

ANNOUNCEMENT



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Clarification – 2 March 2015 Announcement

12 March 2015: Brisbane, Australia – Citigold Corporation Limited (“Citigold” or “Company”) (ASX:CTO) refers to the announcement it made to the ASX on 2 March 2015.

The announcement referred to an economic analysis undertaken as part of the 2012 Reserve and Resource report (Technical report), in which the announcement set out a financial forecast (including NPV calculation) based on an Indicated Mineral Resource and an Inferred Mineral Resource. The initial 3 years of production in the economic analysis is based on Probable Ore Reserves derived from the Indicated Mineral Resource. The subsequent 12 years of the production target is based on the planned upgrading of Inferred Mineral Resources to Indicated Mineral Resources over time in parallel with the reef mining process. Accordingly, the economic analysis figures contained in that announcement of 2 March 2015 are hereby retracted. This retraction has been made in consultation with the ASX.

The Board of Citigold is of the opinion that the Inferred Mineral Resources at the Charters Towers project should have a high conversion rate to Reserves after increasing the geological and sampling data because, as outlined in the Technical Report, two known mining factors have already been applied to the Inferred Mineral Resource – the discounting of the total tonnes by 70% (known payability from past mining the reefs such that only 30% of the reef area is budgeted to be mined) and discounting of the assay grades to a minimum mining width of one metre (in keeping with modern mining practices). It should be noted that an Inferred Mineral Reserve cannot be upgraded to an Ore Reserve by only addressing these modifying factors - additional geological work is required. The project has budgeted significant amounts to conduct drilling programs during the mining process to convert resources to reserves. This approach is usual for mining of reef gold wherein reserves are not far in front of mining. Coupling this with the previously reported success of pinpointing drill targets, through geophysics techniques, helps dramatically increase both the speed and accuracy of the reserve definition process. Further supporting this are the recent announcements confirming high grade intersections from the recently completed drilling program.

The Company has gained considerable experience in the conversion of Resources to Reserves during its production of over 100,000 ounces of gold since resuming mining, and the published reconciliations between gold estimated and gold produced.

The clear development potential of the innovation driven Charters Towers gold project has resulted in a binding \$72 million joint venture agreement to fund the development of this large high grade gold project.

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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*