Quarterly Report

For the period ending 31 December 2014

The December 2014 Quarter continued to display Citigold's focus on its smarter, better, cheaper, faster philosophy and its ability to advance the undertaking of becoming a mid tiered gold producer in the shortest possible timeframe.

The CEO, Mr Matthew Martin, commented that he continued to be impressed with the ongoing high grade drill intersections that highlight the excellent understanding the current geology team has of the gold deposit which is providing a solid basis for both short and long term mine planning that will see the production increase to 50,000 ounces in stage one and beyond.

HIGHLIGHTS

- Major development funding negiotiations progressed with the aim of raising funds adequate to get the Central project to self sustaining gold production by completing stage 1 of the development works to achieve an initial production target of 50,000 ounces per annum building up to a production level of over 300,000 ounces per annum from the Charters Towers gold project.
- Fundraising of almost $4 million was completed during the Quarter ensuring the Company is funded adequately to continue to progress the Charters Towers gold Project.
- Citigold completed the successful bulk sampling program (open pit prefeasibility study) to the south of the Imperial mine.
- An update on the drilling program in the Central area released during the Quarter from the six (6) diamond drill holes there were 7 intercepts over 5 grams per tonne with the highest grade of 24 centimeters at 66.7 grams per tonne gold.
- The two highest grade intercepts of 66.7 grams per tonne gold and 21.8 grams per tonne gold were both from the C03/C03W (Queen/Queen West) structure.
- An intercept of 10.8 grams per tonne gold from the C38 structure further confirms that this newly discovered structure is gold bearing.
- Mining infrastructure including processing plant, existing mining leases and proven expertise in reef gold deposits is proving that Citigold it has the capacity and foundation to rapidly mature into a mid-tier gold producer.



CENTRAL MINE, STAGE 1, IS THE GROWTH PATH TOWARDS BECOMING A MID TIERED GOLD PRODUCER

The Charters Towers gold mine is wholloy owned by Citigold and has as its foundation the 11 million ounce gold deposit defined and set out in the **2012 Mineral Resources and Reserves Technical Report** in accordance with JORC reporting requirments.

The Charters Towers gold deposit has an Inferred Mineral Resource of 25 million tonnes at 14 grams of gold per tonne for 11 million ounces and a Probable Ore Reserve of 2.5 million tonnes at 7.7 grams of gold per tonne for 620,000 ounces.

The Central mining area and the Imperial mining areas are already established sites which provides two separate accesses. The Central and Imperial areas are both part of the same mining operation.

The Imperial area was used as an optimization area to prove the mechanized mining method and the viability of the project. With **average cash costs sub $600 per ounce** and clean open stopes minimizing dilution the Company's focus moved to increasing production as fast as possible while ensuring costs remained low.

The funding deal had been completed to fund the rapid development of the gold field and stage 1 of the development project in the Central area was commenced. Due to matters unrelated to Citigold the funder was unable to complete the transaction. The management team continue to advance discussions with other interested funders and are fully confident of concluding another funding deal that will see production ramp up in the current low cost environment.

There is now a clear plan to revive the production initially from the Central area with the Imperial area to be advanced out of free cash flow generated.

Many key design issues have been resolved with a main exhaust shaft designed and budgeted, dewatering facilities designed and budgeted and the initial stage of decline development extension designed and budgeted. This initial stage of decline development will allow multiple working faces to be developed simultaneously assisting the Company achieve the **initial production target of 50,000 ounces per annum**.

In the past Citigold has extracted over 100,000 ounces of gold at Charters Towers. This past production has enabled the Company to optimise a mechanised mining method on a small scale and comparatively low cost to some of its peers, removing most of the technical risk from the project. These works are now to be applied to the Central area on a larger scale.

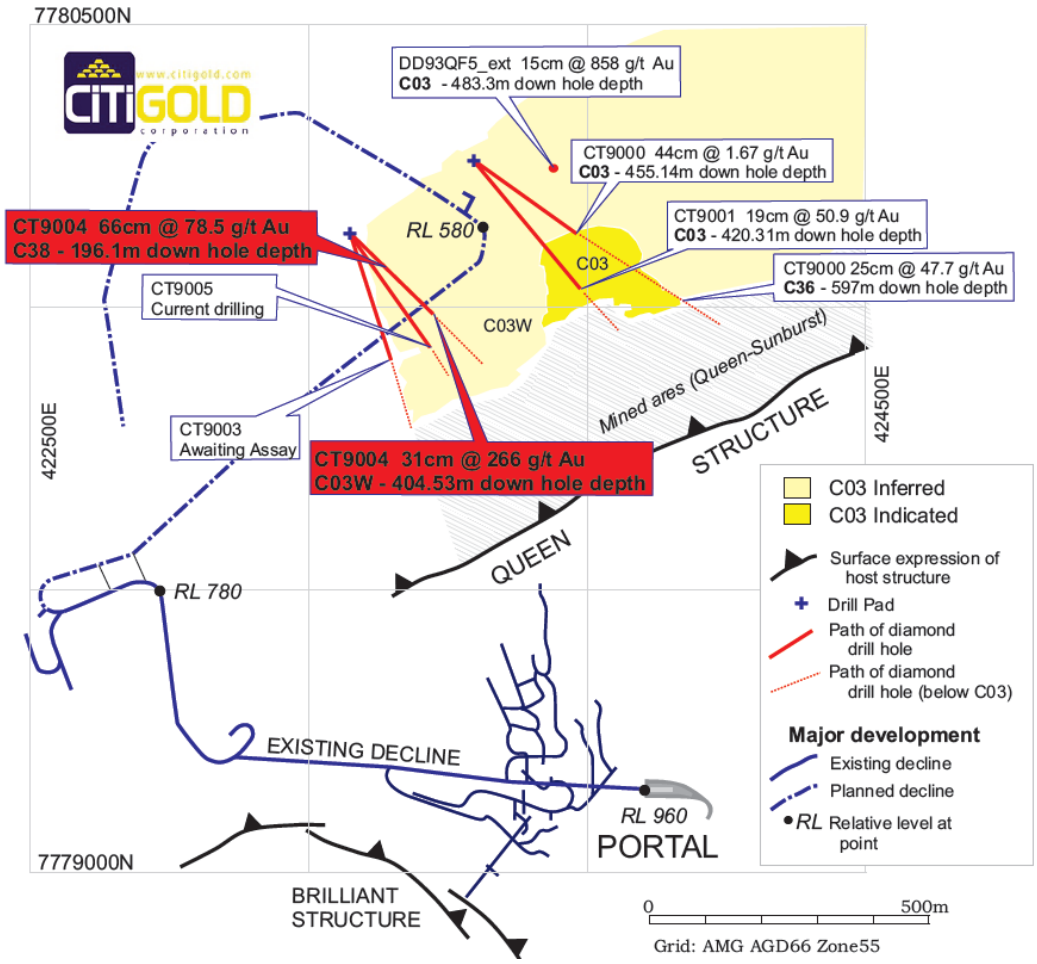
The Imperial area indicated that approximately 25,000 ounces of gold per annum can be mined from an ore body with two simultaneous levels being developed. The initial stage of development at Central may see up to four ore bodies mined simultaneously.

Stage One of the development of the Central area will see the Cental Decline extended to the King Shaft where a return air raise will provide further power and necessary ventilation. This will enable the development of the C03 (Queen- Sunburst) ore body as well as two cross reefs including the Victory cross reef. This is where the early production is forecast to be extracted.

Stage Two will see the Central Decline continue to be extended toward the Brilliant ore body where two additional shafts will be connected, the Block shaft and Brilliant Deeps, allowing for further services to be installed and ore extraction to commence from the C01 (Brilliant) ore body.

Stage Three will see the decline development continue to the West enabling the C17 (Day Dawn) ore body to be accessed and developed.

The Imperial area of the mine should commence once Stage 1 is completed and generating free cash flow.





GEOLOGY

The geology team at Citigold remains focused on achieving the company's vision *to* expand the *defined inventory of mineable gold reserves that will ensure longevity and sustainable recovery of high grade gold ore into the short, medium and long term future.*

To achieve this goal, the team has focused on drilling the gold-bearing structures that lie closest to the surface and to existing underground development. These targets include the C38, C03W and C37 structures. In conjunction, the team has significantly advanced its geophysical targeting techniques and aim to use these tools to delineate high grade zones on the Brilliant East structure. Thus, Citigold is succeeding in further defining both its short term and long term mining targets.

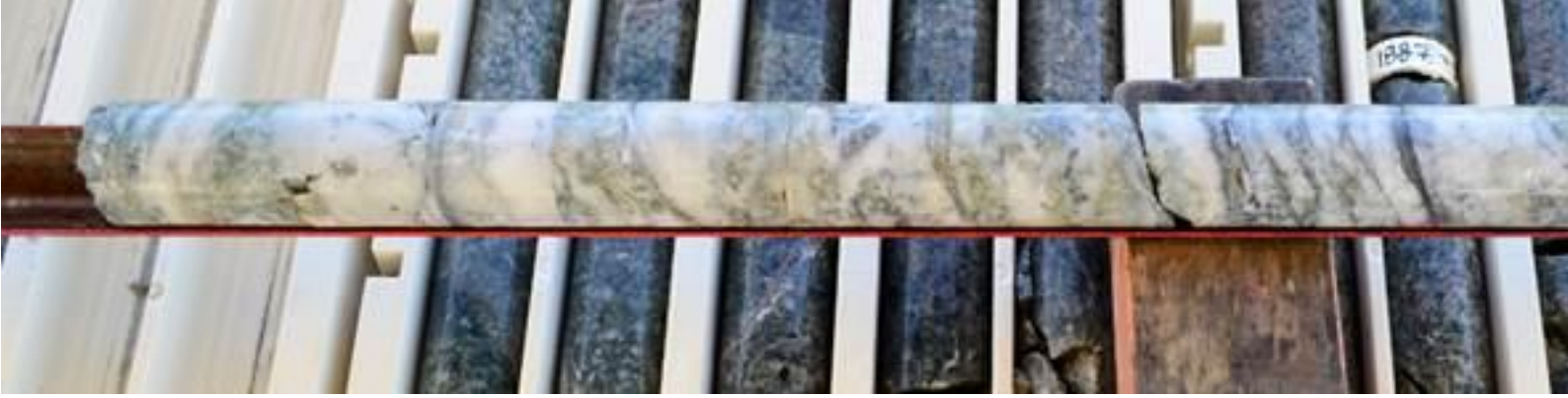
We encourage shareholders and other interested parties to read our information to assist understanding of progress in this important step of moving Citigold into a mid tier gold miner.

The information provided will help the reader assess the significance of results (drilling and geophysics) in the context of the Charters Towers style gold mineralisation as this is an unusual and complicated mineral deposit that is well understood by the Citigold team.

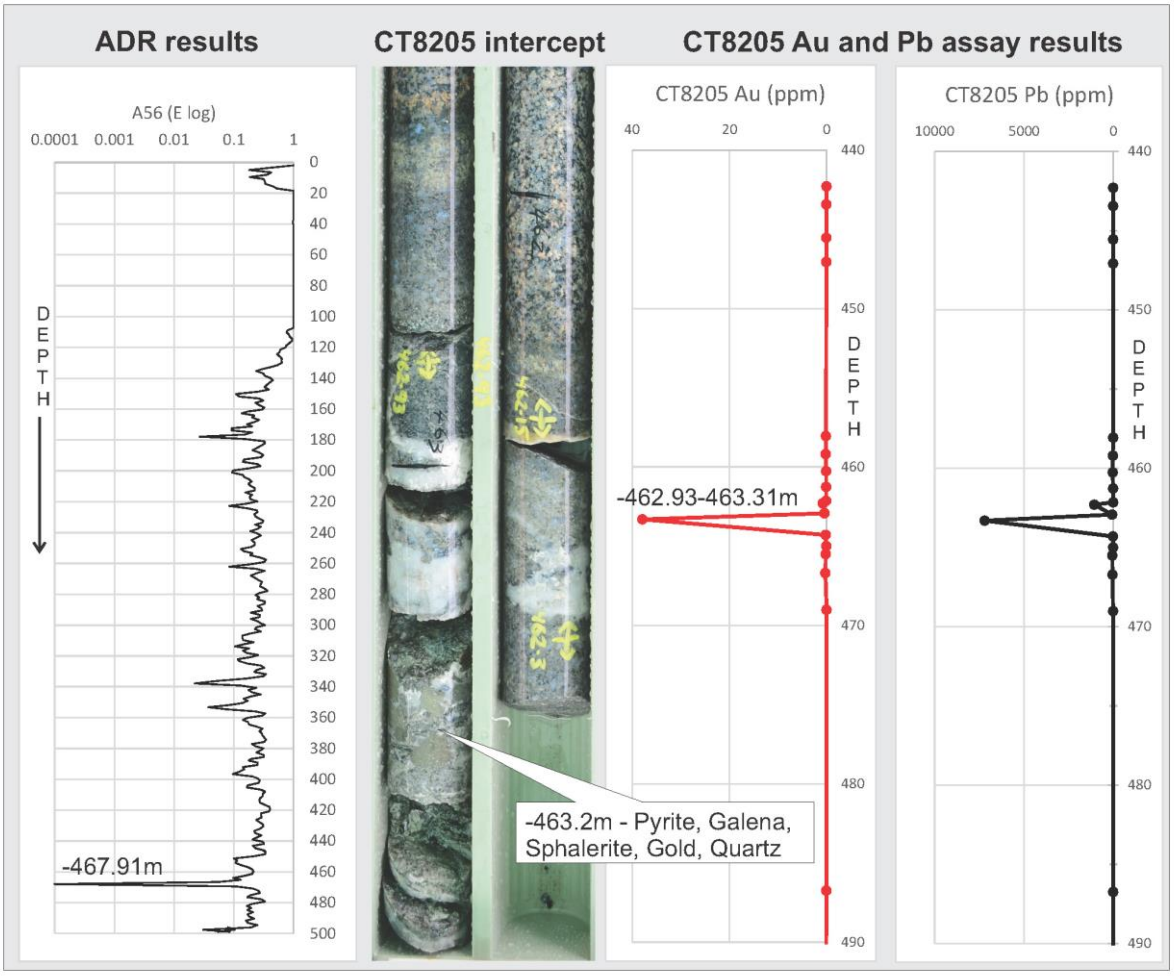
How environmentally friendly cutting edge geophysics will aid the conversion of Resources to Reserves

> *Citigold has endeavored to bring a significant proportion of its principal geophysical data acquisition and interpretation "in-house". The unique style of the deposit combined with the exponential understanding of how these particular mineralised rocks present as a geophysical fingerprint has placed Citigold in a unique position to rapidly advance its program focused on mineral reserve definition.*

In addition to carrying out down-hole and surface programs internally, Citigold has also teamed with ADROK to apply cutting edge technology to the definition of mineral targets. The unique style of mineralisation described above requires a unique approach to reserve definition if it is to be completed in a rapid, cost effective, precise and accurate manner. Citigold has had success in pinpointing sulfides using new Atomic Dielectric Resonance ('ADR') technology developed by ADROK. Some results were presented in the quarterly report in January 2014, however, since then, Citigold has made significant advances in this area with the drilling of an ADR target revealing a positive intercept of 37.9 grams per tonne gold and 7200 ppm lead at a depth of 462.93-463.31 metres in drill hole CT8205 (Fig. 3). This encouraging result provides Citigold with confidence that the new technique will help dramatically increase both the speed and accuracy of the reserve definition process. The results are to be presented at the 2015 ASEG PESA Conference, Perth: http://www.conference.aseg.org.au/).



The scan or "virtual borehole" presented on the left hand side of Figure 3 below (A56) is vertical digital scan that DOES NOT require drilling. Each scan (only one presented here) is acquired using a small, ground-based portable geophysical tool with each scan requiring no surface preparation and approximately one hour of data acquisition time. The drill hole intercept and assay results shown adjacent to the scan were drilled AFTER the scan was complete and the anomaly -467.91 metres depth recognised.



Above is composite diagram showing ADR geophysical scan results with a pronounced anomaly at -467.91 meters. The intercept in parallel diamond drill hole CT8205 is also shown along with assay results for the intercept. The intercept contained 37.9 grams per tonne gold and 7200 ppm lead at a depth of approximately -463.2 meters depth. Note the depth scale on the ADR scan and the drill hole assay results.

The modern drilled mineralization average gold grade in the Inferred Mineral Resource aligns with the historic actual gold mined grade

Style of gold mineralisation

A detailed description of the Charters Towers geology and style of mineralisation has been presented in previous releases including the 2012 Mineral Resources and Reserves report. The following points list the key geological features of the deposit:

1) The Charters Towers gold mineralisation is "reef" gold, gold bearing quartz veins.
2) Sulfide and gold-bearing quartz veins are typically <60cm thick with zones of altered granitic rock enveloping the veins by up to two metres but sometimes as much as 4 meters on either side.
3) The mineralised veins are typically hosted by N-dipping or NE-dipping semi-planar fractures.
4) The fractures tend to dip at angles between 45 and 30 degrees with NE-dipping reefs generally dipping at shallower angles than the N-dipping reefs.
5) Mineralisation on the N-dipping reefs extends to >1,200 metres vertically with the "Brilliant" reef being mined the deepest at a depth of 900 metres in one part.
6) Gold is not evenly distributed in the reefs, rather, it occurs as high grade gold and sulfide "lenses" hosted within lower grade structure (described in more detail below).
7) "Lenses" can be <100m in the longest dimension but can contain extremely high grades of gold. The Victory mine for example raised 68,389 tonnes of ore at an average grade of 2.28 ounces per tonne between 1881 and 1899.
8) Grade is extremely variable, even at the metre scale. However, the variability in the gold grade averages out over the extent of the stope, mine and structure.

Historical production grades versus expected production grades

"*In the Company's drilling database there are over 1500 new drill intersections used in the companies mineral resource estimation (including both the Central and Southern areas)….Applying the historic mining cut-off grade of 9 grams per tonne gold…gives 272 intersections with an average grade of 27 meter-grams per tonne of gold*" (p. 81 Towsey, 2012).

This *average* value is remarkably similar to the overall average grade of gold recovered from historical underground mining :

" ….. any global Ore Reserve calculated at that time (1871-1916) at a one-metre mining width would have returned a global reserve grade of the order of 27 metre-grams per tonne Au. So for any modern global resource estimation this 27 metre-grame per tonne Au is the maximum grade that could be realistically expected at a one-metre reef width"(p. 80 Towsey, 2012).

The modern drilled mineralization average gold grade in the Inferred Mineral Resource aligns with the historic actual gold mined "reserve grade".

7 intercepts were over 5 grams per tonne gold with the highest grade of 66.7 grams per tonne gold

Key points:

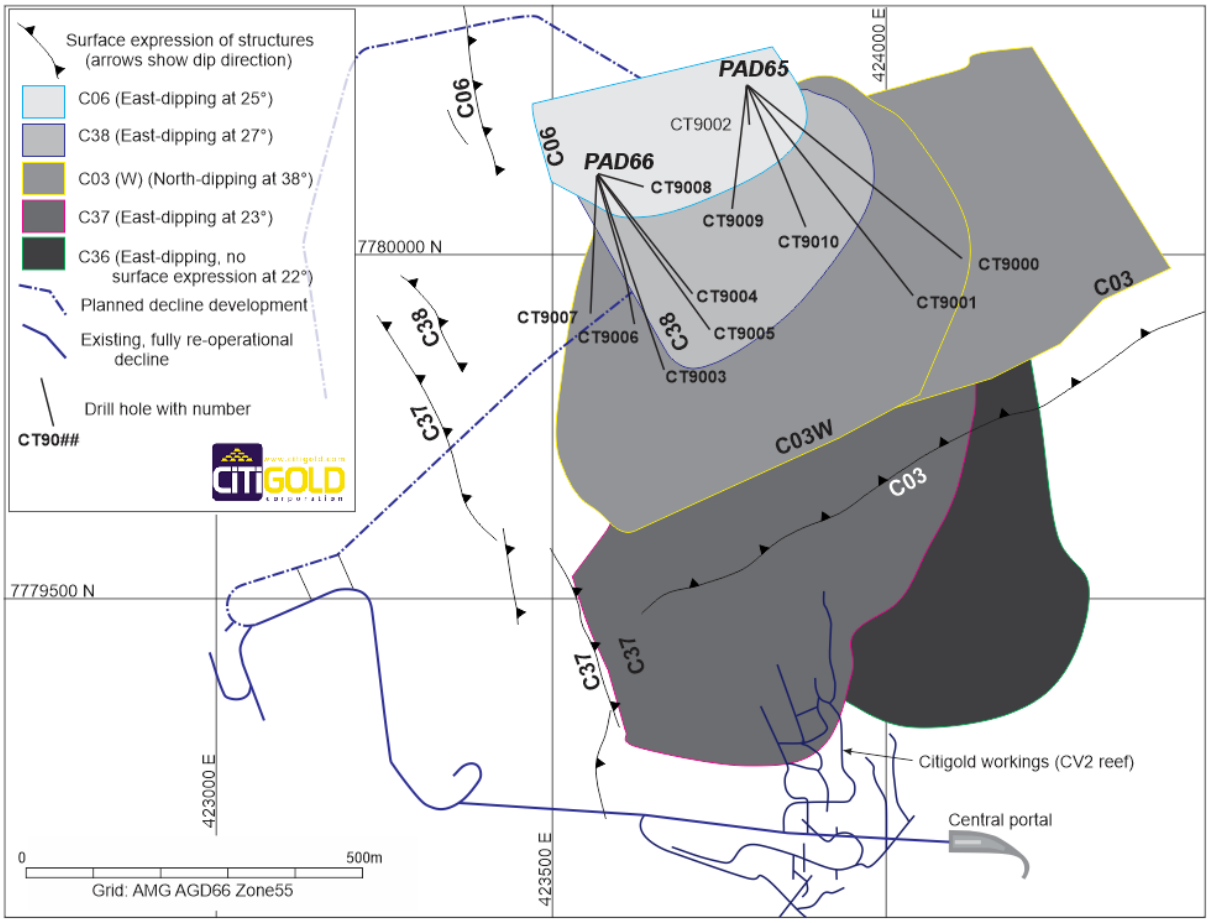
- The *average* grade of Citigold's drill intercepts above the historical minimum cut-off grade of 9 grams per tonne gold is 27 meter grams per tonne gold (2012 Mineral Resources and Reserves Technical Report).
- The Central area, where stage 1 Citigold's expansion plan is concentrated, contains a JORC compliant Indicated Mineral Reserve of 508,867 ounces of gold from the 7 primary target reefs.
- Recent drilling has extended the spatial extent of the gold bearing structures beyond the 2012 resource area *and* identifing completely new gold-bearing structures that are not included in the 2012 Indicated Mineral Resource calculations. Furthermore, these new structures lie closer to the current underground decline access development.
- Citigold is actively drilling and refining the location of high grade "lenses" of mineralisation on the structures closest to the current decline and is poised to reach multiple target structures in a shorter time and distance than previously estimated.
- Citigold has an existing 1,600 meter long decline (vertical depth 238 metres) and surface infrastructure, methodology and operational knowhow designed to access and extract the gold-bearing ore from the target structures in the Central area.

Highlights of Drilling results released during the reportable quarter

- From six (6) diamond drill holes seven (7) of the intercepts were over 5 grams per tonne gold with the highest grade of 24 cm at 66.7 grams per tonne gold.
- The drill pattern reinforced the presence of high grade gold on the target reefs C03, C03W and C38.
- The highest grade intercepts of 66.7 grams per tonne gold and 21.8 grams per tonne gold were both from the C03/C03W (Queen/Queen West) structure.
- An intercept of 10.8 grams per tonne gold from the C38 structure further confirms that this newly discovered structure is gold bearing.
- The highest grade intercepts were returned from the two primary target structures C03/C03W and C38.
- Drilling confirms the presence of multiple gold-bearing structures and the presence of gold on all of the primary target structures (C03/C03W and C38).

Hole ID	Depth From	Depth To	Sample ID	Sample Type	Au (ppm)	Pb (ppm)	m x Au.g/t	Structure
CT9006	400.92	401.16	259388	1/2 CORE	66.7	1710	16.01	C03W
CT9005	338.84	339.06	259354	1/2 CORE	21.8	1200	4.80	C03
CT9010	306.25	306.55	253411	1/2 CORE	10.8	517	3.24	C38
CT9005	339.06	339.26	259355	1/2 CORE	8.18	>5000	1.64	C03
CT9006	125.19	125.55	259368	1/2 CORE	7.7	3360	2.77	Unnamed
CT9006	146.89	147.08	259373	1/2 CORE	5.67	1030	1.08	C38
CT9006	143.3	143.6	259371	1/2 CORE	5.35	135	1.60	C38

Significant intercepts over 5 gram per tonne gold from recent drilling.



Citigold's geology team has a well-defined and ongoing vision for 2015 focusing on generating positive results.

The strategic plan is summarized below:

1) Further constrain the grade and tonnes of the three proximal mineralised structures; C38 and C03W and C37 in preparation for access via planned decline development

2) Continue to develop and utilise the most advanced technologies and techniques to clearly identify the high-grade gold lenses in the extensive network of under-explored fractures/structures within the Charters Towers goldfield.

3) Remain at the forefront in technological advances in geophysics to aid in the rapid and precise definition of high grade gold ore.

4) Generate a low-cost predictive methodology for pinpointing the boundaries of the high–grade gold mineralisation and to use this information to guide cost- and time-efficient drilling of targets.

5) To expand the existing well-constrained cache of high-grade gold reserves for the short-term and long-term mining and production plan.

CORPORATE

Major development funding

Citigold is continuing to advance discussions with several interested parties on providing the development funding.

Citigold is in discussion on several different alternative structures including debt/equity structures as well joint venture negotiations.

Bulk sampling program completed

During the quarter the pre-feasibility bulk sample program resulted in a gold output of 306 ounces of gold generating cash inflow of approximately $420,000. The bulk sampling has now been completed.

Almost $4 Million of Funding recieved

During the Quarter the Company closed its successful Share Purchase Plan that coupled with a Share Placement raising a total of $842,500.

The Company also received the proceeds of a $3 million debt facility which was announced during the quarter and part used for loan repayment.

This short term funding should provide Citigold with adequate funding to continue to advance the Charters Towers gold project.

Other Financial Highlites included :

$120,000 was spent on the bulk sample during the quarter.

The cash balance at the end of the Quarter was $1,202,000.

The Company's Income Tax Return for the year ended 30 June 2014 was filed in December 2014. A Research and Development Tax Offset Refund of $368,000 approximately is expected to be received in first quarter 2015.

Health, Safety and Environment

There were no Lost Time Injuries or significant health issues during the Quarter.

Annual General Meeting held

The Company's Annual General Meeting was held on 25 November 2014 with all resolutions passed on a show of hands.

We thank all shareholders for their continued support and will work diligently to further progress the growth of the business in 2015 and beyond.

For further information contact:

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ceo@citigold.com

Chief Executive Officer

Or visit the Company's website – www.citigold.com

COMPETENT PERSON STATEMENT

In accordance with ASX Listing Rules and the JORC Code 2012 Edition, the following statements apply in respect of the information in this report that relates to 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 and a member of the Australian Institute of Geoscientists. Mr Towsey is a consultant geologist and was appointed as an Executive Director of Citigold in April 2014. He has the relevant experience in relation to the mineralisation being reported on to qualify as a Competent Person as defined in the 2012 Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Towsey has consented in writing to the inclusion in this report of the matters based on the information in the form and context in which it appears. The Pathfinder Exploration Pty Ltd Report on the Mineral Resources and Ore Reserves of the Charters Towers Gold Project dated May 2012, which can be found at http://www.citigold.com/mining/technical-reports and is referenced by Citigold in its public statements was compiled in compliance with the 2004 JORC Code that was current at that time. This May 2012 report has not yet been updated to the 2012 JORC Code.

Corporate Profile

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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*

**** for full details see Technical Report on the Mineral Resources and Reserves at www.citigold.com click Mining >Technical Reports >Mineral Resources and Reserves 2012.***

APPENDIX 1

DRILL HOLE ID	AMG_East	AMG_North	AMG_RL	TotalDepth	Azimuth (magnetic)	DIP
CT9003	423570.868	7780118.08	295.113	500.6	153.5	-48
CT9005	423570.868	7780118.08	295.113	425.6	136	-45
CT9006	423570.868	7780118.08	295.113	464.9	151	-66
CT9007	423570.868	7780118.08	295.113	431.8	172.5	-58
CT9009	423792	7780245	296.193	452.7	177	-64
CT9010	423793	7780249	296.193	450	145.5	-57.5

Table A2.1 Drill hole survey data for 6 drill holes referred to in this release. Collar coordinates are in AMG AGD66 Zone 55.

Hole ID	Depth From	Depth To	Sample ID	Sample Type	Au (ppm)	Pb (ppm)	m x Au.g/t	Structure
CT9006	400.92	401.16	259388	1/2 CORE	66.7	1710	16.01	C03W
CT9005	338.84	339.06	259354	1/2 CORE	21.8	1200	4.80	C03
CT9010	306.25	306.55	253411	1/2 CORE	10.8	517	3.24	C38
CT9005	339.06	339.26	259355	1/2 CORE	8.18	>5000	1.64	C03
CT9006	125.19	125.55	259368	1/2 CORE	7.7	3360	2.77	Unnamed
CT9006	146.89	147.08	259373	1/2 CORE	5.67	1030	1.08	C38
CT9006	143.3	143.6	259371	1/2 CORE	5.35	135	1.60	C38
CT9003	445.56	445.82	259250	1/2 CORE	4.8	155	1.248	C36
CT9006	183.09	183.34	259385	1/2 CORE	4.77	267	1.19	C38
CT9010	436.1	436.4	253439	1/2 CORE	3.69	92	1.11	C03W
CT9010	317.16	317.5	253418	1/2 CORE	3.48	101	1.18	C38
CT9003	184.84	185.7	259194	1/2 CORE	3.41	290	2.9326	C38
CT9006	162.75	163.1	259380	1/2 CORE	3.36	535	1.18	C38
CT9010	319.65	320	253424	1/2 CORE	2.17	21	0.76	C38
CT9007	154.75	155.2	259398	1/2 CORE	2.13	84	0.96	C38
CT9006	396.5	397	259387	1/2 CORE	1.9	138	0.95	C03W
CT9010	435.8	436.1	253438	1/2 CORE	1.76	164	0.53	C03W
CT9005	252	252.83	259347	1/2 CORE	1.66	40	1.38	C38
CT9005	339.61	340.14	259357	1/2 CORE	1.53	89	0.81	C03
CT9007	155.2	155.6	259399	1/2 CORE	1.5	82	0.60	C38
CT9006	146.54	146.89	259372	1/2 CORE	1.48	135	0.52	C38
CT9007	156	156.3	253301	1/2 CORE	1.47	114	0.44	C38
CT9010	322.9	323.33	253435	1/2 CORE	1.46	25	0.63	C38
CT9009	247.75	248.05	253322	1/2 CORE	1.38	68	0.41	Unnamed
CT9005	399.95	400.8	259360	1/2 CORE	1.34	44	1.14	C03W
CT9010	322.4	322.65	253433	1/2 CORE	1.34	44	0.34	C38
CT9009	443.63	443.8	253340	1/2 CORE	1.3	30	0.22	C03W
CT9007	153.93	154.23	259396	1/2 CORE	1.27	38	0.38	C38
CT9009	442.83	443.13	253336	1/2 CORE	1.22	16	0.37	C03W
CT9006	157.8	158.3	259379	1/2 CORE	1.16	24	0.58	C38
CT9010	436.4	436.7	253440	1/2 CORE	1.16	38	0.35	C03W
CT9007	155.6	156	259400	1/2 CORE	1.13	73	0.45	C38
CT9010	323.33	323.65	253436	1/2 CORE	1.1	62	0.35	C38
CT9005	415	415.67	259361	1/2 CORE	1.01	142	0.68	C03W

Table A2.2 All intercepts with grades above 1 grams per tonne gold.

Hole ID	Depth From	Depth To	Sample ID	Sample Type	Au (ppm)	Pb (ppm)	m x Au.g/t	Structure
CT9006	400.92	401.16	259388	1/2 CORE	66.7	1710	16.01	C03W
CT9005	338.84	339.06	259354	1/2 CORE	21.8	1200	4.80	C03
CT9010	306.25	306.55	253411	1/2 CORE	10.8	517	3.24	C38
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CT9006	125.19	125.55	259368	1/2 CORE	7.7	3360	2.77	Unnamed
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CT9005	252	252.83	259347	1/2 CORE	1.66	40	1.38	C38
CT9003	445.56	445.82	259250	1/2 CORE	4.8	155	1.25	C36
CT9006	183.09	183.34	259385	1/2 CORE	4.77	267	1.19	C38
CT9010	317.16	317.5	253418	1/2 CORE	3.48	101	1.18	C38
CT9006	162.75	163.1	259380	1/2 CORE	3.36	535	1.18	C38
CT9005	399.95	400.8	259360	1/2 CORE	1.34	44	1.14	C03W
CT9010	436.1	436.4	253439	1/2 CORE	3.69	92	1.11	C03W
CT9006	146.89	147.08	259373	1/2 CORE	5.67	1030	1.08	C38

Table A2.3. All intercepts over 1 meter gram per tonne (metres x gold grams per tonne)

Map showing the location of ADR scan A56 relative to vertical diamond drill hole CT8205. The drill hole and scan was carried out in the "Imperial" area and targeted the E07 structure. Drill hole is a vertical drill hole with a maximum depth of 537metres. *Grid is MGA94 Zone55, 50m spacing*

APPENDIX 2

In accordance with reporting requirements below are the notes to accompany drilling results.

Section 1 Sampling Techniques And Data		
Criteria	**Explanation**	**Accompanying statement**
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• The Charters Towers area has been sampled by a mixture of diamond (HQ and NQ2) and RC drill holes for the purpose of identifying the location of mineralised structures and for identifying potential for mineralisation on these structures and for down-hole (DH) geophysics. • HQ / NQ core is typically cut in half (50%) using a diamond saw (100% of core recovered) and half or in some instances 1/4 (25%) of the core is submitted for analysis. Only HQ-size drill core is used for quarter core samples. • RC drilling was sampled on 1m intervals or through sections where mineralisation was known to occur. RC results are not reported. • Due to the "narrow vein" style of mineralisation found at Charters Towers, the maximum HQ / NQ sample interval is 1m & minimum sample interval 0.1m. • Zones of mineralisation are defined by sericite, chlorite and epidote alteration of granite surrounding narrow, but high grade quartz veins containing sulfides, other gangue minerals and gold. Samples are taken from the mineralised zone and on either side of the mineralisation into unaltered granite. • Sampling methods follow guidelines and methodologies established by Citigold throughout its mining and exploration history. These methods are described in detail in the 2012 JORC compliant Mineral Resources and Reserves Report which can be found on the company's website (www.citigold.com).
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Most diamond drilling has been 63.5mm diameter HQ core, although some NQ2 (48mm diameter) core has been drilled. RC pre-collars have been used for some drill holes where drilling was aimed at defining the location for the fracture. NQ2 drill core was typically used for the diamond tails on RC pre-collars. • Downhole surveys have been taken at a minimum of every 50m down hole. • 60mm PN12 PVC piping has been inserted into many holes to accommodate the DH geophysics tools and to maintain the internal integrity of the holes in case of further surveying requirements. • Contractor used for drilling in 2014 was WAR NQ. All drilling was completed under contract to Citigold. • Core orientation was only carried out on drilling taking place in the central area (CT9000).
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* •*Measures taken to maximise sample recovery and ensure representative nature of the samples.* •*Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• The core is marked up and measured by senior field assistants and geologists under the guidance of the senior geologist. Core recovered (CR) is compared with the meters drilled (MD, recorded by the drillers in their 'PLODS') and a 'core recovery' percentage is calculated; CR/MD x 100 = % recovered. All data is recorded within the Citigold database where it is checked by senior geologists. • Drilling is mostly within competent granites where core loss is minimal, however, in areas where high degrees of alteration and associated mineralisation occur, some core loss is expected and subsequently recorded. Accordingly, it is possible that some fine gold within clay could have been lost during drilling.

Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• 100% of core was logged. Samples were collected from intercepts where alteration or alteration and mineralisation were clearly seen. The nature of the orebody is such that mineralisation or potentially mineralised structures are easily identified. • The logging describes the dominant and minor rock types, colour, mineralisation, oxidation, degree of alteration, alteration type, vein type, core recovery, basic structure. • Rock Quality Designation or RQD % has been noted in the core drill logs (also number of fractures per interval has been noted).
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Core is sawn in half and one half (50%) is submitted for analysis at SGS labs in Townsville (QLD, AUSTRALIA). • Selected core (as listed in associated tables) is cut for 1/4 core (25%) and submitted for analysis at SGS labs in Townsville (QLD, AUSTRALIA). • The 25%-50% sampling of the HQ core is considered appropriate for the mineralisation type. NQ core is sampled for 50% only. • Samples are couriered to SGS where they are dried at 105C; weighed; crushed to – 6mm; and pulverised to 90% passing 75um where a 200 g sub-sample is taken. 5% of samples are dual sub-sampled (second split) for sizing and analytical quality control purposes. Fire assay: 50 g of sample is added to a combustion flux and fired at 1000 C; the resultant lead button is separated from the slag and muffled at 950C to produce a gold/silver prill; the prill is digested in aqua regia and read on an AAS. ICP40Q: A 0.2g sub-sample is digested using nitric/hydrochloric/ perchloric/hydrofluoric acids; the diluted digestion product is then presented to a Perkin Elmer 7300 ICP AES for analysis. Quality Control: second splits (5% of total); 2 in 45 sample repeats; and 2 CRM standards for each rack of 50 samples are analysed in all methods
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Citigold uses standards sourced from Gannett Holdings Pty Ltd, Perth, Australia. Certificate number 13U20C-22-04-13. • A blank sample and/or a standard sample and/or a duplicate sample are randomly inserted approximately every 30 samples that are submitted. • SGS Townsville have their own rigorous 'in lab' QAQC procedures and are accredited for precious metal and base metal analyses. • A complete discussion on assay techniques, sample sizes, assay variance and sample bias can be found in the Citigold 2012 Mineral Resources and Reserves report.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Selected samples are submitted to other labs, including Citigold's on-site lab) to check for consistency, accuracy and as a second means of obtaining a result. • Some strongly anomalous holes have been resubmitted for assay. • no twinned holes were completed by Citigold in 2014, however, prior exploration has engaged diamond drilling as a means of checking anomalous RC drilling and to confirm the precise depth of the mineralised structure. • All drill holes are logged into laptop computers and checked before entering into database. Criteria have been established so that erroneous or incorrect characters within a given field are rejected thereby reducing the potential for transfer error. All logs are reviewed by the senior geologist. • All samples logs are recorded onto paper and assigned a unique sample number once cut. The sample and other details are entered into the Citigold database. • All significant intercepts are checked against the remaining core, checked for corresponding base metal grades and assessed for geological consistency.

Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used. -Quality and adequacy of topographic control.* • *Data spacing and distribution-Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Citigold uses a combination of grids including a local mine grid and AMG AGD66 Zone 55 which closely approximates the local mine grid. • Drill hole collars are surveyed using a Leica Viva Real Time Kinematic (RTK) Differential GPS system with a fully integrated radio, allowing for data capture in 3 dimensions at an accuracy of +/-25mm over baselines within 5km radius of the base station. • All coordinates are provided in AMG AGD66 unless otherwise stated. • Citigold uses a geo-registered 50cm pixel satellite photograph acquired in September of 2013 as a secondary check on the spatial location of all surface points. • Down-hole surveys are obtained using either a Ranger or Camteq downhole survey instrument. Survey tools are checked in Citigolds base station (a precise DH camera alignment station) prior to drilling holes over 800m or approximately every 4-5 holes in other circumstances. DH geophysics are obtained from most drill holes at which time the holes are often re-surveyed with a Camteq Proshot acting as a secondary check of the original survey.
Data spacing and Distribution	• *Data spacing for reporting of exploration results* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample composting has been applied.*	• Drill hole spacing and orientation is currently constrained by the requirements for DH geophysical surveying. Approximately 80m between points of intercept are planned, however; the nature of the structure may require alterations to the spatial pattern of holes. • Drill hole spacing in the E05 area is aimed at intercepts no further than 50m apart. No new Resources or Reserves are being presented here. A full description of Citigolds Mineral Resources and Reserves can be found in the 2012 Mineral Resources and Reserves Report (www. citigold.com).
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drill holes are planned to intercept the mineralised structures (average 45 degree dip) at high angles. The presence of landholders and other features on the landscape prevent all holes from intercepting perpendicular to the structure. Typically, holes will be drilled in a fanning pattern with intercepts at no less than 60 degrees to the mineralised structure. True widths are determined only after the exact geometry of the structure is known from multiple drill holes. • Holes intercepting at angles of less than an estimated 60 degrees are reported as such. • Lode-parallel drill holes have been completed by Citigold, however, these holes are specifically designed for geophysics and are not reported
Sample security	• *The measures taken to ensure sample security.*	• All drill core is stored within locked yard guarded by contracted security. • Samples are delivered by Citigold staff to SGS and/or by registered courier. • Standards are retained within the office of the chief geologist and only released under strict control. • The chain of sample custody is managed and closely monitored by Citigold (management and senior staff).
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• A full JORC compliant Mineral Resources and Reserves report was completed in 2012. The report contains a comprehensive review and assessment of all sampling techniques and methodologies, sub-sampling techniques, data acquisition and storage, and reporting of results. Statements on QA and QC can be found on page 48 of the report. The report can be found on Citigold's website at www. Citigold.com). • Citigold's database has been audited by several independent consultants since 1998 and most recently by Snowden in 2011.

Section 2 Reporting of Exploration Results		
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• Citigold holds a number of tenements including Exploration Permit Minerals (EPM's), Mineral Development Licenses (MDL') and Mining Leases (ML's). • Citigold currently holds six (6) EPM's, Five (5) MDL's and forty seven (47) ML's. EPM15964, EPM15966, EPM116979, EPM18465, EPM18813, EPM18820, MDL116, MDL118, MDL119, MDL251, MDL252, ML1343 , ML1344 , ML1347, ML1348, ML1385, ML1387, ML1398, ML1407, ML1408, ML1409, ML1424, ML1428, ML1429, ML1430, ML1431, ML1432, ML1433, ML1472, ML1488, ML1490, ML1491, ML1499, ML1521, ML1545, ML1548, ML1549, ML1585, ML1586, ML1587, ML1735, ML10005, ML10032, ML10042, ML10048, ML10050, ML10091, ML10093, ML10193, ML10196, ML10208, ML10222, ML10281, ML10282, ML10283, ML10284, ML10285, ML10335
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Charters Towers is one of Australia's richest gold deposits. A plethora of historical data from the Charters Towers area has been collected, collated and is included within the Citigold geological database. • Citigolds drill hole database includes historical drilling including 1993 - Mt Leyshon Gold Mines Ltd extensions to CRA diamond drill holes in the areas. 1991 - Diamond and RC drilling by PosGold in a joint venture with Charters Towers Mines NL that covered parts of the Central area areas. 1981-84 - Diamond-drilling by the Homestake/BHP joint venture in the Central area 1975, 1981-82, and 1987 - Diamond and RC drilling in central by A.O.G., CRA and Orion respectively. • Citigold retains all diamond core and a collection of core drilled by other companies is its on-site coreyard.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Mineralisation at Charters Towers is referred to as "orogenic" style narrow vein mesothermal gold deposit. • The many reefs are hosted within a series of variably-oriented fractures in granite and granodioritic host rocks. Mineralisation does occur in adjacent metasedimentary rocks. • The gold-bearing reefs at Charters Towers are typically 0.3 metres to 1.5 meters thick, comprising hydrothermal quartz reefs in granite, tonalite and granodiorite host rocks. There are some 80 major reefs in and around Charters Towers city, • The majority of the ore mined in the past was concentrated within a set of fractures over 5 km long East-West, and 500 meters to 1600 meters down dip in a North-South direction. The mineralised reefs lie in two predominant directions dipping at moderate to shallow angles to the north (main production), and the cross-reefs, which dip to the ENE. • The reefs are hydrothermal quartz-gold systems with a gangue of pyrite, galena, sphalerite, carbonate, chlorite and clays. The reefs occur within sericitic hydrothermal alteration, historically known as "Formation". • The goldfield was first discovered in December 1871 and produced some 6.6 million ounces of gold from 6 million tons of ore from 1872 to 1920, with up to 40 companies operating many individual mining leases on the same ore bodies. There were 206 mining leases covering 127 mines working 80 lines of reef and 95 mills, cyaniding and chlorination plants. The field produced over 200,000 ounces per year for 20 consecutive years, and its largest production year was 1899 when it produced some 320,000 ounces.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• See Tables in Appendix 1.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• For practical reasons, not all sample intervals are included here, however, the results from all assays on drill core sampled in 2014 are available on the Citigold website (www.citigold.com). The intercepts shown here are in sufficient detail, including gold maxima and subintervals, to allow the reader to make an assessment of the balance of high and low grades in the intercept. • All sample interval lengths are presented as "Depth from" and "Depth to" and intercept length. • Assay results for Ag, Pb and Au are presented as ppm. In addition, Au (gold) is presented as meter-grams per tonne (m.g/t). • No aggregation of sections have been used. • Metal equivalents are not used.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• All intercepts presented in tables in Appendix 1 are reported as down-hole lengths. • Structures within Charters Towers are highly variable in width and can be variable in dip over short distances, however, every attempts is made to drill approximately perpendicular to the dip of the structure. The intercepts presented here are reported as intercept widths and may not necessarily represent true widths in some cases. • All tables clearly indicate "From" and "to" intervals.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• All drill hole collar locations are in tables contained within Appendix 1.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results*	• Almost every drillhole completed on the property in 2013-14 is available from the Citigold website (www.citigold.com). • Drill holes not included (regardless of intercepts and grade) are those that were drilled specifically for DH geophysics which were typically drilled parallel to the mineralised structure. All other drill holes have been reported, regardless of whether it has returned high or low grades. • Higher grade drillholes (above 0.5m.g/t) are reported in Table A2.2.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Not applicable to this report

Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Future work will concentrate on drilling between drill hole intercepts in the Central area.
Section 3 Estimation and Reporting of Mineral Resources **Section 4 Estimation and reporting of Ore Reserves**		**Section 3 and Section 4 do not pertain to this report.**

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.17/12/10

Name of entity

CITIGOLD CORPORATION LIMITED

ABN	Quarter ended ("current quarter")
30 060 397 177	31 December 2014

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (6 months) $A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	422	1,380
1.2	Payments for (a) exploration and evaluation	(1,096)	(1,330)
	(b) development	(-)	(2)
	(c) production	(120)	(553)
	(d) administration	(534)	(932)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	(65)	(155)
1.6	Income taxes paid	-	-
1.7	Other	-	-
	Net Operating Cash Flows	**(1,393)**	**(1,591)**
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a)prospects	-	-
	(b)equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	58
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	**-**	**58**
1.13	Total operating and investing cash flows (carried forward)	(1,393)	(1,533)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,393)	(1,533)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	407	407
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	3,080	3,080
1.17	Repayment of borrowings	(740)	(771)
1.18	Dividends paid	-	-
1.19	Other - (Conversion of Options)	-	-
	- (Issue of Convertible Notes)	-	-
	- (Costs of financing activities)	(170)	(170)
	Net financing cash flows	**2,577**	**2,546**
	Net increase (decrease) in cash held	**1,184**	**1,013**
1.20	Cash at beginning of quarter/year to date	18	189
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	**1,202**	**1,202**

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	147
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments comprise executive salaries, consultancy fees and superannuation guarantee charge thereon.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	1,000
4.2	Development	-
4.3	Production	-
4.4	Administration	500
	Total	**1,500**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	1,202	18
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (Held by Third Parties) Term Deposit	-	-
	Total: cash at end of quarter (item 1.22)	**1,202**	**18**

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1	**Preference +securities** *(description)*	-	-	-	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	**+Ordinary securities**	**1,563,907,767**	**1,563,907,767**	-	-
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	**20,000,000** **48,142,861**	**20,000,000** **48,142,861**	**Nil** **$0.0175**	
7.5	**+Convertible debt securities** (*description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	**7,997,917** **20,000,000**	**Nil** **Nil**	**$0.12** **$0.03**	**28 June 2015** **20 June 2015**
7.8	Issued during quarter				
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	**Debentures** *(totals only)*	-	-		
7.12	**Unsecured notes** *(totals only)*	-	-		

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 30 January 2015
(Company Secretary/CFO)

Print name: John Haley

Additional Information

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 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.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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