



ASX ANNOUNCEMENT

30 November 2009

The Manager
Companies Announcement Platform
Australian Stock Exchange Limited

LETTER OF INTENT SIGNED ON EL MUTUN PROJECT – AMONGST WORLD'S LARGEST UNDERDEVELOPED IRON ORE PROJECTS

Key Points

- Letter of Intent (“LOI”) signed with the Government of the Department of Santa Cruz in Bolivia to progress approval to explore part or all of the remaining available area at the El Mutun Iron Ore Project (the “Project”).
- Company in discussions with the national government of Bolivia about the Project.
- El Mutun is amongst the world’s largest under-developed iron ore projects - located in the east of the Department of Santa Cruz bordering Brazil.
- Development of 50% of El Mutun is being undertaken by Jindal Steel and Power of India (“Jindal”) with a financial commitment of more than US\$2 billion – Jindal has commenced mining in recent months.
- The remaining 50% of the Project is available for development.
- The Bolivian Government believes that El Mutun has the potential to host a target resource of 40 billion tons of iron ore grading 50% iron.
- The El Mutun Mountain has colluvial hematite on the surface and has a small number of drillholes indicating iron ore to a depth of 330 metres downhole from drilling completed in the 1970s.
- This iron ore province includes the 2 Mtpa Corumba Iron Ore Mine formerly owned by Rio Tinto (approximately 30 kilometres to the east of the Project inside Brazil at Moro de Urucum) which was undertaking a feasibility study to increase production to 12Mtpa prior to the sale.
- The Company sees the cash generating potential of its Amayapampa Gold Project as the likely source of funds for any early stage exploration.

The Directors of Republic Gold Limited (“**Republic**” or the “**Company**”) today announced that the Company has signed a Letter of Intent with the Government of the Department of Santa Cruz in Bolivia to work jointly towards exploration at the El Mutun Iron Ore Project in Eastern Bolivia. The Letter of Intent is signed by Raul Barrosa Saso, Secretary of Mining, Energy and Hydrocarbons for the Government of the Department of Santa Cruz. The Indian company, Jindal Iron and Steel has already contracted with the Morales Government of Bolivia (through a state-owned enterprise ESM SA) to develop an integrated iron ore and steel operation covering 50% of the available El Mutun concessions for a cost estimate of +US\$2B.

The Letter or Intent is an important step towards enabling the Company to undertake an exploration programme at El Mutun. The Company also needs to obtain relevant consents and agreements from the national government of Bolivia.

Republic's Managing Director; John Kelly, said:

"El Mutun is a significant project on Bolivia's border with one of the world's fastest growing economies, Brazil. The LOI presents a significant opportunity for Republic and gives us the platform to build a truly world-class iron ore asset base. The fact that Jindal, one of India's largest steel manufacturers, has committed over USD\$2 Billion to developing perhaps the world's largest underdeveloped iron ore project is an encouraging step towards commercialising the project. The commitment to foreign investment in Bolivia from local communities, State Departments and the Morales Federal Government is a direct result of longstanding ties developed through the Company's Amayapampa Gold Project."

Republic continues to focus on developing its Amayapampa Gold Project and expects to update the market shortly on a resource upgrade.

Technical Elements of the Project

El Mutun covers approximately 60 square miles, of which 90% lies in Bolivia and the remainder in Brazil. The mountain rises 600 metres above the surrounding plains.

El Mutun was the subject of an extensive feasibility study carried out by US consulting group McKee in the 1970s, which included 3,400 metres of diamond drilling. The drilling encountered iron ore bearing formations between 100 and 320 metres thick. The iron manifests principally in layers of oxides, with local presence of the layer of carbonates. The principal minerals of iron present are hematite, magnetite and siderite. The Bolivian Geological Survey (SERGIOTECHMIN) reports that there are three types of iron deposits in the mountain; primary iron ore, colluvial iron ore and eluvial iron ore.

There are significant volumes of alluvial and colluvial material on surface, which is what Bolivia's state-owned mining company, COMIBOL, mined in the 1980s and 1990s. A simple screening process was sufficient to upgrade the ore mined by COMIBOL to economic grades. The COMIBOL operation barged the ore down the Rio Paraguay to the Atlantic Ocean at Buenos Aires. This is the same transport route that is currently used by the Corumba Mine. This river is an international waterway from the Bolivian town Puerto Busch, some 50 kilometres to the south of El Mutun right to the Atlantic Ocean.

Yours faithfully



John Kelly
Managing Director
Republic Gold Limited

For more information, please contact John Kelly on +61 418 577 759

Or Fergus Ross of 6 Degrees Media on +61 420 980 448

Republic Gold Limited

ACN 106 399 311

PO Box 2317 Mareeba Qld 4880 Australia

Phone + 61 7 4092 2594 Fax + 61 7 4092 3797 Mobile 0418 577 759

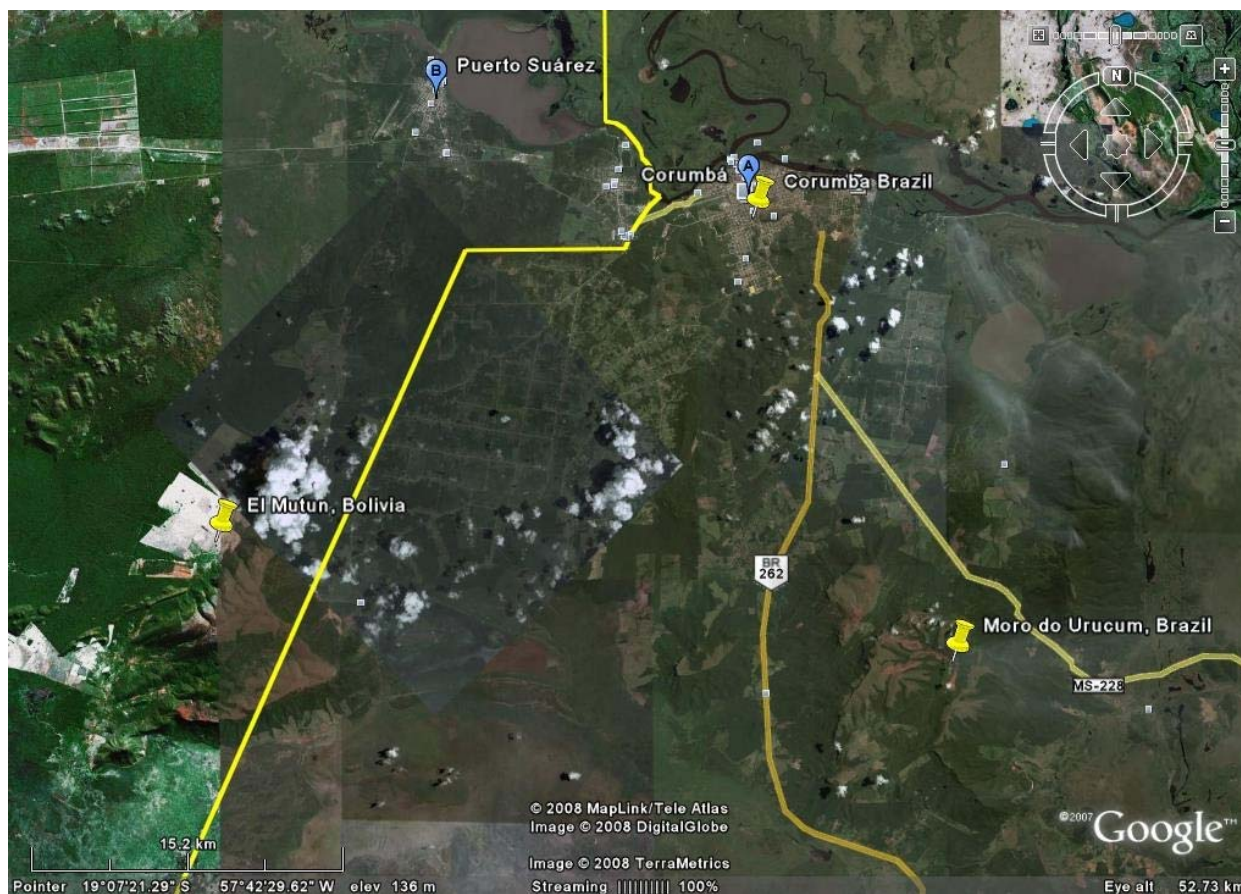
Registered Office: 144 Cobra Road Mareeba QLD 4880 Australia

E-mail: info@republicgold.com.au

www.republicgold.com.au

JORC Compliance Statement

Information in this report that relates to Exploration Results and Mineral Resource Targets for Republic Gold Limited is based on literature information compiled by John Kelly, Managing Director of Republic Gold and a member of the Australasian Institute of Mining and Metallurgy. John Kelly has experience that is relevant to the styles of mineralisation and types 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 consents to the inclusion in this report of these matters, based on the information in the form and context in which it appears.



Location map, thick yellow line is the Bolivian border with Brazil



Colluvial Hematite From El Mutun



Drilling Site On Top of El Mutun



Looking East Into Brazil From the Top of El Mutun