions of the Managing Director, Mr Kelly and part-time executive Director Mr McLucas are formalised in contracts of employment. Messrs Kelly and McLucas are employees of Republic Gold Limited. Mr Roberts contracts his services to the Company on an "as needs basis." Mr Barns is paid an hourly fee for work done outside the normal range of non-executive Directors' duties.

Mr Kelly is employed under a fixed three-year contract, which commenced on 1 October 2003 and expires on 30 September 2006 at an annual salary of \$180,000 per year, including superannuation. This contract includes a three-month notice period by either party and an annual review. Mr Kelly provides his own motor vehicle and is reimbursed for usage on Company business on a kilometres used basis.

Mr McLucas is employed on an annual salary of \$100,000 with a one-month notice period by either party. Mr McLucas has other business ventures that he was involved in prior to his joining the Board of Republic Gold Limited. If any other of these ventures successfully realise value for Mr McLucas he will transfer 2.5% of this value to Republic Gold Limited. In agreeing to become a Director of Republic Gold Limited, Mr McLucas has agreed to work exclusively for the Company, except for his pre-existing arrangements.

Mr Roberts charges the Company at the rate of \$800 per day, plus GST. Due to his high workload with the Company, Mr Roberts has foregone his Director's fees since the December 2005 Quarter.

Mr Barns charges the Company at the rate of \$100 per hour for work outside the normal role of a non-executive Director.

	Base Salary \$	Fee \$	Superannuation \$	Equity \$	Total \$
Directors					
T Linardos	-	27,000	-	-	27,000
J P Kelly	161,400	-	14,526	-	175,926
C L Roberts	-	151,533	-	-	151,533
G J Barns	-	55,060	-	-	55,060
W P McLucas	24,811	-	-	-	24,811
TOTALS	186,211	233,593	14,526	-	434,330

Directors' Report - Continued

All Directors are reimbursed expenses incurred in their roles with the Company after the approval of these expenses by all other Directors.

Directors' Meetings

During the financial year the Company held 15 meetings of directors. The attendance of the directors at meetings of the Board was: -

	Attended	Maximum Possible Attended
T Linardos	11	11
J P Kelly	13	15
C L Roberts	13	15
G J Barns	13	15
W McLucas	2	2

Directors' Shareholdings

For details on directors' shareholdings please refer to note 5.

Signed in accordance with a resolution of the Board of Directors:

Director
Chris Roberts

Director
John Kelly

Dated this 30th day of September 2005

Non-audit Services

There are no non-audit services provided to the company by the audit firm

In the directors' view of the size of the Company and the nature of its activities, the Board has considered that establishing a formally constituted audit committee would contribute little to the effective management of the Company. Accordingly audit matters are reviewed by the Board as a whole and approved by resolution of the Board (with abstentions from relevant directors if there is any conflict of interest).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2005 has been received and can be found below.

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF REPUBLIC GOLD LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2005 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

.....
Draper Dillon

4th Floor,
499 St Kilda Road
Melbourne Vic 3000

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2005

	Notes	2005 \$	22 Sept 2003 to 30 June 2004 \$
Revenue from ordinary activities	2	<u>166,034</u>	<u>99,836</u>
Amortisation expenses	3	(6,150)	(4,604)
Capital expenditure write off		137,615	(138,090)
Consultant expenses		(600,803)	(73,189)
Cost of exploration	3	(1,318,748)	(259,189)
Depreciation expenses	3	(31,846)	(4,104)
Employee benefits expense		(663,135)	(290,273)
Marketing expenses		(76,832)	(11,220)
Occupancy expenses		(56,688)	(62,470)
Share registry expense		(57,658)	(11,677)
Travel expenses		(237,274)	(39,416)
Other expenses from ordinary activities		<u>(142,675)</u>	<u>(9,898)</u>
		(3,054,194)	(904,760)
Loss from ordinary activities before income tax expense		<u>(2,888,160)</u>	<u>(804,924)</u>
Income tax expense relating to ordinary activities	4	-	-
Loss from ordinary expense after related income tax expense		<u>(2,888,160)</u>	<u>(804,924)</u>
Total changes in equity other than those resulting from transactions with owners as owners	15	<u>(2,888,160)</u>	<u>(804,924)</u>
Basic loss per share (cents per share)	8	(0.0397)	(0.0114)
Diluted earnings per share (cents per share)	8	(0.0397)	(0.0114)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2005

	Notes	2005 \$	22 Sept 2003 to 30 June 2004 \$
CURRENT ASSETS			
Cash assets	9	1,329,297	4,422,665
Receivables	10	<u>171,180</u>	<u>177,018</u>
TOTAL CURRENT ASSETS		<u>1,500,477</u>	<u>4,599,683</u>
NON-CURRENT ASSETS			
Plant & Equipment	11	164,334	640,374
Intangible assets	12	<u>8,061,657</u>	<u>7,618,075</u>
TOTAL NON-CURRENT ASSETS		<u>8,225,991</u>	<u>8,258,449</u>
TOTAL ASSETS		<u>9,726,468</u>	<u>12,858,132</u>
CURRENT LIABILITIES			
Payables	13	<u>57,413</u>	<u>61,501</u>
TOTAL CURRENT LIABILITIES		<u>57,413</u>	<u>61,501</u>
TOTAL LIABILITIES		<u>57,413</u>	<u>61,501</u>
NET ASSETS		<u>9,669,055</u>	<u>12,796,631</u>
EQUITY			
Contributed equity	14	13,362,139	13,601,555
Accumulated losses	15	<u>(3,693,084)</u>	<u>(804,924)</u>
TOTAL EQUITY		<u>9,669,055</u>	<u>12,796,631</u>

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 JUNE 2005

	Notes	2005 \$	22 Sept 2003 to 30 June 2004 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(3,152,062)	(873,479)
Interest received		<u>166,034</u>	<u>99,836</u>
Net cash used in operating activities	16 (b)	<u>(2,986,028)</u>	<u>(773,643)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(107,340)	(92,945)
Payment for other non current assets		-	<u>(355,886)</u>
Net cash used in investing activities		<u>(107,340)</u>	<u>(448,831)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from share issue		-	<u>5,645,139</u>
Net cash provided by financing activities		<u>-</u>	<u>5,645,139</u>
Net increase/(decrease) in cash held		(3,093,368)	4,422,665
Cash at beginning of financial year		<u>4,422,665</u>	<u>-</u>
Cash at end of financial year	16 (a)	<u><u>1,329,297</u></u>	<u><u>4,422,665</u></u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report is for Republic Gold Limited as an individual entity. Republic Gold Limited is a company limited by shares, incorporated and domiciled in Australia.

The number of employees at 30th June 2005 was eight.

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Income Tax

Tax-effect accounting is applied using the liability method whereby income tax is regarded as an expense and is calculated on the accounting profit after allowing for permanent differences. To the extent timing differences occur between the time items are recognised in the financial statements and when items are taken into account in determining taxable income, the net related taxation benefit or liability, calculated at current rates, is disclosed as a future income tax benefit or a provision for deferred income tax. The net future income tax benefit relating to tax losses and timing differences is not carried forward as an asset unless the benefit is virtually certain of being realised. The income tax expense for the year is calculated using the 30% tax rate.

(b) Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and equipment

Plant and equipment is measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the

expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets is depreciated over their useful lives to the company commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	15%
Plant and equipment	15%
Office furniture and equipment	7.5 - 50%
Motor Vehicle	15 18.75%

(c) Intangibles

Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net tangible assets at date of acquisition. Goodwill is amortised on a straight line basis over the period of 20 years. The balances are reviewed annually and any balance representing future benefits the realisation of which is considered to be no longer probable are written off.

Tenements, Permits & Mining Assets

Tenements, Permits & Mining Assets are initially recorded at the purchase price at the date of acquisition. The balances are reviewed annually and any balance representing future benefits the realisation of which is considered to be no longer probable are written off.

(d) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

(e) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. All revenue is stated net of the amount of goods and services tax (GST).

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST

NOTES TO THE FINANCIAL STATEMENTS - Continued

FOR THE PERIOD ENDED 30 JUNE 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(g) Exploration and Development Expenditure and Restoration and Rehabilitation

Exploration, evaluation and development expenditure incurred is not accumulated in respect of each identifiable area of interest. Costs of acquisition in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the costs of acquisition for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis. Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation.

Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(h) Capital Raising Costs

The capital raising costs of \$698,416 which were formerly treated as a capital asset have been reclassified as a reduction in contributed equity.

(i) Impact of Adoption of Australian Equivalents to International Financial Reporting Standards

The company is preparing and managing the transition to Australian Equivalents to International Financial Reporting Standards (AIFRS) effective for the financial years commencing from 1 January 2005. The adoption of AIFRS will be reflected in the company's financial

statements for the year ended 30 June 2006. On first time adoption of AIFRS, comparatives for the financial year ended 30 June 2005 are required to be restated. The majority of the AIFRS transitional adjustments will be made retrospectively against retained earnings at 1 July 2004.

The directors are of the opinion that the key material differences in the company's accounting policies on conversion to AIFRS and the financial effect of these differences, where known, are as follows. Users of the financial statements should note, however, that the amounts disclosed could change if there are any amendments by standard-setters to the current AIFRS:

Impairment of Assets

Under AASB 136: Impairment of Assets, the recoverable amount of an asset is determined as the higher of fair value less costs to sell, and value in use. In determining value in use, projected future cash flows are discounted using a risk adjusted pre-tax discount rate and impairment is assessed for the individual asset or at the 'cash generating unit' level. A 'cash generating unit' is determined as the smallest group of assets that generates cash flows that are largely independent of the cash inflows from other assets or groups of assets. The current policy is to determine the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the asset's use and subsequent disposal. It is likely that this change in accounting policy will lead to impairments being recognised more often. The company has reassessed its impairment testing policy and tested all assets for impairment as at 1 July 2005. Impairment testing as at 1 July 2005 confirmed no impairment of any assets.

Share Based Payments

Current company policy is to expense any share-based payments made in connection for services received. The introduction of the new standard AASB 2: Share-based Payments will require the company to also expense any options granted to employees.

Income Tax

Currently, the parent entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the accounting profit adjusted for any permanent differences. Timing differences are currently brought to account as either a provision for deferred income tax or future income tax benefit. Under AASB 112 the economic entity will be required to adopt a balance sheet approach under which temporary differences are identified for each asset and liability rather than effects of the timing and permanent differences between taxable income and accounting

NOTES TO THE FINANCIAL STATEMENTS - Continued

FOR THE PERIOD ENDED 30 JUNE 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

profit. There is no impact on the company as future income tax benefits in relation to tax losses are not brought to account.

Goodwill

The adoption of AASB 3 Business Combinations will not significantly impact the carrying amount of goodwill as at 1 July 2004 (the date of transition) as the directors have decided not to restate past business combinations. Under AASB 3 goodwill is not subject to amortisation, but must be tested for impairment annually and whenever there is an indication that goodwill may be impaired. As a result, amortisation expense will decrease by \$1,650 for the financial year ended 30 June 2005.

Reconciliation of loss as presented under AGAAP and AIFRS

	<i>2005 Year</i>
Net loss reported under AGAAP	(2,888,160)
Reversal of goodwill amortisation	<u>1,650</u>
Net loss under AIFRS	<u><u>(2,886,510)</u></u>

Reconciliation of equity as presented under AGAAP and AIFRS

	<i>2005 Year</i>
Total equity under AGAAP	9,219,055
Write-back of goodwill amortisation	<u>1,650</u>
Total equity under AIFRS	<u><u>9,220,705</u></u>

NOTES TO THE FINANCIAL STATEMENTS - Continued

FOR THE PERIOD ENDED 30 JUNE 2005

	Note	2005 \$	2004 \$
NOTE 2: REVENUE			
Operating activities			
-interest	2(a)	166,034	99,836
(a) Interest from:			
-other persons		166,034	99,836

NOTE 3: LOSS FROM ORDINARY ACTIVITIES

Losses from ordinary activities before income tax expenses

(income tax revenue) has been determined after:

(a) Expenses:

Depreciation of non-current assets			
-Office Equipment		16,683	3,350
-Motor Vehicles		10,206	754
-Buildings		410	---
-Plant & Equipment		4,547	---
		31,846	4,104
Amortisation of goodwill		6,150	4,604
Cost of Exploration		1,318,748	259,189

NOTE 4: INCOME TAX EXPENSE/(BENEFIT)

(a) The prima facie tax payable on loss from ordinary activities before income tax is reconciled to the income tax expense/(benefit) as follows:

Prima facie income tax payable on loss from ordinary activities before income tax at 30.0%

	(866,448)	(241,477)
Add:		
Tax effect of:		
- amortisation of goodwill	1,845	1,381
- other non-allowable items	4,299	2,016
- capital expenditure write off	(82,730)	---
Income tax benefit attributable to loss from ordinary activities	(943,034)	(238,080)

(b) Future income tax benefit at 30% arising from income tax losses is not brought to account at balance date as realisation of the benefit is not regarded as virtually certain.

The benefit of tax losses will only be obtained if:

- *the entities derive future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised; and*
- *the entities continue to comply with the conditions for deductibility imposed by tax legislation; and*
- *no changes in tax legislation adversely affect the entities in realising the benefits from the deductions for the losses.*

NOTE 5: DIRECTORS' AND EXECUTIVES' REMUNERATION

(a) Names and positions held of directors in office at any time during the financial period are:

Mr Tom Linardos	Chairman (Died 4 May 2005)
Mr John Kelly	Managing Director
Mr Chris Roberts	Director - Exploration
Mr Greg Barns	Director - Non-Executive
Mr William McLucas	Director - Corporate Development

NOTES TO THE FINANCIAL STATEMENTS - Continued

FOR THE PERIOD ENDED 30 JUNE 2005

NOTE 5: DIRECTORS AND EXECUTIVES REMUNERATION CONTINUED

(b) Directors' Remuneration

2005 YEAR	Base Salary \$	Fee \$	Superannuation \$	Total \$
Directors				
T Linardos	---	27,000	---	27,000
J P Kelly	161,400	---	14,526	175,926
C L Roberts	---	151,533	---	151,533
G J Barns	---	55,060	---	55,060
W P McLucas	24,811	---	---	24,811

2004 YEAR	Base Salary \$	Fee \$	Superannuation \$	Total \$
Directors				
T Linardos	29,700	---	---	29,700
J P Kelly	99,210	---	11,730	110,940
C L Roberts	18,750	49,720	---	62,345
G J Barns	18,750	3,000	---	21,750

(c) Directors' Shareholdings

At the date of this report, the interests of the directors in the shares of the Company are:

	Ordinary Shares		31 October 2006 Options	Director's Incentive Options
	Direct	Indirect	Direct	Direct
Directors				
J P Kelly	1	24,600,000	700,000	---
C L Roberts	80,001	24,135,000	700,000	---
G J Barns	20,001	24,085,000	700,000	---
W P McLucas	---	---	---	5,000,000*

Directors' options cannot be traded. Directors' options expiry is 31/10/06 and exercise price is \$0.25 only if the Company gold resources exceed 500,000 ounces. The directors' options are escrowed until 16/01/06.

* These director's options are subject to shareholder approval and will be voted on at the 2005 Annual General Meeting and are fully described in the Directors' Report.

(d) Directors' Interests and Benefits

Since the end of the previous financial period no director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements), by reason of a contract made by the Company or a related body corporate with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except for:-

- (a) payment for geological services in the ordinary course of business to Mr C L Roberts, and
- (b) payment for provision of public and governmental relations in the ordinary course of business to Mr G J Barns.

(e) Remuneration Practices

The Board reviews the remuneration packages and policies applicable to the Executive Directors, and Non Executive Directors on an annual basis. The Board does not have any formal remuneration policy, but any decision on remuneration increases or bonuses is made having due regard to the Company's performance and other relevant factors. Remuneration levels are competitively set to attract the most qualified and experienced Directors and senior executives. Where necessary the Board obtains independent advice on the appropriateness of remuneration packages. The elements of emoluments have been determined on the basis of the cost to the Company.

Executives are those directly accountable and responsible for the operational management and strategic direction of the Company.

NOTE 6: DIVIDEND

No dividends were paid or declared since the start of the financial period. No recommendation for payment of dividends has been made.

NOTES TO THE FINANCIAL STATEMENTS - Continued

FOR THE PERIOD ENDED 30 JUNE 2005

	Notes	2005 \$	2004 \$
NOTE 7: AUDITORS' REMUNERATION			
Remuneration of the auditor for the Company for:			
-auditing or reviewing the financial report		13,722	---
NOTE 8: EARNINGS PER SHARE			
Basic loss per Share		0.0397 cents	0.0114 cents
Number of shares used in calculations of basic earnings per share		72,777,910	70,527,910
NOTE 9: CASH ASSETS			
Cash on hand			4
Cash at bank		1,317,248	4,422,661
Security deposits		12,045	---
		<u>1,329,297</u>	<u>4,422,665</u>
NOTE 10: RECEIVABLES			
CURRENT			
Amounts paid on advance		105,961	177,018
Other debtors		171,180	177,018
		<u>171,180</u>	<u>177,018</u>
NOTE 11: PLANT AND EQUIPMENT			
(a) Motor vehicles			
At cost		64,512	43,516
Less accumulated depreciation		(10,960)	(754)
		<u>53,552</u>	<u>42,762</u>
(b) Office equipment			
At cost		72,287	49,429
Less accumulated depreciation		(20,033)	(3,350)
		<u>52,254</u>	<u>46,079</u>
(c) Capital expenditure costs			
At cost			689,416
Less capital expenditure write off			(137,883)
			<u>551,533</u>
(d) Buildings			
At cost		16,080	---
Less accumulated depreciation		(410)	---
		<u>15,670</u>	<u>46,079</u>
Total plant and equipment		<u>164,334</u>	<u>640,374</u>

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Motor Vehicles \$	Office Equipment \$	Buildings \$	Plant & Equipment \$	Total \$
2005					
Balance at the beginning of the year	42,762	46,079	---	---	88,841
Additions	20,996	22,858	16,080	47,405	107,339
Depreciation	(10,206)	(16,683)	(410)	(4,547)	(31,846)
Carrying amount at end of year	<u>53,552</u>	<u>52,254</u>	<u>15,670</u>	<u>42,858</u>	<u>164,334</u>

NOTES TO THE FINANCIAL STATEMENTS - Continued

FOR THE PERIOD ENDED 30 JUNE 2005

	Notes	2005 \$	2004 \$
NOTE 12: INTANGIBLE ASSETS			
Goodwill at cost		123,000	123,000
Less accumulated amortisation		<u>(10,754)</u>	<u>(4,604)</u>
		<u>112,246</u>	<u>118,396</u>
Formation costs at cost		1,340	1,340
Less accumulated amortisation		<u>(475)</u>	<u>(207)</u>
		<u>865</u>	<u>1,133</u>
		<u>7,948,546</u>	<u>7,498,546</u>
Tenements, Permits & Mining Assets		<u>8,061,657</u>	<u>7,618,075</u>
NOTE 13: PAYABLES			
CURRENT			
Sundry creditors and accruals		<u>57,413</u>	61,501
		<u>57,413</u>	<u>61,501</u>
NOTE 14: CONTRIBUTED EQUITY			
72,777,910 fully paid ordinary shares (2004 year 70,527,910 ordinary shares)		14,051,555	13,601,555
Capital raising cost		<u>(689,416)</u>	---
		<u>13,363,139</u>	<u>13,601,555</u>

(a) Shares issued during the period

Date	Details	Number of Shares	Issued Price \$	\$
July 2004	Beginning of reporting period	70,527,910		13,601,555
July 2004	Apportion of capital raising costs			(689,416)
Dec 2004	For purchase of the Reedy's Project	2,250,000	20 cents	450,000
June 2005		72,777,910		13,362,139

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands

NOTES TO THE FINANCIAL STATEMENTS - Continued

FOR THE PERIOD ENDED 30 JUNE 2005

	Notes	2005 \$	2004 \$
NOTE 15: ACCUMULATED LOSSES			
Retained profits at the beginning of the financial year		(809,924)	123,000
Net loss attributable to members of the entity		<u>(2,888,160)</u>	<u>(4,604)</u>
Accumulated losses at the end of the financial period		<u><u>(3,693,084)</u></u>	<u><u>118,396</u></u>

NOTE 16: CASH FLOW INFORMATION

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:

Cash on hand	4	4
Cash at bank	1,317,248	4,422,661
Security deposits	12,045	---
	<u>1,329,297</u>	<u>4,422,665</u>

(b) Reconciliation of net cash provided by operating activities

Loss from ordinary activities after income tax	(2,888,160)	(804,924)
Non-cash flows in profit from ordinary activities		
Amortisation	6,150	4,604
Depreciation	(137,615)	4,104
Write-off of capitalised expenditure		138,090
Changes in assets and liabilities		
(Increase)/decrease in receivables	5,838	(9,649)
Increase in payables	(4,087)	(105,868)
Net cash provided by operating activities	<u>(2,986,028)</u>	<u>(773,643)</u>

NOTE 17: CAPITAL AND LEASING COMMITMENTS

The company has no capital and leasing commitments..

NOTE 18: CONTINGENT LIABILITIES

The company has no contingent liabilities.

NOTE 19: RELATED PARTY TRANSACTIONS

There were no related party transactions during the year reported on.

NOTE 20: COMPANY DETAILS

The registered office of the company is:

Republic Gold Limited
Level 7 114 William Street
MELBOURNE VIC 3000

NOTE 21: SEGMENT REPORTING

The company operates in one business and geographical segment being gold exploration.

NOTES TO THE FINANCIAL STATEMENTS - Continued

FOR THE PERIOD ENDED 30 JUNE 2005

NOTE 22: FINANCIAL INSTRUMENTS

(a) Significant Accounting Policies and Terms and Conditions

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1.

(b) Interest Rate Risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of charges in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

30 June 2005	WEIGHTED Average Effective Interest Rate %	FLOATING Interest Rate \$	FIXED INTEREST RATE MATURITIES			NON Interest Bearing \$	TOTAL \$
			1 year or less	1 to 5 years	Over 5 years		
Financial Assets:							
Cash assets	4.49	1,208,257	---	---	---	121,040	1,329,297
Receivables	---	---	---	---	---	171,180	171,180
Total Financial Assets	---	1,208,257	---	---	---	292,220	1,500,477
Financial Liabilities:							
Payables	---	---	---	---	---	(57,413)	(57,413)
Total Financial Liabilities	---	---	---	---	---	(57,413)	(57,413)
Nett Financial Assets/(Liabilities)	---	1,208,257	---	---	---	234,807	1,443,064

30 June 2004	WEIGHTED Average Effective Interest Rate %	FLOATING Interest Rate \$	FIXED INTEREST RATE MATURITIES			NON Interest Bearing \$	TOTAL \$
			1 year or less	1 to 5 years	Over 5 years		
Financial Assets:							
Cash assets	4.49	4,417,533	---	---	---	5,132	4,422,665
Receivables	---	---	---	---	---	177,018	177,018
Total Financial Assets	---	4,417,533	---	---	---	182,150	4,599,683
Financial Liabilities:							
Payables	---	---	---	---	---	(61,501)	(61,501)
Total Financial Liabilities	---	---	---	---	---	(61,501)	(61,501)
Nett Financial Assets/(Liabilities)	---	4,417,533	---	---	---	120,649	4,538,182

(c) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted the policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the company's maximum exposure to credit risk.

(d) Net Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 1.

DIRECTORS' DECLARATION

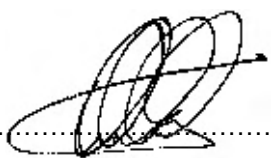
The directors of the company declare that:

1. The financial statements and notes, as set out on pages 30 to 41 are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2005 and of the performance for the financial year ended on that date of the company.

2. The Managing Director declared that:
 - (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.

3. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Director 
Chris Roberts

Director 
John Kelly

Dated this 30th day of September 2005

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF REPUBLIC GOLD LIMITED

Scope

We have audited the financial report of Republic Gold Limited for the financial period ended 30 June 2005 comprising the Directors' Declaration, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and notes to the financial statements.

The company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the company's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of Republic Gold Limited is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2005 and of its performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory professional requirements in Australia.

DRAPER DILLON
Chartered Accountants

Melbourne



Norman Draper
Partner

30 September 2005

DISCLAIMER TO THE MEMBERS OF REPUBLIC GOLD LIMITED

The additional stock exchange information presented on page 44 is in accordance with the books and records of the company which have been subjected to the auditing procedures applied in our statutory audit of the company for the financial period ended 30 June 2005. It will be appreciated that our statutory audit did not cover all details of the additional stock exchange information. Accordingly, we do not express an opinion on such stock exchange information and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Republic Gold Limited) in respect of such data, including any errors of omissions therein however caused.



Norman Draper
Partner

30 September 2005

SHAREHOLDER INFORMATION

Additional Stock Exchange Information

Additional information required by Australian Stock Exchange Limited and not shown elsewhere in this Annual Report is as follows. The information is made up to 30 June 2005.

Distribution of Shareholders and Option holders

Distribution Range	Fully Paid	Options 30/11/2006	Options 31/10/2006
1 - 1,000 shares	1,416	---	---
1,001 - 5,000 shares	379	176	---
5,001 - 10,000 shares	177	95	---
10,001 - 100,000 shares	404	148	---
100,001 and over shares	70	29	4

Holders of Non-Marketable Parcels

There are 1,710 fully paid ordinary shareholders who hold less than a marketable parcel.

Rank	Twenty Largest Shareholders	Shares	Percentage
1	Zeus Pty Limited <Republic Gold Unit Trust> * Part of this holding is escrowed.	24,085,000	33.09%
2	Jackson Gold Limited	5,000,000	6.87%
3	Yarraandoo Pty Limited - Yarraandoo Super Fund A/c	3,125,000	4.29%
4	Romadak Pty Limited Romadak Super Fund A/c	2,625,000	3.61%
5	Malaysia Smelting Corporation Berhad	1,854,087	2.55%
6	Gateway Mining NL	1,350,000	1.85%
7	Hooper Bailie Industries Pty Limited	1,250,000	1.72%
8	International Goldfields Limited	1,000,000	1.37%
9	A-Cap Resources Ltd	800,000	1.10%
10	Joffax Pty Ltd - The McLeod Family A/c	700,000	0.96%
11	Mr Elco Boorsma	661,906	0.91%
12	Kelfield Investments Pty Limited	629,188	0.86%
13	Mr Theo van Kerkhoven	620,000	0.85%
14	Mr Frits Dix	600,000	0.82%
15	Mr Graham Polkinghorne & Mrs Helen Polkinghorne	550,000	0.75%
16	Mr Lawrence Armstrong & Mr David Ward	500,000	0.69%
17	Mr Frank Brewer	500,000	0.69%
18	Capital Car Rental Pty Limited - Car Rental A/c	500,000	0.69%
19	Mr John Harris	500,000	0.69%
20	Jannarn Pty Ltd	500,000	0.69%
Total		47,350,181	66.05%

Rank	Twenty Largest Optionholders 31/11/2006 options	Shares	Percentage
1	Yarraandoo Pty Limited - Yarraandoo Super Fund A/c	1,250,000	8.56%
2	Romadak Pty Limited - Romadak Super Fund A/c	1,250,000	8.56%
3	Hooper Bailie Industries Pty Limited	625,000	4.28%
4	J P Morgan Nominees Australia Limited	625,000	4.28%
5	Mr Andrew Merryfull	586,750	4.02%
6	Joffax Pty Limited	375,000	2.57%
7	Mr Elco Boorsma	330,953	2.27%
8	Glennfield Pty Limited	312,500	2.14%
9	Kelfield Investments Pty Limited	312,500	2.14%
10	Mr Theo van Kerkhoven	310,000	2.12%
11	Mr Frits Dix	300,000	2.06%
12	Mr Frank Brewer	250,000	1.71%
13	Capital Car Rental Pty Limited - Car Rental A/c	250,000	1.71%
14	Jannarn Pty Ltd	250,000	1.71%
15	Mr Simon Jones	250,000	1.71%
16	Kuarka Pty Limited	250,000	1.71%
17	Mr David William Neate	250,000	1.71%
18	Mr Michael Falduto	200,000	1.37%
19	Techbase Australasia Pty Ltd - Desilou Super Fund A/c	140,000	0.96%
20	Mr Anthony John Flynn	135,000	0.92%
Total		8,252,703	56.54%