



Quarterly Report

For the period ending 31 March 2018

HIGHLIGHTS

- Citigold Corporation Limited ('Citigold' or 'Company') announced its financial results for the half year with a profit after tax for the Group of \$14.6 million as at 31 December 2017, being a strong improvement on the prior period. The net assets for the Group grew to \$102 million at 31 December 2017, being an increase from the prior period.
- As previously announced on 8 December 2017 the process plant was sold for \$12 million and the final payment received in March 2018. As part of the Company's outsourced model, the purchaser has agreed to the key terms of a future Citigold ore treating agreement.
- Citigold and its secured lender completed a formal settlement agreement and finalised all financial and other matters between them following from the Loan Note Contract entered in 2015. The Loan Note has been paid out in full and cancelled.
- Planning continued for the development of the Charters Towers project with the appointment and commencement of an experienced project manager.
- The Company continues to review its business plans, schedules and strategies in readiness for moving back into gold mining and production with substantial capital savings recently identified.
- Major complementary project funding discussions continue with potential interested strategic partners to expand Citigold's production ready Charters Towers Gold Project. This aims to add complementary funds to the already announced transactions.

OPERATIONS

The underground mining operations at the Company's Charters Towers 'Central' and 'Imperial' mining areas remained on care and maintenance during the Quarter. No gold production operations were undertaken during the quarter.

Resumption of Mining

Corporate plans for the resumption of mining remain unchanged with the main 'Central' mining underground to be the first area planned to be reopened.

Designs and strategies for the Central Mine continued to be refined during the quarter, including the decline development extension and the most efficient sizing and excavation method.

Resumption of mining at Charters Towers is contingent on a sufficient level of capital financing, with active planning and scheduling continuing during the Quarter in readiness.

The Charters Towers Gold Project is the Company's sole and prime focus.

The 'Central' underground mine is to be the focus of future mining operations and is the area planned to be reopened. It is scheduled to grow progressively into a 220,000 ounces annual producer of gold, the works begin once funding is in place.

An outline of the mining plan for the Central mining area has been given in previous reports. The early development plan is, in summary:

- The Central Decline (access tunnel) is to be extended by about 1,100 metres roadway length initially to junction again with the Brilliant Block Shaft (fresh air intake) and then continue downwards to the King Shaft, initially intersecting it at a vertical depth of 360 metres. Initial mining will be at a relatively shallow circa 300 metres depth.
- The first gold reefs (lodes) scheduled to be opened are the C03W, C38 and C39 and then move on to C05E. Access tunnels (ramps and crosscuts) to the C03W, C38 and C39 will come off the Central access tunnel extension, and gold reef access tunnels (drives) will be driven at nominal 20 meter vertical levels along the length of the reefs to provide closely- spaced grade control samples.
- Gold ore extraction (stopping) will commence once these levels are developed and the King Shaft ventilation and emergency second exit (egress) are established.

Designs and strategies for the Central Mine continue to be refined, including the decline development extension and the most efficient sizing and excavation method.

With this solid data foundation to build on, the remaining project funding will be mainly used for underground development of the 'Central' mining area. The plan is to have up to 15 working areas underground ('stopes') that are available for ore extraction, ensuring sufficient tonnage to meet predictions.

Citigold's go forward business plan is an outsourced model and the recent process plant sale is in keeping with this strategy.



Charters Towers 'Central' mine site - Aerial view showing tunnel entrance to underground during previous operations.

GEOLOGY AND EXPLORATION

No new exploration drilling was undertaken during the Quarter, with work continuing to be focused on consolidating geological data in preparation for the upcoming period of expanded Charters Towers area exploration work and mine planning. No new results are reported.

The Company has been optimising its mineral land holdings at Charters Towers with the aim of focusing on the core gold mining operations of the Charters Towers goldfield surrounding the resources and reserves already defined.

Regulatory reporting continued during the period.

The Charters Towers project can provide a long and profitable mine life for the Company, shareholders and the local community.

Research and Development

Overall, Citigold's innovation program in mining and exploration is driven by finding what is useful and works at Charters Towers, rather than what is applicable to the general industry.

The Company is currently considering further developing previously trialled technologies for wider application with the Company's forward exploration program at Charters Towers.

Citigold's innovation efforts and achievements will assist faster definition of the rich gold areas and the foundation for our automation plans. Development plans are still continuing.

HEALTH, SAFETY AND ENVIRONMENT

There were no Lost Time Injuries, significant environmental, health or safety issues during the Quarter. The Company's project strives for good environmental operations and continues its pleasing record. These favourable achievements, on the ground, are assisted by the relatively benign chemical properties of the local rocks and the operational care taken at the sites.

CORPORATE

Financial Highlights

The Half-Yearly Report as at 31 December 2017 was released during the Quarter. The profit after tax for the Company was \$14,560,934 during the half-year being a strong improvement from the previous period.

The net assets for the Company grew to \$102,058,011 at 31 December 2017 being an increase from the previous period.



The ore in the test tubes is part of a larger very high grade selected hand sample, from previous actual underground trial mining by Citigold, of 1030 g/t (33 ounces per tonne). While this is the exception and not the norm, it does show just how high grades can be, and still the gold is not readily visible to the unassisted eye. *(was not used in any reserve or resource assessments)*

The Chairman's observational view is that there appears to be growing interest in some sectors of the gold space for various and differing reasons.

The Company's short-term goal is to be in a position in 2018 to start underground works towards moving back into gold production. The Company will stay focused on this goal.

Major Development Funding

Several major complementary project funding discussions continue with potential interested strategic partners to expand the Group's production ready Charters Towers Gold Project into a strong gold producer. This aims to add substantial complementary funds to the already announced gold sale agreement.

Since the engagement of the project manager they have found substantial capital works savings and therefore the overall capital budget for the Central mine has been able to be reduced to \$75 million. This 25% reduction is a positive for the project and should assist advance discussions.

At this stage, the previously announced Gold Purchase Agreement, with CGC Inc, has not yet delivered material funds to the Company. The opportunity to review this arrangement will be on 30 June 2018.



Underground during trial mining loading rock into truck for haulage to the surface. This was at the 'Warrior' mine, located about 5 kilometres from 'Central'. Future mining will be at 'Central' where there are many more reefs.

Independent of, or in conjunction with the major funding discussions, the Company has the share placement flexibility to issue securities up to 15% annual placement capacity and may raise up to, or above, circa \$2.5 million depending on the share price.

Small Holding Share Sale Facility

The Small Holding Share Sale Facility was launched in December 2017. The overall process will be completed soon with the final payment distributions to be sent to participating shareholders by the Share Registry shortly.

Outlook

With the successful completion of the plant sale and secured lender settlement in full, this has materially strengthened Citigold's balance sheet by significantly reducing long and short-term commitments.

As a result, the project has become a more attractive gold investment option for strategic funding partners in conjunction with the relatively steady gold price. The sale should further assist to accelerate the restart of Citigold's Charters Towers mine operations.

Citigold has a strong gold asset foundation and over many years has been building on this towards becoming a large and profitable gold producer. With the substantial past investment and the trial mining experience, we believe that once the funding is finalised, the realisation of becoming a large ultra low-cost gold producer is realistic and reachable.

Major Secured Lender Repaid

Citigold and its secured lender, Fortune Gems and Jewellery, have during the quarter finalised and settled all financial and other matters following from the Loan Note Contract entered in 2015. In March 2018, the Loan Note was paid out in full and cancelled. Both Citigold and Fortune consider that the agreed settlement is a favourable outcome for both parties. No further debt has been taken on in relation to this matter.

Change of Registered Office- Citigold Corporation Limited

During the Quarter Citigold advised that its registered office, principal place of business and postal address are now centralised in Brisbane. See details below.

Change of Share Registry- Link Market Services Limited

Citigold has changed its Share Registry to Link Market Services Limited (“Link”), effective start of business Monday 30 April 2018.

Link Market Services Limited

Level 21, 10 Eagle Street, Brisbane QLD 4000

Postal Address: Locked Bag A14, Sydney South NSW 1235

Telephone: 1300 554 474

Website: www.linkmarketservices.com.au

SUMMARY OF MINING TENEMENTS & AREAS OF INTEREST

Citigold reports that the Consolidated Entity has a 100% control of the following mining tenements at Charters Towers as at 31 March 2018.

Exploration Permit Minerals	EPM 15964	EPM 15966	EPM 18465	EPM 18813	
Minerals Development Licences	MDL 118	MDL 119	MDL 252		
Mining Leases	ML 1343	ML 1430	ML 1545	ML 10093	ML 10283
	ML 1344	ML 1472	ML 1549	ML 10193	ML 10284
	ML 1347	ML 1488	ML 1585	ML 10196	ML 10335
	ML 1348	ML 1490	ML 10005	ML 10208	
	ML 1385	ML 1491	ML 10032	ML 10222	
	ML 1398	ML 1499	ML 10042	ML 10281	
	ML 1424	ML 1521	ML 10091	ML 10282	

For further information contact:

Niall Nand

Company Secretary

Email: nnand@citigold.com

Or visit the Company’s website – 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 subjected 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.*

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STOCK EXCHANGE LISTING

Australia (ASX) Code 'CTO'

SHARE REGISTRY

Link Market Services Limited

Level 21, 10 Eagle Street, Brisbane QLD 4000

Postal Address: Locked Bag A14, Sydney South NSW 1235

Telephone: 1300 554 474

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

CITIGOLD CORPORATION LIMITED

ABN

30 060 397 177

Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(512)	(1,306)
(b) development	(828)	(1,101)
(c) production	-	-
(d) staff costs	(73)	(371)
(e) administration and corporate costs	(402)	(630)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	510
1.9 Net cash from / (used in) operating activities	(1,815)	(2,898)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	5,130	11,804
(b) tenements (see item 10)	265	265
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	5,395	12,069

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	260
3.6 Repayment of borrowings	(4,602)	(9,120)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	2
3.10 Net cash from / (used in) financing activities	(4,602)	(8,858)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,582	247
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,815)	(2,898)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	5,395	12,069
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(4,602)	(8,858)

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	560	560

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	560	1,582
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	560	1,582

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
4,000

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7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	25
9.2 Development	50
9.3 Production	-
9.4 Staff costs	25
9.5 Administration and corporate costs	50
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	150

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	ML1387, ML1407, ML1408, ML1409, ML1428, ML1429, ML1431, ML1432, ML1433, ML1548, ML1735 & ML10285	Tenements Sold	100%	NIL
		EPM18820	Relinquished	100%	NIL
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:


Company SecretaryDate: **30 April 2018**Print name: **Niall Nand****Notes**

1. 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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.