



## Quarterly Report

30 April 2020

For the period ending 31 March 2020

### HIGHLIGHTS

- The Company continues to review its business plan, schedules and strategies with operational and capital cost efficiencies an ongoing focus.
- Major project funding discussions actively continued with interested strategic partners to expand Citigold's production-ready Charters Towers Gold Project (Gold Project).
- The quarter saw a focus on the upside potential for exploration areas held by the Company that surround our production leases that have along strike potential for extensions of existing mineral resources. Mineral Resources and Ore Reserves remain unchanged during the period.
- The very substantial work and studies, including previous test mining, support the Company's view that the Gold Project can provide a long and profitable mine life for the Company, shareholders and local community.
- In January 2020, project design activity increased with an optimisation review underway for the Central underground layout, to potentially bring forward first gold production and efficiently ramp up production.
- The Company has a substantial inherent value in its large high-grade Charters Towers gold assets, and we are focused on unlocking that value for shareholders.
- Our aim is to be a 300,000 plus ounces per annum ultra-low-cost gold producer in five years using state of the art technologies and efficiencies, all with the aim of returning substantial profits to shareholders in harmony with the local environment.

## OPERATIONS

### Planned Resumption of Mining

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

The underground mining operations at the Company's Charters Towers 'Central' and 'Imperial' mining areas remained on care and maintenance during the quarter, with no gold production.

The 'Central' underground is expected to be a major contributor to our aim of being a 300,000 plus ounces gold producer within 5 years.

Resumption of mining at Charters Towers is contingent on a sufficient level of capital financing, with active planning continuing during the quarter.

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

Citigold's go-forward business plan is an outsourced model. This approach can bridge the usual 'growing pains' involved in expanding by internally building a staffing team.

There is a core team at Citigold with a clear strategy and plan to develop the mine. They can engage external consultants and contractors to undertake all of the relevant tasks.

An outline of the mining plan for the Central mining area has been given in previous reports.

Designs and strategies for the Central Mine refined during the quarter, with a focus on an 'optimal' mine design methodology, for the geometry and rock conditions of our particular gold deposit.

The very substantial work and studies, including previous test mining, support the Company's view that the Charters Towers project can provide a long and profitable mine life.

With a solid data foundation to build on, the remaining project funding will be mainly used for the underground development, tunnelling and materials handling systems for the 'Central' mining areas.

We continue to plan for the resumption of underground mining. We will be focused on beginning to deliver on our announced strategy. Your Company has a substantial inherent value in its large high-grade Charters Towers gold assets.

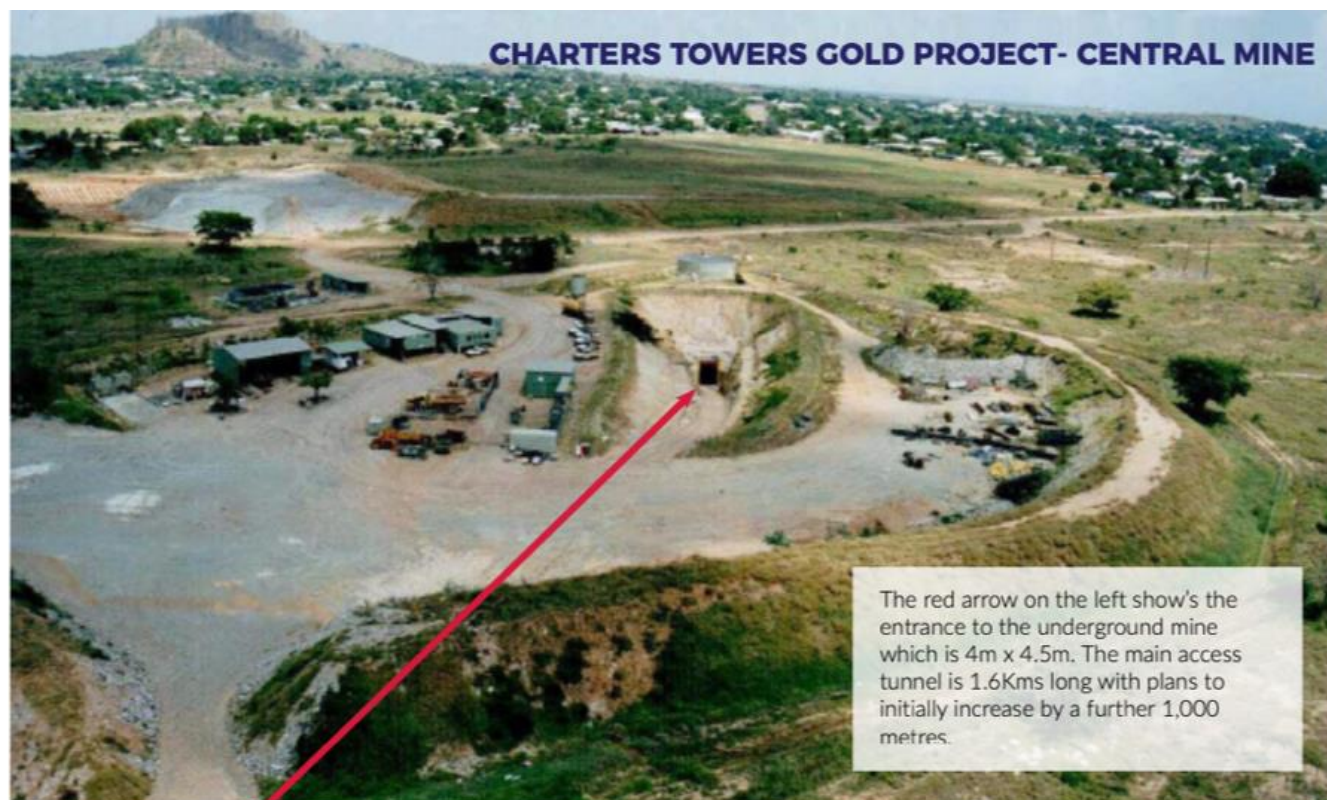


ABOVE: The gold ore at Charters Towers is visually very different to the host granite rock, and therefore relatively easy to follow for miners when excavating the tunnels in the ore in preparation for stoping (ore extraction).

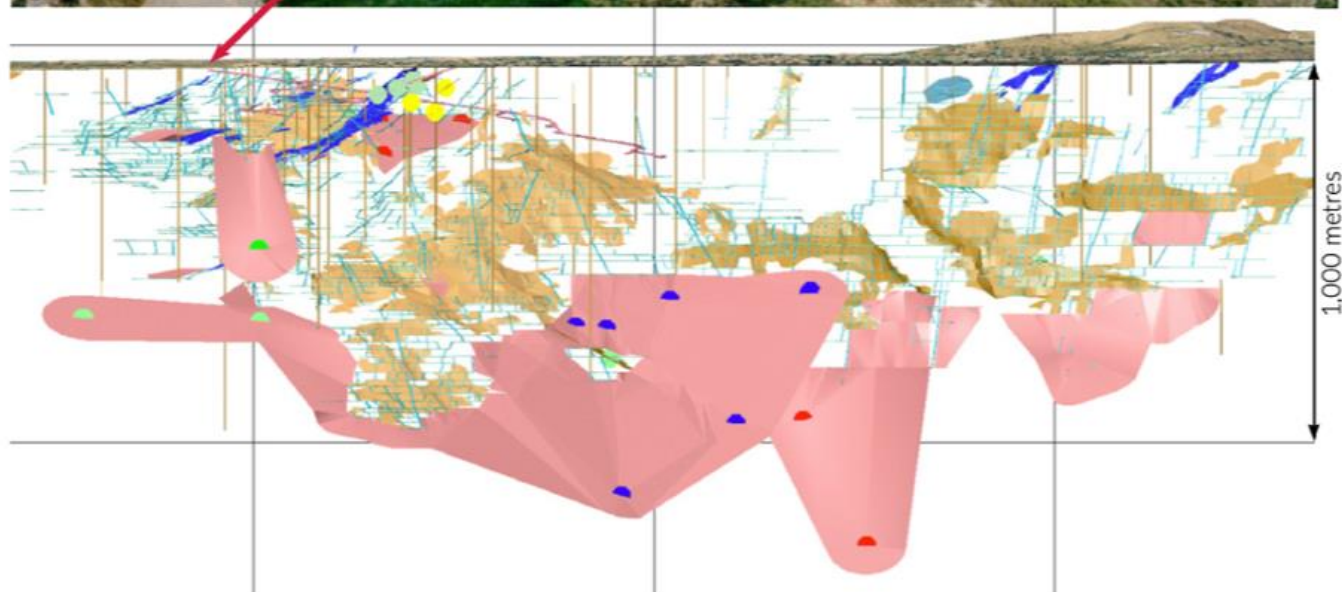




## CHARTERS TOWERS GOLD PROJECT- CENTRAL MINE



The red arrow on the left shows the entrance to the underground mine which is 4m x 4.5m. The main access tunnel is 1.6Kms long with plans to initially increase by a further 1,000 metres.



**ABOVE TOP:** Photo of Citigold's Central mine site and the entrance to the underground ramp portal.

**ABOVE:** Shows the gold areas to be mined in **PINK** and, the **BROWN** areas were previously mined.

**GREY** lines are 1 kilometer grid spacing, large gold deposit is in **PINK** and mining gold starts at shallow 300 metres deep.

Long section looking south, showing the drill pierce points through the Central Area Indicated Mineral Resource structures. Above diagram, see Technical Report page 107, ASX announcement dated 21 May 2012 Mineral Resources & Reserves Report.

The above diagram is based on estimates of mineral resources. The material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.



## GEOLOGY AND EXPLORATION

The Quarter continued to see an ongoing focus on the upside potential of our exploration areas for extensions of resources adjacent to production leases.



ABOVE: Extensive downhole geophysics trials were previously conducted to try and assist in the boundary definition process of the high-grade mineralisation, and locating 'new' reefs.

A field trip looked at accessing future drilling areas, with a substantial budget for exploration area drilling in the Company's forward plan and budget.

Citigold's knowledge base of the Charters Towers reef systems is unique in the world due to the very large investment to date in all facets of exploration, including data collection, drilling and underground test mining data.

During the Quarter, assessment continued on the frequency of the payable sections of past mining. Reassessment of geological information collected by the Company has led to the geological conclusion that the payable sections of the reefs may be more frequent and/or closer spaced than previously thought. This assessment means that there will be an ongoing reassessment of much of the surface and underground data collected.

During the Quarter, no new exploration drilling was undertaken.

The fullest exploration of the Charters Towers goldfield is planned. Substantial exploration funds are in our overall go-forward budgets.

Regulatory reporting and compliance continued during the Quarter.

### Mineral Resources and Ore Reserves

The Company's prime focus is the Gold Project.

The Project comprises of the 11 million ounce 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 4 g/t cut-off) (See ASX announcement dated 21 May 2012 Mineral Resources and Reserves report).

Citigold's Mineral Resources and Ore Reserves for the overall Gold Project are reported in accordance with the Australasian JORC Reporting Code 2012.



ABOVE: Underground, the gold reef is clearly visible running at a 45-degree angle in lighter colour.



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

Mineral Resources and Ore Reserves remain unchanged during the period.

The material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

See full report: <https://www.citigold.com/technical-reports/>

## Research and Development

Overall, Citigold's innovation program in mining and exploration is driven by finding what is useful and works for our Gold Project, rather than what maybe applicable to the general industry.

Renewable energy is planned, over time, to become the primary energy source. Modern renewable energy and battery storage systems provide benefits not available a decade ago.

Interest is being explored with external parties about the potential supply of renewable energy to the mining operations. There is the potential for a captive energy for the mining operations only and or the ability to export larger quantities above the mine's own needs.

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

Citigold's innovation efforts and achievements will assist the faster definition of the high-grade gold areas. The formation of our automation development plans are continuing.

## HEALTH, SAFETY, COMMUNITY AND ENVIRONMENT

There were no Lost Time Injuries, significant environmental, health or safety issues during the quarter.

There were no reportable environmental incidents during the quarter. The Company's project strives for good environmental operations and continues its pleasing record. These favourable achievements, on the ground, are assisted by the relatively benign chemical properties of the local rocks and the operational care taken at the sites.

The Company's Lost Time and Disabling Injury Frequency Rate (LTIFR and DIRF) remains at zero. Citigold is committed to creating and maintaining a safe environment, both in the workplace and in the local community.



ABOVE: Charters Towers ore from Citigold test mining previously undergoing early-stage 'ore sorting' test trials. The aim is to mechanically remove unmineralised bulk rock 'dilution' that occurs in the ore mining process and reduce tonnage before it enters the wet end of the processing plant.



## CORPORATE

### Financial Highlights

During the period, the 2019 Half Yearly Report was released. The net assets of the Group at 31 December 2019 was \$99.5 million (30 June 2019 was \$100 million). The loss after tax for the Group during the half-year was \$1.6 million (31 December 2018 was \$1 million).

In the first half year, the Company completed a broad shareholder \$1.21 million capital raising. In addition to this, the Company completed a \$100,000 capital raising during this Quarter confirming the continued support of investors and shareholders.

With the production-ready Charters Towers Gold Project remaining in care and maintenance, the focus is on completing the major funding discussions and moving to gold production and revenue thereafter.

During the Quarter and since the end of the Quarter, the Company has drawn down on the \$1 million loan facility put in place in December 2018.

The Company has the share placement flexibility to issue securities up to 15% annual placement capacity and may raise up to, or above, circa \$2 million depending on the share price. The Company further has the ability to raise funds from the sale of gold in the ground and loan facilities as previously announced.

### Development Funding

Activities during the Quarter continued to remain heavily focused on advancing discussions with strategic funding partners. The gold price is encouraging near US\$1,700 (AU\$2,600) per ounce.

## CHARTERS TOWERS PROJECT OVERVIEW

Citigold is an Australian gold mining and exploration company, operating on the core high-grade Charters Towers goldfield in north-east Australia, 1,000 kilometres north of Brisbane, Queensland, and 130 kilometres south-west from the major coastal port of Townsville.

The Gold Project is one of Australia's largest high-grade pure gold deposits.

The Company does not require additional mine acquisitions to sustain long term gold production.

Citigold has already invested over \$200 million in acquiring the gold deposit and developing the infrastructure for mining at Charters Towers.

Prior years test mining operations have produced over 100,000 ounces of gold.

The Company is seeking to raise the required capital funding to complete the underground capital works. The business plan and capital expenditure program shows the gold production to commence within 12 months or less of the injection of the required capital into the Project.



ABOVE: A mined area from Citigold's test mining showing the floor of the level drive, and the stope voids (ore extracted area) above and below the level. The ore has been cleanly extracted, showing how the mining method minimizes dilution by maintaining a narrow stoping 'slot' width.



## SUMMARY OF MINING TENEMENTS & AREAS OF INTEREST

Citigold reports that the Consolidated Entity has a 100% control of the following mineral titles at Charters Towers as at 31 March 2020 and there were no acquisitions or disposals during the quarter:

Exploration Permit Minerals	EPM 15964	EPM 15966	EPM 18465	EPM 18813	EPMa 27287
Minerals Development Licences		MDL 118	MDL 119	MDL 252	
Mining Leases	ML 1343	ML 1430	ML 1545	ML 10193	ML 10284
	ML 1344	ML 1472	ML 1585	ML 10196	ML 10335
	ML 1347	ML 1488	ML 10005	ML 10208	
	ML 1348	ML 1490	ML 10032	ML 10222	
	ML 1385	ML 1491	ML 10042	ML 10281	
	ML 1398	ML 1499	ML 10091	ML 10282	
	ML 1424	ML 1521	ML 10093	ML 10283	


For further information contact:

**Niall Nand**

Company Secretary

86 Brookes St (PO Box 1133),  
Fortitude Valley, QLD, 4006  
Australia

 +61 7 3839 4041

 nnand@citigold.com

 www.citigold.com

**Authorised for release:** by Mark Lynch, Chairman, Citigold Corporation Limited.

**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.

### Competent Person Statement:

The following statements apply in respect of the information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves: The information is based on, and accurately reflects, information compiled by Mr Christopher Alan John Towsey, who is a Corporate Member and Fellow of the Australasian Institute of Mining and Metallurgy. Mr Towsey is a Chartered Professional (Geology) and currently independent of Citigold Corporation Limited, having previously been a Director of the Company from 2014-June 2016. He has the relevant experience in relation to the mineralisation being reported on to qualify as a Competent Person as defined in the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Identified Mineral Resources and Ore Reserves 2012. Mr Towsey has consented in writing to the inclusion in this report of the matters based on the information in the form and context in which it appears.

**For full details see Technical Report on the Mineral Resources and Reserves at [www.citigold.com](http://www.citigold.com) click Mining >Technical Reports >Mineral Resources and Reserves 2012**

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

CITIGOLD CORPORATION LIMITED

ABN

30 060 397 177

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(25)	(502)
(b) development	(14)	(767)
(c) production	-	-
(d) staff costs	(3)	(34)
(e) administration and corporate costs	(51)	(551)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	(12)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(93)</b>	<b>(1,866)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	-	-
(e) investments	-	-
(f) other non-current assets	-	-



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

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	100	1,307
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	40	856
3.6	Repayment of borrowings	(50)	(299)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>90</b>	<b>1,864</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	12	11
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(93)	(1,866)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	90	1,864

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

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	9	12
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>9</b>	<b>12</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

<b>Current quarter \$A'000</b>
1

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Item 6.1: Payment of Director Fees

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	1,000	757
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 <b>Total financing facilities</b>		
7.5 <b>Unused financing facilities available at quarter end</b>		243
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
A\$1 million secured loan facility obtained from PAL Group Pty Ltd ATF The I and F Trust at 12% per annum interest rate, maturity of 7 June 2021 and all other terms remains unchanged.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(93)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(93)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	9
8.5	Unused finance facilities available at quarter end (Item 7.5)	243
8.6	Total available funding (Item 8.4 + Item 8.5)	252
8.7	<b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	2.71

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A



## Compliance statement

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

Date: 30 April 2020

Authorised by: Mark Lynch, Chairman  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.