

## ANNOUNCEMENT



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### Financial Report to 30 June 2018

**27 September 2018: Brisbane, Australia** – Citigold Corporation Limited (“Citigold” or “Company”) (ASX:CTO) is pleased to provide the Financial Report 2018 for the financial year ending 30 June 2018, attached herewith.

During the year, the financial performance of the Company improved, including:

- The profit after tax for the Company was \$13.3 million for the year (being a near \$20 million turnaround from the 2017 loss of \$7 million to a profit of \$13 million).
- The net assets for the Company are \$101 million as at 30 June 2018 (being an increase of \$14 million up from the 30 June 2017 figure of \$87 million).
- As previously announced the process plant was sold for \$12 million during the period.
- As part of the Company’s outsourced model, the purchaser has agreed to the key terms of a future Citigold ore treating agreement.
- The Company’s secured financial lender has now been paid out in full.
- Planning continued for the move into gold production at the Charters Towers project centred on the Central Mine being an ultra-low-cost gold producer.
- Since the engagement of an experienced project manager for the Central Mine they have identified substantial pre-commercial production capital works savings with the overall budget reducing to circa \$75 million.
- Major project funding discussions continue with potential interested strategic partners to expand the Citigold’s production ready Charters Towers gold project.
- Post 30 June 2018, the Company had raised \$1.48 million in capital raising, confirming the continued support of investors and shareholders.

The Chairman commented: *“Your Company had a very strong year, I will be focused on building upon this and beginning to deliver on our announced strategy. Your Company has substantial inherent value in its large high-grade Charters Towers gold assets”.*

For full details please read the following Financial Report 2018.

A handwritten signature in blue ink, appearing to read "Mark Lynch".

**Mark Lynch – Chairman**

Visit the Company’s website – [www.citigold.com](http://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.*

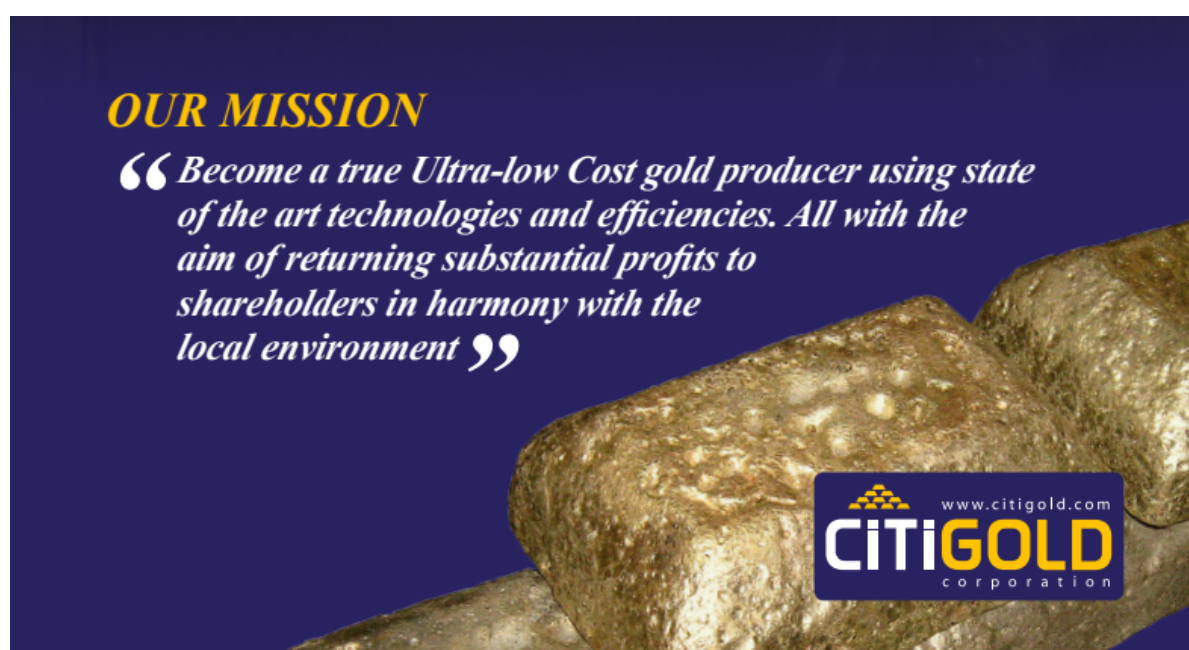


# FINANCIAL REPORT 2018



## Table of Contents

Directors' Report.....	1
Auditors Independence Declaration.....	9
Consolidated statement of profit or loss and other comprehensive income.....	10
Consolidated statement of financial position.....	11
Consolidated statement of changes in equity.....	12
Consolidated statement of cash flows.....	13
Notes to the Financial Statements.....	14
Directors' Declaration.....	41
Auditors Report.....	42



## Directors' Report

The directors present their report together with the financial report of Citigold Corporation Limited and the consolidated financial report of the consolidated entity for the year ended 30 June 2018 and the auditor's report therein.

### 1. DIRECTORS

The names and the relevant details of Directors of the Company in office during or since the end of the financial year are as follows.

#### *Current Directors*



**M J Lynch** FAICD, MAusIMM

Appointed 02/07/1993

Actively involved in gold exploration and mining for over 30 years. Mr Lynch has extensive hands-on experience in mine operations and management from the pegging of mining leases through to pouring gold bars. During his corporate career he has maintained a competitive focus on business efficiency centred on strategic planning and innovation. He has held the position of Director of the Queensland Resources Council for six years and is currently a Fellow of the Australian Institute of Company Directors, Member of the Australasian Institute of Mining & Metallurgy and IEEE Robotics & Automation Society.

Executive Chairman, Member of Nomination, Remuneration, and Health, Safety, Environment & Risk Committees



**S Acharya** PhD, MSc, MTech, MBA, FIAET, FAusIMM, FIML, FCFI

Appointed 21/06/2016

Dr. Acharya's qualifications include PhD(Metallurgical Engineering), MSc(Chemistry), MTech(Material Science), MBA and an active technical consultant with over 18 years experience in metallurgy, material science and mineral processing across several countries. His strengths include extraction of metals, data analytics, process improvement, operations design and implementation. He brings big picture thinking, while attending to the detail of operational process, to drive managing for results focused innovation. Technical advisor on the Board.

Non-Executive Director, Member of Audit and Finance and Health, Safety, Environment and Risk Committees



**J J Foley** BD, LLB, BL (Dub)

Appointed 02/07/1993

Graduating in law from the University of Sydney in 1969, Mr Foley was admitted to practise as a barrister in New South Wales in 1971. He was called to the Irish Bar in 1989 and admitted as a Member of the Honourable Society of Kings' Inns in Dublin. Mr Foley has over 30 years' experience in the gold mining industry, has been a guest speaker at the World Gold Council in New York and is a past Director of the Australian Gold Council.

Non-Executive Director, Member of Audit and Finance, Nomination, Remuneration and Health, Safety, Environment and Risk Committees



**A Panchariya**

Appointed 22/9/2013

His Excellency Arun Panchariya is The Consul General of The Republic of Liberia to Dubai, UAE, an Investment Banker & Entrepreneur with over two decades of experience in the financial markets. He is founder of Global Finance & Capital Ltd (UK regulated) and led a global investors "West Africa Investment Forum" where infrastructure projects development deals totalled USD17Billion. He set up various regulated financial institutions in several jurisdictions including investment banks, securities & commodities broking firms, infrastructure funds, asset management, FX Trading(online).

Non-Executive Director, Member of Audit and Finance, Nomination, Remuneration Committees

### Company Secretary



**N Nand** CPA, B.Bus(Accy)

Appointed 11/03/2016

Certified Practising Accountant (CPA), Bachelor of Business with extended major in professional accounting. In small to large firms in the past 9 years he has played an integral role in development of systems and processes to manage the corporate, statutory compliance and financial reporting. He has been associated with Citigold for a number of years in a corporate accounting role and has strong knowledge of the operations and business.

### Meetings of Directors

The number of directors' meetings (including board committees) held and the number of meetings attended by each director during the year ended 30 June 2018 was:

	Board Meeting		Audit and Finance		Health, Safety, Environment and Risk		Remuneration		Nomination	
	A	B	A	B	A	B	A	B	A	B
M J Lynch	15	15	*	*	2	2	1	1	1	1
J J Foley	15	15	2	2	2	2	1	1	1	1
A Panchariya	15	8	2	1	*	*	1	0	1	0
S Acharya	15	15	2	2	2	2	*	*	*	*

\* Not a member of the relevant committee

Column A- Number of meetings held during the time the director held office or was a member of the relevant committee

Column B- Number of meetings attended

## Directors' interests

The relevant interest of each director in the shares and options issued by the companies within the consolidated entity and other related bodies corporate, as notified by the directors to the Australian Securities Exchange in accordance with s205G (1) of the Corporations Act, at the date of this report is detailed in the following table.

Director	Ordinary shares	Share Options
J J Foley	14,450,738	-
M J Lynch	175,257,196	-
A Panchariya	-	-
S Acharya	-	-
TOTAL	189,707,934	-

## Remuneration of directors and senior management

Information about the remuneration of the directors and senior management is set out in the Remuneration Report of the Directors' Report.

### 2. PRINCIPAL ACTIVITIES

During the year the principal activities of the consolidated entity consisted of exploration, development and mining of the Charters Towers goldfield. There has been no significant change in the nature of these activities during the year.

### 3. DIVIDENDS – CITIGOLD CORPORATION LIMITED

No amount has been paid or declared by way of dividend by the Company during the year. The directors do not recommend a dividend at this time.

### 4. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs on the consolidated entity during the financial year were as follows:

(a) An increase in ordinary shares in the Company from 1,828,921,386 to 1,915,254,811 as a result of:

Type of Issue	Issue Price	Number of shares Issued
Share placement	\$0.009	84,333,425
Share placement	\$0.05	2,000,000

Net cash received was used to continue the exploration, development and general activities of the Company.

See Note 17 of the Financial Statements.

### 5. SHARE OPTIONS

Details of unissued shares or interest under options as at the date of this report are:

Issuing Entity	Number of options	Exercise Price	Expiry date of Option
Citigold Corporation Limited	-	-	-

### 6. POST BALANCE DATE EVENTS

Since the end of the financial year the Company issued 234,380,786 shares to raise working capital of \$1.48 million.

## **7. REVIEW OF OPERATIONS**

During the 2018 Financial Year, the Charters Towers Gold Project remained the Company's prime focus. The Project comprises the 11 million ounces gold deposit, with an Inferred Mineral Resource of 25 million tonnes at 14 grams per tonne gold and 620,000 ounces of gold in the Probable Ore Reserve (2.5 Mt @ 7.7 g/t Au at a 3 g/t cut-off). There was no gold production during the year with all the project sites and assets being maintained in care and maintenance ready for recommencement of mining operations.

The Company does not require additional mine acquisitions to recommence and sustain long term gold production. Citigold has already invested over \$200 million in acquiring the gold deposit, developing the infrastructure and mines at Charters Towers. Trial mining operations have produced over 100,000 ounces of gold.

The past year has seen the Company further refine its development strategy, and innovation plans, that aim to optimise the assets at Charters Towers and become an ultra low cost gold producer. Additionally, these savings will include reducing the environmental surface footprint of the mine as it moves back into larger scale gold production.

During the year, the processing plant was sold. The sale of the processing plant and reversal of interest relating to Fortune Gems and Jewellery DMCC loan resulted in a profit of \$13.3 million to the company. In keeping with the outsourced model going forward, the key contract terms of processing of the company's ore has been agreed.

The Charters Towers Project still remains one of Australia's largest high-grade pure gold deposits.

## **8. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS**

Likely developments in the operations of the consolidated entity are:

- (a) the continuation of exploration activity aimed at increasing resources and reserves,
- (b) the continuation of mining activity at Charters Towers.

Additional comments on expected results are included in the Review of Operations.

## **9. INDEMNIFICATION AND INSURANCE**

During or since the end of the financial year, the company has not given an indemnity or entered into an agreement to indemnify the directors, officers and auditors of the consolidated entity against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity of a director, officer and/or auditor of the consolidated entity.

The consolidated entity has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify a director, officer and/or auditor of the consolidated entity or any related body corporate against a liability incurred.

## **10. PROCEEDINGS ON BEHALF OF THE COMPANY**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

## **11. ENVIRONMENTAL REGULATIONS**

Entities in the consolidated entity are subject to significant environmental regulation in respect to its exploration and mining activities in gold.

The organisation has developed criteria to determine areas of 'particular' or 'significant' importance, with regard to environmental performance. These are graded 1 to 4 in terms of priority.

Level 1 incident - major non compliance with regulatory requirements resulting in potential political outcry and significant environmental damage of both a long and short term nature.

Level 2 incident - significant non compliance resulting in regulatory action, however, environmental damage is only of a short term nature.

Level 3 incident - minor non compliance, however, regulatory authority may be notified.

Level 4 incident - non-compliance with internal policies and procedures. The incident is contained on site.

In the last year the following incidents have occurred.

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Level 4</i>
Incidents	-	-	-	-

The Company has an internal reporting and monitoring system with regard to environmental management on the site. The Company monitors water, noise and air quality issues as well as liaising with the community on activities that may impact on the local area.

## **12. AUDIT/NON-AUDIT SERVICES AND AUDITOR INDEPENDENCE**

The fees paid or payable for services provided by the auditor of the Company are set out in Note 5 of the Financial Statements. The Auditor's independence declaration is included on page 9.

## **13. REMUNERATION REPORT - Audited**

The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the consolidated entity and the company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The remuneration report is set out under the following main headings:

- (a) Principles used to determine the nature and amount of remuneration
- (b) Details of remuneration
- (c) Service agreements
- (d) Additional information

### **A Principles used to determine the nature and amount of remuneration**

The objective of the consolidated entities and company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders and conforms to the market best practice for delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

While the Board has overall responsibility for the executive structure and outcomes, it has appointed a Nomination and Remuneration Committee for advice and makes recommendations on remuneration matters.

The performance of the consolidated entity and company depends on the quality and dedication of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance, dedicated and high quality personnel.

The Remuneration Committee annually considers the appropriate levels and structure of remuneration for Directors and Key Management Personnel relative to the Company's circumstances, size and nature of business, as well as company performance. This is done by reference to independent data and advice.

The Company competes for labour in the broader resources industry. In selecting, retaining and remunerating directors and executives the committee considers the appropriateness taking into account the corporate and operational regulatory environment that a mining enterprise operates in these days in Australia that places substantial and ever increasing burdens of responsibility upon these officers of the Company in addition to the usual business performance.

Reward structures are transparent and are aligned with shareholders' interests by:

- being market competitive to attract and retain high calibre individuals motivated and skilled in the business of the Company;



- recognising the contribution of each senior executive to the continued growth and success of the Company;
- encouraging, recognising and rewarding high individual performance; and
- ensuring that long term incentives are based on total shareholder return outperformance over a period of three years.

In accordance with best practice corporate governance, the structures of non-executive directors and executive remunerations are separate.

#### Non-Executive Directors Remuneration

Non-executive directors are paid fixed fees. In addition, Non-Executive directors may also be remunerated for additional service, for example, if they take consulting work on behalf of the company outside the scope of their normal Directors duties. Fees and payments to non-executive directors are set to attract individuals of appropriate calibre and reflect the demands which are made on, and the responsibilities of, the directors. Non-Executive directors' fees and payments are reviewed annually by the Remuneration Committee and determined based on comparative roles in the external market.

In order to maintain their independence and impartiality, the fees paid to Non-Executive Directors are not linked to the performance of the Company. Non-Executive Directors have no involvement in the day to day management of the Company.

ASX listing rules requires that the aggregate Non-Executive Directors remuneration shall be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 17 November 2010, where the shareholders approved an aggregate remuneration of \$400,000.

#### Executive Remuneration

The consolidated entity and company aims to reward executives with a level and mix of remuneration based on their position and responsibility, which is both fixed and variable.

The executive remuneration and reward may consist of the following

- Fixed remuneration
- Variable performance incentives
  - Short term incentives
  - Long term incentives

The combination of these comprises the executive's total remuneration.

#### Fixed Remuneration

Fixed remuneration consisting of base salary, superannuation, long service leave and non-monetary benefits are reviewed annually by the Remuneration Committee, based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives can receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and adds additional value to the executive.

#### Variable Performance Incentives

##### *Short-Term Incentives*

The short-term incentives program is designed to align the targets of the business units with the targets of those executives in charge of meeting those targets and to improve the company's short term and long term performance. These incentives are meant to reward executives only when performance targets are met to increase shareholders value. They are granted to executives based on individual contribution to profit, production costs, leadership contribution and safety outcomes. Short-term incentives are currently paid in cash. No short-term incentives were paid during the reporting period.

### Long-Term Incentives

The long-term incentives include performance rights or share-based payments. No options were issued or exercised by any executive during the reporting period. No long-term incentives were paid during the reporting period. The Remuneration Committee may revisit the long-term equity-linked performance incentives specifically for executives during the year ending 30 June 2019.

The majority of bonus and incentive payments are at the discretion of the Nomination and Remuneration Committees.

### B Details of remuneration

Details of the remuneration of the directors, other key management personnel (defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity) and specified executives of Citigold Corporation Limited are set out in the following tables.

The following persons were Directors and/or key management personnel of the Group during the year:

M.J. Lynch	(Executive Chairman)
J.J. Foley	(Non Executive Director)
A. Panchariya	(Non Executive Director)
S. Acharya	(Non Executive Director)

### 3) Payments to Directors and Key Management Personnel

2018	Cash Salary and Fees	Cash Bonus	Short-term Employee Benefits		Post-employment Benefits Superannuation	Share-based Payments Options	Total
			Non-Monetary Benefits	Related Party Payments <sup>1</sup>			
<b>Directors</b>	\$	\$	\$	\$	\$	\$	\$
J J Foley	82,380	-	-	-	7,826	-	90,206
M J Lynch	-	-	-	582,750	-	-	582,750
S Acharya	40,000	-	-	-	-	-	40,000
	122,380	-	-	582,750	7,826	-	712,956

2017	Cash Salary and Fees	Cash Bonus	Short-term Employee Benefits		Post-employment Benefits Superannuation	Share-based Payments Options	Total
			Non-Monetary Benefits	Related Party Payments <sup>1</sup>			
<b>Directors</b>	\$	\$	\$	\$	\$	\$	\$
J J Foley	82,380	-	-	-	7,826	-	90,206
M J Lynch	-	-	-	504,570	-	-	504,570
	82,380	-	-	504,570	7,826	-	594,776

<sup>1</sup>The related party payments are payments to entities related to the Directors and/or Key Management Personnel for work carried out by that entity.

### **C. Service Contracts**

#### Executive Chairman

Contract Term: 5 years, Commenced December 2015

Base Salary: \$596,964 Package, may be reviewed annually by the Remuneration Committee

Termination Payments: Payment on early termination by the Group, other than for gross misconduct, equal to one year of employment.

**This concludes the remuneration report, which has been audited.**

#### **Share options exercised during the current year**

No options were exercised during the year by Key Management Personnel or Executives of the consolidated entities.

This report is made in accordance with a resolution of Directors.

For and on behalf of the Board

Dated at Brisbane this 26 day of September 2018

A handwritten signature in black ink, appearing to read 'Mark Lynch', with a stylized flourish at the end.

*Mark Lynch*  
Chairman

# Auditors Independence Declaration

Level 1  
251 Elizabeth Street  
SYDNEY NSW 2000

75 Lyons Road  
DRUMMOYNE NSW 2047

## **K.S. Black & Co.**

ABN 48 117 620 556

20 Grose Street  
NORTH PARRAMATTA NSW 2151

PO Box 2210  
NORTH PARRAMATTA NSW 1750

### ***Lead Auditors' Independence Declaration under Section 307C of the Corporations Act 2001***

To the Director's of Citigold Corporation Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there has been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

The entities are in respect of Citigold Corporation Limited and the entities it controlled during the period.

KS Black & Co  
Chartered Accountants



Scott Bennison  
Partner

Dated in Sydney on this *26th* day of *September* 2018

## Consolidated statement of profit or loss and other comprehensive income For the year ended 30 June 2018

		2018	2017
	Notes	\$	\$
Revenue		-	-
Cost of Sales		-	-
<b>Gross Profit</b>		-	-
Other Income	2	11,920,140	334,787
Employee benefits expense		(824,942)	(884,239)
Depreciation and amortisation expense	3	(382,117)	(535,865)
Finance costs	4	5,560,111	(3,987,097)
Consulting expense		(460,856)	(452,500)
Other expenses	3	(2,498,869)	(1,114,445)
<b>(Loss)/Profit before income tax expense</b>		13,313,467	(6,639,359)
Income tax	6	-	-
<b>(Loss)/Profit after tax from continuing operations</b>		13,313,467	(6,639,359)
<b>Total comprehensive income</b>		13,313,467	(6,639,359)
Profit attributable to:			
(Loss)/Profit attributable to non controlling interest		-	-
(Loss)/Profit attributable to members of the company		13,313,467	(6,639,359)
		13,313,467	(6,639,359)
Total comprehensive income attributable			
(Loss)/Profit attributable to non controlling interest		-	-
(Loss)/Profit attributable to members of the company		13,313,467	(6,639,359)
		13,313,467	(6,639,359)
Basic and diluted EPS (Cents per share)	7	0.6960	(0.3680)

The above statement should be read in conjunction with the accompanying notes.

## Consolidated statement of financial position

### As at 30 June 2018

		2018	2017
	Notes	\$	\$
<b>Current assets</b>			
Cash and cash equivalents	9	165,918	246,893
Trade and other receivables	10	319,821	307,868
Inventories	11	-	221,399
Other financial assets	13	1,517,340	-
<b>Total current assets</b>		2,003,079	776,160
<b>Non - current assets</b>			
Property, plant and equipment	12	109,082,891	110,469,785
Other financial assets	13	493,568	2,010,908
<b>Total non-current assets</b>		109,576,459	112,480,693
<b>Total assets</b>		111,579,538	113,256,853
<b>Current liabilities</b>			
Trade and other payables	14	3,675,355	8,685,003
Borrowings	15	-	14,805,592
Provisions	16	2,641,880	1,570,369
<b>Total current liabilities</b>		6,317,235	25,060,964
<b>Non-current liabilities</b>			
Trade and Other Payables	14	3,147,620	-
Borrowings	15	714,667	-
Provisions	16	489,472	1,457,812
<b>Total non-current liabilities</b>		4,351,759	1,457,812
<b>Total liabilities</b>		10,668,994	26,518,776
<b>Net assets</b>		100,910,544	86,738,077
<b>Equity</b>			
Issued capital	17	213,679,319	212,820,319
Reserves	18	39,257,542	39,257,542
Accumulated losses	19	(152,095,400)	(165,408,867)
Total equity attributable to shareholders of the company		100,841,461	86,668,994
Non Controlling Interest		69,083	69,083
<b>Total equity</b>		100,910,544	86,738,077

The above statement should be read in conjunction with the accompanying notes.

## Consolidated statement of changes in Equity For the year ended 30 June 2018

	Issued Capital \$	Asset Revaluation Reserve \$	Capital Reserve \$	Share based payments reserve \$	Retaining Earning \$	Attributable to Owners of parent \$	Non controlling interest \$	Total \$
<b>CONSOLIDATED</b>								
<b>Balance as at 1 July 2017</b>	212,820,319	37,851,949	571,430	834,163	(165,408,867)	86,668,994	69,083	86,738,077
Profit for period	-	-	-	-	13,313,467	13,313,467	-	13,313,467
Total comprehensive income	-	-	-	-	13,313,467	13,313,467	-	13,313,467
Owners contribution, net of transaction cost	859,000	-	-	-	-	859,000	-	859,000
<b>Balance as at 30 June 2018</b>	213,679,319	37,851,949	571,430	834,163	(152,095,400)	100,841,461	69,083	100,910,544
<b>Balance as at 1 July 2016</b>	212,170,319	37,851,949	571,430	834,163	(158,769,508)	92,658,353	69,083	92,727,436
Profit for period	-	-	-	-	(6,639,359)	(6,639,359)	-	(6,639,359)
Total comprehensive income	-	-	-	-	(6,639,359)	(6,639,359)	-	(6,639,359)
Owners contribution, net of transaction cost	650,000	-	-	-	-	650,000	-	650,000
<b>Balance as at 30 June 2017</b>	212,820,319	37,851,949	571,430	834,163	(165,408,867)	86,668,994	69,083	86,738,077

The above statement should be read in conjunction with the accompanying notes.

## Consolidated statement of cash flows

### For the year ended 30 June 2018

		2018	2017
	Notes	\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers		542,705	333,710
Payments to suppliers and employees		(3,976,831)	(427,939)
Interest and other costs of finance paid		-	-
Net cash (used in) / provided by operating activities	8	<u>(3,434,126)</u>	<u>(94,229)</u>
<b>Cash flows from investing activities</b>			
Interest received		1,075	19
Proceeds from property, plant and equipment		12,085,876	6,182
Payments for property, plant and equipment		-	(11,786)
Development costs paid		-	-
Net cash (used in) / provided by investing activities		<u>12,086,951</u>	<u>(5,585)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issues of equity securities		-	310,000
Proceeds from borrowings		412,726	18,000
Repayment of borrowings		<u>(9,146,526)</u>	<u>(3,000)</u>
Net cash provided by/(used in) financing activities		<u>(8,733,800)</u>	<u>325,000</u>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>		<b>(80,975)</b>	<b>225,186</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>246,893</b>	<b>21,707</b>
<b>Cash and cash equivalents at end of the financial year</b>	<b>9</b>	<b><u>165,918</u></b>	<b><u>246,893</u></b>

The above statement should be read in conjunction with the accompanying notes.



# Notes to the Financial Statements

## For the Year Ended 30 June 2018

The financial report of Citigold Corporation Limited for the year ended 30 June 2018 covers Citigold Corporation Limited as an individual entity as well as the consolidated entity consisting of Citigold Corporation Limited and its subsidiaries as required by the Corporations Act 2001.

Citigold Corporation Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the ASX Limited.

### 1. Summary of Significant Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the yearly financial report. The financial reports include separate financial statements for Citigold Corporation Limited as an individual entity and the consolidated entity consisting of Citigold Corporation Limited and its subsidiaries.

#### Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets.

#### a) Basis of consolidation

The financial report of the Citigold Corporation Group (“the consolidated entity”) includes the consolidation of Citigold Corporation Limited and its respective subsidiaries. Subsidiaries are entities controlled by the parent entity. Control exists where the parent entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the consolidated financial report from the date control commences until the date control ceases. The effects of all transactions between entities within the Citigold Corporation Group have been eliminated.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Where the Citigold Corporation Group’s interest is less than 100 per cent, the interest attributable to outside shareholders is reflected in non-controlling interests. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income and statement of financial position respectively.

#### b) Foreign Currency Translation

The results and financial position of each entity are expressed in Australian dollars, which are the functional currency of Citigold Corporation Limited and the presentation currency for the consolidated financial statements.

In preparing the financial statements of individual entities, transactions in currencies other than the entity’s functional currency are recorded at the rates of exchange prevailing on the dates of transactions. At balance date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at rates prevailing on the date when fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

#### c) Loan and Borrowings

Loan and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost, less any impairment. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the loans and borrowings using the effective interest method.

#### **d) Cash and cash equivalents**

For the purposes of the statement of cash flow, cash and cash equivalents including cash on hand and at bank, deposits held at call with financial institutions, other short term, highly liquid investments with maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **e) Trade and other receivables**

Trade receivables are recognised at original invoice amounts less an allowance for uncollectible amounts and have repayment terms normally between 7 and 90 days payment terms or longer from time to time. Collectibility of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off.

#### **f) Employee benefits**

##### **1) Provision for wages and salaries, annual leave and long service leave**

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash flows.

##### **2) Share-based payment transactions**

The fair value of any options granted under any share option plan is recognised as an employee benefit expense with a corresponding increase in equity (share option reserve). The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options. Fair value is determined by using the Black-Scholes option pricing model. In determining fair value, no account is taken of any performance conditions other than those related to the share price of the Company ("market conditions"). The cumulative expense recognised between grant date and vesting date is adjusted to reflect the director's best estimate of the number of options that will ultimately vest because of internal conditions of the options, such as the employees having to remain with the company until vesting date, or such that employees are required to meet production targets. No expense is recognised for options that do not ultimately vest because internal conditions were not met. An expense is still recognised for options that do not ultimately vest because a market condition was not met.

No employee share option plan currently exists.

#### **g) Exploration, evaluation and development expenditure**

Exploration and evaluation costs are written off in the year they are incurred, apart from acquisition costs which are carried forward where right of tenure of the area of interest is current and the expenditure is expected to be recouped through sale or successful development and exploration of the area of interest or where exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Development expenditure is capitalised in the year it is incurred.

## **h) Impairment of assets**

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

## **i) Taxation**

### *Current tax*

Current tax is the expected tax payable on the taxable income for the period, using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

### *Deferred Tax*

Deferred tax is accounted for using the comprehensive statement of financial position liability method in respect of temporary differences arising from differences between the carrying amount of the assets and liabilities in the financial statements and the corresponding tax base of those items.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the assets and liabilities giving rise to them are realised or settled, based on tax rates and tax laws that have been enacted by the reporting date.

Current and deferred tax for the period is recognised as an expense or income in the statement of profit or loss and other comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is recognised directly in equity.

### *Tax consolidation*

The parent entity company and all its wholly-owned Australian resident entities are part of a tax consolidated group under Australian taxation law. Citigroup Corporation Limited is the head entity in the tax-consolidated group.

### *Goods and services tax*

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flow on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

## **j) Inventories**

Gold in solution form and ore is physically measured or estimated and valued at the lower of cost and net realisable value. Costs include direct costs and appropriate portion of fixed and variable production costs.

Consumables are valued at the lower of cost and net realisable value. Costs are assigned to inventory on hand using the first in first out method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## **k) Leased assets**

Assets held under leases which result in entities in the consolidated entity receiving substantially all the risks and rewards of ownership of the asset (finance leases) are capitalised at the lower of the fair value of the property, plant and equipment or the estimated present value of the minimum lease payments. The corresponding finance lease obligation is included within interest bearing liabilities. The interest element is allocated to accounting periods during the lease term to reflect a constant rate of interest on the remaining balance of the obligation for each accounting period. Finance lease assets are amortised at a straight line method over the estimated useful life of the asset. Operating lease assets are not capitalised and rental payments are included in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

## **l) Financial Assets**

The group classifies its financial assets as available for sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

### *Available-for-sale financial assets*

Available-for-sale financial assets comprise investments in unlisted entities and any non-derivatives that are not classified as any other category, and are classified as non-current assets. After initial recognition, these investments are measured at fair value with gains or losses recognised as a separate component of equity (available-for-sale investments revaluation reserve). Where losses have been recognised in equity and there is objective evidence that the asset is impaired, the cumulative loss, being the difference between the acquisition cost and current fair value less any impairment loss previously recognised in the statement of profit or loss and other comprehensive income, is removed from equity and recognised in the statement of profit or loss and other comprehensive income.

Reversals of impairment losses on equity instruments classified as available-for-sale cannot be reversed through statement of profit or loss and other comprehensive income. Reversals of impairment losses on debt instruments classified as available-for-sale can be reversed through the statement of profit or loss and other comprehensive income where the reversal relates to an increase in the fair value of the debt instrument occurring after the impairment loss was recognised in the statement of profit or loss and other comprehensive income.

The fair values of quoted investments are determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance date. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

### *Impairment of Financial Assets*

Financial assets, other than those at fair value through profit and loss, are assessed for indicators of impairment at each balance date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For equity instruments, including listed or unlisted shares, objective evidence of impairment includes information about significant changes with an adverse effect that have taken place in technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered. Where there is a significant or prolonged decline in the fair value of an available for sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously charged to equity, is recognised in the statement of profit or loss and other comprehensive income

In respect of available for sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

## **m) Trade and other payables**

Trade payables and other accounts payable are recognised when entities in the consolidated entity become obliged to make future payments resulting from the purchase of goods and services. These amounts are unsecured and have normally 30-60 day payment terms or longer from time to time.

## **n) Property, plant and equipment**

Development Properties are measured at cost less accumulated amortisation.

Freehold land is not depreciated.

All other plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying value or recognised as a separate asset only when it is probable that a future economic benefit associated with the item will flow to the Company and the cost can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the reporting period in which they are incurred.

### *Depreciation of property, plant and equipment*

The carrying amounts of property, plant and equipment (including the original capital expenditure and any subsequent capital expenditure) are depreciated to their residual value over the useful economic life of the specific assets concerned or the life of the mine or lease, if shorter. The rates vary between 4% and 40%

Depreciation is calculated on a straight line basis so as to write off the net cost or other re-valued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method.

Depreciation rates and methods shall be reviewed at least annually and, where changed, shall be accounted for as a change in accounting estimate. Where depreciation rates or methods are changed, the net written down value of the asset is depreciated from the date of the change in accordance with the new depreciation rate or method. Depreciation recognised in prior financial years shall not be changed, that is, the change in depreciation rate or method shall be accounted for on a 'prospective' basis.

## **o) Provision for restoration and rehabilitation**

Entities in the consolidated entity are generally required to decommission and rehabilitate mine and processing sites at the end of their producing lives to a condition consistent with its Plan of Operations, environmental policies and acceptable to the relevant authorities. The expected cost of any approved decommissioning or rehabilitation programme is provided when the related environmental disturbance occurs, based on the interpretation of environmental and regulatory requirements.

Where there is a change in the expected decommissioning and restoration costs, an adjustment is recorded against the carrying value of the provision and any related asset, and the effect is then recognised in the statement of profit or loss and other comprehensive income in the year incurred.

The provisions referred to above do not include any amounts related to remediation costs associated with unforeseen circumstances. Such costs are recognised when environmental contamination as a result of oil and chemical spills or other unforeseen events gives rise to a loss which is probable and reliably estimable. The cost of other activities to prevent and control pollution is charged to the statement of profit or loss and other comprehensive income as incurred.

## **p) Contributed Equity**

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

## **q) Earnings per share**

### 1) Basic earnings per share

Basic earnings per share are calculated by dividing the profit attributable to members of the Group, adjusted for the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares during the year. The weighted average number of issued shares outstanding during the financial year does not include shares issued as part of any Employee Share Option Plan that are treated as in-substance options.

## 2) Diluted Earnings per share

Earnings used to calculate diluted earnings per share are calculated by adjusting the basic earnings by the after-tax effect of dividends and interest associated with dilutive potential ordinary shares. The weighted average number of shares used is adjusted for the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### **r) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable.

#### *Sale of goods*

Revenue from the sale of goods is recognised when the consolidated entity has transferred to the buyer the significant risks and rewards of ownership of the goods.

#### *Other income*

Other income is recognised on a receivable basis.

### **s) New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting periods. The Company's and consolidated entity's assessment of the impact of these new standards and interpretations is that the application of the standards and interpretation will have no material impact on the Company's or Consolidated Entity's financial reports.

### **t) Going Concern**

In consideration of the management's use of the going concern basis of reporting, a distinction is made between the Company and consolidated entity's ability to pay its operating debts as and when they fall due within the next 12 months and the Company's ability to exploit its tenements and other factors that may impact on the Company continuing as a going concern.

#### Operating expenditure

The Company's cash flow forecast includes management's estimates of operating expenses for the next 12 months of approximately \$1million.

The Company had a cash balance at reporting date of \$165,918, capital placement of \$100,000, Black Jack Processing Plant sale for \$12 million and no gold sales occurred during the period.

The Company has a track record of being able to raise sufficient cash through capital placements and or assets sales to pay its operating expenses as and when they fall due. Post 30 June 2018 the Company had raised \$1.48 million in capital raising.

## 2. Revenue and other Income

	Consolidated	
	2018	2017
	\$	\$
Interest received	1,075	19
Sundry Income	11,919,065	334,768
Total	11,920,140	334,787

### 3. Expenses

Other Expenses	Consolidated	
	2018	2017
	\$	\$
Insurance	-	(4,039)
Office administration costs	598,177	105,008
Site Maintenance	30,256	75,586
Corporate administration	211,838	114,198
Tenement charges and costs	1,010,180	397,822
Travel expenses	12,898	106,957
Professional fees	415,380	316,313
Loss on Currency Exchange	220,140	2,600
Loss on sale of asset	-	-
Total	2,498,869	1,114,445

#### Depreciation and Amortisation Expense

Plant and Equipment	382,117	535,865
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#### Superannuation Expense

Superannuation Expense	9,555	-
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### 4. Finance Costs

Other Interest	2,814	4,149,366
Interest Paid and Other Funding Costs	(5,562,925)	(162,269)
Total	(5,560,111)	3,987,097

During the period, the Company had reached favourable settlement terms with the secured lender Fortune Gems and Jewellery DMCC. As part of the settlement, the excess accrued interest was reversed resulting in a net credit of Interest Paid and Other Finance Charge of \$5,560,111.



## 5. Auditors Remuneration

	Consolidated	
	2018	2017
	\$	\$
Audit and review of financial reports	39,660	37,145
Other services	10,000	10,255
<b>Total</b>	<b>49,660</b>	<b>47,400</b>

## 6. Income Tax Expense

Prima facie income tax benefit calculated at 27.5% (2017: 27.5%)	3,661,204	(1,825,823)
on the (loss)/profit from continuing operations		
Deferred tax benefit accrued/(utilised):	(3,661,204)	1,825,823
<b>Income tax attributable to net loss for year</b>	<b>-</b>	<b>-</b>

At 30 June 2018 consolidated deferred tax assets of \$45,509,742 (\$49,170,946 at 30 June 2017) arising from carried forward income tax losses calculated at a tax rate of 27.5% (30 June 2017, 27.5%) have not been recognised as an asset.

The benefit of these losses will only be obtained if:

- (i) the company and / or the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the losses to be realised;
- (ii) the company and / or the consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation; and
- (iii) future changes in tax legislation do not adversely impact on the utilisation of the carried forward tax losses.

## 7. Earnings Per Share (EPS)

### a) Basic earnings per share

The calculation of basic earnings per share at 30 June 2018 was based on the profit attributable to ordinary shareholders of \$ 13,313,467 (loss of \$6,639,359 in 2017) and weighted average number of ordinary shares outstanding during the financial year ended 30 June 2018 1,912,813,714 (1,804,313,167 in 2017), calculation as follows:

	2018	Consolidated
	\$	2017
		\$
Profit/(loss) for the period*	13,313,467	(6,639,359)
Weighted average number of ordinary shares		
Opening Balance	1,828,921,386	1,772,588,053
Effect of shares issued during the year	83,892,328	31,725,114
Total weighted average number of ordinary shares used in calculating basic and diluted earnings per share	1,912,813,714	1,804,313,167
Profit / (Loss) per share – cents	0.6960	(0.3680)

\* all attributable to ordinary shareholders

## 8. Reconciliation of cash flows from operating activities

	2018	Consolidated
	\$	2017
		\$
Profit/(Loss) for the year	13,313,467	(6,639,359)
Adjustments for:		
Impairment, Depreciation and Amortisation net after write back of assets sold	382,117	535,865
Interest Received	(1,075)	(19)
(Increase)/ decrease in Trade and other receivables	(571,106)	641,866
(Increase)/ decrease in inventories	221,399	6,432
(Decrease)/ increase in trade, financing costs and other payables	(16,333,099)	5,215,711
Increase/ (decrease) in Employee provisions	(445,829)	145,275
Net Cash (used in) / provided by operating activities	(3,434,126)	(94,229)

## 9. Cash and Cash Equivalents

	Consolidated	
	2018	2017
	\$	\$
Bank Balances	165,918	246,893
Cash and cash equivalents	165,918	246,893

## 10. Trade and other receivables

### CURRENT

Security Bonds	2,976	19,830
Other Receivables and Accrued Income	40,339	33,386
Prepayments	16,429	4,320
GST paid on acquisitions	260,077	250,332
Total	319,821	307,868

All of the above receivables are held by a credit worthy party. Recoverability of the receivables is highly probable.

## 11. Inventories

	Consolidated	
	2018	2017
	\$	\$
Current		
Consumables	-	221,399
Total	-	221,399

## 12. Plant, Property and Equipment

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Plant, Property and Equipment</b>		
Exploration, Evaluation and Development expenditure		
Costs brought forward in respect of areas of interest:	131,416,290	131,464,236
Costs incurred/reversed in period	(360,000)	(47,946)
Less: Accumulated amortisation	(1,142,988)	(1,142,988)
<b>Total exploration, evaluation and development expenditure</b>	<b>129,913,302</b>	<b>130,273,302</b>
Development Property		
Costs brought forward	74,439,914	74,439,914
Less: Accumulated amortisation	-	-
<b>Total development property</b>	<b>74,439,914</b>	<b>74,439,914</b>
Freehold Land and Buildings		
- at cost		
Carrying amount at beginning of year	151,048	151,048
Less: Sale of land during year	(30,000)	-
<b>Carrying amount at end of year</b>	<b>121,048</b>	<b>151,048</b>
Plant and Equipment		
At Cost	9,203,450	13,773,911
Less: accumulated depreciation	(8,594,823)	(12,168,390)
<b>Carrying amount at end of year</b>	<b>608,627</b>	<b>1,605,521</b>
Less Impairment of Property, Plant and Equipment	(96,000,000)	(96,000,000)
<b>Total Carrying Value of Property, Plant and Equipment</b>	<b>109,082,891</b>	<b>110,469,785</b>

### Reconciliation of Plant and Equipment:

Plant and Equipment		
Carrying amount at beginning of year	1,605,521	2,134,724
Net additions/(sale) during year	(614,777)	6,662
Less: depreciation charged in year	(382,117)	(535,865)
Transfer/Reclassification	-	-
<b>Carrying amount at end of year</b>	<b>608,627</b>	<b>1,605,521</b>

### Leased Plant and Machinery

At reporting date, the consolidated entity did not have any motor vehicles or other equipment under hire purchase or finance lease.

### Exploration, Evaluation and Development expenditure

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

## Impairment of Assets

The carrying values of property, plant and equipment are reviewed for impairment, and adjusted if appropriate, at each reporting date. The Directors have considered internal and external factors and believe that the net present value of the group's projects remains well above the carrying value of its Capitalised Exploration, Evaluation and Development Expenditure.

The Company acknowledges that one of the indicators that impairment needs to be considered is that the market capitalisation of the Entity (currently \$15.05 million) is less than the carrying value as at the date of this report. The Company has determined in accordance with the Accounting Standard that the recoverable amount of the assets based on the future discounted cash flows, supported by the independent valuation report, significantly exceeds the carrying amount of the assets and therefore no impairment is required.

## 13. Other financial assets

	Consolidated	
	2018	2017
	\$	\$
<b>Current</b>		
Security deposit against restoration costs lodged with the Department of Natural Resources, Mines & Energy	1,517,340	-
<b>Non Current</b>		
Security deposit against restoration costs lodged with the Department of Natural Resources, Mines & Energy	493,568	2,010,908
	<u>2,010,908</u>	<u>2,010,908</u>

As part of the sale of the Black Jack gold processing plant, the security deposit of \$1,517,340 will be transferred to the buyer on completion of the tenement transfers.

## 14. Trade and other payables

<b>Current</b>		
Trade creditors	2,022,345	6,067,916
Sundry creditors and accrued expenses	1,653,010	2,617,087
<b>Non Current</b>		
Trade creditors	3,147,620	-
<b>Total</b>	<u>6,822,975</u>	<u>8,685,003</u>

## 15. Borrowings

<b>Current</b>		
<i>Unsecured Liabilities</i>		
Loan from unrelated parties	-	427,891
Loan from related parties	-	265,946
<i>Secured Liabilities</i>		
Loan from unrelated parties	-	14,111,755
<b>Total</b>	<u>-</u>	<u>14,805,592</u>

**Non Current*****Unsecured Liabilities***

Loan from unrelated parties	497,049	-
Loan from related parties	217,618	-
<b>Total</b>	<b>714,667</b>	<b>-</b>

**Loans from unrelated parties**

The loans are all fixed interest and are callable at any time. Interest is calculated at rate of 0% to 18% per annum.

**16. Provisions**

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Current Provisions</b>		
Employee benefits	1,124,540	1,570,369
Restoration and rehabilitation	1,517,340	-
<b>Total</b>	<b>2,641,880</b>	<b>1,570,369</b>

As part of the sale of the Black Jack gold processing plant, the Restoration and Rehabilitation provision of \$1,517,340 will be extinguished on completion of the tenement transfers by the Buyer.

**Non Current Provisions**

Employee benefits	-	-
Restoration and rehabilitation	489,472	1,457,812
<b>Total</b>	<b>489,472</b>	<b>1,457,812</b>

**Restoration, rehabilitation and environmental**

The provision for restoration, rehabilitation and environmental work has been classified as a non-current provision as the obligation to perform such work will only arise on the cessation of the mining project. The provision, which has not been discounted to present value, is fully funded by a cash deposit of an equal or greater amount held by the Department of Natural Resources, Mines and Energy. The provision is based on the calculated cost of restoration, rehabilitation and environmental work required in accordance with the Plan of Operations 2016-2021 accepted by the Department of Environment and Science.

## 17. Issued Capital

### Reconciliation of movement in issued capital of the parent entity

#### Movements in Issued Capital 2018:

Date	Details	Number of Shares	Issue Price	\$
	Balance as at 1 July 2017	1,828,921,386		212,820,319
03-Jul-17	Share Placement	84,333,425	0.009	\$759,000
15-May-18	Share Placement	2,000,000	0.05	\$100,000
	Total movement during the year	86,333,425		859,000
	Balance for the year	1,915,254,811		213,679,319

#### Movements in Issued Capital 2017:

Date	Details	Number of Shares	Issue Price	\$
	Balance as at 1 July 2016	1,772,588,053		212,170,319
05-Aug-16	Share Placement	13,333,333	0.015	\$200,000
21-Nov-16	Share Placement	10,000,000	0.012	\$120,000
30-Jan-17	Share Placement	33,000,000	0.012	\$330,000
	Total movement during the year	56,333,333		650,000
	Balance for the year	1,828,921,386		212,820,319

### Share Options

The terms, amount and number of options are as follows:

Number of options outstanding as at 30 June 2018:

Issuing Entity	Number of options	Exercise Price	Expiry date of Option
Citigold Corporation Limited	-	-	-
Balance as at 30 June 2018			

Number of options outstanding as at 30 June 2017:

Issuing Entity	Number of options	Exercise Price	Expiry date of Option
Citigold Corporation Limited	5,000,000	\$0.05	30 November 2017
Balance as at 30 June 2017	5,000,000		

### Movement in share options

The movement in the company's share options during the year ended 30 June 2018 was as follows:

Date	Details	Number of options	Issue Price \$	\$
30/11/2017	Expiry	5,000,000	\$0.05	30 November 2017

The movement in the company's share options during the year ended 30 June 2017 was as follows:

Date	Details	Number of options	Issue Price \$	\$
-	-	-	-	-

### Ordinary shares

Ordinary shareholders are entitled to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. Every ordinary shareholder present at a meeting in person or by proxy is entitled to one vote on a show of hands or by poll.

### Capital Risk Management

The Group considers its capital to comprise its ordinary share capital plus reserves.

In managing its capital, the Group's primary objective is to ensure its continued ability to provide a return for its equity shareholders through capital growth. In order to achieve this objective, the Group seeks to maintain a gearing ratio that balances risks and returns at an acceptable level and also to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, either through its new share issues, or the reduction of debt, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

It is the Group's practice to maintain its gearing ratio within the range of 0 – 15% (2017: 0 - 15%). The Group's gearing ratio at the balance date is shown below

	Consolidated	
	2018	2017
	\$	\$

### Gearing Ratio:

Net debt	714,667	14,805,592
Total equity	100,910,544	86,668,994
Total capital	101,625,211	101,586,016
Gearing Ratio	0.7%	14.57%



## 18. Reserves

	Consolidated	
	2018	2017
	\$	\$
<b>Composition:</b>		
Asset Revaluation Reserve	37,851,949	37,851,949
Capital Profits Reserve	571,430	571,430
Share Based Remuneration Reserve	834,163	834,163
Total	39,257,542	39,257,542
<b>Asset Revaluation Reserve</b>		
Balance at beginning of the year	37,851,949	37,851,949
Revaluation (decrease)/ increase during the year	-	-
Balance at end of Year	37,851,949	37,851,949
<b>Capital Profits Reserve</b>		
Balance at beginning of the year	571,430	571,430
Revaluation (decrease)/ increase during the year	-	-
Balance at end of Year	571,430	571,430
<b>Share Based Remuneration Reserve</b>		
Balance at beginning of the year	834,163	834,163
Revaluation (decrease)/ increase during the year	-	-
Balance at end of Year	834,163	834,163

### Asset Revaluation

The asset revaluation reserve contains net revaluation increments and decrements arising on the revaluation of non-current assets.

### Capital Profits

Upon disposal of re-valued assets, and increments standing to the credit of the asset revaluation reserve they are transferred to the capital profits reserve.

### Share-based payment reserve

Comprises the fair value of options and performance share rights recognised as an expense.

## 19. Accumulated Losses

	Consolidated	
	2018	2017
	\$	\$
Accumulated losses at beginning of the year	(165,408,867)	(158,769,508)
Net Profit/ (loss) attributable to members of the parent entity for the year	13,313,467	(6,639,359)
<b>Total</b>	<b>(152,095,400)</b>	<b>(165,408,867)</b>

### (a) General objectives, policies and processes

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

## 20. Financial Risk Management

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

These are the principal financial instruments from which financial instrument risk arises:

- Trade receivables
- Cash at bank
- Trade and other payables

Financial Instruments	Note	Consolidated	
		2018	2017
		\$	\$
Cash	9	165,918	246,893
Security bonds	10	2,976	19,830
Prepayments (if these are refundable)	10	16,492	4,320
Receivables	10	300,416	283,718
Deposits (if refundable)	13	2,010,908	2,010,908
<b>Loans and Receivables (Cash and Cash equivalents)</b>		<b>2,496,710</b>	<b>2,565,669</b>

Trade creditors	14	5,169,965	6,067,916
Sundry creditors and accrued expenses (exclude accrued expenses and any statutory amounts such as PAYG/Superannuation)		22,568	33,668
Loans from unrelated party	15	497,049	14,539,646
<b>Financial liabilities at amortised cost</b>		<b>5,689,582</b>	<b>20,641,230</b>
<b>Categories of financial Instruments</b>			
Loans and Receivables (Including cash and cash equivalents)		2,496,710	2,628,669
Financial liabilities at amortised cost		(5,689,582)	(20,907,176)
<b>Total</b>		<b>(3,192,872)</b>	<b>(18,287,507)</b>

#### b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Group.

The maximum exposure to credit risk at balance date is as follows:

	Consolidated	
	2018	2017
	\$	\$
Loans and receivables	319,821	307,868
Cash and Cash Equivalents	165,918	246,893
	485,739	554,761

The maximum exposure to credit risk at balance date  
by country is as follows:

Australia	485,739	554,761
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#### c) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet commitments associated with financial instruments, e.g. borrowing repayments. It is the policy of the Board of Directors that the Treasury maintains adequate committed credit facilities and the ability to close-out market positions. In addition, the entity carefully monitors its actual and forecast cash flows and matches them to current obligations

d) Financing arrangements

**Maturity Analysis - Group 2018**

<b>Financial Liabilities</b>	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	\$	\$	\$	\$	\$	\$
Trade Creditors	5,169,965	5,169,965	2,022,345	-	3,147,620	-
Term Loans	714,667	714,667	-	-	714,667	-
<b>TOTAL</b>	<b>5,884,632</b>	<b>5,884,632</b>	<b>2,022,345</b>	<b>-</b>	<b>3,862,287</b>	<b>-</b>

<b>Financial Assets</b>	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	\$	\$	\$	\$	\$	\$
Trade debtors	38,338	38,338	38,338	-	-	-
Other receivables	18,686	18,686	18,686	-	-	-
<b>TOTAL</b>	<b>57,024</b>	<b>57,024</b>	<b>57,024</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Maturity Analysis  
Group 2017**

<b>Financial Liabilities</b>	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	\$	\$	\$	\$	\$	\$
Trade Creditors	6,067,916	6,067,916	6,067,916	-	-	-
Term Loans	14,805,592	14,805,592	14,805,592	-	-	-
<b>TOTAL</b>	<b>20,873,508</b>	<b>20,873,508</b>	<b>20,873,508</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Financial Assets</b>	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	\$	\$	\$	\$	\$	\$
Trade debtors	32,285	32,285	32,285	-	-	-
Other receivables	20,930	20,930	20,930	-	-	-
<b>TOTAL</b>	<b>53,215</b>	<b>53,215</b>	<b>53,215</b>	<b>-</b>	<b>-</b>	<b>-</b>

d) Market Risk

Market risk arises from the use of foreign currency financial instruments. It is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates (currency risk).

e) Interest rate risk

All loans have fixed interest rates, cash and cash equivalents and are invested at variable interest rates subjecting the interest amount received to interest rate risk. The balance in cash and cash equivalents will not drop regardless of the interest rate therefore there is no down side interest rate risk.

<b>Consolidated - 2017</b>	Carrying Amount AUD	+1% Profit	-1% Profit
	\$	\$	\$
Cash and cash equivalents	246,893	2,469	(2,469)
Tax charge of 27.5%		(679)	679
After tax increase/ (decrease)		1,790	(1,790)

The above analysis assumes all other variables remain constant.

<b>Consolidated - 2018</b>	Carrying Amount AUD	+1% Profit	-1% Profit
	\$	\$	\$
Cash and cash equivalents	165,818	1,658	(1,658)
Tax charge of 27.5%		(456)	456
After tax increase/ (decrease)		1,202	(1,202)

The above analysis assumes all other variables remain constant.

## 21. Commitments

### Exploration expenditure commitments

The consolidated entity and the Company have the following discretionary exploration expenditure commitments in respect of exploration to maintain current mineral rights of tenure. These commitments may be reduced by renegotiation upon renewal of the tenements, or by relinquishment of tenure.

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	\$	\$
Exploration expenditure commitments payable:		
- not later than one year	-	1,050,680
- later than one year but not later than five years	4,612,722	808,640
<b>Total</b>	<b>4,612,722</b>	<b>1,859,320</b>

## 22. Consolidated Entities

	Country of Incorporation	Ownership Interest 2018	Ownership Interest 2017	Date of Incorporation
Charters Towers Gold Pty Ltd	Australia	100	100	5 Oct 1995
Charters Towers Mines Pty Ltd	Australia	91.5	91.5	14 Mar 1984
Charters Technology Pty Ltd	Australia	100	100	13 Jan 2000
Gold Management Pty Ltd	Australia	100	100	28 Jan 2000
Gold Projects Pty Ltd	Australia	100	100	25 Jan 2000
Great Mines Pty Ltd	Australia	100	100	19 Mar 1984
Deeprack Mining Pty Ltd	Australia	81.2	81.2	18 Jun 1984
Queensland Gold Mines Pty Ltd	Australia	100	100	27 Feb 2006

## 23. Financial Instruments

Exposure to credit, interest rate risk and currency risk arise in the normal course of the consolidated entity's business. No hedging of this risk is undertaken by the consolidated entity.

### Fair Values

	2018		2017	
	Carrying Amount \$	Fair Value \$	Carrying Amount \$	Fair Value \$
Trade and other receivables	319,821	313,826	307,868	298,408
Cash and cash equivalents	165,918	165,918	246,893	246,893
Trade and other payables	(6,822,975)	(6,300,069)	8,685,003	8,154,932
Non-current liabilities (Note 15)	(714,667)	(659,896)	2,010,908	1,960,635

### Securities

Fair value is based on quoted market prices at the balance date without any deduction for transaction costs.

## **24. Related Party Transactions**

### (a) Parent entity

The ultimate parent entity within the Consolidated Group is Citigold Corporation Limited.

### (b) Subsidiaries

Interests in subsidiaries are set out in Note 22.

### (c) Key management personnel

Disclosures relating to key management personnel are set out in Note 30.

### (d) Loans to related parties

Citigold Corporation Limited has provided unsecured, interest free loans to its wholly owned subsidiaries. An impairment assessment is undertaken each financial year by examining the financial position of the subsidiary and the market in which the subsidiaries operate to determine whether there is objective evidence that the loan to each subsidiary is impaired. When such objective evidence exists, the Company recognises an allowance for the impairment.

### (e) Loans from related parties

Citigold Corporation Limited has been provided unsecured, interest free loans from its wholly owned subsidiaries.

## **25. Subsequent Events**

Since the end of the financial year the Company issued 234,380,786 shares to raise working capital.

## **26. Contingent Asset/ Liability**

There is currently no contingent asset or liability.

## **27. Going Concern**

The financial statements have been prepared on a going concern basis. The profit after tax for the Company was \$13.3 million during the period ended 30 June 2018 and as of that date the group had current assets of \$2.0 million and current liabilities of \$6.3 million. At post balance date, the Company raised a total capital of \$1.48 million.

## **28. Significant Events and Transactions**

Sale of Plant and Equipment: The Black Jack gold processing plant was sold for \$12 million during the period with bulk of the proceeds used to repay the secured lender Fortune Gems and Jewellery DMCC (Fortune), with the balance used for working capital. As part of the Company's outsourced model, the purchaser has agreed to key terms of a future Citigold's ore treating agreement.

Repayment of secured lender: Fortune Gems and Jewellery DMCC and the Company entered into a settlement deed during the period with all liabilities relating to the Loan Note extinguished.

## **29. Segment Reporting**

The consolidated entity operates in the mining exploration industry. Details of the mining exploration activities are set out in the review of operations. Each company within the consolidated entity operates within the one geographic area, being Australia.



### 30. Key management personnel disclosures

#### a) Directors

The following persons were Directors of Citigold Corporation Ltd during or since the financial year:

M.J. Lynch	(Executive Chairman)
J.J. Foley	(Non Executive Director)
A. Panchariya	(Non Executive Director)
S. Acharya	(Non Executive Director)

#### (b) Other Key Management Personnel

No Key Management Personnel appointed during the financial year.

#### (c) Key management personnel compensation

	Consolidated	
	2018	2017
	\$	\$
Short term employee benefits	705,130	586,950
Post-employment benefits	7,826	7,826
	712,956	594,776

Further information regarding the identity of key management personnel and their compensation can be found in the Audited Remuneration Report contained in the Directors' Report on pages 5 to 8 of this report.

#### (d) Key management personnel equity interest

##### Shares

The number of shares held in the Company during the financial year by each Director and each of the Key Management Personnel of the Group, including related entities, is set out below:

2018	Balance at the start of the year	Exercise of options	Other net changes during the year	Balance at the end of the year
<b>Directors</b>				
J J Foley	7,307,879	-	-	7,307,879
M J Lynch	88,347,084	-	11,666,669	100,013,753
S Acharya	-	-	-	-
A Panchariya	-	-	-	-
<b>Other Key Management Personnel</b>				
-	-	-	-	-

2017	Balance at the start of the year	Exercise of options	Other net changes during the year	Balance at the end of the year
<b>Directors</b>				
J J Foley	7,307,879	-	-	7,307,879
M J Lynch	88,347,084	-	-	88,347,084
S Acharya	-	-	-	-
A Panchariya	-	-	-	-
<b>Other Key Management Personnel</b>				
-	-	-	-	-

### Options

- (a) Details of options provided as remuneration and shares issued on the exercise of such options, together with terms and conditions of the options can be found in the detailed remuneration disclosures to the Directors Report.
- (b) The number of options held in the Company during the financial year by each Director and each of the Key Management Personnel of the Group, including related entities, is set out below:

2018	Balance at the start of the year	Exercise of options	Granted during the year as remuneration	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
------	----------------------------------	---------------------	---	-------------------------------	--------------------------------	---

#### Directors

No Directors held options in the group during the period

#### Other Key Management Personnel

No Other Key Management Personnel held options in the group during the period

2017	Balance at the start of the year	Exercise of options	Granted during the year as remuneration	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
------	----------------------------------	---------------------	---	-------------------------------	--------------------------------	---

#### Directors

No Directors held options in the group during the period

#### Other Key Management Personnel

No Other Key Management Personnel held options in the group during the period

### LOANS TO DIRECTORS OR KEY MANAGEMENT PERSONNEL

No loans were granted to any directors or other key management personnel of the Company and the group during the period ending 30 June 2018.

### TRANSACTION RELATING TO KEY MANAGEMENT PERSONNEL

A Key Management Personnel has provided a \$217,618 unsecured loan to the company at the interest rate of up to 12% per year.

### 31. Parent Entity Financial Information

#### a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	Parent Entity	
	2018	2017
	\$	\$
<b>Balance Sheet</b>		
Current assets	2,002,365	517,896
Total assets	116,465,092	117,072,945
Current liabilities	5,964,291	19,252,856
Total Liabilities	3,357,299	18,984,174
<b>Shareholders' equity</b>		
Issued Capital	213,679,318	212,820,318
Reserves	38,686,113	38,686,113
Accumulated losses	(139,257,639)	153,417,660
<b>Profit and Loss</b>		
Loss/(profit) for the year	(14,160,021)	5,833,045
Total comprehensive loss/ (profit)	(14,160,021)	5,833,045

#### b) Guarantees entered into by the parent entity

Citigold Corporation Limited has provided unsecured guarantees in respect of the provisions of financial assistance to some of the subsidiaries within the Group. No liability was recognised by Citigold Corporation Limited in relation to these guarantees as the likelihood of payment is not probable.

#### c) Contingent liabilities of the parent entity

Refer to Note 26.

#### d) Contractual commitments by the parent entity for the acquisition of property, plant and equipment.

There are no contractual commitments by the parent entity for the acquisition of property, plant and equipment.

## Directors' Declaration

In the opinion of the directors of Citigold Corporation Limited

- a) The financial statements and notes set out on pages 10 to 40 are in accordance with the Corporations Act 2001 including:
  - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2018 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date; and
- b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- c) The remuneration disclosures included in pages 5 to 8 of the Directors' Report (as part of the Remuneration Report), for the year ended 30 June 2018, comply with section 300A of the Corporations Act 2001; and
- d) there are reasonable grounds to believe that the company and the group entities identified in Note 22 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to ASIC Class Order 98/1418.

The directors have been given the declarations by the chief executive officer and chief financial officer for the financial year ended 30 June 2018 pursuant to Section 295A of the Corporations Act.

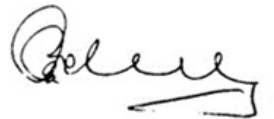
This declaration is made in accordance with a resolution of the directors.



M J Lynch

*Chairman*

Dated at Brisbane this 26th September 2018



J J Foley

*Director*

# Auditors Report

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DRUMMOYNE NSW 2047

# K.S. Black & Co.

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PO Box 2210  
NORTH PARRAMATTA NSW 1750

## INDEPENDENT AUDITOR'S REPORT

To the Members of Citigold Corporation Limited

### Opinion

We have audited the financial report of Citigold Corporation Limited (the company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards and *the Corporations Regulations 2001*.

### Basis of opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matter	How our audit addressed the key audit matter
<p><b>Impairment of mining tenements</b> Refer to note 12 (Mining tenements, property, plant and equipment)</p> <p>At 30 June 2018, the Group has capitalised mining tenement costs of \$109.1M. AASB 136, 'Impairment of Assets' requires that the recoverable amount of an asset, or cash generating unit to which it belongs, be determined whenever an indicator of impairment exists.</p> <p>An indicator of impairment exists as the current market capitalisation is \$15.05M which is below the net assets of the company of \$100.9M.</p> <p>The Group's assessment of the recoverable amount of its reserves was a key audit matter because the carrying value of the assets are material to the financial statements and management's assessment of recoverable amount. This assessment incorporated significant internal and external judgments and assumptions including commodity prices, available reserves, residual values, production costs and discount rates.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"><li>• We have obtained an Independent valuation report prepared by Global Resources &amp; Infrastructure Pty Limited (GRI) dated 7 September 2018 confirming the valuation of the mining tenements ranging from \$271.1 million to \$294.6 million with a preferred value of 269.2 million;</li><li>• The Independent valuation report has confirmed that the resources and reserves described herein were compliant at the time of their estimation with JORC (2004) Code and should not undergo any material change when viewed in the light of the JORC (2012) Code. This report complies with the requirements of the VALMIN (2015) Code as it relates to the valuation of minerals assets.</li><li>• We have assessed whether the external expert engaged by management to provide independent valuations was appropriately experienced and qualified;</li><li>• We checked the mathematical accuracy of the cash flow models, testing inputs from valuation reports produced, as well as external inputs, including spot rates and processing costs in relation to the reserves at the reporting date;</li><li>• We have considered and tested what impact the sale of mining equipment had on the input costs to the cash flow models used to calculate the recoverable amount of mining tenements;</li><li>• We evaluated management's key assumptions and estimates used to determine the recoverable amount of its assets, including those related to forecast commodity prices and revenue costs, discount rates and estimated residual values;</li><li>• We assessed the accuracy of management's forecasting by assessing the reliability of historical forecasts and reviewing whether current market conditions would impact those forecasts;</li><li>• We have obtained management representations relating to the accuracy of their calculation and valuation of mineral resources and reserves; and</li><li>• Determined whether appropriate disclosure regarding significant areas of uncertainty had been made in the financial report.</li></ul>

### Trade and Other payables

Refer to note 14 (Trade and other payables)

At 30 June 2018, the Group had \$3.67M in current trade and other payables. Included in the trade creditors of the company are taxation liabilities of \$1,775,400.

We note that the company has signed a Deed of Settlement and Guarantee with the Australian Taxation Office.

Our procedures included, amongst others:

- With respect to the amounts outstanding to the Australian Taxation Office, we have sighted the signed Deed of Agreement, Guarantee and Indemnity and that the Group has complied with the repayment schedule;
- We have reviewed the ASIC website to make sure no winding up orders of the company are in place;
- Review of correspondence between the ATO, creditors and the Group to determine if the ATO and/or other creditors have commenced legal actions or legal action is pending;
- We examined management's cash flow forecasts regarding future repayments of debts and obtained management representations in this regard as well;
- Obtained solicitors representation letters confirming that no legal action has commenced and/or that no Directors Penalty Notices have been issued.
- Reviewed confirmations from management that neither recovery action nor Director Penalty Notices had been issued, by way of inclusion in the management representation letter.

### Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

### Directors' responsibility for the financial report

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*, and for such internal controls as the directors determine are necessary to enable the presentation of the financial report so that it gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing as applicable, matters related to going concern, and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibility for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement individually, or in the aggregate, that could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our representation of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

#### **Report on the Remuneration Report**

##### **Opinion on the Remuneration Report**

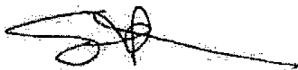
We have audited the Remuneration Report include in pages 5 to 8 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report for the year ended 30 June 2018 complies with section 300A of the Corporation Act 2001.

#### **Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

KS Black & Co  
Chartered Accountants



Scott Bennison  
Partner

Dated: 26/9 2018  
Sydney



## ASX Additional Information

### 1. SHAREHOLDINGS as at 25 September 2018

Distribution of Members and their Shareholdings

Range	Total holders	Number of Shares
1 - 1,000	249	43,400
1,001 - 5,000	183	581,374
5,001 - 10,000	193	1,563,688
10,001 - 100,000	942	50,614,340
100,001	1,341	2,096,832,795
<b>Total</b>	<b>2,908</b>	<b>2,149,635,597</b>

1,233 Shareholders have less than marketable parcel of ordinary shares

*Voting rights - all shares carry voting rights of one vote per share*

#### Substantial Shareholdings as at 25 September 2018

Name	Number of Shares	% of Issued Share Capital
R G F LAND SDN BHD	188,554,719	8.77
AURORA INVESTMENTS LIMITED	146,204,489	6.80

#### Twenty Largest Shareholders as at 25 September 2018

Name	Number of Shares	% of Issued Share Capital
CITICORP NOMINEES PTY LIMITED	276,186,078	12.85
R G F LAND SDN BHD	188,554,719	8.77
AURORA INVESTMENTS LIMITED	146,204,489	6.80
K SERA SERA HOLDINGS PTY LTD	96,485,307	4.49
PAL GROUP PTY LTD <KATHLEEN THERESE LYNCH A/C>	57,609,252	2.68
MR KWOK KIM CHO	57,200,000	2.66
J P MORGAN NOMINEES AUSTRALIA LIMITED	45,442,286	2.11
CHARTERS CTO PTY LTD <THE RAY LARKIN S/F A/C>	36,985,953	1.72
RHB SECURITIES SINGAPORE PTE LTD <CLIENTS A/C>	34,150,555	1.59
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	31,177,034	1.45
MR FRANCIS MARTIN RIGBY & MRS PORTIA ANASTASIA RIGBY <THE RIGBY SUPER FUND A/C>	27,428,572	1.28
LIM KOK	25,000,000	1.16
G & J ARNOLD PTY LTD <G & J ARNOLD SUPER FUND A/C>	23,650,000	1.10
EST HARRY SIOROS	17,302,868	0.80
STEVEN LIAN	13,000,000	0.60
MR IAN MCDONALD FRASER & MS JILLIAN BACON <IAN FRASER SUPER FUND A/C>	12,500,000	0.58
BNP PARIBAS NOMS PTY LTD <DRP>	12,358,924	0.57
MR NIAL LESTER-BLAIR NAND	12,034,309	0.56
MR ANTHONY NORMAN BUIST	11,064,416	0.51
JF APEX SECURITIES BERHAD <CLIENT ACCOUNT>	10,576,410	0.49
	<b>1,134,911,172</b>	<b>52.80</b>

## 2. RESTRICTED SECURITIES

At the time of this report there are no ordinary shares classified as restricted securities.

## 3. ON MARKET BUY BACK

There is no current on-market buy back.

## 4. SUMMARY OF MINING TENEMENTS & AREAS OF INTEREST as at 25 September 2018

The Consolidated Entity has a 100% control of the following mining tenements at Charters Towers:

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

## **Corporate Directory**

### **REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS**

Suite 23, 86 Brookes Street, (PO Box 1133)  
Fortitude Valley, QLD, 4006, Australia  
Telephone: +61 7 3839 4041  
Email: brisbane@citigold.com

### **CHARTERS TOWERS MINE SITE**

10 Nagel Street [PO Box 10]  
Charters Towers, Qld, 4820, Australia  
Email: mine@citigold.com

### **DIRECTORS**

Mark Lynch (Executive Chairman)  
John Foley (Non-Executive Director)  
Arun Panchariya (Non-Executive Director)  
Dr Sibasis Acharya (Non-Executive Director)

### **COMPANY SECRETARY**

Niall Nand

### **STOCK EXCHANGE LISTING**

Australia (ASX) Code 'CTO'

### **SHARE REGISTRY**

Link Market Services Limited  
Locked Bag A14,  
Sydney South, NSW 1235  
Telephone: 1300 554 474

### **AUDITOR**

KS Black & Co  
Level 1 / 251 Elizabeth Street  
Sydney NSW 2000

### **BANK**

Westpac