

**REPUBLIC GOLD
LIMITED**

ABN 86 106 399 311

2008 ANNUAL REPORT

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30 November 2008

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Chairman's Report

Dear Fellow Shareholder

Republic Gold Limited ("Republic" or the "Company") is in a fortunate position this year. At the end of the year the Group had approximately \$7 million in cash and is well advanced in developing its projects in Far North Queensland, New South Wales and Bolivia. Given the climate of global economic uncertainty and the difficult capital raising market, Republic believes that it is in good position to weather the storm.

During the past 12 months your Company has had a number of discussions with interested Chinese parties. Along with the Managing Director John Kelly, I visited China in May 2008 to meet with these parties and they in turn have made a number of visits to look at our properties, particular the Burruga copper property west of Sydney in New South Wales. At the time of writing we are still in dialogue with these Chinese parties.

Republic's Far North Queensland gold, antimony and tungsten projects were the subject of extensive drilling programmes over the past 12 months and the Group hopes to be in production here over the next 18 months.

It is pleasing to report that the Company has recovered its position in Bolivia. In April this year we announced that Republic had entered into a transaction with Vista Gold Corp ("Vista") of North America to purchase the 720,000 ounce Amayampampa Gold Project in Bolivia.

Significantly, under the terms of the deal Republic is not required to pay any money upfront to Vista and will eventually pay Vista US\$3,000,000 plus a royalty after the Project reaches commercial production. We are continuing to develop the project and it is hoped that a decision to move to commercialisation will be made during the 2009 year.

This year we have welcomed two new directors onto our Board. In May a new Non-Executive Director, Dato BK Choo joined the Board. Dato Choo was already a significant shareholder in the Company and is a Malaysian national with extensive business interests in Malaysia through his role as Group Managing Director of Masmeyer Holdings Sdn Bhd. He has proved invaluable in strengthening our Chinese ties and in liaising with our large Malaysian shareholder base.

Neb Zurkic also joined the Board as the Company's Technical Director. Neb is a former Newmont Global Employee of the Year and has extensive geological experience around the globe, including in South America, Indonesia and Australia. I'd like to thank the Company's founding Exploration Director, Chris Roberts, who retired as a director during the year. Fortunately for shareholders Chris continues in the role of Chief Geologist for the Company.

While we are mindful of the need to focus our efforts on our existing projects Republic is also continuing to look for opportunities to add shareholder value through the acquisition of projects, or through other forms of investment in projects.

Finally, can I once again thank my fellow directors and the management team and staff led by Managing Director John Kelly, who have given outstanding service to Republic and its Board over the past 12 months.

Thanking you



PETER WICKS

**CHAIRMAN
REPUBLIC GOLD LIMITED**

Review of Operations and Development

During 2008 the Company's technical staff have focused on the gold and tungsten potential of the Company's Far north Queensland Hodgkinson Basin project areas with further drilling carried out on the Northcote and Tregoora Gold Projects and a highly successful initial drilling programme in the previously unknown Whumbal West Tungsten Project. The Company completed due diligence on the Mt Carbine Tungsten Mine but failed to conclude a transaction to purchase this former mine.

The Company also carried out drilling for the first time on the Burruga Base Metals Project in New South Wales.

In the second half of the year the Company was able to conclude a transaction with Vista Gold Corp of North America to buy 100% of the Amayapampa Gold Project in Bolivia thus capitalising on the intensive work and money spent on this project during the company's fruitless venture with Luzon Minerals Limited of Canada.

Hodgkinson Basin – Far North Queensland

INTRODUCTION

The Company continues to hold an extensive land portfolio in the Hodgkinson Basin of granted EPMs and applications covering approximately 3.750 square kilometres, see the figure and table below. This ground is either held outright or in joint venture. Since the Company floated in 2004 it has concentrated its Hodgkinson Basin efforts on the Northcote and Tregoora Gold Projects. More recently an active programme aimed at developing resources of tungsten has been commenced, with initial and immediate success being encountered at Whumbal West.

After drilling in 2007 in the Hodgkinson Basin stagnated because of the difficulties with Luzon Minerals, in 2008 both Northcote and Tregoora were drilled, as was Whumbal West. Drilling is a seasonal activity because of the wet season, with 7-8 months of each year available for field activities.

TREGOORA GOLD PROJECT

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

prospects further north along the Retina Fault, as well as to the east.

The Company drilled at Tregoora twice during the year, in both the 2007 and 2008 field seasons.

The 2007 field season drilling programme was done on five distinct prospects, which are from south to north; Retina North, Jack's Dam South, Terrace Creek, West Ridge and Red Dam. All of the drilling targeted either geochemical anomalies developed in the previous year or areas with older drilling. The results of the drilling were very positive, with intersections of sufficient grade and width to indicate good potential for additional resources. The mineralisation was extended 7 kilometres to the north of the current resources, meaning that the total length of known mineralisation at Tregoora is now 10 kilometres.

Intersections of mineralisation and historic mining along the Retina Fault are now known to cover a distance of 20 kilometres of strike, demonstrating that this fault is a major regional mineralising structure.

The results of this drilling are a strong step towards production on this very important tenement. Positive drilling results have been achieved by the Company after a significant exploration effort at Tregoora in the past three years on both the Retina Fault and on other geological structures just a few kilometres to the east.

Terrace Creek Prospect

The Terrace Creek Prospect lies 4 kilometres to the north of the Retina Pit. Along with the Sleeping Giant Prospect, it lies on the +50 kilometre long Retina Fault, a major mineralising structure in the area. It was the site of the Company's initial drilling success in the Far North area when in 2006 FN006 intersected 12 metres at 2.88 g/t Au. The 2007 field season drilling programme saw seven new holes follow-up this success. The best hole in the new programme, FN014 (6 metres at 8.47 g/t Au), is 100 metres north of FN006. The geology of this zone now demonstrates continuity for 400 metres and is open to the north and south.

The 2008 field season drilling programme in-fill drilled this area in order for a resource to be calculated. This programme produced the high grade intersection in drillhole FN042 of 24m @ 8.30 g/t Au from 2m, including 11m @ 12.37 g/t Au. This is interpreted to be down dip and is the northernmost hole on this prospect. Drilling has been carried out within a broad gold anomaly, with a number of holes intersecting low grade mineralisation. However, there are now sufficient intersections here to start to interpret the

geological controls on the mineralisation in this area.

The Company's technical staff know the potential of this style of mineralisation from years of working at the Fosterville Gold Project in Central Victoria where the high grade Phoenix Zone was drilled over a continuous down-plunge length of 1,500 metres, with the deepest intersection being one kilometre beneath the surface.

Honey-Midway Prospect

The Honey-Midway Prospect is one of a number of mineralised zones that lie to the east of the Retina Fault. Four holes were drilled at Midway in the 2008 field season, with each intersecting mineralisation following up two zones of attractive near surface mineralisation. The Midway and Honey Prospects have a combined strike length of 2,600 metres. The best result returned from the programme was 6m @ 2.40 g/t Au from 8 metres.

Pillage Prospect

Pillage is another prospect to the east of the Retina Fault. Drilling will be carried out at Pillage in the 2009 year where a quartz blow along a strong fault plane was mined for antimony. Wide drill intersections returned 11m @ 3.92 g/t Au from 27m in 2005. Drilling will confirm and test the southerly plunge associated with this structure.

Sleeping Giant Prospect

The Sleeping giant Prospect contains the largest resource currently estimated in the Tregoora region. Six holes were drilled at this prospect in the 2008 field season with only one failing to intersect mineralisation. The five successful holes will assist in improving the quality of this resource. Results returned from this programme included 18m @ 1.44 g/t Au and 6m @ 3.22 g/t Au.

Retina North Prospect

Retina North sits at the southern end of the area drilled in 2007 amongst a nest of open pits mined in the 1990s and a series of holes drilled in the 1980s. The 2008 programme has better defined the geology of this region and it is now understood that there is a series of bedding-related splay faults off the main Retina Fault which host mineralisation. This area now shows distinct structural similarities to the Fosterville Mine in Central Victoria, which is the Company's geological model for the region. Fosterville's historic and current resource inventory exceeds 3 million ounces of gold. There are two bedding-related splay faults at Retina North to be in-fill drilled in the 2009 year drilling programme to enable gold resources to be calculated in this area.

Red Dam Prospect

The Red Dam Prospect lies on a bedding splay fault at the northern end of the zone drilled. This geology consists of a basalt/chert contact zone on the splay fault. Eight holes were drilled and all intersected mineralisation, albeit generally narrow. Most holes have multiple intersections. The positive results and intriguing geology with similarities to a VMS (Volcanogenic Massive Sulphide) setting means that this area will see additional drilling in the 2008 drilling programme. If this geological setting proves to be correct this could have very positive implications for the base metals in the area.

NORTHCOTE GOLD PROJECT

Drilling from the Company's 2007 field season drilling at the 75%-owned Northcote Gold Project was in the vicinity of the East Leadingham deposit, the highest grade gold deposit located on the site. Current programme drillholes intersected the main East Leadingham structure and a structure further to the east.

The drilling results received were encouraging, with 7m @ 2.02 g/t Au, 4m @ 2.69 g/t Au, 4m @ 1.86 g/t Au and 4m @ 1.48 g/t Au.

During the 2008 field season 26 holes were drilled at Northcote for 1,417 metres, with drilling at Tunnel Hill and Leadingham again.

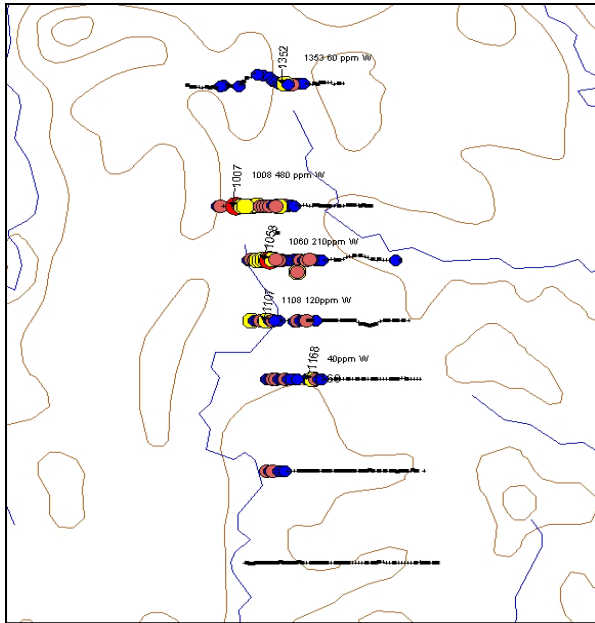
The Tunnel Hill Prospect lies to the north west of the Leadingham Prospect. It has been drilled by the Company previously. The 2008 field season drilling saw Tunnel Hill extended by 350 metres. This prospect now demonstrates continuity of the mineralisation over a strike length of 600 metres. This is mappable as a laminated quartz reef containing breccia and mineralisation. Best intersections from this programme were 16m @ 0.97 g/t Au and 4m @ 2.98 g/t Au.

The 2008 field season drilling at Leadingham completed three pre-collars and tested the continuation of the Emily structure intersected in ELM035 previously with 2m @ 2.16 g/t Au. This drilling returned one strong indication in ELM057 of 10m @ 1.72 g/t Au. Further interpretation is taking place prior to follow-up drilling next month.

The Hodgkinson Basin gold and antimony resource base was not increased during the year as no new estimation was carried out. Details of the now-high quality resource are found in the table on page 13. The Company's equity shares of gold and antimony resources stand at approximately 441,000 ounces of gold and 8,000 tonnes of antimony.

WHUMBAL WEST TUNGSTEN PROJECT

In 2007 the Company generated a significant 3,500 metre long tungsten-in-soil geochemistry anomaly at Whumbal West. This followed initial work in which the Company interrogated its BHP-Billiton regional database for tungsten. Six encouraging tungsten anomalies were developed from this interrogation, with Whumbal West being one. Whumbal West lies on the 100%-owned EPM 14737 and is near Vital Metals large Watershed tungsten deposit.



The Whumbal West Tungsten Anomaly

1,456 metres of RC and diamond drillholes were drilled at the Whumbal West Tungsten Prospect with best results of 4 metres at 0.09% WO₃, 8 metres at 0.08% WO₃, 1 metre at 0.40% WO₃, 1 metre at 0.35% WO₃, 3 metres at 0.09% WO₃, 2 metres at 0.10% WO₃, 1 metre at 0.15% WO₃ and 1 metre at 0.14% WO₃.

The 1,456 metres in 15 holes comprised 950 metres of RC and 506 metres of diamond drilling. One of these holes was drilled as a water bore and a second was terminated at 9 metres depth. The drilling was highly successful in encountering tungsten mineralisation in all but 2 drillholes.

The tungsten results confirm mineralisation in the core of the geochemical anomaly defined in mid-2007, with the drilling leaving the mineralisation open to both the north and south. The previously defined surface geochemistry anomaly encountered tungsten values over a strike length of 3,500 metres. This Stage 1 drilling programme has concentrated on the 1,300 metres long central core of the anomaly, with drilling on two drill sections covering 300 metres across the strike of the mineralisation. This drilling demonstrates the potential for a large scale body of tungsten mineralisation at Whumbal West.

Planning for a Stage 2 drilling programme at Whumbal West has commenced.

Whumbal West is located in a region of the Hodgkinson Basin rich in tungsten. It is 50 kilometres to the north-west of the large, historic Mt Carbine tungsten mine that the Company had been looking to purchase and 21 kilometres to the west-north-west of the large Watershed tungsten deposit owned by Vital Metals Limited.

The Whumbal West Prospect occurs in a highly favourable geological setting. It is situated in a major shear zone that is coincident with a regional syncline.

Geologically, the Whumbal West Prospect is located in a sheared syncline that has similarities to both the Mt Carbine and Watershed deposits. The drilling has shown a series of multiple laminated quartz-tungsten zones in some drillholes akin to the Mt Carbine deposit. The rock types are dominated by shales and sandstones, with the scheelite mineralisation seeming to occur on the contact between these two rock types. The degree of metamorphism is at a lower grade than Mt Carbine, but it is similar to that of Watershed. There was no visible wolframite logged.

Tungsten analyses from the laboratory are quoted as "W", or elemental tungsten. A tungsten deposit is conventionally quoted in terms of "WO₃", or tungsten trioxide. The conversion factor from W to WO₃ is 1.2616. Hence 100ppm W is equivalent to 126ppm WO₃.



RC Drill Rig Drilling at the Whumbal West Tungsten Project

MT CARBINE TUNGSTEN MINE OPTION

In May 2007 the Company signed a 3-month exclusive option agreement to review the assets of the Nicholson group of companies, which included the mining leases that cover the former Mt Carbine tungsten mine. This option was extended by a further 3 months to December 2007.

The Company spent approximately \$350,000 accessing the mine, with a significant sum spent on two long diamond drillholes beneath the old open pit, assembling a large volume of technical data from the period of the mine's operation and preliminary metallurgical testwork on the No 4 Tailings Dam. No testwork was done on the No 3 Tailings Dam, as nearly all the material from this dam has been removed as part of the quarrying operation at the site.

Despite offering a significant consideration for the project, the Company was unable to conclude a deal. Following the failed conclusion of this deal the Company received a number of outstanding analysis results for the two diamond drillholes beneath the pit. The two drillholes went through what was supposed to be a high grade portion of mineralisation with overall poor results.

KANGAROO CREEK TIN JOINT VENTURE

In June the Company signed a Heads of Agreement to enter into a Joint Venture with Staldor Mining Pty Limited ("**Staldor Mining**") to explore and mine on a series of granted exploration and mining leases and lease applications that are highly prospective for tin and other heavy minerals. Subsequent to the end of the year the Company and Staldor mining signed a formal Joint Venture agreement. The Company has underway the initial phase of work which is consolidating all of the historical geological data for one of the most prospective areas, the Kangaroo Creek Project with a view to moving into an alluvial mining phase at Kangaroo Creek. Kangaroo Creek has an existing treatment plant from earlier mining activity that will require refurbishment and a serviceable camp. Staldor Mining believes that the Kangaroo Creek Tin Mine has potential for 5.5 million cubic metres of tin bearing alluvial material and the Dickson Creek Tin Prospect has potential for 4.4 million cubic metres of tin bearing alluvial material.

The potential to generate a cash flow in the near future from this investment is of prime importance to the Company. Nearly all the lease areas have considerable potential for tin, with the aim of the Joint Venture being to set up a number of operating tin plants on the project areas. The price of tin has exploded in the past few months, rising from US\$16,000 per tonne at the start of the year to its current price of over US\$17,000. Tin's recent high was over US\$25,000 per tonne.

Joint Venture Structure

The Joint Venture is to be structured as follows: -

- The Company has paid Staldor Mining \$650,000 to purchase the Kangaroo Creek and Boomerang Projects from local prospectors after paying an initial \$25,000 deposit.

- The Company has paid Staldor Mining's shareholders a total of \$50,000 and will seek shareholder approval to allot the Staldor Mining shareholders \$200,000 in Republic Gold shares.

- The Company is in the process of spending its first commitment under the Joint venture of \$150,000 for the Joint Venture to assess the projects, develop resources and a mining plan, probably commencing at Kangaroo Creek. If this assessment is not satisfactory then the Company is not obligated to spend further funds and will own 25% of the Joint Venture.

- Once the Company has spent the initial \$150,000 and is satisfied with the Project, the Company will then provide a further \$875,000 for the Joint Venture to develop the first tin mining project, probably at Kangaroo Creek, at which point it will have earned 51% in the Joint Venture.

- From this point both Joint Venture parties contribute at their levels of interest or dilute.

- A Joint Venture Committee has been formed and has met on two occasions.

- Staldor Mining has applied for four EPMs that are remote from the main tin projects, to the south-east. The Company is able to investigate these projects by spending up to \$100,000 on each. If the Company decides that any of these EPMs is of interest then they will be included in the Joint Venture, with no change in the Joint Venture equity by the payment of \$200,000 to Staldor Mining for each EPM transferred into the Joint Venture.

Kangaroo Creek Tin Mine and Boomerang Tin Prospect

The Kangaroo Creek Tin Mine is located approximately 70 kilometres south-west of Chillagoe, with Chillagoe being two hours drive west of Mareeba on a bitumen road. The previously mined Kangaroo Creek Tin Mine consists of three granted mining leases and one granted EPM. MLs 5115, 5134 and 5135, covering 259 hectares, will be the focus of initial attention, as these leases have been most recently worked by prospectors and will enable the Joint Venture to commence tin mining operations on granted mining leases. There is a serviceable camp at these leases and a small treatment plant, although this plant is not being considered for use at the Kangaroo Creek Tin Mine. The current Staldor Mining plan envisages the construction of a new treatment plant for mining operations at Kangaroo Creek in the near future. There is a large stockpile of tin bearing material ready for treatment, plus the potential of retreating the tin tailings from former operations. It is believed that the metallurgical recoveries through the existing treatment plant were poor, with visible heavy mineral being seen in the tailings.

Pit sampling (310 pits) was undertaken on the leases in the 1980s by Alberta Mines and Eden Exploration, when the last significant tin production

took place. There are no resources from this sampling work that can currently be quoted, although Alberta Mines did quote an ore reserve in its 1980s prospectus estimated by Normin Consultants, who specialised in alluvial operations. Resource estimation will be one of the first priorities for the area, with a reconciliation of mined and unmined material to be done. It is believed that this sampling did not penetrate what is considered to be a "false bottom" with potential for tin bearing wash to exist beneath this false bottom.

Staldor Mining believes that the Kangaroo Creek Tin Mine has potential for 5.5 million cubic metres of tin bearing alluvial material. This target quantity will be tested in the first phase of work by the Joint Venture.

Dickson Creek Prospect

The Dickson Creek Tin Prospect lies 4 to 6 kilometres to the north-west of the Kangaroo Creek Tin Mine and is covered by five mining lease applications, MLAs 20554, 20555, 20556, 20557 and 20559, covering 219 hectares. There are also two EPM applications in this area, EPMA 16330 and 16703, covering 439 square kilometres, where one of the applications has a competing application in the western portion of the EPM area. This competing application does not impact the mining lease applications that are all located in the eastern portion of this EPM application.

Sampling grades for the Dickson Creek Tin Prospect are higher than for the Boomerang Creek Tin Project and have ranged from 1 to up to 10 kilograms per tonne of cassiterite.

Staldor Mining believes that the Dickson Creek Tin Prospect has potential for 4.4 million cubic metres of tin bearing alluvial material. This target quantity will also be tested in the first phase of work by the Joint Venture.

Other Tin Prospects Near the Kangaroo Creek Tin Mine

There are two other EPMs 40-50 kilometres to the south-east of the Kangaroo Creek Tin Mine that are part of the Joint Venture and are also prospective for tin. These are EPMs 16033 and 16253 covering 544 square kilometres. Staldor Mining believes that EPM 16033 has potential for several million cubic metres of tin bearing alluvial material.

Other Exploration Permits

The Joint Venture can potentially explore four EPM applications, including those above, covering a total of 674 square kilometres, EPMA 16033, 16253, 16264 and 16528. These are located in the Ravenshoe and Innot Hot Springs areas to the

south-east of the Kangaroo Creek Tin Mine. These EPM applications are prospective for tin, gold, molybdenum and base metals.

Tin Usage & Occurrences

Tin has excellent fusion abilities and hence is used in the making of alloys, notably bronze, pewter and die-casting alloys. Tin is also alloyed with tungsten to make it more machineable. The largest uses for tin are for the production of solders and tin plating. Tin is also used in the manufacture of glass and in the chemicals industry.

Historically, Malaysia was the dominant player in the world tin industry. Today that role has been taken over by China. Bolivia also has a number of world class tin mines and tin prospects in Bolivia are being looked at by the Company.



Kangaroo Creek Tin Mine Tailings Sand Showing Black Heavy Minerals

NORTHCOTE AND TREGOORA FEASIBILITY STUDY

Both the Northcote and Tregoora Gold Projects are the subject of an ongoing Bankable Feasibility Study ("BFS"). A number of areas of this study have been completed. The company is working towards a total resource of 750,000 ounces of gold in the Hodgkinson Basin. Following the very successful results in 2008, in particular from Tregoora, the Company will embark upon a further round of drilling late in the 2008 field season at Tregoora so that resources can be generated at new prospects identified by this drilling.

The rise in the Australian dollar denominated gold price to nearly \$1,000 per ounce is the impetus for accelerated project assessment.

Technical work on the Company's gold projects is already at an advanced stage. Mining leases have been applied for at both projects, a number of environmental studies have been completed, extensive metallurgical testwork has been done

and 71% of the gold resources are classified in the higher quality measured and indicated categories.

The Company is in the process of engaging a consulting group to have overall responsibility for the completion and independent sign-off of the BFS.

REGIONAL WORK PROGRAMME IN THE HODGKINSON BASIN

Exploration and development work in the 2009 year is planned to:

- ◆ Drill test new targets at Tregoorra lying within a series of mining leases purchased by the Company subject to year's end.
- ◆ Carry out a resource upgrade at both Northcote and Tregoorra in order to maximise the amount of resource that can be classified as measured and indicated. The Company is targeting a resource base of 750,000 ounces of gold, at which stage it is believed that there is a sufficient quantity of resource to make development of an operation attractive.
- ◆ Continue drilling the Whumbal West tungsten prospect.
- ◆ Assess and advance prospects on gold, antimony and tungsten in regional areas.

New South Wales

BURRAGA AND LUCKY DRAW - EPM 6463

The Lloyds Mine at Burraga was an underground mine that worked a rich copper shoot intermittently from 1870 to 1927, reportedly producing over 500,000 tonnes at 3.7% Cu and was the focus of the NSW copper industry at the turn of the century. Substantial exploration was carried out at Burraga in the 1960's to 1980's. This work indicated a significant area of copper anomalism around the historical mine extending over 2 kilometres to the north of the old mine. This has been confirmed in places by drilling. However, the drilling was relatively sparse and where it was near the main shoot of the old mine the drilling was nearly all at shallow depths of less than 60 metres below the surface. There has been no testing of the deeper down-plunge extensions of the rich shoot. Drillholes through previously worked areas in the near surface part of the main shoot (which were not assayed for gold) gave encouraging downhole intersections such as SP2 34.1m @ 1.49% Cu (close to true width); SP1 6.1m @ 0.81% Cu and 6.1 m @ 1.00% Cu; UP5 9.45m @ 1.74% Cu (hole ended in mineralisation); UP9 9.45m @ 0.92% Cu; UP12 7.0m @ 0.83% Cu; UP15 3.35m @ 1.9% Cu; UP14 0.6m @ 4.0% Cu; UP2 4.88m @ 0.85% Cu; UP8 6.7m @ 0.63% Cu (hole ended in mineralisation).

During the year the Company completed its first drilling campaign at the 75%-owned Burraga Copper-Gold Project. A programme of 12 drillholes was designed to test a number of targets at and around the substantial historical copper producer, the Lloyd's Mine. A total of 787 metres of RC and 592 metres of diamond drilling were completed in the programme. The mineralisation is hydrothermal Cu-Au style with a suggested deeper porphyry intrusive source, similar to most of the major discoveries in NSW over the last 20 years.

There were a number of highly encouraging intersections received with the best intersections being 3.9 metres at 1.48% Zn, 0.93% Pb & 8.3 g/t Ag, 2.5 metres at 0.97% Cu & 9.4 g/t Ag, 2.35 metres at 0.95% Zn, 0.72% Pb & 6.1 g/t Ag, 10.0 metres at 0.55% Cu, 0.11% Zn & 3.8 g/t Ag, 10 metres at 0.38% Cu & 3.4 g/t Ag, 12.0 metres at 0.34% Zn, 4.3 metres at 0.68% Cu, 0.03% Pb, 0.14% Zn, 4.3 g/t Ag & 0.07 g/t Au and 0.9 metres at 1.87% Cu, 0.97% Pb, 1.51% Zn, 41.2 g/t Ag & 0.13 g/t Au. The 3.9 metre intersection equates to 2.75 g/t Au and the 2.5 metre intersection equates to 2.85 g/t Au at current metal prices. At this stage, orientations of mineralisation are not conclusive, but drilling generally is interpreted as intersecting mineralisation at angles of greater than 70 degrees.

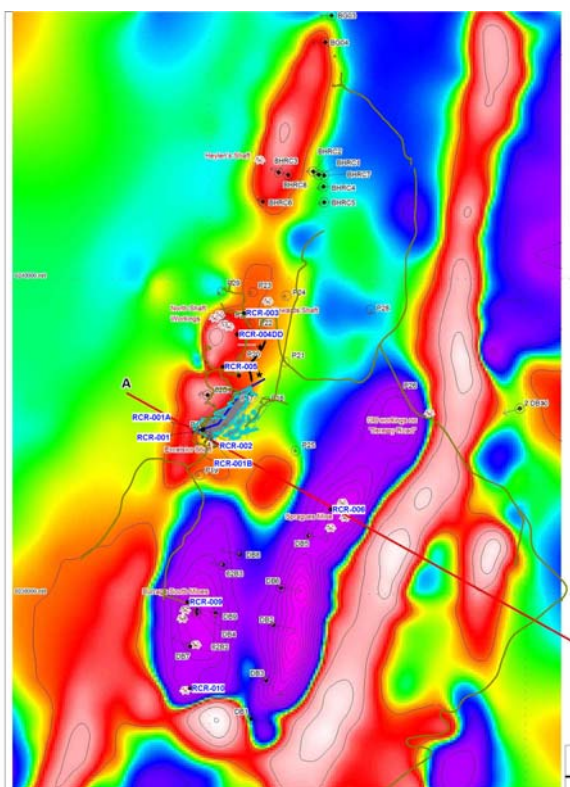
Drilling and analysis now confirm both limbs of a postulated syncline are mineralised with the presence of mineralised intrusive rocks continuing to point to a large and relatively shallow mineralising system at Burraga. A range of base & precious metals mineralisation was encountered in the drillholes at Burraga – copper (Cu), zinc (Zn), lead (Pb), gold (Au) and silver (Ag).

The presence of intrusive porphyries was noted in the drillhole logs. The RC pre-collar of RCR-004 was drilled through mineralised porphyry and then the diamond tail of this hole has been drilled through a similar porphyry unit and it is mineralised as well. This is strengthening the proposition that the mineralisation could be related to a larger, deeper seated, unroofed intrusive mineralising system at depth. Further analysis results are still awaited.

As noted above, Burraga is a large target. The main historic producing mine, the Lloyd's Mine, sits in the centre of the 4 kilometres of strike of anomalous geochemistry and was mined as a shoot over a down plunge length of approximately 550 metres. The high grade vein that was mined varied in width from 0.5 to 3 metres. This was contained within a lower grade zone up to 20 metres wide, defined by drilling in the 1980s and earlier. The results of the new drilling have significantly extended the dimensions of this lower grade zone, with low grade lead and zinc results particularly, extending right from the surface to the

top of the old mine workings. The other main producer at Burraga was the Sprague's Mine, which now has one successful drillhole in it, and is located on the eastern limb of the syncline.

The Company has planned a two-fold drilling strategy for the next stage of drilling at Burraga. A programme of 3,000 to 5,000 metres of relatively shallow drilling will target the newly recognised lead and zinc potential and also the known copper and gold areas to attempt to generate a resource at Burraga. A programme of 2,000 to 3,000 metres will target the deeper, +200 metres, Cadia-style porphyry potential of the project. A number of untested and very distinct magnetic high features will be tested with this programme.



Burraga Drillhole Locations and Excelsior Shaft at Lloyd's Mine Overlaid on Aeromagnetics, Showing Correlation of Mineralisation with Red Magnetic Highs

During the year the Company received a petrology report for the Burraga Base Metals Prospect. This report indicates that Burraga mineralisation fits what is known as the "carbonate-base metal" model of mineralisation. A number of significant mineral deposits of this style are located in the south-west Pacific Rim including Kelian, Gold Ridge, Mt. Kare, Porgera, Woodlark Island, Karangahake and Lake Cowal.

A petrologist report looks at samples of rock from a mineral deposit under a microscope to determine in detail what minerals compose the rock and what rock types are present. Because of the differing ways in which mineral bodies are formed geologically, there are common assemblages, or

groups, of minerals for particular mineralisation styles. In the report on the Burraga rock samples the petrologist makes numerous technical mentions of hot hydrothermal fluids, biotite/phlogopite alteration, adularia-carbonate-silica alteration and proximity to a nearby intrusive (the source of later alteration and sulphides) and describes an alkaline trachybasalt dyke rock.

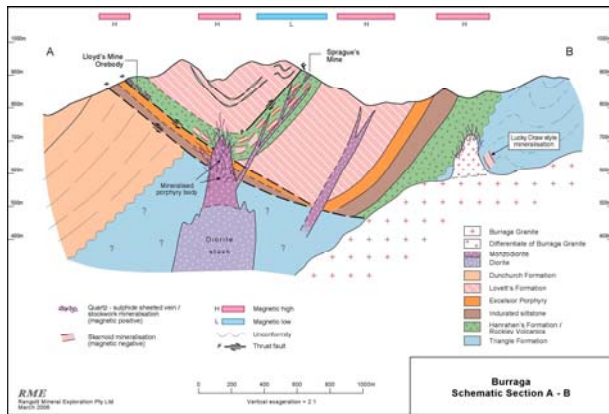
This description fits well with the "carbonate-base metal" model of mineralisation, being a distal part of a porphyry system. This also adds weight to the possibility that Burraga could be a large mineralised system.

Also during the year the Company's technical team built a computer model for the Burraga Polymetallic Project in Central New South Wales. The new model provides multiple targets for the 2008 drilling field season with the copper and gold targets and the silver, lead and zinc targets to be drilled.

The model indicates the potential that the Company saw in the project from the 2007 drilling programme and confirms the potential for a large scale body of mineralisation at Burraga, with the recent drilling showing that the mineralised strike length is over 2,400 metres.

The modelling has incorporated all the 14 levels of old Lloyd's Mine underground workings, both from the early 20th Century and from the 1980's. Drilling data from the Company's 2007 field season has been included as well as an extensive drilling database from the 1980's. Numerous cross-cutting faults have been recognised in the model which indicate the structural complexity of the mineralised system and provide indications as to where potential blocks of mineralisation may have been displaced to.

Both the drilling information and the surface geochemistry now indicate a distinct zonation of metals. The untested lead and zinc mineralisation occurs to the west of the copper and gold mineralisation. The strike length of the lead and zinc zones are more coherent and extensive than those of the copper and gold and may be controlled by stratigraphy. All of the historic work on the project has concentrated on the copper and gold areas. The model has demonstrated the presence of a number of near surface targets for lead and zinc mineralisation that have not been targeted previously. The Company's 2007 drilling distinctly shows this metal zonation.



Schematic Section of Mineralisation System Model



The Callabonna Tenements in the Callabonna Sub-Basin Showing the Beverley and Beverley Four Mile Uranium Projects 65 Kilometres to the South-West and the Honeymoon Uranium Project 170 Kilometres to the South

South Australia

Callabonna Uranium

The Company has a 35% interest in Curnamona Uranium Pty Limited (“**Curnamona**”), which was originally called Callabonna Uranium Pty Limited. Curnamona is included in a suite of assets to form part of the upcoming Initial Public Offering (“**IPO**”) of Callabonna Uranium Limited (“**Callabonna**”). Curnamona is included contractually in a binding Heads of Agreement between Planet Gas Limited and Touchstone Management Pty for this IPO. The Callabonna assets include a series of exploration licences prospective for uranium and a series of geothermal exploration licences.

The aim of the IPO is to raise \$8 million through the issue of 40 million new shares at an issue price of 20 cents each. The Company has received 4,313,925 vendor shares in Callabonna, which will be escrowed for a period of two years after the successful listing of Callabonna on the ASX.

There are twelve mineral exploration licences in South Australia and the Northern Territory, and six geothermal exploration licences in South Australia in the IPO. Four of the South Australian mineral exploration licences that were vended into the IPO from Curnamona are shown in the Figure below.

A recent announcement by Alliance Resources Limited, which holds a 25% interest in the Four Mile Uranium deposit, indicates that this company is seeking to get the Four Mile deposit into production potentially utilising the treatment facilities at the nearby Beverley Uranium Mine. Both Four Mile and Beverley are only 65 kilometres to the south-west of the Callabonna tenements.

Bolivia

AMAYAPAMPA GOLD PROJECT

In April the Company concluded a transaction with Vista Gold Corp (“**Vista Gold**”) of North America to purchase the 720,000 ounce Amayapampa Gold Project in Bolivia.

Amayapampa is an advanced project that the Company knew well from its earlier period in Bolivia.

The Transaction was structured so that the Company pays no money upfront to Vista Gold and will eventually pay Vista Gold US\$3,000,000 plus a royalty after the Project reaches commercial production.

Much of the work required to complete the Bankable Feasibility Study for the Project has already been completed.

Amayapampa has a current estimated total Mineral Resource of 720,000 ounces of gold, as detailed below. The Company believes this Mineral Resource has significant potential for expansion. The Project also has significant potential for the discovery of the antimony mineral, stibnite. Amayapampa has been extensively drilled and the extensive underground workings have been sampled as well. All the necessary other work to complete a Bankable Feasibility Study such as metallurgical testwork, plant design and environmental studies have been completed previously on the Project.

Transaction Details

Republic is buying all of the shares in Vista Gold's wholly-owned subsidiary, Vista Gold (Antigua) Corp, a company incorporated in Antigua and Barbuda ("**Vista Gold (Antigua)**"). Vista Gold (Antigua) wholly-owns a number of subsidiary companies in Bolivia, including Minera Nueva Vista S.A. which is the registered holder of the concessions that comprise the Amayapampa Project.

The Company pays Vista Gold no cash upfront and will pay three equal payments of US\$1M, the first once commercial production has commenced at the Project and then on the first and second anniversaries of this occurrence.

The Company will also pay a graduated royalty to Vista Gold according to the following table.

| Gold Price: US\$/oz | Royalty Payable to Vista Gold |
|----------------------------|--------------------------------------|
| \$500.00 or less | 0.00% |
| \$500.01 to \$650.00 | 2.00% |
| \$650.01 to \$750.00 | 3.00% |
| \$750.01 and above | 3.50% |

The royalty is capped to a production maximum of 720,000 troy ounces of gold.

In buying the chain of companies from Vista Gold, Republic will be taking over the responsibility for litigation commenced against Minera Nueva Vista S.A. by Mrs Gladys Radic. Vista Gold has agreed to loan the Company US\$350,000 for six months in large measure to finalise this litigation. Both Vista Gold and the Company believe the litigation is completely without merit.

Vista Gold has a first right of refusal over the Project. Vista Gold also has a right of repurchase of the Project if the Company hasn't completed financing to put the Project into production within 5 years of the Closing. Vista Gold will pay the Company 75% of the aggregate costs incurred by the Company on the Project if this repurchase right is exercised.

The agreement provides a list of warranties by Vista Gold with a warranty period of 12 months.

Update on the Amayapampa Project

Since the Company ceased involvement with Amayapampa approximately 12 months ago, the Project has been advanced significantly. The main issue the Company had been dealing with previously had been social issues in the village of Amayapampa and surrounding communities. The Bolivian senior employees of Minera Nueva Vista S.A. have significantly advanced this issue with the commencement of a training programme for the villagers. A total of 280 people are employed

under this programme, giving many of them a guaranteed income in safe working conditions for the first time in their lives. The programme is designed to give the villagers literacy and numeracy skills and then train them for mine operations roles. During the Company's due diligence, a meeting was held in the village with over 200 of those people employed under the training programme. The spirit of this meeting and its outcome was excellent.

The second major advance with the Project was the granting in mid-2007 of a new Environmental Permit for the mine. This work was commenced under the Company's guidance. During the Company's due diligence, the Company met with the Prefecto of the Department of Potosi (equal to a State Premier in Australia) and his Mining and Environmental Advisors who were all responsible for guiding this Permit through the Potosi permitting system.

Work Required to Progress the Project

Vista Gold completed a number of Bankable Feasibility Studies culminating in a final study in 2000. Luzon Minerals Limited partially updated this last study in an NI 43-101 report that was accepted by the Toronto Ventures Stock Exchange as a Scoping Study in 2006. When the Company's involvement in the Project was terminated 12 months ago, it had nearly completed a fully updated Bankable Feasibility Study with the main exception being a detailed study on a new tailings dam, which it had started work on.

The following work is seen as necessary to complete a Bankable Feasibility Study for Amayapampa in order that financing for the Project can be sought: -

- Continue the workers' training programme.
- Review the geological block model constructed by the Company.
- Finalise pit optimisation and mine scheduling work.
- Complete a study on the new tailings dam.
- Update the operating and capital costs for the project.
- Gain a sign-off on the study by an independent consulting firm.
- Finalise issues with the metallurgical processing route and plant design.

Bolivian Politics and Inward Investment

In recent times the political situation in Bolivia has been unstable. There is tension between the President, Evo Morales, who is from the western Andean region of the country and the Governors of the five eastern Departments in the lowlands region of Bolivia. This tension resulted in a series of "elections" the result of which proved inconclusive. At the time of writing the two parties

have agreed a way forward. At the time of writing the two parties, aided by the offices of neighbouring countries such as Brazil and Chile, are seeking to reduce tensions through a series of dialogues.

There is continual and significant inward investment into Bolivia mainly from North American companies. Coeur d'Alene Mines Corp. has recently commissioned its US\$174M San Bartolome Silver Project in Potosi. Apex Silver Mines Limited has been operating its +US\$750M San Cristobal Silver Project for approximately 12 months. In February, Atlas Precious Metals Inc. announced a transaction with the Bolivian state mining company, COMIBOL, to buy into the Karachipampa smelting complex for US\$141M. Eighteen months ago Jindal Steel and Power Ltd. from India announced a +US\$2B deal with the Bolivian Government for the El Mutun iron ore project.

Potential of Bolivia

The purchase of Vista Gold (Antigua) and the Subsidiaries gives the Company a base in Bolivia with a small number of staff that it has worked closely with before. One of the senior staff is a pre-eminent and highly respected mining engineer in Bolivia who has a wide knowledge of the Bolivian mining industry. The other senior staff member is a lawyer who is highly experienced in the Bolivian mining industry through her long association with Vista Gold and other mining companies.

As Amayapampa and other projects the Company knows of are in similar geological settings to those found in the Company's Hodgkinson Basin project area and in Central Victoria, the Company considers that the Altiplano region of Bolivia has strong economic potential. The Company will actively seek other projects in Bolivia to complement its knowledge and understanding of the geology of the region.

Recent Progress

The following progress has been made on the Amayapampa Bankable Feasibility Study: -

- ◆ Discussions were held with the leaders of the union, village of Amayapampa and some of the surrounding communities on an imminent move to a full-time training programme and the wages to be paid upon commencement of the full-time programme. Prior to this the workers were being paid approximately half of the new rate while the training programme was on a half-time basis. The new wages rate is considerably higher than the base labouring rate in Bolivia, with the Company wanting to operate in a socially responsible way.
- ◆ In exchange for this wage increase, the workers, communities and union, at both a local

and national level, have agreed to give complete support to the Company in its efforts to put Amayapampa into production and to support the Company in its efforts on any other project in Bolivia.

- ◆ The Company has recommenced work on the Amayapampa resource block model.
- ◆ The Company has secured the services of a range of consultants, all with experience in Bolivia, to commence work on the Amayapampa Bankable Feasibility Study. These include a specialist metallurgical engineering firm, a tailings storage expert, who will also work on water issues for the Project and a mining consultant to commence pit optimisation, costing and mine scheduling work once the block model is finalised.
- ◆ An agreement has been signed with Senor Melgarejo to enable the transfer of his 25% interest in some concessions at Amayapampa as envisaged in the Company's initial disclosure to the market on Amayapampa.
- ◆ The company providing the training programme to the workforce will step up its efforts to match the aggressive timetable set for completion of all preliminary work leading up to the conclusion of the Bankable Feasibility Study.
- ◆ A highly productive meeting was completed with a financier who is keen to assist the Company to finance the Project.

The Company has recently commenced a 1,800 metre diamond drilling programme and surface sampling programme at the Amayapampa Gold Project in Bolivia.

The programme has been extended over what was initially envisaged. The aim of the drilling programme is to check a number of high grade channel samples in the orebody and to extend the mineralisation to depth where a small number of drillholes and one channel sample indicate that the mineralisation has good potential for extensions at depth (see diagram below). Ten drillholes are planned, with the longest hole being 230 metres.

The surface sampling programme will use trench sampling, mapping and a series of short drillholes to provide better definition of the mineralisation at surface. This will also assist with mine planning by giving the Company's technical staff the best information about the near-surface mineralisation so that the most optimal area of mineralisation can be chosen for the commencement of mining operations.

The orogenic, sediment-hosted style of the Amayapampa mineralisation lends itself to the high grades already encountered and also to significant depth and strike potential. The geological corridor that hosts Amayapampa has a strike length of 15 kilometres and is mineralised with a number of base and precious metals at a series of current and historic mines, where the Company will extend its exploration programme in

the future. The Company's Bolivian subsidiary holds mining concessions that cover approximately 5.5 kilometres of this mineralised corridor.

The Company has engaged an experienced local drilling contractor, Maldonado Drilling, which has commenced drilling at the Project. Maldonado's drilling work has covered the majority of the exploration projects in Bolivia and has expanded its operations to Peru, Chile and Argentina.



Amayapampa Location Map

Chinese Investment

Throughout 2008 the Company has held numerous discussions with a large Chinese company on a potential investment in the Company by the Chinese. This Chinese group has an annual turnover of RMB26B, equivalent to approximately AUD\$4B. The Chinese company's main interest in Republic Gold is the Burraga Project, which the Chinese visited on three occasions.

The delegates for the various visits included technical staff, the Chairman of the overall holding company of the Chinese group and the Chairman of the Southern division of the group. Importantly, accompanying one delegation was a very senior Chinese politician who has overall responsibility for this group and a wide range of natural resources interests in China.

Following up this visit, Company executives visited China to hold further co-operation discussions with the Chinese group. The Company's executives had a number of very useful meetings with the senior executives of this organisation, including site visits to one of the Chinese groups operations in Southern China.

Following a visit to China by the Company, the Company is preparing further information that has been requested by the Chinese. The Chinese group is undergoing a restructure and has indicated to the Company that discussions will recommence upon the conclusion of this restructure.

Luzon Minerals Litigation

The Company commenced legal proceedings against Luzon Minerals Limited ("Luzon") in Canada in order to recoup monies advanced to Luzon and for work done on behalf of Luzon in Bolivia. A Statement of Claim was prepared by Cassels Brock and Blackwell LLP, one of Toronto's major legal firms and issued and served on Luzon by legal counsel in British Columbia.

The Statement of Claim is seeking the following in Canadian dollar equivalents: -

(a) payment from Luzon in the amount of AUD\$724,196.25 for advances made by Republic to Luzon as loans or for payment of Luzon's creditors;

(b) payment from Luzon in the amount of AUD\$1,205,683.30 for management, technical, consulting services and expenses rendered to and invoiced to Luzon;

(c) interest in the amount of AUD \$285,847.03 to June 30, 2007 together with interest on all unpaid amounts from that date to the date of judgment at the rate of 15 percent per annum;

(d) pre and post judgment interest as per British Columbia Rules of Court; and

(e) Costs as per British Columbia Rules of Court.

The Company then issued a further Statement of Claim against Luzon seeking the payment of a break fee from Luzon following its termination of the Asset Sale Agreement with the Company in 2006. The Asset Sale Agreement provided a break fee was payable by either party if the transaction was not completed as envisaged. The break fee payable is 5% of the ordinary shares Luzon had on issue at the time it terminated the Asset Sale Agreement.

The Company has also issued proceeding on behalf of the Managing Director who advanced funds to Luzon personally for Luzon to maintain its interest in the Lipichi Project.

Community, Human Relations & Safety

Republic Gold remains strongly committed to its responsibility to the community in which it operates and to the principles of sustainability.

The Company continues to employ a number of people from the local indigenous community, training them in field and office exploration skills.

Republic Gold was again a major sponsor of the Mareeba to Chillagoe Great Wheelbarrow Race traversing 149 km's of road to Chillagoe and is also a member of the Mareeba Shire Chamber of Commerce.

The Company's social efforts have now moved to Bolivia where the Company employs seven school teachers for the Amayapampa School and also employees a community nurse whose main role is provide health services to the surrounding villages. Prior to the establishment of the mine training programme the Company's nurse was the only medical practitioner in the village and surrounding communities as the National Health Service medical staff had been withdrawn from the area.

The Company is also expending considerable efforts on a major training programme for its Amayapampa workforce. This programme is aimed at giving the workforce the necessary skills to work on the construction of the mine and then its operation.

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

Mineral Resource Statement
Mineral Resources at 30 June 2008 – Resources – equity share

| | MEASURED | | INDICATED | | INFERRED | | TOTAL | | |
|-----------------------------------|--------------|------------|---------------|------------|--------------|------------|---------------|------------|------------------|
| | TONNES | GRAD E | TONNES | GRAD E | TONNES | GRADE | TONNES | GRAD E | GOLD |
| | ('000) | Au g/t | ('000) | Au g/t | ('000) | Au g/t | ('000) | Au g/t | Ounces |
| TOTAL NORTHCOTE ¹ | 1,295 | 2.3 | 1,056 | 1.8 | 635 | 1.8 | 2,985 | 2.0 | 195,000 |
| TOTAL TREGOORA | --- | --- | 1,605 | 1.8 | 1,242 | 1.6 | 2,847 | 1.7 | 156,000 |
| ATRIC ¹ | --- | --- | 890 | 1.9 | 46 | 1.7 | 936 | 1.9 | 57,000 |
| REEDY-HURRICANE | --- | --- | --- | --- | 797 | 1.3 | 797 | 1.3 | 33,000 |
| TOTAL HODGKINSON BASIN | 1,295 | 2.3 | 3,550 | 1.8 | 2,721 | 1.5 | 7,566 | 1.8 | 441,000 |
| TOTAL LUCKY DRAW NSW ² | --- | --- | 176 | 2.2 | 490 | 2.9 | 666 | 2.7 | 57,000 |
| TOTAL AMAYAPAMPA | 5,150 | 1.6 | 9,030 | 1.4 | 1,960 | 1.0 | 16,140 | 1.4 | 720,000 |
| TOTAL MINERAL RESOURCES | 6,445 | 1.7 | 12,756 | 1.5 | 5,171 | 1.0 | 24,372 | 1.6 | 1,218,000 |

Antimony Resources - Equity Share

| | MEASURED | | INDICATED | | INFERRED | | TOTAL | | |
|---------------------------|--------------|------------|--------------|------------|------------|------------|--------------|------------|---------------|
| | TONNES | GRAD E | TONNES | GRAD E | TONNES | GRADE | TONNES | GRAD E | TONNES Sb |
| | | | | | | | | | |
| NORTHCOTE ANTIMONY | 1,295 | 0.3 | 1,056 | 0.2 | 635 | 0.3 | 2,985 | 0.3 | 8,000* |

* This tonnage equates to approximately 47,000 ounces of gold at a gold price of AUD\$1,010 and Sb price of US\$5,900/t antimony before any metallurgical treatment parameters are taken into account.

Notes:

¹ Figures are Republic's equity share of these projects, being 75% of the Northcote and Lucky Draw projects and 90% of the Atric and Reedy projects.

² Resources for Lucky Draw have been estimated by a competent person in accordance with the JORC Code and have been adopted for this report. The Company is in the process of making its own estimates by block modelling, but has no reason to doubt the existing resources at this stage. For the Northcote resources, allowances have been made for depletion by the recorded mining amounts for the 1990's Nittoc mining campaign. Resources may not sum to equal totals due to rounding.

Resources for Amayapampa have been published in a Canadian NI-43101 report which meets the standards for reporting under the JORC Code.

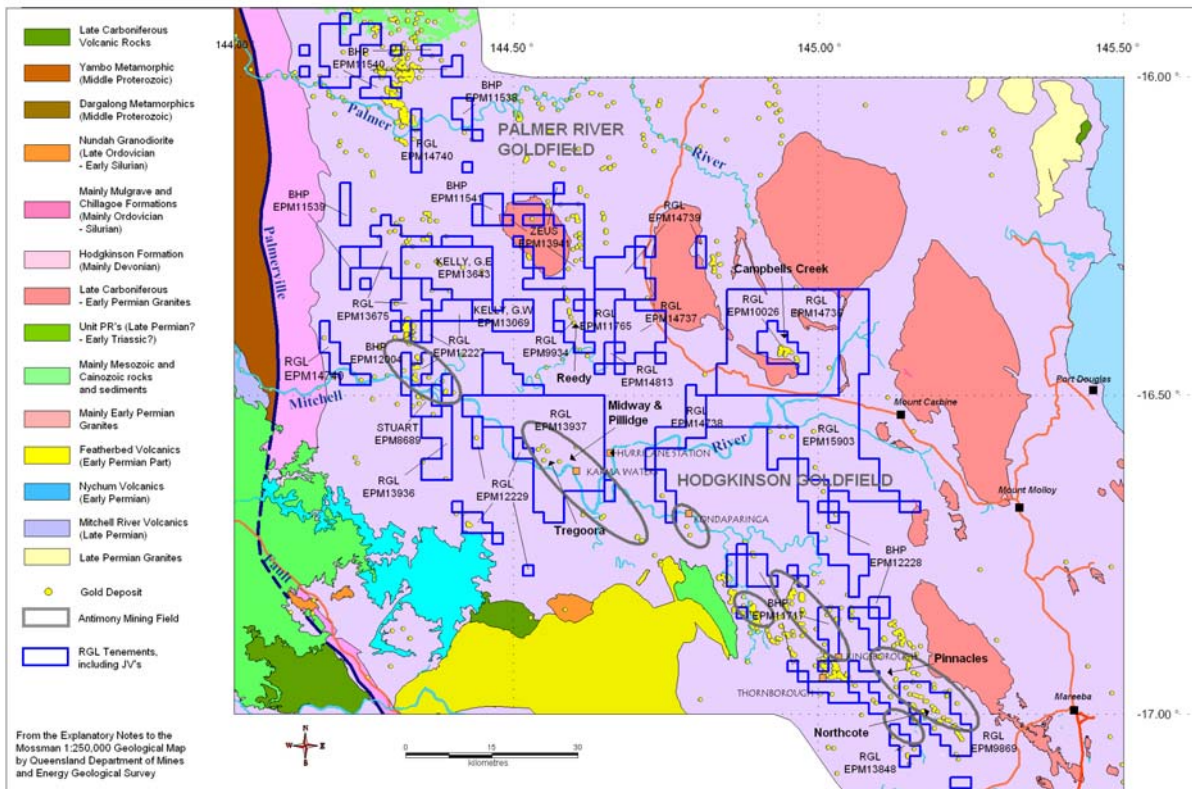
| Location | Grade Interpolation Method | Section Spacing metres | COG g/t Au Oxide | COG g/t Au Sulphide | Oxide Density | Sulphide Density |
|-------------------------|------------------------------|------------------------|------------------|---------------------|---------------|------------------|
| HODGKINSON BASIN | | | | | | |
| Northcote | Block Model ID2 | 25 | 0.5 | 1.0 | 2.0 | 2.7 |
| Tregoora | Block Model ID2 | 25 | 0.5 | 1.0 | 2.0 | 2.7 |
| Atric | Block Model ID2 | 25 | N/A | 0.5 | 2.5 | 2.5 |
| LUCKY DRAW | | | | | | |
| Lucky Draw West | Contoured WAA | -- | N/A | 0.5 | 2.5 | 2.5 |
| Hackney's Creek Upper | Sectional WAA | 25 | N/A | 0.5 | 2.5 | 2.5 |
| Hackney's Creek Lower | Sectional WAA | 25 | N/A | 1.0 | 2.5 | 2.5 |
| BOLIVIA | | | | | | |
| Amayapampa | Block Model Ordinary Kriging | -- | 0.4 | 0.4 | 2.78 | 2.78 |

¹ Top cuts of 30 Au g/t for East Leadingham and 15 Au g/t for Emily and Emily South were applied to composite grades for grade estimation with all other deposits at Northcote using 10 Au g/t top cuts. A top cut of approximately 40 Au g/t was applied to the Amayapampa model.

Resource Estimation Parameters

Notes Accompanying The Mineral Resources Statement

Information in this report that relates to Mineral Resources for Republic Gold Limited is based on information compiled by Chris Roberts, Republic Gold's Chief Geologist, a full-time contractor to the company and a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. It is also based on information estimated by Kerrin Allwood, Republic Gold's Resource consultant, a member of the Australasian Institute of Mining and Metallurgy. Both Chris Roberts and Kerrin Allwood have a minimum of five years experience in the estimation, assessment and evaluation of Mineral Resources and Ore Reserves. Information in this report that relates to Mineral Resources for Amayapampa is based on information reviewed by John Kelly, Republic Gold's Managing Director, 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 Kelly, Chris Roberts and Kerrin Allwood have significant experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". John Kelly, Chris Roberts and Kerrin Allwood consent to the inclusion in this report of these matters based on the information in the form and context in which it appears.



The Company's Tenements in Far North Queensland

Schedule of Tenements as at 16 September 2008

| Tenement Holder | Tenement No. | Project Name | Area Sq Kms or Ha | Republic Gold Interest | Status |
|--|--------------|---|-------------------|------------------------|-------------|
| QUEENSLAND | | | | | |
| N.F Stuart | EPM 8689* | Atric | 23 | Earning to 90% | Granted |
| Republic Gold Limited | EPM 9869 | Northcote | 82 | 75% | Granted |
| | EPM 9934 | Reedy Extended | 43 | 90% | Granted |
| | EPM 10026 | Campbell Creek | 43 | 90% | Granted |
| | EPM 11765 | Tempest | 10 | 90% | Granted |
| | EPM 12227 | Pinnacles | 30 | 100% | Granted |
| | EPM 12229 | Big Watson | 46 | 100% | Granted |
| | EPM 13848 | Northcote Extended | 49 | 75% | Granted |
| | EPM 13936 | Bellevue | 63 | 100% | Granted |
| | EPM 13937 | Ringer | 306 | 100% | Granted |
| | EPM 13938 | St George | 56 | 100% | Granted |
| | EPM 14735 | Mount Elephant | 330 | 100% | Granted |
| | EPM 14737 | Spring Creek | 79 | 100% | Granted |
| | EPM 14738 | Hodgkinson River | 165 | 100% | Granted |
| | EPM 14739 | Maitland Downs | 165 | 100% | Granted |
| | EPM 14813 | Spring Creek West | 10 | 100% | Granted |
| | EPM 14740 | Pinnacles Fill-In | 132 | 100% | Granted |
| | EPM 15903 | David | 386 | 100% | Granted |
| | EPM 17288 | --- | 185 | 100% | Application |
| | EPM 17289 | --- | 171 | 100% | Application |
| | EPM 17290 | --- | 135 | 100% | Application |
| | EPM 17291 | --- | 96 | 100% | Application |
| | EPM 17292 | --- | 148 | 100% | Application |
| | EPM 17294 | --- | 211 | 100% | Application |
| | MLA 20525 | Northcote | 931 Ha | 100% | Application |
| | MLA 20526 | Navan Hill | 121Ha | 100% | Application |
| | MLA 20518 | Tregoora | 457 Ha | 100% | Application |
| MLA 20514 | Midway Honey | 112 Ha | 100% | Application | |
| MDL 254 | Hurricane | 250 Ha | 100% | Granted | |
| Zeus Pty Ltd | EPM 13941 | Reedy West | 250 | 100% | Granted |
| BHP Billiton Minerals Pty Limited | EPM 11538* | Palmer | 26 | Earning to 90% | Granted |
| | EPM 11539* | White Horse Creek | 33 | Earning to 90% | Granted |
| | EPM 11540* | Maytown | 125 | Earning to 90% | Granted |
| | EPM 11541* | Granite Creek | 20 | Earning to 90% | Granted |
| | EPM 11717* | Mt Mulligan | 119 | Earning to 90% | Granted |
| | EPM 12004* | Groganville | 7 | Earning to 90% | Granted |
| | EPM 12228* | Monarch | 165 | Earning to 90% | Granted |
| GW Kelly | EPM 13069* | Reedy West | 53 | 100% of hard rock gold | Granted |
| GE Kelly | EPM 13643* | Sandy Creek | 122 | 100% of hard rock gold | Granted |
| GW Kelly | EPM 13675* | Fine Gold Creek | 119 | 100% of hard rock gold | Granted |
| Total Exploration Area Queensland | | 3,753 square kilometres plus MLA & MDA areas | | | |
| NEW SOUTH WALES | | | | | |
| Republic Gold Ltd & Astor Consultants | EL 6463* | Lucky Draw | 45 | 75%# | Granted |
| | EL 6874* | Fernleigh | 27 | 75%# | Granted |
| Total Exploration Area NSW | | 72 square kilometres | | | |

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

Further expenditure has been incurred by the Company and its % interest is expected to increase.

Directors' Report

Your directors present their report on the Company and its controlled entities ("Group") for the financial year ended 30 June 2008.

Directors

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

Non-Executive Chairman – Peter Wicks FCA (Appointed 2 November 2005)

Peter is a Chartered Accountant and a Fellow of the Australian Institute of Chartered Accountants. Peter has had extensive experience in the natural resources sector and more recently as a property developer. Peter was a long-term finance director for a large company operating in the oil and gas sector. He was also a director of a number of oil and gas companies listed on the Toronto Stock exchange. Peter has been both an executive and non-executive director of a number of mineral companies, including Perseverance Corporation Pty Ltd where he was a non-executive director from 1994 to 1998. He is also a non-executive director of Drillsearch Energy Limited and the Chairman of ETT Limited, both appointments being in this year.

Managing Director - John Kelly BE (Mining) MAusIMM MAICD (Appointed 22 September 2003)

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 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 of gold. John's extensive experience with Fosterville oxide and sulphide mineralisation is directly relevant to the Company's Hodgkinson Basin projects. 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. John is a director of Far East

Energy Corporation Pty Limited.

Technical Director – Nebojsa Zurkic BSc (App Geol) MSc (Min & Energy Economics) (Mining) MAusIMM MAIG (RP Geo) MAICD (Appointed 6 November 2007)

Neb Zurkic graduated as a geologist from RMIT in 1989 and in 1995 was awarded a Masters in Mineral and Energy Economics. His primary areas of expertise are deposit modelling, resource estimation and ore control. He has been involved in resource estimation, due diligence reviews and ore control for a range of commodities and geological settings in Australia, Indonesia, Peru and Kazakhstan. Commodities involved have included gold, silver and copper. Neb has extensive experience with MineSight mining software and is a Competent Person under the JORC Code for several types of copper/gold/silver deposits. He is also familiar with SEC and NI 43-101 reporting standards. Neb is fluent in written and spoken Serbian, and has basic conversational Spanish and Bahasa Indonesia.

Neb started his career as a mine geologist in 1990 at one of Australia's lowest grade gold mines at Nagambie in Victoria. In 1993 he moved to Fosterville to take on more senior mine geology roles including taking the lead in the first feasibility study to mine the significantly larger sulphide resource. While at Fosterville, Neb was also involved in due diligence reviews of acquisition targets both in Australia and abroad.

In 1999 Neb joined Newmont and was part of the team responsible for commissioning the Batu Hijau project in Indonesia. Following the successful commissioning, he was an integral part of the drive to increase mill throughput. Later, Neb initiated and led the project team that identified and quantified sampling biases that culminated in the addition of 4 million equivalent reserve ounces in the 2002 reporting year.

Once the training of Indonesian national geologists was completed, Neb moved to Newmont's Yanacocha mine in Peru in 2004. The mining group was re-structured and expanded to manage the transition from heap leachable oxide ores to deeper sulphide resources; mine production peaked and Yanacocha was the highest producing single site mine in the world in 2004. Neb's prime responsibilities were again resource estimation, near mine deposit optimisation and ore control activities, along with actively being involved in internal audits of reserves at other sites on an ongoing basis. Neb joined AMC in July 2006.

Non-Executive Director - Greg Barns BA LLB (Appointed 22 September 2003)

Greg is a barrister in practise in Tasmania and Victoria. Greg has been a high profile participant

in the Australian gold sector, particularly over the 3 year period between 2000 and 2002 in his role as CEO of the Robert Champion de Crespigny-inspired Australian Gold Council ("AGC"). Prior to joining the AGC, Greg had no experience in the resources sector but a wealth of experience in both state and federal government. Greg 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, Greg was able to provide the directors of the AGC with advice on political and community issues affecting the Australian gold mining sector. Greg 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 is a Non-Executive Director of Monaro Mining NL, Richmond Mining Limited and Resco Services Pty Limited. Greg has been the Non-Executive Chairman of Strata Mining Corporation Limited, is a former director of Excalibur Mining Corporation Limited and is a past Chairman of the Australian Republican Movement.

Non-Executive Director – Dato Beng Kai (BK) Choo (Appointed 28 May 2008)

BK is the Group Managing Director of Masmeyer Holdings Sdn Bhd which has 11 subsidiaries. He joined the family-owned property development company in 1996 and after that started up his own company, Masmeyer Holdings Sdn Bhd in 2002. BK has 12 years of business experience majoring in developing and implementing innovative business concepts to achieve greater aims and has successfully established 11 subsidiaries specialising in property development, real estate investment, building construction, timber "lodging" & out door advertising.

BK is also actively involved in NGOs such as Penang Choo's Association as Deputy Chairman and World Choo's Association on the Central Committee.

In 2007 BK was conferred as AMK - "Order of the Crown of Kedah - Member" and DSAP - "Most Honourable Order of Sultan Ahmad Shah - Knight Commander" which carries the title "Dato". BK was also appointed as a JP - Justice of Peace by the State Government of Kedah, Malaysia in 2008.

BK is fluent in English, Bahasa Malaysia, Mandarin & 3 other local dialects and can write in English, Bahasa Malaysia & Mandarin.

Exploration Director - Chris Roberts FRMIT MAusIMM MAIG (Appointed 22 September 2003 & Resigned 28 August 2007)

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

the Exploration and Development Director. Prior to this, he was the Chief Geologist for Perseverance, a role that dates back to 1990. Chris was directly responsible for the exploration success of the Fosterville Mine until ceasing an executive role. During his involvement, the oxide and sulphide resource base at Fosterville has increased from approximately 220,000 ounces in 1992 to in excess of 2,500,000 ounces today, including past production by Perseverance. 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. In late 2005, Chris was appointed to JORC (Joint Ore Reserves Committee).

Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

Roslynn Shand was appointed Company Secretary on 2 November 2005. Roslynn has a combined degree in Arts/Law from the University of Queensland and is a fellow of the Chartered Secretaries Australia. Roslynn has been a company secretary for over 15 years for entities in the financial, agricultural and mining sectors. Roslynn is also company secretary of Discovery Metals Limited and as such is well versed in the requirements of a growing junior resource company.

Operating Results

The loss of the Group for the financial year amounted to \$4,022,386 and the Company \$3,964,575 (Company loss in 2007 - \$772,383).

Review of Operations

The Group continued with its Australian gold and base metals exploration programme in both the Hodgkinson Basin in Far North Queensland and at Burruga in New South Wales. In April 2008 the Company purchased the Bolivian gold assets of Vista Gold Corp and recommenced work to complete a Bankable Feasibility Study for the Amayapampa Gold Project. During the year the Group undertook investigative work in respect of the previously operated Mt Carbine tungsten mine in Far North Queensland. An offer to purchase this asset was unsuccessful.

During the year the Company raised an additional \$10.8 million in working capital funds through a combination of two share placements and the exercise of 2.5 cent, listed options issued in June 2007.

Financial Position

The net assets of the Group have increased by \$8,993,634 from \$17,889,618 as at 30 June 2007 to \$26,883,252 as at 30 June 2008.

The directors believe the group is in a 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, copper, tin and tungsten exploration. There was no significant change in the nature of the entity's activities during the period except for the April 2008 acquisition of the Bolivian gold interests of Vista Gold Corp, a company domiciled in the United States of America.

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 Group, the results of those operations, or the state of affairs of the Group in future financial years.

On 15 September 2008 the Group announced the purchase of leases adjacent to the Group's Tregoorra assets from Mr. Noel Adam. Subject to performing successful due diligence the consideration payable will be \$150,000 in cash and \$150,000 in shares when the mining leases are transferred into the Company's name.

Future Developments, Prospects and Business Strategies

The entity will focus on the exploration and development of its Australian and Bolivian 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.

Adoption of Australian Equivalents of IFRS

As a result of the introduction of Australian equivalents of International Financial reporting Standards (AIFRS), the Group financial report has been prepared in accordance to those Standards except in the current year in relation to AASB3 and IFRS3 - *Business Combinations* in respect of the April 2008 purchase of a number of offshore companies, one of which owned the Amayapampa Gold Project in Bolivia. The Auditors have qualified the Group financial statements as a result of non-compliance with AASB3 but the parent entity believes that to take the apparent difference between the cost, recorded to date, of these acquisitions and the fair value of the net assets acquired would not render a true and fair view of the transaction. (See Notes 1 (j), 20 and 22 to the financial statements for a full explanation of the Group's adopted accounting treatment.)

Environmental Issues

The operations of the Group in Australia and Bolivia 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 Group 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

On 1 October 2007 shareholders approved the issue of a total of 29 million, 3 year term options to directors and the company secretary as follows:

| Terms | JP Kelly | PA Wicks* | GJ Barns | RJ Shand |
|-------------------------|-------------|-------------|-------------|-------------|
| Number | 12,000,000 | 6,000,000 | 6,000,000 | 5,000,000 |
| Exercise price | \$0.0625 | \$0.0625 | \$0.0625 | \$0.0625 |
| Expiry date | 10 Oct 2010 | 10 Oct 2010 | 10 Oct 2010 | 10 Oct 2010 |
| Black Scholes valuation | \$180,827 | \$90,414 | \$90,414 | \$73,345 |

* On approval of these options a previous 1.5 million option holding exercisable at \$0.18 was cancelled.

A further 30 million options were approved at the 1st October 2007 General Meeting with an average exercise price of \$0.03. These options were issued to consultants in return for services and financial support provided to the Company over a 12 month period. The recipient firm was not a related party to the Company.

Indemnification of Officer or Auditor

The Company has agreed to indemnify and keep indemnified the following officers; Mr P A Wicks, Mr J P Kelly, Mr G J Barns, Mr N Zurkic and Dato B K Choo 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 except for an action initiated in Canada in respect of recovering the receivable due from Luzon Minerals Inc.

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. All Directors receive either a base salary or a consulting fee (which is based on experience and commercial industry rates), superannuation and options. An Employee Share and Option scheme was approved at the 2005 Annual General Meeting. The Board reviews executive packages annually by reference to the Company's performance, directors' performance and comparable information from industry sectors and other listed companies in the small-cap resource 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. 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.

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 set in the table following. The Board considers that no employee, other than Directors, fall into the category of executives of the Company for the purposes of this report.

| Type of Benefit | PA Wicks | JP Kelly | BK Choo * | GJ Barns | N Zurkic ** |
|------------------|------------------|------------------|----------------|------------------|-----------------|
| Salary | \$Nil | \$200,638 | \$Nil | \$Nil | \$Nil |
| Directors' Fees | \$36,000 | \$Nil | \$2,138 | \$25,000 | \$16,666 |
| Consult Fee | \$63,000 | \$Nil | \$Nil | \$29,773 | \$57,924 |
| Super | \$Nil | \$20,350 | \$Nil | \$Nil | \$Nil |
| Equity (Options) | \$90,414 | \$180,827 | \$Nil | \$90,414 | \$Nil |
| Total | \$189,414 | \$401,815 | \$2,138 | \$145,187 | \$74,590 |

* Appointed 28 May 2008

** Appointed 6 November 2007

Performance Income as a Proportion of Total Remuneration

There were no performance based bonuses paid to executives during 2008.

Options Issued as Part of Remuneration for the year ended 30 June 2008

Shareholders approved option packages for Directors Mr P A Wicks, Mr J P Kelly and Mr G J Barns and to the Company Secretary R J Shand at the 1st October 2007 General Meeting on the terms indicated above. There were no other options allocated as part of remuneration to directors or executives during 2008.

Employment Contracts of Directors

Mr Kelly is an employee of Republic Gold Limited and his employment conditions as the Managing Director are formalised in a contract of employment. Mr Roberts contracted his services to the Company on an "as needs basis." Messrs Wicks and Barns are 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 September 2007 and expires on 30 September 2010 at an annual salary of \$230,000 per year, including superannuation. This contract includes a three-month notice period by either party and an annual review. Mr Kelly provides his own and another field vehicle and is reimbursed for usage on Company business on a kilometres used basis.

Messrs Wicks, Choo, Zurkic and Barns charge the Company at the rate of \$1,000 per day respectively, plus GST, for work outside the normal role of a non-executive Director.

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 16 meetings of directors. The attendance of the directors at meetings of the Board was:

| Number of Meetings Attended By | Board Meetings |
|---------------------------------------|----------------|
| P A Wicks | 16 |
| J P Kelly | 16 |
| C L Roberts (resigned 28 August 2007) | 1 |
| G J Barns | 16 |
| N Zurkic (appointed 6 November 2007) | 9 |
| B K Choo (appointed 28 May 2008) | 1 |

Non-Audit Services

There are no non-audit services provided to the Company or Group by the audit firm other than:

- a review of the Half Year Accounts for the 6 months to 31 December 2007 lodged with the ASX.
- during the year the audit firm of Draper Dillon were appointed tax agents

In view of the size of the Group 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 Group. 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 2008 has been received and can be found on the following page.

Directors' Shareholdings

For details on directors' shareholdings please refer to Note 5 of the Financial Statements.

Signed in accordance with a resolution of Directors



Peter Wicks
Director



John Kelly
Director

Dated this 30th Day of September 2008



REPUBLIC GOLD LIMITED
ABN 86 106 399 311

**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, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully,
DRAPER DILLON

NORMAN L. DRAPER
PARTNER

Dated this 30th day of SEPTEMBER, 2008.

REPUBLIC GOLD LIMITED
ABN 86 106 399 311

Income Statement
For the year ended 30 June 2008

| | Note | Consolidated | | Parent Entity | |
|---|----------|--------------------|--------------------|--------------------|--------------------|
| | | 2008 | 2007 | 2008 | 2007 |
| | | \$ | \$ | \$ | \$ |
| Revenue | 2 | 467,969 | 537,913 | 525,780 | 537,913 |
| Exploration costs written off | 3 | (344,839) | - | (344,839) | - |
| Bad debt provision | 3 | (2,454,912) | - | (2,454,912) | - |
| Consultant expenses | | (450,048) | (354,372) | (450,048) | (354,372) |
| Employee benefits expense | | (257,328) | (226,508) | (257,328) | (226,508) |
| Share registry and exchange fees | | (209,825) | (97,453) | (209,825) | (97,453) |
| Other expenses from ordinary activities | 3 | (207,466) | (127,138) | (207,466) | (127,138) |
| Travel expenses | | (157,388) | (174,604) | (157,388) | (174,604) |
| Legal fees | | (137,650) | (165,292) | (137,650) | (165,292) |
| Amortisation expense | 3 | (,268) | (268) | (,268) | (268) |
| Impairment Charge | | (123,000) | - | (123,000) | - |
| Occupancy Expense | | - | (17,962) | - | (17,962) |
| Marketing and promotion expenses | | (68,075) | (41,223) | (68,075) | (41,223) |
| Loss on investments | | (49,999) | - | (49,999) | - |
| Depreciation expenses | 3 | (26,233) | (26,369) | (26,233) | (26,369) |
| Interest expense | 3 | (3,324) | (79,107) | (3,324) | (79,107) |
| Expense | | (4,490,355) | (1,310,296) | (4,490,355) | (1,310,296) |
| Loss before income tax expense | | (4,022,386) | (772,383) | (3,964,575) | (772,383) |
| Income tax expense | 4 | - | - | - | - |
| Loss after income tax expense | | (4,022,386) | (772,383) | (3,964,575) | (772,383) |
| Basic loss per share (cents per share) | 8 | (0.0057) | (0.0017) | (0.0056) | (0.0017) |
| Diluted Loss per share (cents per share) | 8 | (0.0049) | (0.0012) | (0.0049) | (0.0012) |

REPUBLIC GOLD LIMITED
ABN 86 106 399 311

Balance Sheet
For the year ended 30 June 2008

| | Note | Consolidated | | Parent Entity | |
|--------------------------------------|------|-------------------|-------------------|-------------------|-------------------|
| | | 2008 | 2007 | 2008 | 2007 |
| | | \$ | \$ | \$ | \$ |
| CURRENT ASSETS | | | | | |
| Cash & cash equivalents | 9 | 7,351,435 | 3,681,735 | 7,241,515 | 3,681,735 |
| Trade and other receivables | 10 | 271,928 | 2,414,384 | 260,711 | 2,414,384 |
| Total Current Assets | | 7,623,363 | 6,096,119 | 7,502,226 | 6,096,119 |
| NON-CURRENT ASSETS | | | | | |
| Trade and Other Receivables | 10 | 23,545 | - | - | - |
| Property, plant and equipment | 11 | 227,344 | 119,005 | 173,287 | 119,005 |
| Intangible assets | 12 | 8,322,475 | 7,971,875 | 7,848,607 | 7,971,875 |
| Deferred exploration expenditure | 13 | 11,195,678 | 5,516,366 | 8,967,940 | 5,516,366 |
| Financial assets | 14 | 502,687 | 50,000 | 502,687 | 50,000 |
| Due from controlled entity | 20 | - | - | 606,029 | - |
| Total Non-Current Assets | | 20,271,729 | 13,657,246 | 18,098,550 | 13,657,246 |
| TOTAL ASSETS | | 27,895,092 | 19,753,365 | 25,600,776 | 19,753,365 |
| CURRENT LIABILITIES | | | | | |
| Trade and other payables | 15 | 335,789 | 1,808,372 | 304,199 | 1,808,372 |
| Employee provisions | 16 | 70,568 | 55,375 | 70,568 | 55,375 |
| Financial liabilities | 17 | 590,750 | - | 526,358 | - |
| Total Current Liabilities | | 997,107 | 1,863,747 | 901,125 | 1,863,747 |
| NON CURRENT LIABILITIES | | | | | |
| Employee provisions | 16 | 14,733 | - | 14,733 | - |
| Total Non Current Liabilities | | 14,733 | - | 14,733 | - |
| TOTAL LIABILITIES | | 1,011,840 | 1,863,747 | 915,858 | 1,863,747 |
| NET ASSETS | | 26,883,252 | 17,889,618 | 24,684,918 | 17,889,618 |
| EQUITY | | | | | |
| Issued Capital | 18 | 31,745,977 | 20,986,101 | 31,745,977 | 20,986,101 |
| Accumulated losses | | (7,118,869) | (3,096,483) | (7,061,059) | (3,096,483) |
| Premium on Consolidation | 20 | 2,354,387 | - | - | - |
| Translation reserve | | (98,243) | - | - | - |
| TOTAL EQUITY | | 26,883,252 | 17,889,618 | 24,684,918 | 17,889,618 |

REPUBLIC GOLD LIMITED
ABN 86 106 399 311

Statement of Changes in Equity
For the year ended 30 June 2008

| Consolidated | | Issued Capital | Accumulated | Reserves | Total |
|---|-----------|-------------------|--------------------|------------------|-------------------|
| | | Ordinary Shares | Losses | | |
| | | \$ | \$ | \$ | \$ |
| Balance at 30 June 2006 | | 16,089,338 | (6,895,113) | - | 9,194,225 |
| Shares issued during the year | | 5,277,000 | - | - | 5,277,000 |
| Transaction costs | | (380,237) | - | - | (380,237) |
| Change in exploration accounting policy | 1 (h) | - | 4,571,013 | - | 4,571,013 |
| Net Loss | | - | (772,383) | - | (772,383) |
| Balance 30 June 2007 | 18 | 20,986,101 | (3,096,483) | - | 17,889,618 |
| Shares issued during the year | | 11,829,357 | | | 11,829,357 |
| Transaction costs | | (1,069,481) | | | (1,069,481) |
| Net Loss | | | (4,022,386) | | (4,022,386) |
| Premium on consolidation | 20 | | | 2,354,387 | 2,354,387 |
| Adjustments from translation of Foreign Controlled Entities | | | | (98,243) | (98,243) |
| Balance at 30 June 2008 | 18 | 31,745,977 | (7,118,869) | 2,256,144 | 26,883,252 |

| Parent Entity | Note | Issued Capital | Accumulated | Reserves | Total |
|---|-----------|-------------------|--------------------|----------|-------------------|
| | | Ordinary Shares | Losses | | |
| | | \$ | \$ | \$ | \$ |
| Balance at 30 June 2006 | | 16,089,338 | (6,895,113) | - | 9,194,225 |
| Shares issued during the year | | 5,277,000 | - | - | 5,277,000 |
| Transaction costs | | (380,237) | - | - | (380,237) |
| Change in exploration accounting policy | 1 (h) | - | 4,571,013 | - | 4,571,013 |
| Net Loss | | - | (772,383) | - | (772,383) |
| Balance at 30 June 2007 | 18 | 20,986,101 | (3,096,483) | - | 17,889,618 |
| Shares issued during the year | | 11,829,357 | - | - | 11,829,357 |
| Transaction costs | | (1,069,481) | - | - | (1,069,481) |
| Net Loss | | - | (3,964,576) | - | (3,964,576) |
| Balance at 30 June 2008 | 18 | 31,745,977 | (7,061,059) | - | 24,684,918 |

REPUBLIC GOLD LIMITED
ABN 86 106 399 311

Statement of Cash Flow
For the year ended 30 June 2008

| | Note | Consolidated | | Parent Entity | |
|---|---------------|---------------------|--------------------|--------------------|--------------------|
| | | 2008 | 2007 | 2008 | 2007 |
| | | \$ | \$ | \$ | \$ |
| Cash Flow from Operating Activities | | | | | |
| Payments to suppliers and employees | | (1,930,098) | (2,327,271) | (1,917,547) | (2,327,271) |
| Interest received | | 296,396 | 1,297 | 296,396 | 1,297 |
| Interest paid | | (3,325) | (79,107) | (3,325) | (79,107) |
| Other income | | 300 | - | 300 | - |
| Net cash used in operating activities | 19 (b) | (1,636,727) | (2,405,081) | (1,624,176) | (2,405,081) |
| Cash Flow from Investing Activities | | | | | |
| Cash (debt) acquired on purchase of controlled entity | | (1,111) | - | - | - |
| Proceeds from sale of investments | | - | 548,953 | - | 548,953 |
| Payments for exploration activities | | (3,146,965) | (945,353) | (2,601,503) | (945,353) |
| Payment for Joint Venture | | (700,070) | - | (700,070) | - |
| Payment for property, plant and equipment | | (84,525) | - | (83,148) | - |
| Payment for investments | | (502,686) | - | (502,686) | - |
| Net cash used in investing activities | | (4,435,357) | (396,400) | (3,887,407) | (396,400) |
| Cash Flow from Financing Activities | | | | | |
| Loans to subsidiaries | | - | - | (606,029) | - |
| Proceeds from borrowings | | 440,750 | 300,000 | 376,358 | 300,000 |
| Net proceeds from share issue | | 10,759,876 | 4,596,763 | 10,759,876 | 4,596,763 |
| Receipt (refund) rights issue oversubscriptions | | (1,458,842) | 1,458,842 | (1,458,842) | 1,458,842 |
| Net cash provided by financing activities | | 9,741,784 | 6,355,605 | 9,071,363 | 6,355,605 |
| Net increase (decrease) in cash held | | 3,669,700 | 3,554,124 | 3,559,780 | 3,554,124 |
| Cash at beginning of financial year | | 3,681,735 | 127,611 | 3,681,735 | 127,611 |
| Cash at end of financial year | 19 (a) | 7,351,435 | 3,681,735 | 7,241,515 | 3,681,735 |

REPUBLIC GOLD LIMITED
ABN 86 106 399 311

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is for Republic Gold Limited and controlled entities ('Consolidated Group' or 'Group'), and the separate financial statements and notes of Republic Gold Limited as an individual parent entity. Republic Gold Limited is a company limited by shares, incorporated and domiciled in Australia.

Basis of Preparation

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

The financial report of Republic Gold Limited and controlled entities complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) in their entirety with the exception of the current year treatment of accounting for Business Combinations as described at Note 1(j).

The following is a summary of the material accounting policies adopted in the preparation of this financial report.

The accounting policies have been consistently applied, unless otherwise stated.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

a. Foreign Currency Transactions and Balances

Functional and Presentation Currency

The functional currency of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transactions and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when the fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity or a qualifying cash flow or investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

Group Companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date
- income and expenses are translated at average exchange rates for the period: and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction

Exchange differences arising on the translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

b. Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted as at reporting date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled, based on tax rates enacted or substantially enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future tax profits will be available against which the benefits of the deferred tax asset can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

c. Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in profit and loss in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the group's intention to hold these investments to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as such or that are not classified in any other category. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

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Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges. Republic Gold Limited and controlled entities designates certain derivatives as either;

- i. hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- ii. hedges of highly probably forecast transactions (cash flow hedges).

At the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions is documented.

Assessments, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items, are also documented.

- *Fair value hedge*

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedge assets or liabilities that are attributable to the hedged risk.

(ii) *Cash flow hedge*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is deferred to a hedge reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in the hedge reserve in equity are transferred to the income statement in the periods when the hedged item will affect profit or loss.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

d. Plant and Equipment

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

Plant and equipment

Plant and equipment are 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 these assets. The recoverable amount is assessed on the basis of the expected net cash flows that 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 consolidated group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

| <u>Class of Fixed Asset</u> | <u>Depreciation Rate</u> |
|--------------------------------|--------------------------|
| Buildings | 15% |
| Plant and equipment | 15% |
| Office furniture and equipment | 7.5 – 50% |
| Motor Vehicle | 15 – 18.75% |

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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

e. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of two months or less, and bank overdrafts.

f. Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

g. 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 assets at date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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.

h. Exploration Expenditure

Effective 1 July 2007 the Group changed its accounting policy dealing with exploration expenditure as allowed by Accounting Standards Board AASB6 entitled *Exploration for and Evaluation of Mineral Resources*. Prior to that date the parent entity expensed all exploration expenditure as incurred. The change has resulted in the restatement of the balance sheet carrying value of exploration assets as at 30 June 2007 with a corresponding adjustment to the accumulated loss position of the group. The directors are of the opinion that the carry-forward of such expenditure is appropriate as these exploration assets are intended to generate income in future periods. Future income will be matched against the amortisation of accumulated exploration expenditures.

The change in accounting policy for exploration expenditure has resulted in the restatement of prior year comparative figures as follows:

| | | Consolidated | | Parent Entity | |
|---|------------------------|---------------------|-------------|----------------------|-------------|
| | | 2008 | 2007 | 2008 | 2007 |
| (Loss) before tax | (Increase) Decrease | 3,146,965 | 945,353 | 2,601,503 | 945,353 |
| Non Current – Deferred exploration expenditure | Increase (Decrease) | 8,663,331 | 5,516,366 | 8,117,870 | 5,516,366 |
| Opening balance accumulated (losses) | (Increase) Decrease | 5,516,366 | 4,571,013 | 5,516,366 | 4,571,013 |

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Exploration, evaluation and development costs are accumulated in respect of each separate area of interest. These costs are carried forward where they are expected to be recouped through sale or successful development and exploitation of the area of interest or where activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

The ultimate recoupment of costs carried forward in respect of interests still in the exploration or evaluation phases is dependent on successful development and commercial exploitation, or alternatively, sale of respective areas.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the year the decision is made. Each area of interest is also reviewed annually and accumulated costs written off to the extent that they will not be recoverable in the future.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences. When production commences, carried forward exploration, evaluation and development costs are amortised over the life of the economically recoverable reserves.

i. Principles of Consolidation

A controlled entity is any entity over which Republic Gold Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. During the 2008 year Republic Gold Limited assumed control of the Antiguan and South American entities identified in Note 20 to the financial statements.

As at the reporting date the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the consolidated group during the year, their respective operating results have been included (excluded) from the date control was obtained (ceased).

All inter-group balances and transactions between entities in the consolidated group, including unrealised profits and losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

j. Business Combinations

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method.

The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and probable contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control together with costs directly attributable to the business combination. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and probable contingent liabilities recognised. If the fair value of the acquirer's interest is greater than probable cost, under AASB 3 the surplus should be immediately recognised in profit and loss.

In the current year the Group accounts have not been prepared in accordance with the provisions of *AASB3 Business Combinations* in respect of calculating any profit on acquiring a business at a cost less than the assessed fair value of net assets acquired. In this case the impact of not recording this difference or 'gain' as income in the 2008 Group Income Statement is to overstate the Loss before income tax by \$2,354,387 and to record a premium on consolidation reserve of the same amount direct to Shareholders Equity.

In April 2008 the parent entity purchased a number of companies containing the Amayapampa Gold Project assets. The consideration payable for the shares in these companies, or the 'cost' of the net assets acquired, is both contingent and deferred pending the outcome of future exploration works, future project financing, local sovereign approvals and the eventual commissioning of a gold mine at Amayapampa, Bolivia. (See Notes 20 & 22).

The directors of Republic Gold Limited are of the view that the conditions precedent to incurring a cost to the vendor for the acquired shares are sufficiently uncertain so as to render the deferred, contingent liability *not yet*

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probable. When sufficient further exploration and development works are completed and the mine development is confirmed the parent entity will recognise the deferred costs of acquisition and at that stage determine any difference between cost and the fair value of the net assets acquired.

k. 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).

l. Goods and Services Tax (GST)

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

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

m. Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured

n. Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and internally.

Key Estimates — Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

An impairment charge of \$123,000 has been recognised within the parent entity in respect of goodwill for the year ended 30 June 2008.

o. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. In 2008 security deposits for the Group of 132,045 and 108,500 for the parent entity have been reclassified from cash to receivables.

p. Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to settle within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year are disclosed in future dollars and have not been measured at the present value of the estimated future cash outflows to be made for those benefits.

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| | Consolidated | | Parent Entity | |
|--|----------------|----------------|----------------|----------------|
| | 2008 | 2007 | 2008 | 2007 |
| | \$ | \$ | \$ | \$ |
| Note 2: Revenue | | | | |
| - Interest income | 467,669 | 246,169 | 471,668 | 246,169 |
| - Profit on sale of listed investments | - | 291,744 | - | 291,744 |
| - Management fee income | - | - | 53,812 | - |
| - Dividend income | 300 | - | 300 | - |
| | 467,969 | 537,913 | 525,780 | 537,913 |

Note 3: Profit from ordinary activities

Profit from ordinary activities has been determined after the following expenses:

| | | | | |
|-------------------------------------|-----------|--------|-----------|--------|
| - Interest expense | 3,325 | 79,107 | 3,325 | 79,107 |
| Depreciation of non-current assets | | | | |
| - office equipment | 9,092 | 9,192 | 9,092 | 9,192 |
| - motor vehicles | 5,281 | 6,454 | 5,281 | 6,454 |
| - buildings | 3,889 | 1,998 | 3,889 | 1,998 |
| - plant and equipment | 7,421 | 8,385 | 7,421 | 8,385 |
| - furniture and fittings | 550 | 340 | 550 | 340 |
| | 26,233 | 26,369 | 26,233 | 26,369 |
| Amortisation of intangibles | | | | |
| - impairment charge | 123,000 | - | 123,000 | - |
| - incorporation costs | 268 | 268 | 268 | 268 |
| Capital equipment write off | 2,633 | - | 2,633 | - |
| Provision for doubtful debts | 2,454,912 | - | 2,454,912 | - |
| Exploration expenditure written off | 344,839 | - | 344,839 | - |

Note 4: Income tax expense

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

Prima facie income tax expense/(benefit) on loss from ordinary activities before income tax at 30% (2006 year 30%)

| | | | | |
|--|--------------------|------------------|--------------------|------------------|
| | (1,206,716) | (231,715) | (1,189,373) | (231,715) |
| Add: | | | | |
| Tax effect of: | | | | |
| - other non-allowable items | 1,109 | 1,848 | 1,109 | 1,848 |
| - capital expenditure write off | (138,133) | (73,964) | (138,133) | (73,964) |
| - net movement in provisions | 8,978 | (464) | 8,978 | (464) |
| - other allowable items | (1,633) | (2,118) | (1,633) | (2,118) |
| - Goodwill Impairment | 36,900 | - | 36,900 | - |
| Total tax losses not brought to account | (1,299,495) | (306,413) | (1,282,152) | (306,143) |

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NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

Names and positions held of economic entity key management personnel in office at any time during the financial year are:

| Key Management Person | Position |
|---|--------------------------------|
| Mr Peter A Wicks | Chairman – Non-Executive |
| Mr John P Kelly | Managing Director – Executive |
| Mr Chris L Roberts (resigned 28 August 2007) | Exploration Director |
| Mr Greg J Barns | Non-Executive Director |
| Mr Nebojsa Zurkic (appointed 6 November 2007) | Technical Director - Executive |
| Dato Beng Kai Choo (appointed 28 May 2008) | Non-Executive Director |

(a) Key Management Personnel Compensations

2008 year

| Key Management Person | Base Salary | Director Fee | Consultancy Fee | Super | Equity | Total |
|--------------------------------------|--------------------|---------------------|------------------------|-----------------|------------------|------------------|
| PA Wicks | --- | 36,000 | 63,000 | --- | 90,414 | 189,414 |
| JP Kelly | 200,638 | --- | --- | 20,350 | 180,827 | 401,815 |
| GJ Barns | --- | 25,000 | 29,773 | --- | 90,414 | 145,187 |
| CL Roberts (resigned 28/8/07) | --- | --- | --- | --- | --- | --- |
| N Zurkic (appointed 6/11/07) | --- | 16,666 | 57,924 | --- | --- | 74,590 |
| BK Choo (appointed 28/05/08) | --- | 2,138 | --- | --- | --- | 2,138 |
| | \$200,638 | \$79,804 | \$150,697 | \$20,350 | \$361,655 | \$813,144 |

2007 year

| Key Management Person | Base Salary | Director Fee | Consultancy Fee | Super | Equity | Total |
|---------------------------------------|--------------------|---------------------|------------------------|-----------------|---------------|------------------|
| PA Wicks | --- | 36,000 | 128,000 | --- | ---* | 164,000 |
| JP Kelly | 157,326 | --- | --- | 18,600 | --- | 175,926 |
| GJ Barns | 8,800 | 25,000 | 37,215 | 792 | --- | 71,807 |
| CL Roberts | --- | --- | 130,582 | --- | --- | 130,582 |
| WP McLucas (resigned 19/10/06) | 32,108 | --- | --- | --- | --- | 32,108 |
| | \$198,234 | \$61,000 | \$295,797 | \$19,392 | \$- | \$574,423 |

* The equity remuneration for PA Wicks valued at \$270,000 as disclosed in the prior year 2007 financial statements represented 1.5 million ordinary share options with an exercise price of \$0.18 per option. These options were cancelled concurrently with the 2007 option resolution accepted at the General Meeting of shareholders held on 1 October 2007.

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(b) Compensation Options issued in 2008

The following options were approved at shareholders meeting 1 October 2007.

| Key Management Person | Granted No. | Grant Date | Value per option at Grant Date \$ | Exercise Price \$ | Exercise Date |
|-----------------------|-------------|------------|--------------------------------------|----------------------|---------------|
| P A Wicks | 6,000,000 | 10.10.2007 | 0.0151 | 0.0625 | 10.10.2010 |
| J P Kelly | 12,000,000 | 10.10.2007 | 0.0151 | 0.0625 | 10.10.2010 |
| G J Barns | 6,000,000 | 10.10.2007 | 0.0151 | 0.0625 | 10.10.2010 |

All 2008 granted options have no vesting period. Upon approval of the 2008 options by shareholders at the 1 October 2007 General Meeting 1,500,000 options previously granted to Mr. Wicks in 2006 were cancelled.

(c) Directors' Shareholdings

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

| | Ordinary Shares | | Options | |
|-----------|-----------------|------------|------------|------------|
| | Direct | Indirect | Direct | Indirect |
| P A Wicks | --- | 925,000 | -- | 5,475,000 |
| J P Kelly | 1 | 44,538,470 | 10,000,000 | 11,844,235 |
| G J Barns | 30,001 | 42,243,470 | 4,000,000 | --- |
| N Zurkic | 45,000 | --- | --- | --- |
| BK Choo | --- | 14,540,000 | --- | --- |

(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:-

- i. Payment for geological services in the ordinary course of business to Mr Nebojsa Zurkic.
- ii. Payment for provision of public and governmental relations in the ordinary course of business to Mr Greg J Barns, and
- iii. Payment for provision of advisory services in the ordinary course of business to Mr P A Wicks and Mr B K Choo.

(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: Dividends

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

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Note 7: Auditors Remuneration

| | Consolidated | | Parent Entity | |
|--|--------------|--------|---------------|--------|
| | 2008 | 2007 | 2008 | 2007 |
| Remuneration of the auditor for the Company for: | | | | |
| - auditing or reviewing the financial reports | 133,500 | 47,695 | 133,500 | 47,695 |
| - taxation services | 3,500 | - | 3,500 | - |

Note 8: Earnings Per Share

| | Consolidated | | Parent Entity | |
|--|--------------------|-------------|--------------------|-------------|
| | 2008 | 2007 | 2008 | 2007 |
| Basic loss per share (cents per share) | (0.0057) | (0.0017) | (0.0056) | (0.0017) |
| Diluted Loss per share (cents per share) | (0.0049) | (0.0012) | (0.0049) | (0.0012) |
| Number of shares used in calculating basic earnings per share | 707,206,356 | 431,391,098 | 707,206,356 | 431,391,098 |
| Number of shares used in calculating diluted earnings per share | 815,496,744 | 587,495,846 | 815,496,744 | 587,495,846 |

Note 9: Cash and cash equivalents

| | Consolidated | | Parent Entity | |
|--------------------------|------------------|------------------|------------------|------------------|
| | 2008 | 2007 | 2008 | 2007 |
| | \$ | \$ | \$ | \$ |
| Cash on hand and at bank | 278,204 | 3,681,735 | 168,284 | 3,681,735 |
| Term deposits | 7,073,231 | - | 7,073,231 | - |
| | 7,351,435 | 3,681,735 | 7,241,515 | 3,681,735 |

Note 10: Trade and other receivables

Current

| | | | | |
|--|----------------|------------------|----------------|------------------|
| GST refundable | 94,883 | 24,745 | 94,883 | 24,745 |
| Security Deposits | 108,500 | 106,000 | 108,500 | 106,000 |
| Share subscriptions receivable | 57,328 | - | 57,328 | - |
| Sundry receivables | 11,217 | - | - | - |
| Secured loan to Luzon Minerals Limited | 2,454,912 | 2,283,639 | 2,454,912 | 2,283,639 |
| - provision for doubtful debts | (2,454,912) | - | (2,454,912) | - |
| | 271,928 | 2,414,384 | 260,711 | 2,414,384 |

Non Current

| | | | | |
|--------------------------------|---------------|---|---|---|
| Security Deposits – Subsidiary | 23,545 | - | - | - |
|--------------------------------|---------------|---|---|---|

Secured Loan to Luzon Minerals Limited (Luzon)

As stated in the 2007 report, the recovery of this secured loan is dependent on the ability of Luzon to raise additional capital or other finance as required. Since the 2007 report Luzon has forfeited any interest in the Amayapampa Gold Project and the project reverted back to Vista Gold Corp (Vista). Republic Gold Limited entered into a share purchase agreement with Vista to acquire their Bolivian gold assets in April 2008 (See Notes 20 and 22). The Company has commenced legal action in Canada to recover the still outstanding secured loan from Luzon but the directors believe any recovery is uncertain and have therefore raised a 100% provision for non-recovery.

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| | Consolidated | | Parent Entity | |
|---|----------------|----------------|----------------|----------------|
| | 2008 | 2007 | 2008 | 2007 |
| | \$ | \$ | \$ | \$ |
| Note 11: Property, plant and equipment | | | | |
| Property | | | | |
| Land, at cost | 52,290 | - | - | - |
| Plant and Equipment | | | | |
| Office Equipment | | | | |
| At Cost | 99,702 | 72,929 | 95,830 | 72,929 |
| Less accumulated depreciation | (54,268) | (44,004) | (52,064) | (44,004) |
| | 45,434 | 28,925 | 43,766 | 28,925 |
| Plant & Equipment | | | | |
| At Cost | 80,089 | 70,277 | 76,187 | 70,277 |
| Less accumulated depreciation | (34,082) | (22,759) | (30,180) | (22,759) |
| | 46,007 | 47,518 | 46,007 | 47,518 |
| Motor Vehicles | | | | |
| At Cost | 81,424 | 54,615 | 54,615 | 54,615 |
| Less accumulated depreciation | (57,393) | (25,303) | (30,584) | (25,303) |
| | 24,031 | 29,312 | 24,031 | 29,312 |
| Buildings | | | | |
| At Cost | 59,786 | 16,080 | 59,786 | 16,080 |
| Less accumulated depreciation | (8,647) | (4,758) | (8,647) | (4,758) |
| | 51,139 | 11,322 | 51,139 | 11,322 |
| Furniture & Fittings | | | | |
| At Cost | 9,870 | 2,409 | 9,375 | 2,409 |
| Less accumulated depreciation | (1,427) | (481) | (1,031) | (481) |
| | 8,443 | 1,928 | 8,344 | 1,928 |
| Total Plant and Equipment | 227,344 | 119,005 | 173,287 | 119,005 |

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Movements in property Plant & Equipment carrying amounts:

2008 – Consolidated

| | Opening Balance | Acquired on purchase of controlled entity | Disposals | Additions | Currency translation adjustment | Accumulated Depreciation | Closing Balance |
|----------------------|-----------------|---|----------------|---------------|---------------------------------|--------------------------|-----------------|
| Office Equipment | 72,929 | 2,603 | (3,664) | 27,943 | (109) | (54,268) | 45,434 |
| Plant & Equipment | 70,277 | 4,072 | - | 5,910 | (170) | (34,082) | 46,007 |
| Motor Vehicles | 54,615 | 27,977 | - | - | (1,168) | (57,393) | 24,031 |
| Buildings | 16,080 | - | - | 43,706 | - | (8,647) | 51,139 |
| Furniture & Fittings | 2,409 | 517 | - | 6,966 | (22) | (1,427) | 8,443 |
| Land | - | 54,567 | - | - | (2,277) | - | 52,290 |
| | 216,310 | 89,736 | (3,664) | 84,525 | (3,746) | (155,817) | 227,344 |

2008 – Parent Entity

| | Opening Balance | Disposals | Additions | Accumulated Depreciation | Closing Balance |
|----------------------|-----------------|----------------|---------------|--------------------------|-----------------|
| Office Equipment | 72,929 | (3,664) | 26,566 | (52,065) | 43,766 |
| Plant & Equipment | 70,277 | - | 5,910 | (30,180) | 46,007 |
| Motor Vehicles | 54,615 | - | - | (30,584) | 24,031 |
| Buildings | 16,080 | - | 43,706 | (8,647) | 51,139 |
| Furniture & Fittings | 2,409 | - | 6,966 | (1,031) | 8,344 |
| Land | - | - | - | - | - |
| | 216,310 | (3,664) | 83,148 | (122,507) | 173,287 |

Movements in carrying amounts- Consolidated

2008

| | Office Equipment | Plant & Equipment | Motor Vehicles | Buildings | Furniture & Fittings | Land | Total |
|--|------------------|-------------------|----------------|---------------|----------------------|---------------|------------------|
| Balance at the beginning of the year | 72,929 | 70,277 | 54,615 | 16,080 | 2,409 | - | 216,310 |
| Disposal | (3,664) | - | - | - | - | - | (3,664) |
| Assets acquired on purchase of controlled entity | 2,603 | 4,072 | 27,977 | - | 517 | 54,567 | 89,736 |
| Additions | 27,943 | 5,910 | - | 43,706 | 6,966 | - | 84,525 |
| Foreign currency translation | (109) | (170) | (1,168) | - | (22) | (2,277) | (3,746) |
| Depreciation | (54,268) | (34,082) | (57,393) | (8,647) | (1,427) | - | (155,817) |
| Carrying amount at the end of the year | 45,434 | 46,007 | 24,031 | 51,139 | 8,443 | 52,290 | 227,344 |

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| Parent Entity | Office Equipment | Plant & Equipment | Motor Vehicles | Buildings | Furniture & Fittings | Land | Total |
|--|---------------------|----------------------|-------------------|---------------|-------------------------|------|------------------|
| 2008 | | | | | | | |
| Balance at the beginning of the year | 72,929 | 70,277 | 54,615 | 16,080 | 2,409 | - | 216,310 |
| Disposals | (3,664) | | | | | - | (3,664) |
| Additions | 26,566 | 5,910 | - | 43,706 | 6,966 | - | 83,148 |
| Depreciation | (52,065) | (30,180) | (30,584) | (8,647) | (1,031) | - | (122,507) |
| Carrying amount at the end of the year | 43,766 | 46,007 | 24,031 | 51,139 | 8,344 | - | 173,287 |

| | Consolidated | | Parent Entity | |
|------------------------------------|---------------------|------------------|----------------------|------------------|
| | 2008 | 2007 | 2008 | 2007 |
| | \$ | \$ | \$ | \$ |
| Note 12: Intangible Assets | | | | |
| Tenements, Permits & Mining Assets | 8,322,414 | 7,848,546 | 7,848,546 | 7,848,546 |
| Goodwill – at cost | 123,000 | 123,000 | 123,000 | 123,000 |
| Less: Impairment charge | (123,000) | - | (123,000) | - |
| Formation costs | 1,340 | 1,340 | 1,340 | 1,340 |
| Less accumulated amortisation | (1,279) | (1,011) | (1,279) | (1,011) |
| Total intangible assets | 8,322,475 | 7,971,875 | 7,848,607 | 7,971,875 |

| | Consolidated | | Parent Entity | |
|--|-----------------------|------------------|----------------------|------------------|
| | 2008 | 2007 | 2008 | 2007 |
| | \$ | \$ | \$ | \$ |
| Note 13: Deferred exploration expenditure | | | | |
| Group operated exploration permits | 10,345,608 | 5,516,366 | 8,117,870 | 5,516,366 |
| Joint Venture interests | 13 (a) 850,070 | - | 850,070 | - |
| Total deferred exploration expenditure | 11,195,678 | 5,516,366 | 8,967,940 | 5,516,366 |

Note 13(a)

In June 2008 the Company announced it had formed a Joint Venture agreement with Staldor Mining Pty Limited (Staldor) to explore and mine tin on a series of granted exploration permits and exploration permit applications and granted mining leases and mining lease applications in Far North Queensland. Subsequent to the year end the Company and Staldor executed the formal Joint Venture agreement.

The Joint Venture is structured as follows:

- The Company has paid Staldor a total of \$700,000 to purchase the Kangaroo Creek and Boomerang Projects from local prospectors and will seek shareholder approval to allot the Staldor shareholders \$200,000 in Republic Gold Limited shares.

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- The Company will provide \$150,000 for the Joint Venture to assess the projects and develop a mining plan. If this assessment is not satisfactory then the Company is not obligated to spend further funds and will own 25% of the Joint Venture.
- Upon completion of a successful mining plan the Company will then provide a further \$875,000 for the Joint Venture to develop the first tin mining project at which point the Company will have earned 51% in the Joint Venture.
- Staldor has applied for a further four EPMs that are remote from the main tin projects, to the south-east. The Company is able to investigate these projects by spending up to \$100,000 on each. If the Company decides that any of these EPMs is of interest then they will be included in the Joint Venture, with no change in the Joint Venture equity by the payment of \$200,000 to Staldor Mining for each EPM transferred into the Joint Venture.

| | Consolidated | | Parent Entity | |
|--|-----------------------|---------------|-----------------------|---------------|
| | 2008 | 2007 | 2008 | 2007 |
| Note 14: Financial Assets | \$ | \$ | \$ | \$ |
| Available-for-sale financial assets | 502,687 | 50,000 | 502,687 | 50,000 |
| Total Other Financial Assets | 502,687 | 50,000 | 502,687 | 50,000 |
| Available-for-sale financial assets comprise: | | | | |
| Unlisted Investments at cost | 193,849 | - | 193,849 | - |
| - units in unlisted trust | | | | |
| Listed Investment at cost | 308,837 | - | 308,837 | - |
| - beneficial interest in Australian listed corporations | | | | |
| | <u>502,686</u> | - | <u>502,686</u> | - |
| Unlisted investments at recoverable amount | | | | |
| - shares in unlisted corporations – Australia | 1 | 50,000 | 1 | 50,000 |
| Market value of shares in listed corporations at the date of this report: | | | | |
| Available for sale | <u>221,892</u> | - | <u>221,892</u> | - |

Available-for-sale financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

The fair value of unlisted available-for-sale financial assets cannot be reliably measured as variability in the range of reasonable fair value estimates is significant. As a result all unlisted investments are reflected at cost.

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Shares in Other Related Parties

Unlisted

Borneo Coal Unit Trust

Principle activity is investing in coal exploration in South East Asia. Republic Gold Ltd has a 77.5% interest in Borneo Coal Unit Trust that has invested 100% of its funds in Far East Energy Corporation Pty Limited. J P Kelly is a director of Far East Energy Corporation Pty Limited.

| Investment (at Cost) | Consolidated | | Parent Entity | |
|----------------------|--------------|------|---------------|------|
| | 2008 | 2007 | 2008 | 2007 |
| | 193,849 | - | 193,849 | - |

Madison Mining Ltd (formerly Lucky Draw Minerals)

Principle activity is minerals exploration in New South Wales. Investment listed at cost has been re-stated to the carrying value of the investments recoverable amount on the basis of management's indications of recoverability. Republic Gold Ltd has a 16.8% interest in Madison Mining Limited. JP Kelly is a director of Madison Mining Limited.

| Investment (at recoverable amount) | Consolidated | | Parent Entity | |
|------------------------------------|--------------|--------|---------------|--------|
| | 2008 | 2007 | 2008 | 2007 |
| | 1 | 50,000 | 1 | 50,000 |

Note 15: Trade and other payables

Current

| | | | | |
|---|----------------|------------------|----------------|------------------|
| Trade payables | 257,718 | 256,072 | 226,128 | 256,072 |
| Share rights issue oversubscriptions refundable | - | 1,458,842 | - | 1,458,842 |
| Sundry payables and accrued expenses | 78,071 | 93,458 | 78,071 | 93,458 |
| | 335,789 | 1,808,372 | 304,199 | 1,808,372 |

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| | Consolidated | | Parent Entity | |
|---|---------------|---------------|---------------|---------------|
| | 2008 | 2007 | 2008 | 2007 |
| Note 16: Provisions | \$ | \$ | \$ | \$ |
| Employee annual leave entitlements | | | | |
| Opening balance | 55,375 | 56,920 | 55,375 | 56,920 |
| Additional provision | 15,193 | (1,545) | 15,193 | (1,545) |
| Closing balance | 70,568 | 55,375 | 70,568 | 55,375 |
| Employee long service leave entitlements | | | | |
| Opening balance | - | - | - | - |
| Additional provision | 14,733 | - | 14,733 | - |
| Closing balance | 14,733 | - | 14,733 | - |
| Total employee provisions | 85,301 | 55,375 | 85,301 | 55,375 |
| Analysis of total provisions | | | | |
| Current | 70,568 | 55,375 | 70,568 | 55,375 |
| Non current | 14,733 | - | 14,733 | - |
| | 85,301 | 55,375 | 85,301 | 55,375 |

Provision for Employee Entitlements

Provisions have been recognised for employee entitlements relating to both annual leave and long service leave. The measurement and recognition criteria pertaining to the employee benefits have been included in Note 1 to this report.

| | Consolidated | | Parent Entity | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 2008 | 2007 | 2008 | 2007 |
| | \$ | \$ | \$ | \$ |
| Note 17: Financial liabilities | | | | |
| Current | | | | |
| Interest bearing loan | 440,750 | - | 376,358 | - |
| Joint Venture earn-in commitment | 150,000 | - | 150,000 | - |
| | 590,750 | - | 526,358 | - |
| Note 18: Contributed Equity | | | | |
| | 2008 | 2007 | 2008 | 2007 |
| 707,206,356 fully paid ordinary shares (2007 Year : 431,391,098 shares) | 34,048,191 | 22,218,835 | 34,048,191 | 22,218,835 |
| Less: Capital raising costs | (2,302,214) | (1,232,734) | (2,302,214) | (1,232,734) |
| | 31,745,977 | 20,986,101 | 31,745,977 | 20,986,101 |

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Shares issued during the year:

| Details | Date | Number of Shares | Issued Price \$ | Dollars \$ |
|--|---------------------|-------------------------|------------------------|-------------------|
| Beginning of reporting period | 01-July-2007 | 431,391,098 | | 20,986,101 |
| Capital raising costs during the period | 12 months | | | (1,069,481) |
| Exercise of 2.5cent November 2008 listed options | Sept 07 Qtr | 51,596 | 0.0250 | 1,290 |
| Placement in lieu of fees | Sept 07 Qtr | 1,252,144 | 0.0130 | 16,278 |
| Issued in lieu of three month option to purchase mining assets | Sept 07 Qtr | 500,000 | - | - |
| Share placement | Dec 07 Qtr | 60,000,000 | 0.03906 | 2,343,600 |
| Exercise of 2.5cent November 2008 listed options | Dec 07 Qtr | 69,622,409 | 0.0250 | 1,740,560 |
| Exercise of 3 cent unlisted options | Dec 07 Qtr | 10,000,000 | 0.0300 | 300,000 |
| Exercise of 3.5 cent unlisted options | Dec 07 Qtr | 10,000,000 | 0.0350 | 350,000 |
| Exercise of 3.75 cent unlisted options | Dec 07 Qtr | 1,900,000 | 0.0375 | 71,250 |
| Employee Share Acquisition Scheme | Dec 07 Qtr | 100,000 | - | - |
| Share placement | Dec 07 Qtr | 76,434,220 | 0.0750 | 5,732,567 |
| Exercise of 6.25 cent unlisted options | Dec 07 Qtr | 3,000,000 | 0.0625 | 187,500 |
| Exercise of 2.5 cent November 2008 listed options | Mar 08 Qtr | 31,597,505 | 0.0250 | 789,937 |
| Employee Share Acquisition Scheme | Mar 08 Qtr | 1,000,000 | 0.0375 | 37,500 |
| Exercise of 2.5 cent November 2008 listed options | Jun 08 Qtr | 10,357,384 | 0.0250 | 258,935 |
| End of reporting period | 30-June 2008 | 707,206,356 | | 31,745,977 |

Ordinary shares participate in dividends and the proceeds on winding up of the company 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.

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| | Consolidated | | Parent Entity | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 2008 | 2007 | 2008 | 2007 |
| NOTE 19: Cash flow information: | | | | |
| - 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 | 242 | 4 | 242 |
| Cash at bank | 278,200 | 3,681,493 | 168,280 | 3,681,493 |
| Term deposits | 7,073,231 | - | 7,073,231 | - |
| | 7,351,435 | 3,681,735 | 7,241,515 | 3,681,735 |
| (b) Reconciliation of net cash provided by operating activities: | | | | |
| Loss from ordinary activities after income tax | (4,022,386) | (772,383) | (3,964,575) | (772,383) |
| Non-cash flows in loss from ordinary activities | | | | |
| - increase (decrease) provision for doubtful debts | 2,454,912 | - | 2,454,912 | - |
| - increase (decrease) in employee provisions | 29,926 | (1,545) | 29,926 | (1,545) |
| - capital gain on sale of assets | - | (306,724) | - | (306,724) |
| - writedown of investments | 49,999 | - | 49,999 | - |
| - writeoff of capital equipment | 2,633 | - | 2,633 | - |
| - amortisation | 268 | 268 | ,268 | 268 |
| - impairment expense | 123,000 | - | 123,000 | - |
| - depreciation | 26,233 | 26,369 | 26,233 | 26,369 |
| - increase (decrease) in payables | (1,689) | 40,956 | (45,331) | 40,956 |
| - decrease (increase) in receivables | (303,001) | (1,392,022) | (301,241) | (1,392,022) |
| - accrued Income | - | - | (237,185) | - |
| Net cash provided (consumed) by operating activities | (1,636,727) | (2,405,081) | (1,624,176) | (2,405,081) |

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NOTE 20: INVESTMENT IN CONTROLLED ENTITIES

In April 2008 the Company announced the purchase of the Bolivian gold assets of Vista Gold Corp ('Vista') through the acquisition of 100% of the shares in Vista's wholly-owned subsidiary, Vista Gold (Antigua) Corp, a company incorporated in Antigua and Barbuda ("Antigua").

Antigua has a number of 100% beneficially owned subsidiary companies in Bolivia including:

- Compania Inversora Vista S.A (La Paz – Bolivia)
- Compania Exploradora Vistex S.A. (La Paz – Bolivia); and
- Minera Nueva Vista S.A (La Paz – Bolivia) ("Minera")

Minera is the registered holder of the concessions that comprise the Amayapampa Gold Project. Under the terms of the share purchase agreement Republic Gold Limited paid no upfront consideration for the Bolivian companies but has agreed to pay three equal payments of US\$1 million should the Amayapampa Gold Project proceed to production. Post commencement of mining operations at Amayapampa the first payment to Vista will be due when the mine is deemed to have reached "commercial production" as defined by the contract. The remaining two payments are scheduled for the first and second anniversaries of date that commercial production has been reached.

At the date of acquisition Minera had capitalised exploration expenditure in the sum of US\$2.1 million and net assets of US\$2.2 million. In light of the \$Nil upfront consideration 'cost' paid for the Amayapampa assets and the uncertainty as to the eventual payment of the deferred, contingent US\$3.0 million liability to Vista (see Note 22) the directors have resolved not to adopt the AASB3 *Business Combinations* prescribed treatment of taking any excess in fair values acquired over cost to income in the current year. The difference between the purchase cost incurred to date and the *fair value* of the Bolivian assets has been recorded as a premium on consolidation of \$2,354,387 in the 2008 Group financial statements.

Vista has retained a first right of refusal over the Amayapampa Gold Project such that Vista has a right to repurchase the Project if the Group has not completed financing to put the Project into production within 5 years of the April 2008 purchase date. Should the repurchase occur Vista is obliged to pay the Company 75% of the aggregate costs incurred by the Company post the acquisition date in developing the Project. During fiscal 2009 the Company plans to complete the Bankable Feasibility Study required for the Amayapampa project.

NOTE 21: CAPITAL AND LEASING COMMITMENTS

The Company has no capital and leasing commitments.

NOTE 22: CONTINGENT ASSETS AND LIABILITIES

The Company has no contingent assets or liabilities except:

- (a) a deferred, contingent share purchase consideration liability of US\$3 million to Vista Gold Corp; a company domiciled in the United States of America in respect to the April 2008 purchase of Vista's Bolivian gold asset portfolio. This liability will only become payable over a 2 year period should the Amayapampa, Bolivia gold mine project precede to production within 5 years from the date of purchase. See Note 20.

In accordance with Australian Accounting Standards Board AASB3 *Business Combinations* the Directors have considered the appropriate treatment of this deferred, contingent consideration sum. Republic believes that at the date of acquisition and this report, there is a degree of uncertainty as to whether the Amayapampa Gold Project will progress through the various phases of feasibility, financing, permitting and then on into production. The Board is of the opinion that the AASB3, paragraph 32 *probable* test cannot as yet be satisfied and as such have not recorded either the US\$3.0 million contingent liability to Vista nor the corresponding purchase consideration as an asset in the parent company's 2008 accounts.

- (b) a further commitment of \$875,000 to secure the balance of a 51% interest in the Kangaroo Creek Joint Venture with Staldor Mining as described in Note 13 (a). The expenditure of these further funds is contingent upon the results of a current confirmed \$150,000 drilling programme in the JV permits and if undertaken will result in a corresponding \$875,000 capitalised asset to be amortised over the economic life of the joint venture.

NOTE 23: RELATED PARTY TRANSACTIONS

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

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NOTE 23A: COMPANY DETAILS

The registered office of the Company is:
 Republic Gold Limited
 144 Cobra Road
 MAREEBA QLD 4880

NOTE 24: SEGMENT REPORTING

The Company operates in one business that being base and precious metals exploration. The Company operates within the following geographic segments:

| | Consolidated | | Parent Entity | |
|------------------|--------------|------------|---------------|------------|
| | 2008 | 2007 | 2008 | 2007 |
| Australia | | | | |
| Net Loss | (4,022,386) | (772,383) | (3,964,575) | (772,383) |
| Net Assets | 24,588,936 | 17,889,618 | 24,078,889 | 17,889,619 |
| Bolivia | | | | |
| Net Loss | - | - | - | - |
| Net Assets | 2,294,316 | - | 606,029 | - |

NOTE 25: FINANCIAL INSTRUMENTS

(a) Financial Risk Management

| | |
|---|--|
| <p>The Company's financial instruments consist mainly of deposits with banks, short-term investments and accounts receivable and payable. The Company does not speculate in the trading of derivative instruments.</p> | |
| i. | <p>Treasury Risk Management The Company Directors meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.</p> |
| ii. | <p>Financial Risks The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.</p> <p>Interest rate risk Interest rate risk is managed with a fixed rate debt.</p> <p>Liquidity risk The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.</p> <p>Credit risk The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.</p> <p>The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Company.</p> |

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(b) Financial Instruments

i. 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 changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities is as follows:

Consolidated 2008

| Description | Weighted Average Effective Interest % | Floating Interest Rate | Fixed Interest Rate Maturities | | | Non Interest Bearing | Total |
|--|--|------------------------------|--------------------------------|---------------|------------|----------------------------|------------------|
| | | | < 1 yr | 1 to 5 yrs | > 5 yrs | | |
| 30 June 2008 | | | | | | | |
| Financial Assets: | | | | | | | |
| Cash assets | 7.0% | 7,351,435 | - | - | - | - | 7,351,435 |
| Receivables | 15.0% | - | 2,454,912 | - | - | - | 2,454,912 |
| - Provision doubtful debts | N/A | - | (2,454,912) | - | - | - | (2,454,912) |
| Net financial assets | | 7,351,435 | - | - | - | - | 7,351,435 |
| Financial Liabilities: | | | | | | | |
| Trade payables | | - | - | - | - | 335,789 | 335,789 |
| Borrowings | 10% | - | 440,750 | - | - | - | 440,750 |
| Joint venture commitment | | - | 150,000 | - | - | - | 150,000 |
| Net financial liabilities | | - | 590,750 | - | - | 335,789 | 926,539 |
| Net financial assets/ (liabilities) | | 7,351,435 | (590,750) | - | - | (335,789) | 6,424,896 |

Consolidated 2007

| Description | Weighted Average Effective Interest Rate % | Floating Interest Rate \$ | Fixed Interest Rate Maturities | | | Non Interest Bearing \$ | Total \$ |
|---|---|------------------------------------|-----------------------------------|---------------------|------------------|-------------------------------|------------------|
| | | | < 1yr \$ | 1 to 5 yrs \$ | > 5 yrs \$ | | |
| 30 June 2007 | | | | | | | |
| Financial Assets: | | | | | | | |
| Cash assets | 4.5% | 2,222,650 | --- | --- | --- | 1,519,130 | 3,741,780 |
| Receivables | 15.0% | --- | 2,283,639 | --- | --- | 25,200 | 2,308,839 |
| | | 2,222,650 | - | --- | --- | 1,544,330 | 6,050,619 |
| Financial Liabilities: | | | | | | | |
| Payables | | --- | - | --- | --- | (1,808,372) | (1,808,372) |
| Net financial assets/(liabilities) | | 2,222,650 | 2,283,639 | --- | --- | (264,042) | 4,242,247 |

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Parent Entity 2008

| Description | Weighted Average Effective Interest % | Floating Interest Rate | Fixed Interest Rate Maturities | | | Non Interest Bearing | Total |
|---|---------------------------------------|------------------------|--------------------------------|----------------|----------|----------------------|------------------|
| | | | < 1 yr | 1 to 5 yrs | > 5 yrs | | |
| 30 June 2008 | | | | | | | |
| Financial Assets: | | | | | | | |
| Cash assets | 7.0% | 7,241,516 | - | - | - | - | 7,241,516 |
| Receivables | 13.0% | - | 2,454,912 | 606,029 | - | - | 3,060,941 |
| - Provision doubtful debts | N/A | - | (2,454,912) | - | - | - | (2,454,912) |
| Net financial assets | | 7,241,516 | - | 606,029 | - | - | 7,847,545 |
| Financial Liabilities: | | | | | | | |
| Trade payables | | - | - | - | - | 304,199 | 304,199 |
| Borrowings | 10% | - | 376,358 | - | - | - | 376,358 |
| Joint venture commitment | | - | 150,000 | - | - | - | 150,000 |
| Net financial liabilities | | - | 526,358 | - | - | 304,199 | 830,557 |
| Net financial assets/(liabilities) | | 7,241,516 | (526,358) | 606,029 | - | (304,199) | 7,016,988 |

Parent Entity 2007

| | Weighted Average Effective Interest Rate % | Floating Interest Rate \$ | Fixed Interest Rate Maturities | | | Non Interest Bearing \$ | Total \$ |
|---|--|---------------------------|--------------------------------|---------------|------------|-------------------------|------------------|
| | | | < 1yr \$ | 1 to 5 yrs \$ | > 5 yrs \$ | | |
| 30 June 2007 | | | | | | | |
| Financial Assets: | | | | | | | |
| Cash assets | 4.5% | 2,222,650 | --- | --- | --- | 1,519,130 | 3,741,780 |
| Receivables | 15.0% | --- | 2,283,639 | --- | --- | 25,200 | 2,308,839 |
| | | 2,222,650 | - | --- | --- | 1,544,330 | 6,050,619 |
| Financial Liabilities: | | | | | | | |
| Payables | | --- | - | --- | --- | (1,808,372) | (1,808,372) |
| Net financial assets/(liabilities) | | 2,222,650 | 2,283,639 | --- | --- | (264,042) | 4,242,247 |

(c) 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.

NOTE 26: ECONOMIC DEPENDENCY

The Company has no economic dependency on any other entity.

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NOTE 27: EVENTS SUBSEQUENT TO YEAR END

On 15 September 2008 the Company announced the planned acquisition from Mr Noel Adam of four granted mining leases adjacent to the Company's Tregoora Gold Project in Far North Queensland. The purchase is subject to the Company performing successful due diligence. The Company will pay Mr Adam \$150,000 in cash and \$150,000 in shares when the mining leases are transferred into the Company's name.

Since the end of the June 2008 financial year the Parent entity has issued a further 6.3 million shares as a consequence of holders exercising 2.5 cent options originally issued by group in June 2007. Given the Parent entity's ordinary share price as at the date of this report Directors are confident that the majority of the remaining 62.4 million, 2.5 cent listed call options on issue will be duly exercised before the 30 November 2008 expiry date. Should this occur there will be a further injection of \$1.56 million of working capital into the Group.

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DIRECTORS' DECLARATION

The Directors of Republic Gold Limited declare that:

1. The financial statements and notes, as set out on pages 23 to 49 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 of the consolidated entity as at 30 June 2008 and of the performance for the financial year ended on that date.
2. The Managing Director has declared that:
 - (a) the financial records of the parent and consolidated entity 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
Peter Wicks



Director
John Kelly

Dated this 30th day of September 2008



**REPUBLIC GOLD LIMITED
A.B.N. 86 106 399 311
AND CONTROLLED ENTITIES**

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF REPUBLIC GOLD LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Republic Gold Limited and Republic Gold Limited and Controlled Entities, which comprises the balance sheet as at 30th June, 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

As permitted by the Corporations Regulations 2001, the company has disclosed information about the remuneration of directors and executives (remuneration disclosures), required by Accounting Standard AASB 124: Related Party Disclosures, under the heading 'Remuneration Report' in pages 20 to 21 of the directors' report and not in the financial report.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

The directors also are responsible for preparation and presentation of the remuneration disclosures contained in the directors' report in accordance with the Corporations Regulations 2001.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement and that the remuneration disclosures in the directors' report comply with Accounting Standard AASB 124.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report and the remuneration disclosures in the directors' report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Republic Gold Limited on 30th September, 2008, would be in the same terms if provided to the directors as at the date of this auditor's report.

Basis for Qualified Auditor's Opinion

As discussed in Note 20 to the annual report, the net fair value of the identifiable assets of the subsidiary Vista Gold (Antigua) Corp., a company which was acquired during the year, exceeded the cost to purchase those assets by \$2,354,387. This excess amount has been disclosed on the Balance Sheet as a Premium on Consolidation Reserve. This disclosure in our opinion, is not in accordance with Australian Accounting Standards.

In accordance with AASB 3 the excess amount should be recognised in the Income Statement as Revenue.

Qualified Auditor's Opinion

In our opinion, except for the effect on the financial statements of the matter referred to in the preceding paragraph, the financial report of Republic Gold Limited and Republic Gold Limited and Controlled Entities is in accordance with:

(a) the *Corporations Act 2001*, including:

- i. giving a true and fair view of the company's and consolidated entity's financial position as at 30th June, 2008 and of its performance for the financial year ended on that date; and
- ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1; and

(c) the remuneration disclosures that are contained in pages 20 to 21 of the directors report comply with Accounting Standard AASB 124.

DRAPER DILLON



**NORMAN L. DRAPER
PARTNER**

Level 12,
440 Collins Street,
MELBOURNE, VIC., 3000.

Dated this 30th day of SEPTEMBER, 2008.

REPUBLIC GOLD LIMITED
ABN 86 106 399 311

ASX ADDITIONAL INFORMATION

Additional information required by Australian Stock Exchange Limited and not shown elsewhere in this Annual Report is set out below. The information is made up to 26 September 2007.

Distribution of Shareholders and Optionholders

| Distribution Range | Fully Paid Shares | Options 30/11/2008 |
|--------------------|-------------------|--------------------|
| 1 - 1,000 | 1,040 | 50 |
| 1,001 - 5,000 | 407 | 20 |
| 5,001 - 10,000 | 494 | 41 |
| 10,001 - 100,000 | 2,025 | 220 |
| 100,001 and over | 700 | 102 |

Holders of Non-Marketable Parcels of Shares

There are 1,666 fully paid ordinary shareholders who hold less than a marketable parcel.

Top 20 Shareholders and Optionholders

| Rank | Shareholders | Shares | Percentage |
|--------------|--|--------------------|---------------|
| 1 | Citicorp Nominees Pty Limited | 45,598,290 | 6.39% |
| 2 | Zeus Pty Limited <Republic Gold Unit Trust> | 42,243,470 | 5.92% |
| 3 | Nefco Nominees Pty Ltd | 38,369,000 | 5.37% |
| 4 | Merrill Lynch (Australia) Nominees Pty Limited | 28,629,750 | 4.01% |
| 5 | Bell Potter Nominees Ltd <BB Nominees A/C> | 28,200,000 | 3.95% |
| 6 | ANZ Nominees Limited <Cash Income A/C> | 24,990,767 | 3.50% |
| 7 | HSBC Custody Nominees (Australia) Limited | 19,663,096 | 2.75% |
| 8 | Mr Siew Wah Teh | 13,500,000 | 1.89% |
| 9 | DMG & Partners Securities PTE LTD <Clients A/C> | 12,216,900 | 1.71% |
| 10 | Mr Yew Meng Chay | 12,000,000 | 1.68% |
| 11 | Mr Wee Lock Ho | 10,250,000 | 1.44% |
| 12 | Mr Chew Lai Ooi | 10,000,000 | 1.40% |
| 13 | Phillip Securities PTE LTD | 8,777,332 | 1.23% |
| 14 | DBS Vickers Securities PTE LTD | 6,855,000 | 0.96% |
| 15 | Boom Securities (HK) LTD | 6,587,785 | 0.92% |
| 16 | Palazzo Nominees Pty Ltd <Palazzo Investments A/C> | 6,500,000 | 0.91% |
| 17 | Mr Swee Pook Teh | 6,450,309 | 0.90% |
| 18 | CIMB-GK Securities PTE LTD | 6,398,000 | 0.90% |
| 19 | Ms Hwei Chin Toh | 5,984,646 | 0.84% |
| 20 | Mr Yi Ming Tan | 5,485,722 | 0.77% |
| Total | | 338,700,067 | 47.44% |

| Rank | Option holders - options expire on 30/11/2008 at 2.5 cents | Options | Percentage |
|--------------|---|-------------------|---------------|
| 1 | Zeus Pty Limited <Republic Gold Unit Trust> | 9,079,235 | 14.58% |
| 2 | Mr Ron Weinstock & Mrs Vivienne Weinstock <Ron Weinstock S/F A/C> | 3,568,550 | 5.73% |
| 3 | Grosvenor Pirie Management Ltd (13A Roslyn No 1 S/F A/C) | 2,433,208 | 3.91% |
| 4 | Mr Fang Hua Ding | 2,038,500 | 3.27% |
| 5 | Mr Gary Manauschek | 1,653,444 | 2.65% |
| 6 | Gateway Mining NL | 1,350,000 | 2.17% |
| 7 | Mrs Lorraine Webb | 1,315,000 | 2.11% |
| 8 | Mr Robert Cameron Galbraith & Mrs Jane Amanda Galbraith <Camanda Super Fund A/C> | 1,275,000 | 2.05% |
| 9 | Hooper Bailie Industries Pty Limited | 1,250,000 | 2.01% |
| 10 | Mr Christopher Leslie Barrett | 1,165,000 | 1.87% |
| 11 | Mr Wayne Stephen Hickox | 1,050,000 | 1.69% |
| 12 | Mr George Phillipos & Mr John D'Abbondio & Mr Thomas Kosserskas (East Perth Super Fund A/C) | 1,050,000 | 1.69% |
| 13 | Darrelen Pty Limited <Henfam Super Fund A/C> | 1,000,000 | 1.61% |
| 14 | Mr David Henry Fleming & Mrs Elizabeth M Fleming <Fleming Super Fund A/C> | 1,000,000 | 1.61% |
| 15 | Mr John Habib | 1,000,000 | 1.61% |
| 16 | Mrs Susanne Lambert and Mr Peter John Lambert <S & PJ Lambert S/F a/c> | 800,000 | 1.28% |
| 17 | Lamonde Industries Pty Ltd <Dorizzi Super Fund a/c> | 651,802 | 1.05% |
| 18 | Arkipole Pty Ltd | 595,000 | 0.96% |
| 19 | Mr Gavin Timothy Caplice & Mrs Vanessa Anne Caplice | 550,000 | 0.88% |
| 20 | John Francis Ryan | 505,000 | 0.81% |
| Total | | 33,329,739 | 53.54% |

CORPORATE GOVERNANCE

Introduction

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Republic Gold Limited ("the company") have adhered to the principles of corporate governance and this statement outlines the main corporate governance practices in place throughout the financial year. The ASX Corporate Governance Council released revised Corporate Governance Principles and Recommendations on 2 August 2007. Having regard to the size of the company and the nature of its enterprise, it is considered that the company complies as far as possible with the spirit and intentions of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

1. Board of Directors

The Board of Directors of the company is responsible for the corporate governance of the company. The Board guides and monitors the business and affairs of the company on behalf of the shareholders by whom they are elected and to whom they are accountable.

As the Board acts on behalf of shareholders, it seeks to identify the expectations of shareholders, as well as other ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuing arrangements are in place to adequately manage those risks.

The primary responsibilities of the Board include:

- formulation and approval of the strategic direction, objectives and goals of the company;
- monitoring the operational and financial position and performance of the company, including approval of the company's financial statements;
- requiring that financial and other reporting mechanisms are put in place which result in adequate, accurate and timely information being provided to the Board and the company's shareholders and the financial market as a whole being fully informed of all material developments relating to the Company
- ensuring that adequate internal control systems and procedures exists and that compliance with these systems and procedures is maintained;
- the identification of significant business risks and ensuring that such risks are adequately managed;
- appointment of the Managing Director and all direct executive reports, the review of their performance and remuneration;
- the establishment and maintenance of appropriate ethical standards; and
- reviewing and, to the extent necessary, amending the Board and Committee Charters regularly.

Due to its size and structure, the Board of Directors is able to meet regularly throughout the year for management and formal Board meetings, as well as being in frequent communication by way of telephone to ensure compliance with ASX Listing Rule disclosure requirements.

The responsibility for the operation and administration of the company is carried out by the Managing Director, who operates in an executive capacity, supported by a technical director and senior professional staff. The Board ensures that this team is suitably qualified and experienced to discharge their responsibilities, and assesses on an ongoing basis the performance of the management team, to ensure that management's objectives and activities are aligned with the expectations and risks identified by the Board.

The current directors of the company are as follows:

Independent

| | |
|----------------|--------------------------|
| Mr Peter Wicks | - Chairman – Independent |
| Mr Greg Barns | - Non-Executive Director |
| Dato BK Choo | - Non-Executive Director |

Not independent

| | |
|---------------|---------------------------------|
| Mr John Kelly | - Managing Director |
| Mr Neb Zurkic | - Technical, Executive Director |

For information in respect to each director refer to the directors' report.

2. Independent Directors

Under ASX guidelines there are three members of the current Board that are considered to be independent, namely the Chairman, Mr Peter Wicks and Non-Executive Directors Messrs Greg Barns and BK Choo. Under the ASX guidelines, the other 2 directors are not considered to be independent. The Board considers this is a cost effective structure for managing the company.

3. Board Composition

When the need for a new director is identified, selection is based on the skills and experience of prospective directors, having regard to the present and future needs of the company. Any director so appointed must then stand for election at the next meeting of shareholders of the company.

4. Term of Appointment as a Director

The constitution of the company provides that a director other than the Managing Director may not retain office for more than three calendar years or beyond the third annual general meeting following his or her election, whichever is longer, without submitting for re-election. One third of the directors must retire each year and are eligible for re-election. The directors who retire by rotation at each Annual General Meeting are those with the longest length of time in office since their appointment or last election.

5. Audit, Risk Management and Internal Controls

In view of the size of the Company and the nature of its activities, the Board considers that establishing formally constituted audit or risk management committees would contribute little to the effective management of the Company. Accordingly audit and risk management matters are reviewed by the Board as a whole and approved by resolution of the Board (with abstentions from relevant Directors where there is a conflict of interest).

The Company uses the services of an independent audit firm that has only a small number of partners. The Board, to a certain extent, relies on the auditors to ensure compliance with relevant accounting standards and gives full and complete co-operation to its auditors without absolving itself of its responsibility. Where appropriate the Board is able to engage independent experts or professional advisors to assist with the identification and/or management of any key risk areas identified.

Each year the Chairman and the Managing Director provides a statement to the Board in writing in respect to the integrity of the financial statements, that they are founded on a sound system of risk management and internal compliance and control and that the company's risk management and internal compliance and control systems are operating efficiently and effectively in all material respects.

6. Board Committees

Nominations Committee and Remuneration Committee

The board believes that establishing separate Nomination and Remuneration Committees would contribute little to the company's effective management. Accordingly the nomination of new directors and the setting, or review, of remuneration levels of directors and senior executives are reviewed by the Board as a whole and approved by resolution of the Board (with abstentions from relevant directors where there is a conflict of interest). Where the Board considers that particular expertise or information is required, which is not available from within their number, appropriate external advice may be taken and reviewed prior to a final decision being made by the Board.

7. Remuneration and Performance

The Board as a whole deals with the remuneration of directors and key executives of the company and a separate remuneration committee was deemed not to be required at this stage. The board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The board 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. 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 directors' option plan.

8. Conflict of Interest

The directors must keep the company informed, on an ongoing basis, of any interest that could potentially conflict with those of the company. Where the Board believes a significant conflict exists, the director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is considered.

9. Independent Professional Advice

Each director has the right of access to all relevant company information and to the company's executives. Directors have the right, in connection with their duties and responsibilities as directors, to seek independent professional advice at the company's expense. Prior approval of the Chairman is required, which will not be unreasonably withheld.

10. Code of Conduct

In view of the size of the Company and the nature of its activities, the Board considers that an informal Code of Conduct is appropriate to guide directors, management and employees in carrying out their duties and responsibilities.

11. Communication to Market & Shareholders

The Board of Directors aims to ensure that the shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of the directors and the company. Information is communicated to shareholders and the market through:

- the Annual Report which is made available to all shareholders;
- other periodic reports which are lodged with ASX and available for shareholder scrutiny;
- other announcements made in accordance with ASX Listing Rules;
- special purpose information memoranda issued to shareholders as appropriate;
- the Annual General Meeting and other meetings called to obtain approval for Board action as appropriate; and
- the Company's website.

12. Share Trading

In accordance with the Corporations Act 2001 and the ASX Listing Rules, share trading by directors, management or employees is not permitted at any time whilst in the possession of price sensitive information. Prior to any director trading in the company's securities, that director must inform the other directors of his decision to trade.

13. External Auditors

The external auditor is Draper Dillon.

The external auditor attends the Annual General Meeting and part of the agenda is the tabling of the financial statements and inviting shareholders to ask the directors or the auditor any questions with regard to the financial statements and the audit report.

The Corporate Governance Policies of the company will be continually reviewed in accordance with the standards required of the company by the Directors, the ASX, ASIC and other stakeholders to ensure that appropriate governance standards are maintained.