

The following responds to ASX request for the degree or not RAU follows the ASX Corporate Governance Guidelines. It is based on Edition 2 of the guidelines as the report is required pre 31 December 2014. The company confirms that it will consider Edition 3 as required in preparation for the lodgement of its 30 June accounts.

CORPORATE GOVERNANCE

1. Introduction

The directors of Republic Gold Limited (“the Company”) are committed to high standards of corporate governance and this statement outlines the main corporate governance practices in place throughout the financial year. 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’ – 2nd Edition with 2010 amendments.

2. 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 executive management eg a managing director. Support is provided to executive management by senior professional staff and where necessary by a technical director. The Board ensures that the executive 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.

At the date of this report, the current directors of the Company are as follows:

Independent

Mr Peter Wicks	Non-Executive Director
Dr David King	Non-Executive Director
Mr David Hannon	Non-Executive Director
Mr Mark Gillie	Non-Executive Director
Mr Brandon Evertz	Non-Executive Director
Ms Sonia Thurston	Non-Executive Director
Mr Andrew Corner	Non-Executive Director

Not independent

Mr Raymond Shorrocks	Executive Chairman
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3. Independent Directors

Under ASX guidelines there are seven members of the current Board that are considered to be independent. Under the ASX guidelines, Ray Shorrocks is not considered to be independent. Post completion of the Transactions the Board will be made up of 2 independent directors Mr Dave King and Mr Raymond Shorrocks and three non independent members being Brandon Everts, Andrew Corner and Sonia Thurston. Messrs Gillie, Wicks and King will resign on completion of the transactions contemplated. At that time the Board will be considered appropriate for the size of the Company and the nature of its operations and is a cost effective structure for managing the Company.

4. 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.

5. 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.

6. Audit, Risk Management and Internal Controls

The Board acknowledges that it does not fully comply with the ASX's recommendation on Principle 4, but in view of the size of the Company and the nature of its activities, the Board considers that establishing a separate audit and risk management committee would contribute little to the effective management of the Company.

Accordingly, the Board as a whole reviews audit and risk management matters and accepts the responsibility to ensure truthful and factual presentation of the Company's financial position.

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 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.

Management has established and implemented a risk management and internal control system for identifying, assessing, monitoring and managing strategic, operational, financial reporting and compliance risks for the Company. The system is based upon policies, guidelines, delegations, industry practices and reporting as well as the selection and training of qualified personnel. The Board believes the current framework to be suitable for the Company's current operations and stage of development. Whilst priority is given to the management of risk in the Company, investors are reminded that Republic Gold is engaged in mineral exploration and development activities which by their very nature are high risk.

7. Board Committees

Given the size and stage of development of the Company, 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.

8. 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.

9. Ethical standards

All directors, management and employees are expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Company. The following policies or obligations have been established to guide directors, management and employees in carrying out their duties and responsibilities to the Company, shareholders, suppliers, other stakeholders and the wider community.

- Continuous Disclosure
- Code of Conduct
- Share Trading
- Board Charter

The 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.

10. Conflict of Interest

The directors must keep the Company informed, on an on-going 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.

11. 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.

12. 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.

13. Share Trading

Share trading by directors, management or employees is not permitted at any time during black-out periods or whilst in the possession of price sensitive information or inside information as per the Corporations Act 2001. Prior to any director trading in the Company's securities, that director must inform the other directors of his decision to trade.

14. Diversity Policy

The Company does not currently have a Diversity Policy. The Board will seek to develop a Diversity Policy over the coming year, which can then be used as a guide in identifying new directors, senior executives and employees.

15. External Auditors

The external auditor is PKF Lawler Melbourne.

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.