

## ANNOUNCEMENT



**Citigold Corporation Limited**  
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### Gold Sale Agreement

**13 March 2017 : Brisbane, Australia** – Citigold Corporation Limited (“Citigold” or “Company”) (ASX:CTO) hereby advises that it has entered into a binding agreement for the contract sale and delivery of up to 100,000 ounces of gold (“the gold”).

This sale of the gold, if fully drawn by the purchaser, is expected to bring in approximately \$100 million to Citigold at current gold prices. The gold sold is deliverable over the next 5 years (“the period”). The gold is being purchased by a controlled subsidiary of the principal Aaron Data Systems Inc, USA (“the buyer”).

The gold sold by Citigold is initially secured in situ and deliverable as physical gold metal within the period to a gold metal account at the buyers direction. At Citigold’s mine’s current planned gold production profile the gold represents circa 20% of the planned first five years gold production output, as previously stated. With operating costs estimated to be circa one third of gold revenue, at current prices, there is a substantial cost safety margin for the Company to profitably deliver the gold within the period.

The gold sold by Citigold is nominally at the prevailing gold price. The net receipts allocated with two thirds to be paid to Citigold and one third set aside by the purchaser for conversion into physical gold in the above mentioned gold metal account. This initial delivered gold is deducted from the gold purchased from Citigold and contracted to be delivered. This would result in the Company only having to deliver the balance of the gold, circa 66,000 ounces net over the period.

Under the agreement there is no requirement for margin calls, early delivery or interest should the price of gold vary over time or be different at time of delivery. The timing of the progressive delivery of the net remaining gold to the purchaser is at the discretion of Citigold, limited by the stated five years being March, 2022. Citigold expects to progressively deliver the gold as part of its gold mining operations. The timing of the progressive receipt by Citigold of the payments for the gold is at the discretion of the buyer. The Company expects receipts from the sale to be progressively received through 2017.

The Citigold’s obligations under the agreement are secured against 100,000 ounces of its gold reserves at Charters Towers. This transaction, if fully drawn by the purchaser,

would provide the full working capital for the growth of gold mining on the Company's high-grade Charters Towers goldfield project into the targeted 220,000 ounces per year ultra low-cost gold producer. These funds would augment the near \$200 million already invested by Citigold acquiring and developing the project.

As previously advised the Company is in funding discussions with potential interested strategic partners and the Company expects these will continue as additional complementary discussions to further financially enhance the Company's growth.

For further information contact:

*Mark Lynch*  
*Executive Chairman*

www.citigold.com

**Cautionary Note:** *This release may contain forward-looking statements that are based upon management's expectations and beliefs in regards to future events. These statements are subject to risk and uncertainties that might be out of the control of Citigold Corporation Limited and may cause actual results to differ from the release. Citigold Corporation Limited takes no responsibility to make changes to these statements to reflect change of events or circumstances after the release.*

#### **COMPETENT PERSON STATEMENT**

*In accordance with ASX Listing Rules and the JORC Code 2012 Edition, the following statements apply in respect of the information in this report that relates to Mineral Resources and Ore Reserves: The information is based on, and accurately reflects, information compiled by Mr Christopher Alan John Towsey, who is a Corporate Member and Fellow of the Australasian Institute of Mining and Metallurgy. Mr Towsey is a consultant geologist and was an Executive Director of Citigold from April 2014 to June 2016. He has the relevant experience in relation to the mineralisation being reported on to qualify as a Competent Person as defined in the 2012 Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Towsey has consented in writing to the inclusion in this report of the matters based on the information in the form and context in which it appears. The Report on the Mineral Resources and Ore Reserves of the Charters Towers Gold Project dated May 2012 can be found at <http://www.citigold.com/mining/technical-reports> and is referenced by Citigold in its public statements.*