

## REPUBLIC GOLD LIMITED QUARTERLY REPORT SEPTEMBER 2008



The Directors Inspect the Site of FN042 and FN060 at a Recent Board Meeting

### HIGHLIGHTS

#### Queensland - Hodgkinson Basin Projects

- ◆ Stages 1 and 2 drilling programmes were carried out at Northcote (2,388 metres) and Tregoora (3,565 metres).
- ◆ The drilling successfully targeted zones that will allow for resource upgrades to be done in the December Quarter.
- ◆ Best drilling results in the September Quarter at Tregoora were **24m at 8.30 g/t Au**, including 11m at 12.37 g/t Au, **24m at 4.78 g/t Au**, including 8m at 10.28 g/t Au, 10m at 2.47 g/t Au, 6m at 2.40 g/t Au, 16m at 1.27 g/t Au and 18m at 1.44 g/t Au and at Northcote were 6m at 2.12 g/t Au, 8m at 2.08 g/t Au and 6m at 2.49 g/t Au.
- ◆ The Company entered into a JV on the Kangaroo Creek tin deposit and drilled 861 metres of aircore drilling.
- ◆ The Company has contracted to purchase four granted mining leases with historic gold and antimony workings at Tregoora in a strategic location along the Retina Shear Zone. Historic drilling results include **1.49 metres at 4.34 g/t Au & 5.39 % Sb and 3.35 metres at 13.97 g/t Au & 6.97 % Sb**.
- ◆ Drilling of 1,962 metres at Whumbal West.

#### Amayapampa Gold Project - Bolivia

- ◆ An 1,800 metre drilling programme has been commenced at Amayapampa, with 120 metres being drilled.

- ◆ A surface channel sampling programme has also been commenced to better define the orebody at surface.

- ◆ Three Directors visited Bolivia in early October and held a series of very successful meetings with a number of politicians and other authorities before visiting Amayapampa.

#### NSW - Burruga Polymetallic Project

- ◆ An eminent consultant visited Burruga to view and report on the Project.

#### Corporate

- ◆ The Company's Non-Executive Director, BK Choo, recently met with the major Chinese company with which the Company has been in discussions throughout the year.
- ◆ Cash at the end of the Quarter was **\$5.20M**. 6.4M options were exercised during the Quarter raising \$0.16M.
- ◆ 59.3M options remained to be exercised by the **exercise date of 30 November 2008** as at the date of this report.
- ◆ **Zeus Gold Pty Limited**, the company associated with two directors, **exercised 1.8M options** in October.
- ◆ The Company held a General Meeting on 27<sup>th</sup> October, where all resolutions were unanimously passed.

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## HODGKINSON BASIN (QUEENSLAND) PROJECTS

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### Hodgkinson Basin Programme

Work in the September Quarter in the Hodgkinson Basin was dominated by the planning and execution of the Stage 1 and 2 2008 field season drilling programmes at Tregoora, Northcote and Whumbal West.

The principal aims of the work to be carried out in 2008 are to further increase the existing gold and antimony resources, develop an initial tungsten resource at Whumbal West and continue reconnaissance field work on the Company's extensive tenement area. The following programme is planned for 2008: -

- ◆ Resource drilling on new targets at Tregoora that were successfully drilled during the 2007 field season and further resource drilling at Northcote with the aim of increasing the Company's total resource base to 750,000 ounces of gold. With the current high gold prices in Australian dollar terms the Company has revised this figure to 600,000 to 650,000 ounces.
- ◆ Develop a tungsten resource at the Whumbal West Prospect.
- ◆ Strategic drillholes to examine depth potential of existing resources.
- ◆ Regional reconnaissance testing of the widespread gold occurrences within the Company's large holdings for significant sulphide hosted gold occurrences.
- ◆ Assessment of the Company's areas for tungsten, tin, antimony and copper potential.
- ◆ Complete the FNQ Gold Projects' Feasibility Study.
- ◆ Drilling to provide further samples for metallurgical testwork.

The Company's equity share of the FNQ projects totals 441,000 ounces of gold and 8,000 tonnes of antimony. These resources are detailed in the 2007 Annual Report and below.

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

### Tregoora Gold Project (EPM 13937 Republic 100%)

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

During the Quarter, the Company received analysis results for the Stage 1 drilling programme that was carried out in the June Quarter. It also completed drilling of the Stage 2 drilling programme and reported analysis results in October. A total of 31 holes were drilled at Tregoora for 2,029 metres in Stage 1 and a total of 24 holes were drilled at Tregoora for 1,436 metres in Stage 2.

### 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. The Terrace Creek Prospect was drilled in both Stages 1 and 2 of the 2008 drilling programme. Following both stages of drilling, drill coverage at Terrace Creek now covers a strike length of 400 metres.

In Stage 1 one high grade intersection in drillhole FN042 of 24m at 8.30 g/t Au from 2m, including 11m @ 12.37 g/t Au was encountered. As this was then the northernmost hole on this prospect and there were no other drillholes to aid in the interpretation this drillhole was initially interpreted to be down dip. In the Stage 2 drilling programme a cross hole was drilled on the same drilling section as FN042. This drillhole, FN060, produced an intersection of 24m at 4.78 g/t Au from 2m, including 8m @ 10.28 g/t Au.

These two drillholes indicate a steeply dipping shoot that is most likely plunging to the north. The intersection in FN060 is very exciting for the Company. Based on the geological interpretation that this high grade shoot has the same strike direction as the Retina Fault, it appears that the mineralised zone has a true width of approximately 20 metres. With this sort of width and grades further successful drilling of this shoot will rapidly add ounces to the Tregoorra resource base. Further drilling is currently planned to take place before the wet season on this high grade zone subject to budgetary constraints.

The Company's technical staff knows 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. The calibre of the recent high grades and high grade widths at Tregoorra are similar to parts of the Fosterville Phoenix Zone.

Figure 2 shows the drillhole locations at Terrace Creek.

### **Honey -Midway Prospect**

The Honey-Midway Prospect is one of a number of mineralised zones that lie to the east of the Retina Fault. Only four holes were drilled at Midway, 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.

### **Pillidge Prospect**

Drilling was also carried out at Pillidge 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 in the Stage 2 programme has confirmed and defined the southerly plunge associated with this structure.

Drilling at the Pillidge Prospect, which is one kilometre to the east of the Retina Fault, produced good drill hits in 10 of the 12 holes drilled in two pods along the trend.

Drilling at the Pillidge Prospect returned a number of excellent intersections. This prospect has now been drilled over 150 metres and the interpreted mineralised pods are open in all directions. Drill spacing at Pillidge is now sufficient to calculate a maiden resource for this area.

### **Sleeping Giant Prospect**

The Sleeping giant Prospect contains the largest resource currently estimated in the Tregoorra region. Six holes were drilled at this prospect 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 at 1.44 g/t Au and 6m @ 3.22 g/t Au.

## Stages 1 and 2 Tregoorra Drilling Details and Significant Intersections

Prospect	Hole ID	Easting Metres	Northing Metres	Depth Metres	Dip Degrees	Azimuth Degrees	Significant Intersections	
Terrace Creek	FN039	236,351	8,168,362	80	-55°	53°	4m @ 1.33 g/t Au from 14m	
	FN042	236,320	8,168,521	80	-55°	243°	24m @ 8.30 g/t Au from 2m including 10m @ 12.37 g/t from 10m 4m @ 1.13 g/t Au from 32m 6m @ 1.20 g/t Au from 46m	
	FN052	237,241	8,165,349	70	-55°	83°	6m @ 1.36 g/t Au from 24m	
	FN055	237,403	8,164,979	50	-55°	53°	8m @ 2.20 g/t Au from 22m	
	FN056	237,253	8,165,304	70	-55°	83°	2m @ 2.45 g/t Au from 8m	
	FN058	237,420	8,164,911	60	-55°	53°	16m @ 1.27 g/t Au from 22m including 6m @ 2.12 g/t from 22m	
	FN060	236,301	8,168,520	70	-60°	90°	24m @ 4.78 g/t Au from 2m (incl. 8m @ 10.28 g/t Au from 6m)	
	FN062	236,299	8,168,543	76	-55°	71°	12m @ 1.24 g/t Au from 4m	
	Midway-Honey	MWH005	241,641	8,161,494	30	-55°	263°	8m @ 1.27 g/t Au from 10m
		MWH007	241,618	8,161,635	24	-55°	83°	4m @ 1.36 g/t Au from 4m
MWH008		241,613	8,161,663	24	-55°	83°	6m @ 2.40 g/t Au from 8m	
MWH009		241,637	8,161,474	40	-55°	270°	4m @ 1.02 g/t Au from 10m	
MWH010		241,651	8,161,496	40	-55°	270°	6m @ 2.02 g/t Au from 30m	
MWH011		241,617	8,161,517	82	-55°	90°	6m @ 1.40 g/t Au from 18m	
Sleeping Giant	TGA078	238,389	8,162,594	100	-55°	53°	18m @ 1.44 g/t Au from 34m including 4m @ 2.70 g/t Au from 46m 4m @ 1.46 g/t Au from 58m	
	TGA079	238,369	8,162,637	70	-55°	53°	4m @ 1.22 g/t Au from 26m 6m @ 3.22 g/t Au from 42m	
	TGA080	238,747	8,162,124	60	-55°	233°	8m @ 1.17 g/t Au from 32m	
	TGA081	238,652	8,162,124	100	-55°	53°	10m @ 0.82 g/t Au from 70m	
	TGA083	238,802	8,161,901	70	-55°	53°	4m @ 3.21 g/t Au from 58m	
	Pillidge	PWR014	239,288	8,163,953	60	-55°	75°	8m @ 1.96 g/t Au from 36m
PWR015		239,291	8,163,968	46	-55°	75°	6m @ 2.54 g/t Au from 24m	
PWR016		239,282	8,163,968	64	-55°	75°	4m @ 2.37 g/t Au from 32m	
PWR017		239,279	8,163,984	70	-60°	75°	2m @ 2.68 g/t Au from 36m 4m @ 1.48 g/t Au from 56m	
PWR018		239,295	8,164,002	46	-55°	75°	4m @ 1.67 g/t Au from 0m	
PWR019		239,287	8,164,002	52	-60°	75°	4m @ 4.03 g/t Au from 20m 2m @ 1.27 g/t Au from 38m	
PWR020		239,230	8,164,446	22	-55°	75°	10m @ 2.47 g/t Au from 6m	
PWR021		239,226	8,164,443	60	-65°	75°	2m @ 2.89 g/t Au from 24m	
PWR022		239,238	8,164,403	30	-60°	75°	4m @ 1.45 g/t Au from 24m	
PWR023		239,230	8,164,401	66	-65°	75°	10m @ 1.47 g/t Au from 0m 12m @ 1.26 g/t Au from 34m 8m @ 0.91 g/t Au from 52m	
PWR024	239,224	8,164,415	60	-60°	72°	8m @ 0.95 g/t Au from 30m		

Intersections are generally at angles of greater than 70° to mineralised structures.

## **Purchase of Adam Mining Leases at Tregoora**

During the Quarter the Company entered into a contract with successful local prospector, Mr Noel Adam, for the purchase of four granted mining leases at the Company's Tregoora Gold Project in Far North Queensland, subject to the successful completion of due diligence. The mining leases are strategically located between the Company's 121,000 ounce Sleeping Giant Prospect and the Terrace Creek Prospect where the Company recently announced drilling intersections of 24 metres at 8.30 g/t Au and 24m at 4.78 g/t Au.

The Company has the results of two drillholes underneath the northernmost of the mining leases, MR6 and MR1, being 1.49 metres at 4.34 g/t Au and 5.39 % Sb from 62.6 metres downhole and 3.35 metres at 13.97 g/t Au and 6.97 % Sb from 108.5 metres downhole. These two drillholes have been selectively sampled and there are no assays up or down dip from these intersections. The main open pit which is on the northernmost of the four mining leases was mined for antimony. A high grade antimony vein was mined in an open pit down two levels, with the third historic underground level untouched by the open pit mining.

The current antimony metal price is very high at approximately US\$6,650 per tonne which equates to AUD\$98 for 1% Sb at the current exchange rate of AUD1.00 = US\$0.68 cents. The gold equivalent of a grade of 1% Sb is approximately 2.8 g/t Au at the current gold price of AUD\$1,085 per ounce, indicating the importance of the antimony grades.

The Company has designed a drilling programme of approximately 1,300 metres of mainly short drillholes to test the length of the Retina Shear zone covered by the mining leases. One deeper drillhole will test MR1.

The Company sees the drilling programme on these mining leases as complimenting the recently completed drilling programme at Terrace Creek, Sleeping Giant and Pillidge for which analysis results are still outstanding. All of this drilling will be directed to a resource increase at Tregoora. The entire Tregoora area is very prospective, with even minor faults, as is seen at the Pillidge Prospect just to the east of the Retina Shear Zone, capable of producing historic drilling results such as 11 metres at 3.92 g/t Au and results in 2008 of 10 metres at 2.47 g/t Au and 10 metres at 1.89 g/t Au.

The four mining leases cover approximately 39 hectares and are wholly contained within the mining lease application at Tregoora already submitted to the Queensland Mines Department by the Company. Three of the mining leases cover 800 metres of the Retina Shear Zone. The Retina Shear Zone is the primary geological structure associated with gold and antimony mineralisation at Tregoora and strikes for approximately 50 kilometres, much of which is in the Company's exploration leases. Figure 3 shows the location of the Adam leases.

The purchase is subject to the Company performing successful due diligence. The Company will pay Adam \$150,000 in cash and \$150,000 in shares when the mining leases are transferred into the Company's name. At the Company's recent General Meeting held on 27<sup>th</sup> October shareholders approved the issuance of the shares to Adam.

The treatment plant is in poor condition, but can be readily refurbished for use by the Company should the Company decide to purchase the plant.

The Company is in the process of preparing applications for further mining or mineral development leases at Tregoora in order to protect its tenure in this highly prospective region.

## **Northcote Gold Project (EPM 9869 Republic 75%)**

During the Quarter, the Company carried out the Stage 1 and 2 drilling programmes for the 2008 field season. A total of 26 holes was drilled at Northcote for 1,417 metres in Stage 1 and in Stage 2 there were 13 holes drilled for 971 metres, of which 246 metres were diamond cored.

Following this drilling a resource upgrade will be undertaken for the Northcote Project.

### Tunnel Hill Prospect

The Tunnel Hill Prospect lies to the north west of the Leadingham Prospect. It has been drilled by the Company previously. The drilling successfully extended Tunnel Hill by 350 metres drilled, demonstrating continuity of the mineralisation over a strike length of 700 metres. This zone is mappable as a laminated quartz reef containing breccia and mineralisation. Best intersections from the Stage 1 programme were 16m @ 0.97 g/t Au and 4m @ 2.98 g/t Au. The best intersection from the Stage 2 programme was 10m at 3.26 g/t Au.

The mineralisation occurs marginal to a structurally stable sandstone unit and is associated with a series of stockworked quartz and massive quartz carbonate veins. Drilling here focussed on near surface testing, with Stage 2 infilling Stage 1 drilling to bring it to resource status.

Figure 4 shows the location of the drilling at the Tunnel Hill Prospect.

### Leadingham Prospect

The drilling at Leadingham completed three pre-collars and tested the continuation of the Emily structure intersected in ELM035 previously with 2 metres @ 2.16 g/t Au. This drilling returned one strong indication in ELM057 of 10 metres at 1.72 g/t Au in Stage 1 and 6 metres at 2.49 g/t Au in Stage 2.

## Northcote Drilling Details and Significant Intersections

Prospect	Hole ID	Easting Metres	Northing Metres	Depth Metres	Dip Degrees	Azimuth Degrees	Significant Intersections
East Leadingham	ELM057	307,749	8,120,091	56	-55°	38°	8m @ 1.08 g/t Au from 2m 8m @ 2.08 g/t Au from 42m
	ELM058	307,712	8,120,096	75	-55°	38°	2m @ 2.52 g/t Au from 34m 6m @ 2.49 g/t Au from 62m
	ELM059	307,797	8,120,059	75	-55°	38°	4m @ 1.04 g/t Au from 44m
	ELM044	307,631	8,120,207	100	-60°	38°	3m @ 3.37 g/t Au from 57m
	ELM049	307,888	8,119,616	131	-55°	38°	2m @ 1.26 g/t Au from 89m
Tunnel Hill	ELM059	307,797	8,120,059	75	-55°	38°	4m @ 1.04 g/t Au from 44m
	ELM044	307,631	8,120,207	100	-60°	38°	3m @ 3.37 g/t Au from 57m
	ELM049	307,888	8,119,616	131	-55°	38°	2m @ 1.26 g/t Au from 89m
	THL020	306,056	8,121,335	50	-55°	38°	4m @ 2.98 g/t Au from 22m 2m @ 1.43g/t Au from 40m
	THL021	306,079	8,121,325	50	-55°	38°	2m @ 2.49 g/t Au from 16m
	THL023	306,095	8,121,302	50	-55°	38°	6m @ 1.66 g/t Au from 22m
	THL024	306,083	8,121,286	60	-55°	38°	2m @ 1.49 g/t Au from 44m 6m @ 1.48 g/t Au from 52m and 6m @ 0.54% Sb from 52m
	THL025	306,050	8,121,334	69	-80°	38°	4m @ 1.12 g/t Au from 56m
	THL026	306,037	8,121,350	69	-70°	38°	10m @ 3.26 g/t Au from 28m 2m @ 1.51 g/t Au from 54m
	THL027	305,988	8,121,373	57	-55°	38°	6m @ 1.62 g/t Au from 36m
	THL030	305,958	8,121,400	63	-75°	38°	10m @ 1.53 g/t Au from 42m

Intersections are generally at angles of greater than 70° to mineralised structures.

## **Whumbal West Tungsten Project (EPM 14737 Republic 100%)**

During the Quarter the second stage of drilling at Whumbal West was carried out. This saw a total of 1,962 metres of drilling in 27 drillholes. This follows up the 2007 programme of approximately 1,500 metres that was drilled along the central 1,500 metres of this prospect that has a geochemical anomaly striking over 3,500 metres. The results of this drilling are in the process of being compiled.

Figure 5 shows a composite plan showing Whumbal West drillhole locations overlaid on the geochemical anomaly with the first derivative of the aeromagnetic and gravity signature.

## **Kangaroo Creek Tin Joint Venture**

During the Quarter 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 Quarter the Company and Staldor signed a formal Joint Venture Agreement. The Company plans to commence an initial phase of work immediately, consolidating all of the historical geological data for one of the most prospective areas, the Kangaroo Creek Project, and then move 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. Appraisal of the other project areas will be commenced after the initial work at Kangaroo Creek is completed.

Planning work was done in preparation for an aircore drilling programme that was carried out in October. This programme is part of the Company’s initial commitment to the joint Venture of \$150,000.

The initial programme of drilling and testing of the Kangaroo Creek tin deposits carried out in October was designed to confirm depths, distribution and grades of tin and associated heavy minerals in the area adjacent to previously worked deposits.

A total of 116 aircore holes for 861 metres was successfully drilled, defining the extent and depths of shallow tin bearing sands and the underlying basement rocks. The area of drilling included areas of previous testing associated with earlier mining, allowing calibration of this more extensive, earlier testwork.

The programme was successful, with holes providing suitable samples to the base of the prospective sands, with widespread visible tin and other heavy minerals.

Samples from the recent programme are in the process of analysis and testing for grade and aspects relating to treatment and recovery of heavy minerals. These results are expected in the next 3 weeks, allowing full assessment of the deposits and the potential for development.

## **Tregoorra and Northcote Projects Feasibility Study Programme**

In previous market releases the Company has announced that it would seek to drill up its Far North Queensland gold projects to the point that a total resource of 750,000 ounces of gold existed. Following the recent very successful results from the Tregoorra drilling, the Company will embark upon a further round of drilling at Tregoorra so that resources can be generated at new prospects identified by this drilling. With the gold price at such high levels, and the prospect of the price staying at these levels being good, the 750,000 ounces target has been lowered to 600,000 to 650,000 ounces.

In the June Quarter the Company revitalised its assessment of current gold resources for a Bankable Feasibility Study (“BFS”) on the FNQ Gold Projects. The rise in the Australian dollar denominated gold price to over \$1,000 per ounce remains 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 Hodgkinson Basin Exploration Programme**

Regional exploration during the September Quarter focused on the rugged Cannibal Creek Granite tungsten, gold and tin areas on EPM13941, EPM13675, EPM11541 and EPM11643. The Company’s exploration geologists have conducted research and reconnaissance field work over areas considered prospective during the Quarter and a series of samples have been collected for gold analysis. On EPM11643 samples were collected in and around a massive 60 metre long laminated quartz stockwork zone and what near appears to be a costean (possibly an over flow cut to feed a dam water). The stockwork zone appears to be associated within a series of NW-SE (325°) striking faults with the surrounding area showing evidence of being heavily explored by metal detector prospecting. Results from these samples will determine the follow-up programmes to be undertaken.

Targets generated in the Fiery Creek area of EPM13941 will be subject to a geochemical gold and pathfinder elements exploration programme during the December Quarter to generate drilling targets from the current spot regional sample gold highs. This regional work will continue in the December Quarter as long as the wet season allows.

Also during the Quarter the Company successfully completed a joint research Project between the CSIRO and the Queensland Department of Mines and Energy Geological Survey utilising the CSIRO’s expertise in modelling mineralising systems. The Project has been successfully completed for the Hodgkinson Basin resulting in a computer modelling technique for predicting the location of mineral deposits. To-date the Company has been using conventional geological techniques in its efforts. The new modelling technique will greatly enhance the Company’s array of geological tools. The Company has large exploration holdings in the Hodgkinson Basin and will utilise the promising results of the Project to prioritise areas for evaluation and increase its efficiency of exploration to locate and define mineral deposits.

The Project utilised existing information on geology and mineralisation to produce computer models which simulate the formation of known mineral deposits. This Project then provides tools for predicting where other deposits may occur, greatly assisting the regional exploration of large regions, such as the Hodgkinson Basin where the Company is the dominant tenement holder.

The modelling incorporates structural and stress regimes and then models the mineralising fluid’s preferred pathways and traps on a regional basis. This is also useful at the deposit scale, to assist in evaluating the localised potential for economic resources. The Company is pleased with the success of this study and is setting up to evaluate the many targets indicated from this work in this field season. The Company also expects that this approach may well be applicable in other areas of its exploration portfolio.

### **Future Work Programme at Tregoora**

The Company has an opportunity to carry our further drilling at the Terrace Creek prospect and on the Adam mining leases once this transaction is complete. The board is very mindful of the current difficult market conditions and depending upon the required commitment for the Kangaroo Creek Joint Venture may defer this work until 2009, or until market conditions improve.

## **Future Work Programme at Northcote**

Drilling is now complete at Northcote for the 2008 field season. The next step for Northcote is getting all the drilling results and geology in the database in order that a resource upgrade can be done. This is expected to be completed in the December Quarter.

## **Future Work Programme at Whumbal West**

With the exception of clean up work following the recent drilling programme, no field work will be done at Whumbal West.

## **Future Work Programme at Kangaroo Creek**

Work will be completed on the assessment of the drilling at Kangaroo Creek, with these results amalgamated with exploration results from the 1980s. Based upon a successful outcome of this work, the joint Venture is expected to put a work programme in place to move towards production

## **Expenditure**

Expenditure for the September Quarter on the Hodgkinson Basin tenements amounted to \$973,000. Expenditure in the December Quarter will be approximately \$575,000.

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## **BURRAGA POLYMETALIC & LUCKY DRAW GOLD (NSW) PROJECTS**

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### **Work During the Quarter**

Work during the Quarter involved updating the drilling and geological database for Burraga and arranging for a consultant's visit to the project to access the potential of the project and comment on work done to-date.

The Company also commenced an identical computerised geological modelling project with the CSIRO to that successfully concluded during the quarter in the Hodgkinson Basin.

With the current severe uncertainties in the financial markets, the Directors have decided to postpone the drilling programme at Burraga until future funding of the Company can be more certain.

Figure 6 shows drillhole locations at the Lloyd's Mine at Burraga.

### **Expenditure & Future Programme**

Expenditure for the September Quarter on Burraga amounted to \$23,000. Expenditure in the December Quarter will be \$70,000.

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## **AMAYAPAMPA GOLD PROJECT – BOLIVIA**

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### **Work During the Quarter**

During the Quarter the Company satisfactorily progressed the Amayapampa Gold Project in Bolivia ("Project").

The training programme for the mine continues with approximately 265 local people involved from the village of Amayapampa and the surrounding other villages. The training programme is an important part of the company's social work in the communities.

In early October three directors visited Bolivia; the Chairman Mr Peter Wicks, the Managing Director, Mr John Kelly and Non-Executive Director Dato BK Choo. A number of very important meetings were held, particularly with the Vice Minister of Mining and Metallurgy, Sn Eugenio Mendoza. The Vice Minister is totally committed to the Company's success in Bolivia, in particular at Amayapampa. The Vice Minister has been very proactive in his assistance to the Company over the past few months.

The Company commenced an 1,800 metre drilling programme at Amayapampa during the Quarter.

Figure 7 shows the location of Amayapampa.

Amayapampa has a current estimated 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 other necessary other work to complete a Bankable Feasibility Study on the Project such as metallurgical testwork, plant design and environmental studies have been completed on the Project.

## **Amayapampa Drilling Programme**

During the Quarter the Company commenced an 1,800 metre diamond drilling programme and surface sampling programme at the Amayapampa Gold Project in Bolivia. By the end of the quarter the first drillhole was partially completed with 120 metres having been drilled. Some drillholes have been terminated prematurely because the drill has encountered old workings that could not be penetrated. Hence, a portion of the programme has been redesigned. Sampling turnaround times are much faster in Bolivia than in Australia, with the first batch of samples already being analysed.

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. 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 Company considers that at current gold prices, any upgrade of the inferred material below the base of the pit to the measured or indicated categories enhances the potential for a much larger open pit. This could then feed into a longer life and much larger project. As part of the Amayapampa Bankable Feasibility Study, the Company is working with Denver-based engineering firm Lyntek to investigate the potential of doubling the treatment throughput from 2,400 tonnes per day to 4,800 tonnes per day. If this is possible then the project economics will be greatly enhanced. Following the drilling programme the Company will upgrade the resource model for Amayapampa.

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. Figure 8 shows the drill rig.

## **Amayapampa Tailings Dam & Water Studies**

The Company is using Worley Parsons Komex (“WPK”) of Canada to assist it in the location and design of a new tailings dam at Amayapampa to replace the dam originally chosen by Vista Gold Corp. The Company believes that the new site will have significant cost and social benefits.

A number of geotechnical test pits were dug, logged and tested throughout the site of the new dam area. This work indicated that the new site is suitable for use as a tailings dam.

WPK has produced a preliminary tailings dam wall design.

WPK is also working on water supply issues for the mine, with investigations into potential groundwater sources for the mine’s water supply.

## **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 so 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.

## **Expenditure & Future Programme**

Expenditure for the September Quarter on Amayapampa and other Bolivian interests amounted to \$502,000. This was all related to due diligence and legal expenses. Expenditure in the December Quarter will be approximately US\$1,230,000 as the Company continues the training programme at the mine, completes the 1,800 metres drilling programme and progresses the Bankable Feasibility Study.

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## **CALLABONNA URANIUM (SA) PROJECT**

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### **Progress During the Quarter**

Due to the recent adverse market conditions the IPO of Callabonna Uranium Limited (“Callabonna”) has been postponed to a date to be fixed.

The Company received its full entitlement of 4,313,925 vendor shares in Callabonna, which are escrowed for a period of two years after the successful listing of Callabonna on the ASX.

# RESOURCE STATEMENT & JORC CODE COMPLIANCE STATEMENTS

## Gold Resources - Equity Share

	MEASURED		INDICATED		INFERRED		TOTAL		
	TONNES	GRADE	TONNES	GRADE	TONNES	GRADE	TONNES	GRADE	GOLD
	('000)	Au g/t	('000)	Au g/t	('000)	Au g/t	('000)	Au g/t	Ounces
TOTAL NORTHCOTE <sup>1</sup>	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 <sup>1</sup>	---	---	890	1.9	46	1.7	936	1.9	57,000
REEDY-HURRICANE	---	---	---	---	797	1.3	797	1.3	33,000
<b>TOTAL HODGKINSON BASIN</b>	<b>1,295</b>	<b>2.3</b>	<b>3,550</b>	<b>1.8</b>	<b>2,721</b>	<b>1.5</b>	<b>7,566</b>	<b>1.8</b>	<b>441,000</b>
TOTAL LUCKY DRAW NSW <sup>2</sup>	---	---	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
<b>TOTAL MINERAL RESOURCES</b>	<b>6,445</b>	<b>1.7</b>	<b>12,756</b>	<b>1.5</b>	<b>5,171</b>	<b>1.0</b>	<b>24,372</b>	<b>1.6</b>	<b>1,218,000</b>

## Antimony Resources - Equity Share

	MEASURED		INDICATED		INFERRED		TOTAL		
	TONNES	GRADE	TONNES	GRADE	TONNES	GRADE	TONNES	GRADE	TONNES Sb
<b>NORTHCOTE ANTIMONY</b>	<b>1,295</b>	<b>0.3</b>	<b>1,056</b>	<b>0.2</b>	<b>635</b>	<b>0.3</b>	<b>2,985</b>	<b>0.3</b>	<b>8,000*</b>

\* 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:

<sup>1</sup> 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.

<sup>2</sup> 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
<b>HODGKINSON BASIN</b>						
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
<b>LUCKY DRAW</b>						
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
<b>BOLIVIA</b>						
Amayapampa	Block Model Ordinary Kriging	--	0.4	0.4	2.78	2.78

<sup>1</sup> 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 employee of 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.

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## Corporate

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### Chinese Co-Operation Negotiations

For the past 12 months the Company has been in co-operation discussions with a major Chinese company that is interested in the Company's assets and in a potential investment in the Company. In Late-October the company's Non-Executive Director, BK Choo, visited China to hold further discussions with the Chinese company.

### Luzon Minerals Limited Litigation

There was no progress in the litigation against Luzon Minerals Limited in the Quarter except for the Company receiving a derisory offer of settlement from Luzon Minerals.

### Directors' Share & Option Transactions

There were no share transactions by directors during the Quarter.

The entity associated with two of the Company's directors, Zeus Gold Pty Limited, exercised 1,793,643 2.5 cent options during October 2008.

### Exercise of Options

During the Quarter, 6,360,135 options @ 2.5 cents were exercised. These exercises raised the Company \$159,000.

A Notice of Exercise of Options is available on the home page of the Company's website at [www.republicgold.com.au](http://www.republicgold.com.au) Any optionholders wishing to exercise their options to shares should complete and sign the Notice and return it, together with payment, to the Company's registered office by **30 November 2008**. As at 30 June 2008, a total of 68,740,388 2.5 cent options remain to be exercised that would raise the Company a further \$1,719,000 if exercised.

### Cash Assets

Cash on hand at the end of the September Quarter was approximately \$5,200,000.

## Top 20 Shareholders and Optionholders

The following tables show the Company's Top 20 Shareholders and Optionholders as of 29 October 2008.

Rank	Shareholders	Shares	Percentage
1	Citicorp Nominees Pty Limited	44,790,290	6.25%
2	Zeus Gold Pty Limited	43,980,008	6.13%
3	Nefco Nominees Pty Ltd	42,325,612	5.90%
4	Bell Potter Nominees Ltd <BB Nominees A/C>	29,000,000	4.04%
5	ANZ Nominees Limited <Cash Income A/C>	26,767,906	3.73%
6	HSBC Custody Nominees (Australia) Limited	23,684,999	3.30%
7	Merrill Lynch (Australia) Nominees Pty Limited	20,189,089	2.82%
8	DMG & Partners Securities PTE LTD <Clients A/C>	13,826,900	1.93%
9	Mr Siew Wah The	13,500,000	1.88%
10	Mr Yew Meng Chay	12,000,000	1.67%
11	Mr Wee Lock Ho	10,250,000	1.44%
12	Mr Chew Lai Ooi	10,000,000	1.39%
13	Phillip Securities PTE LTD	8,777,332	1.22%
14	Mr Swee Pook The	7,100,000	0.99%
15	Boom Securities (HK) LTD <Clients A/C>	6,587,785	0.92%
16	DBS Vickers Securities (Singapore) PTE LTD <Client A/C>	6,555,000	0.91%
17	Palazzo Nominees Pty Ltd <Palazzo Investments A/C>	6,500,000	0.91%
18	Ms Hwei Chin Toh	5,984,646	0.83%
19	Mr Yi Ming Tan	5,485,722	0.77%
20	CIMB-GK Securities PTE LTD <Client A/C>	5,437,297	0.76%
<b>Total</b>		<b>342,742,586</b>	<b>47.79%</b>

Rank	Optionholders - options expire on 30/11/2008 at 2.5 cents	Options	Percentage
1	Zeus Gold Pty Limited	7,342,697	12.38%
2	Grosvenor Pirie Management Ltd (13A Roslyn No 1 S/F A/C)	2,453,208	4.10%
3	Mr Ron Weinstock & Mrs Vivienne Weinstock <Ron Weinstock S/F A/C>	2,200,000	3.71%
4	Mr Fang Hua Ding	1,949,207	3.29%
5	Mr Gary Rupert Manauschek	1,653,444	2.79%
6	Mr Ron Gabriel Weinstock & Mrs Vivienne Weinstock (Ron Weinstock S/F A/C)	1,368,550	2.31%
7	Gateway Mining NL	1,350,000	2.28%
8	Mrs Lorraine Webb	1,315,000	2.22%
9	Mr Robert Cameron Galbraith & Mrs Jane Amanda Galbraith <Camanda Super Fund A/C>	1,275,000	2.15%
10	Hooper Bailie Industries Pty Limited	1,250,000	2.11%
11	Mr Christopher Leslie Barrett	1,165,000	1.96%
12	Mr Stephen Wayne Hickox	1,050,000	1.77%
13	Mr John Habib	1,000,000	1.69%
13	Mr David Henry Fleming & Mrs Elizabeth M Fleming <Fleming Super Fund A/C>	1,000,000	1.69%
14	Mrs Susanne Lambert & Mr Peter John Lambert <S + PJ Lambert S/F A/C>	800,000	1.35%
15	Mr George Phillipos & Mr John D'Abbondio & Mr Thomas Kosserekas (East Perth Super Fund A/C)	655,000	1.10%
16	Lamonde Industries Pty Ltd <Dorizzi Super fund A/C>	651,802	1.10%
17	Mr David Leslie Milgate	640,000	1.08%
18	Arkipole Pty Ltd	595,000	1.00%
19	Mr Gavin Timothy Caplice & Mrs Vanessa Anne Caplice	550,000	0.93%
20	Mrs Helen Gilmore Daulby	500,000	0.93%
<b>Total</b>		<b>30,763,908</b>	<b>51.94%</b>

## General Meeting

On 27<sup>th</sup> October the Company held a General meeting of shareholders. A total of eight resolutions were all passed unanimously. These resolutions covered the re-election of Mr Neb Zurkic and Dato BK Choo as directors, the issue of options to Mr Neb Zurkic and Dato BK Choo, the ratification of a share placement in late 2007, the ratification of the issue of shares to shareholders of Staldor Mining Pty Limited as part of the consideration for the purchase of an interest in the Kangaroo Creek Tin Project, the approval to issue share to Mr Noel Adam for the purchase of mining leases at Tregoora and an approval to issue up to 107,000,000 shares in the subsequent three months by way of a placement.

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

John Kelly  
Managing Director  
**REPUBLIC GOLD LIMITED**

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## Corporate Information

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### Directors

Peter Wicks	Non-Executive Chairman
John Kelly	Managing Director
Neb Zurkic	Technical Director
Greg Barns	Non-Executive Director
BK Choo	Non-Executive Director

### Exploration Team

Neb Zurkic, Technical Director  
Chris Roberts, Chief Geologist  
Trevor Jackson, Exploration Manager  
Chris Jelonek, James Astor, Denise Cochrane, Susan Brickl, Jodie Simpson and Kerrin Allwood

### Company Secretary

Roslynn Shand

### Registered Office & Operations Office

144 Cobra Road, Mareeba  
PO Box 2314 Mareeba Queensland 4880  
Telephone: + 61 7 4092 2594  
Facsimile: + 61 3 4092 3797  
Email: [jkelly@republicgold.com.au](mailto:jkelly@republicgold.com.au)

### Stock Exchange Listing

Australian Stock Exchange  
Ordinary Shares Code **RAU**  
Listed Options Code **RAUO**

### Web Site

[www.republicgold.com.au](http://www.republicgold.com.au)

### Shareholder Enquiries

Link Market Services Limited  
333 Collins Street, Melbourne  
GPO Box 2785  
Melbourne Vic 3001  
Telephone: + 61 3 9615 9999  
Facsimile: + 61 3 8614 2903  
Web site: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

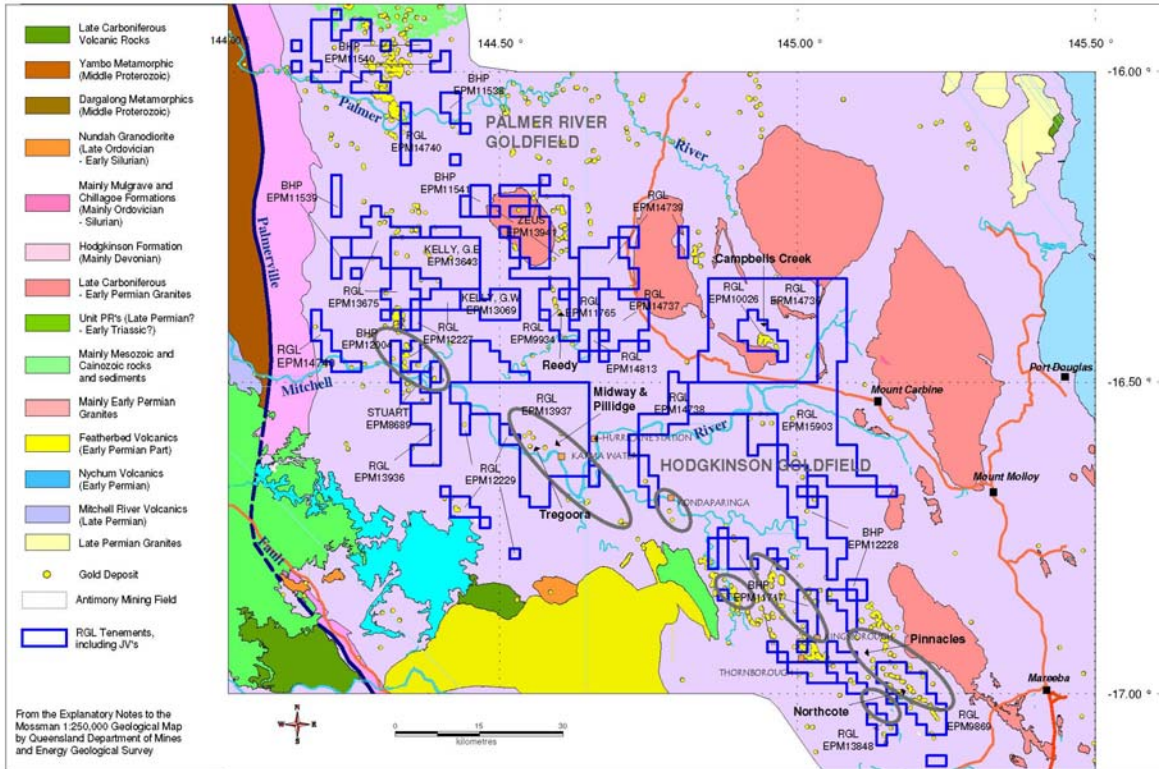


Figure 1 - The Hodgkinson Basin Tenements

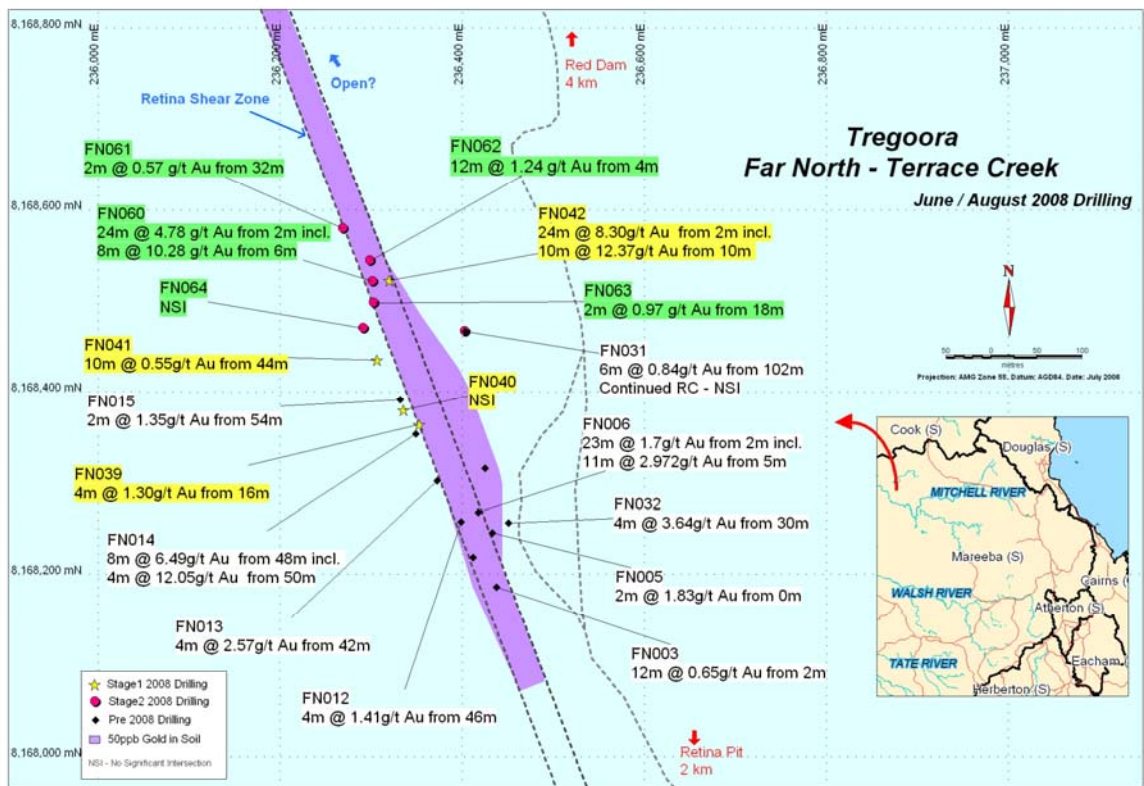


Figure 2 - Drillhole Locations at the Terrace Creek Prospect at Far North Tregora

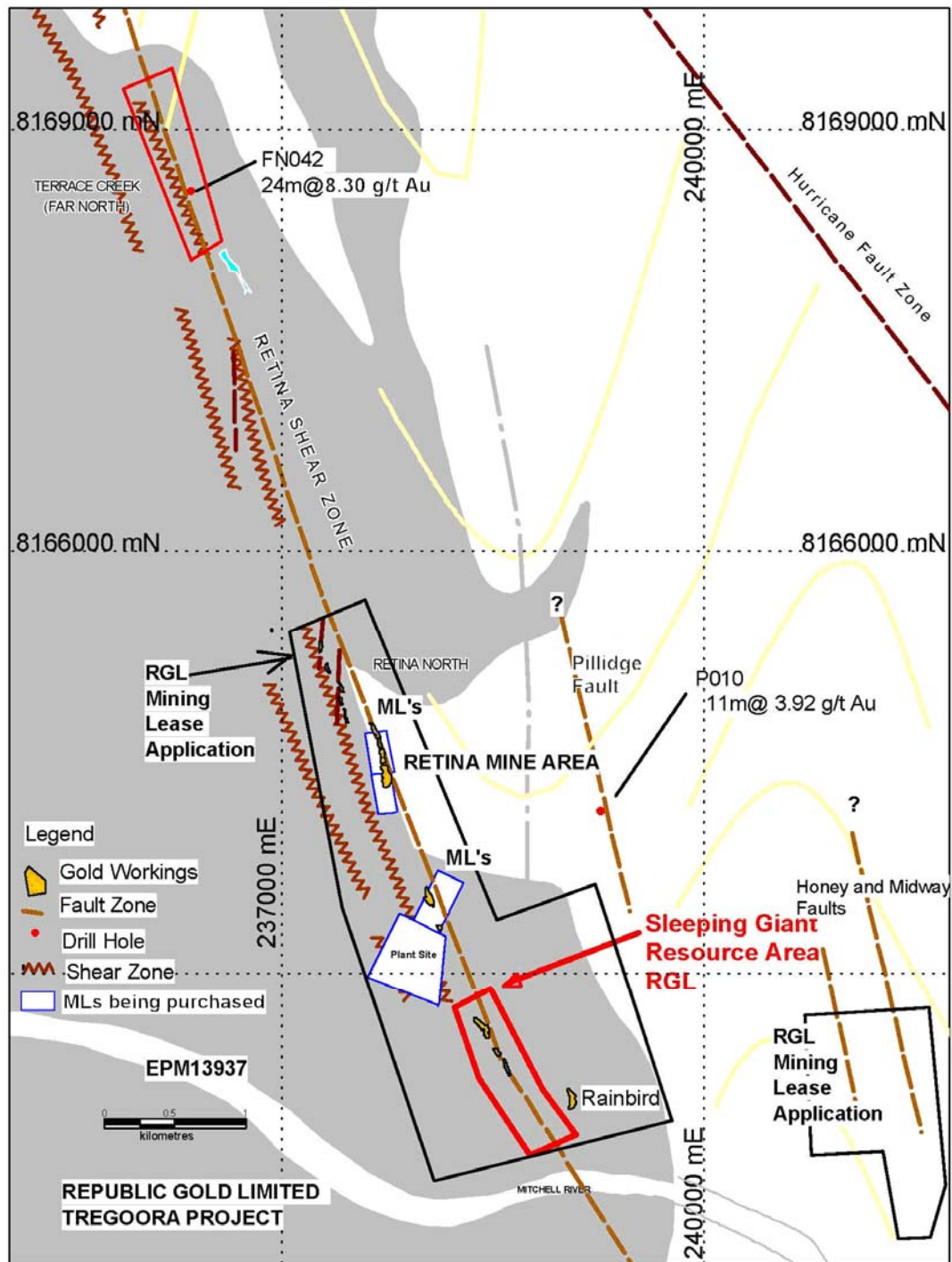


Figure 3 - Location Map of Tregora Showing the Four Mining Leases Being Purchased Centrally Located Within the Company's Main Mining Lease Application Area at Tregora

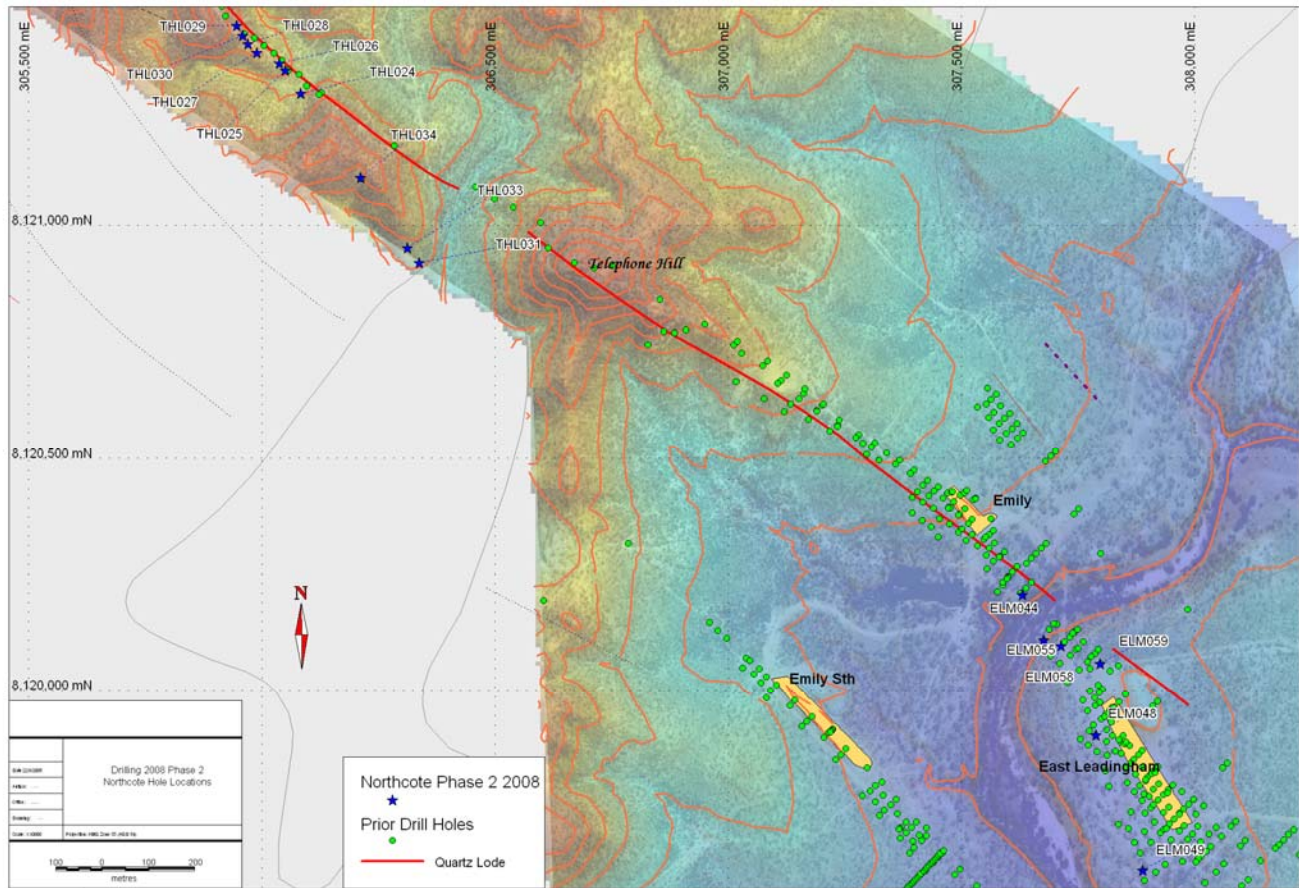


Figure 4 - Drillhole Plan of the Northcote Project Showing the Locations of Successful Drillholes TLH024 to TLH028 and TLH030

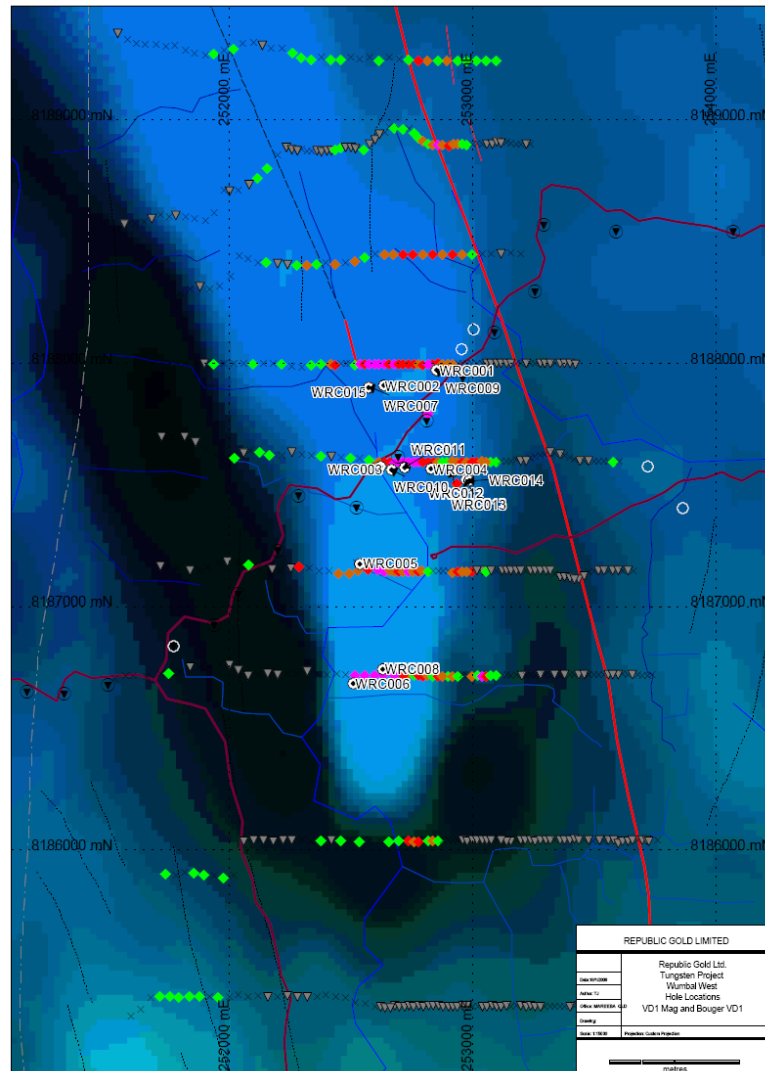


Figure 5 – Composite Plan Showing Whumbal West Drillhole Locations Overlaid on the Geochemical Anomaly (Lines with Diamonds and Triangles) With The First Derivative of the Aeromagnetic and Gravity Signature Showing Correlation of All Features and Indicating the Proposed Synclinal Structure (Dark U Shape).

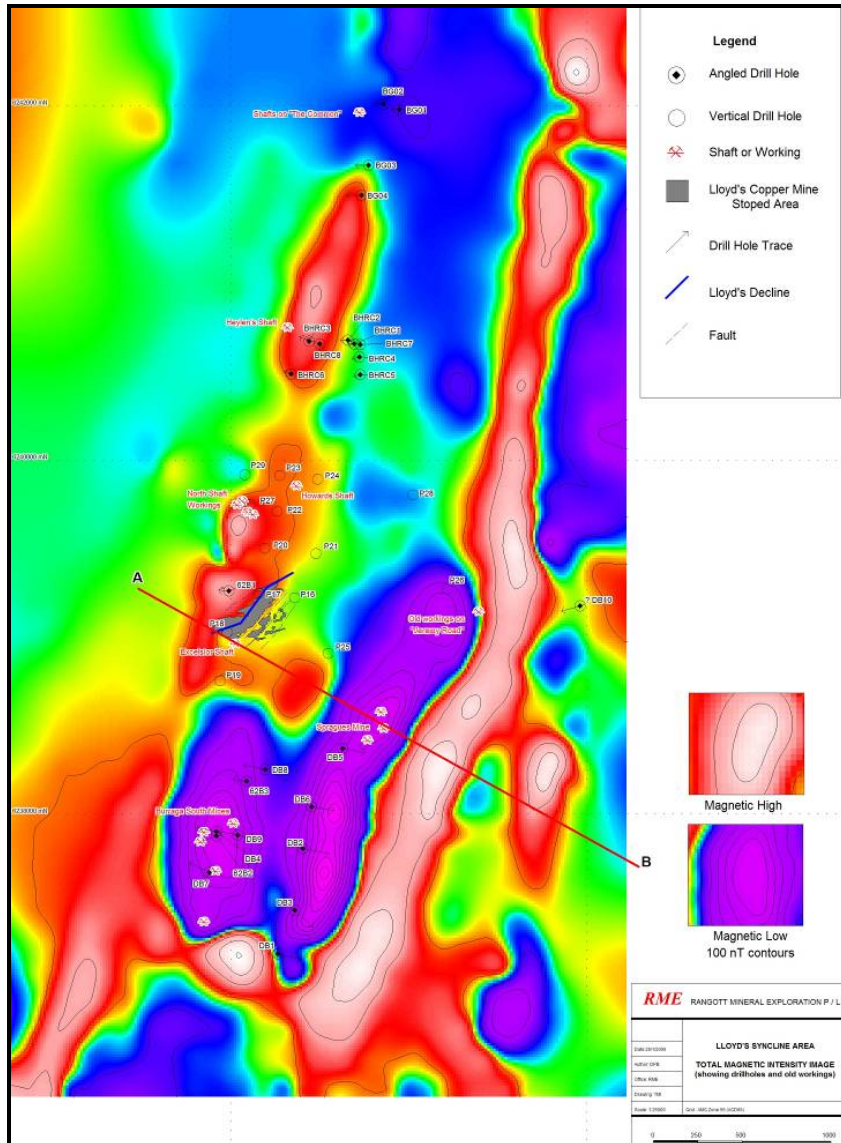


Figure 6 – Lloyd's Mine Drilling Locations at Burranga



Figure 7 - Location Map For Amayapampa



Figure 8 - The Maldonado Drill Rig at Amayapampa With From Left Ms Maria Esther Jiton (Executive President of Minera Neuva Vista SA, BK Choo, Peter Wicks, Juan Cabrera (General Manager – Operations) and John Kelly

## APPENDIX 5B

### MINING EXPLORATION ENTITY QUARTERLY REPORT

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

Name of entity

**Republic Gold Limited**

ABN

**86 106 399 311**

Quarter ended ("current quarter")

**30 September 2008**

#### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(1,117)	(1,117)
(b) development	-	-
(c) production	-	-
(d) administration	(308)	(308)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	179	179
1.5 Interest and other costs of finance paid	(87)	(87)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	38	38
<b>GST (Paid) Refund</b>	<b>33</b>	<b>33</b>
<b>Net Operating Cash Flows</b>	<b>(1,262)</b>	<b>(1,262)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities (Bolivian subsidiaries)	(556)	(556)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(556)</b>	<b>(556)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,818)</b>	<b>(1,818)</b>

1.13	<b>Total operating and investing cash flows (brought forward)</b>	<b>(1,818)</b>	<b>(1,818)</b>
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc. (net underwriting fees)	152	152
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings – To Vista Gold Corp	(376)	(376)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	<b>(224)</b>	<b>(224)</b>
	<b>Net increase (decrease) in cash held</b>	<b>(2,042)</b>	<b>(2,042)</b>
1.20	Cash at beginning of quarter/year to date	7,242	7,242
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>5,200</b>	<b>5,200</b>

**Payments to directors of the entity and associates of the directors**

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	(97)
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	

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**Non-cash financing and investing activities**

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

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

-
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**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

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

**Estimated cash outflows for next quarter**

		\$A'000
4.1	Exploration and evaluation	1,900
4.2	Development	0
	<b>Total</b>	<b>1,900</b>

## Reconciliation of Cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	538	158
5.2 Deposits at call	4,661	7,084
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>5,200</b>	<b>5,200</b>

## Changes in interests in mining tenements

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

## Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	714,066,491	714,066,491		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	6,360,135	6,360,135	2.5 cents	2.5 cents
7.5 +Convertible debt securities (description)	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-

7.7	Options ( <i>description and conversion factor</i> )	62,280,253 3,000,000 26,000,000 10,650,000	62,280,253	Exercise price 2.5 cents 20 cents 6.25 cents 3.75 cents	Expiry date 30/11/2008 30/06/2009 10/10/2010 17/10/2010
7.8	Issued during quarter	—	—	—	—
7.9	Exercised during quarter	6,360,135	6,360,135	2.5 cents	
7.10	Expired during quarter	—	—	—	—
7.11	Debentures ( <i>totals only</i> )	—	—		
7.12	Unsecured notes ( <i>totals only</i> )	—	—		

## COMPLIANCE STATEMENT

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



Sign here:  
(Director)

.....

Date: 31 October 2008

Print name: John P Kelly

## NOTES

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