Citigold Corporation Limited
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ANNOUNCEMENT

Financial Report 2016

30 September 2016: Brisbane, Australia – Citigold Corporation Limited ("Citigold" or "Company") (ASX:CTO) is pleased to provide the Financial Report for the Year ending 30 June 2016, attached herewith.

During the 2016 Financial Year, the Charters Towers Gold Project remained the Company's prime focus. The Project comprises 100% control 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 3 g/t cut-off).

There was no gold production during the year with all the project sites and assets being maintained in active care and maintenance ready for recommencement of mining operations.

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, developing the infrastructure and mines at Charters Towers. Trial mining operations have produced over 100,000 ounces of gold.

Citigold continues to advance discussions with several major strategic funding partners in developing the production ready Charters Towers Gold Project. The period has seen an improvement in the gold price indicating an increase appetite for gold by investors.

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

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

The development fundamentals remain robust with the gold production plan having an initial target of 50,000 ounces per annum building up to over 220,000 ounces of gold production per annum in year 5. In order to move back into gold production we continue to plan for the resumption of mining gold at Charters Towers.

To achieve this goal the following are some of the activities carried out during the financial year:

- Strategic mining review resulted in the expected lead time to gold production from re-commencement of Charters Towers operations being shortened to 10 months. This assessment was made possible by the geological work over the last 3 years, planning sessions, the rethinking of lead-time constraints and the commercial benefits imperatives for an incoming financing partner.
- Designs and strategies for the Central Mine were refined, including the decline development extension, the main exhaust shaft, extraction slots in the mineralised zones and gold production.
- Environmental monitoring and sampling continued to increase the base data to assist planning growth in harmony with the local community through maintaining a relatively small environmental footprint and harnessing renewable and recycling techniques.

Citigold incurred a net loss of $8.3 million during the 2016 financial year - being an improvement from 2015 net loss of $103 million including the non-cash impairment of $96 million to Capitalised Exploration, Evaluation and Development Expenditure.

We have continued to reduce recurring corporate overheads during the 2016 financial year with results to be reflected in the coming 2017 financial year. The Net debt gearing ratio remains low at 10.6%.

During the period government charges continued to increase as did our financing cost, which rose noticeably.

The large production ready asset at Charters Towers requires a substantial investment each year to maintain and hold the asset. Therefore we are looking forward to moving the asset back towards gold production in the 2016-17 financial year. Investors remain positive about realising the true unrealised value of the Charters Towers Gold Project.

I would like to thank our shareholders for the continued strong support of the Company as it implements its ultra-low cost vision in it's strategic business plan.

Mark Lynch

Chairman

Company's website – www.citigold.com

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 click *Mining >Technical Reports >Mineral Resources and Reserves 2012*

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*

Citigold Corporation Limited

Financial Report 2016

ABN 30 060 397 177

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 2016 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 and Member of the Australasian Institute of Mining and Metallurgy.

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

S Acharya PhD, MSc, MTech, MBA, FIAET, FAIM

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 15 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

Mr Panchariya is active in private and investment banking fields. He was President of Euram Bank Asia Limited and has since taken his experience to emerging markets worldwide with a focus on Africa. This includes providing formal advice to Governments on infrastructure development, finance, mining and agriculture. He is currently the Consul General of Liberia to Dubai, UAE, the principal of Global Finance & Capital Limited, and a director of Al Brooge Securities LLC, Global Capital Advisors and Cardinal Capital Partners Limited.

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

__Retired Directors__

C Towsey BSc(Hons), MSc, Dip Ed, FAusIMM, CP(Geo), MAIG

Appointed 21/02/2014, Resigned 21/06/2016

Worked in 26 countries in mining, exploration and OHSE auditing. He specialises in gold and base metals underground mining and exploration, with recent coal mining development and operational experience.

Executive Director, Member of Audit and Finance and Health, Safety, Environment and Risk 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 past 7 years he 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.

F Rigby Company Secretary

Appointed 21/08/2015, Resigned 11/03/2016

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 2016 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	*	*	3	3	1	1	1	1
J J Foley	15	15	2	2	3	3	1	1	1	1
C Towsey	15	15	2	2	3	3	1	1	*	*
A Panchariya	15	9	2	0	*	*	1	0	1	0
S Acharya	0	0	0	0	0	0	*	*	*	*

* *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	7,307,879	-
M J Lynch	88,347,084	-
C Towsey	1,032,880	-
A Panchariya	-	-
S Acharya	-	-
TOTAL	96,687,843	-

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 1,613,950,553 to 1,772,588,053 as a result of:

Type of Issue	Issue Price	Number of shares Issued
Share placement	$0.015	112,000,000
Share placement	$0.02	15,000,000
Share placement	$0.02	25,075,000
Share placement	$0.016	6,562,500

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

See Note 16 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	5,000,000	$0.05	30 November 2017

6. POST BALANCE DATE EVENTS

Since the end of the financial year the Company issued 13,333,333 shares to raise working capital.

7. REVIEW OF OPERATIONS

During the 2016 Financial Year, the Charters Towers Gold Project remained the Company's prime focus. The Project comprises 100% control 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 3 g/t cut-off). There was no gold production during the year with all the project sites and assets being maintained in active care and maintenance ready for recommencement of mining operations.

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, 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.

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

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, other than conduct involving a wilful breach of duty in relations to 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.

	Level 1	*Level 2*	*Level 3*	*Level 4*
Incidents	-	-	2	-

The Company has an internal reporting and monitoring system with regard to environmental management on the site. The Company employs an environmental officer to monitor all water quality, noise and air quality issues as well as liaise 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 entity's 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 structure 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 consist 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 company's short term and long term performance. These incentives are meant to reward executive 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 2017.

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

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)
C. Towsey	(Executive Director, Resigned 21 June 2016)
S. Acharya	(Non Executive Director, Appointed 21 June 2016)

3) Payments to Directors and Key Management Personnel

	Short-term employee benefits				Post-employment benefits	Share-based payments	
2016	Cash salary and fees	Cash Bonus	Non-monetary benefits	Related party Payments[1]	Superannuation	Options	Total
Directors	**$**	**$**	**$**	**$**	**$**	**$**	**$**
J J Foley	82,380	-	-	-	7,826	-	90,206
M J Lynch	-	-	-	492,264	-	-	492,264
C Towsey	291,419	-	-	30,142	27,685	-	349,246
	373,799	-	-	522,406	35,511	-	931,716

	Short-term employee benefits				Post-employment benefits	Share-based payments	
2015	Cash salary and fees	Cash Bonus	Non-monetary benefits	Related party Payments[1]	Superannuation	Options	Total
Directors	**$**	**$**	**$**	**$**	**$**	**$**	**$**
J J Foley	82,380	-	-	-	7,826		90,206
M J Lynch	-	-	-	460,428	-	-	460,428
C Towsey	291,419	-	-	30,142	27,685	-	349,246
Other Key Management Personnel							
M B Martin*	323,838	-	-	-	14,996	-	338,834
	697,637	-	-	490,570	50,507	-	1,238,714

* Resigned 20 March 2015

[1]The related party payments are payments to entities related to the Directors and/or Key Management Personnel for work carried out by that entity or the hire of equipment owned by that entity.

C. Service Contracts

Executive Chairman

Contract Term: 5 years, Commenced December 2015

Base Salary: $492,264, inclusive of superannuation, may be reviewed annually by the Remuneration

Termination Payments: Payment on early termination by the Group, other than for gross misconduct, equal to 1 years of employment.

Executive Director

Contract Term: Ongoing, Commenced April 2014, Resigned 21 June 2016

Base Salary: $350,000, inclusive of superannuation, may be reviewed annually by the Remuneration

Termination Payments: Payment on early termination by the Group, other than for gross misconduct, equal to 3 month's base salary.

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 30 day of September 2016

Mark Lynch
Chairman

Auditors Independence Declaration

Level 6
350 Kent 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

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF CITIGOLD CORPORATION LIMITED AND SUBSIDIARIES

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 there has been:

a. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

The entities is 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 30 day of September 2016

Phone 02 8839 3000
Fax 02 8839 3055

Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2016

	Notes	2016 $	2015 $
Revenue		-	1,383,518
Cost of Sales		-	(948,046)
Gross Profit		-	435,472
Other Income	2	243,221	913,339
Employee benefits expense		(1,976,641)	(2,359,081)
Depreciation and amortisation expense	3	(584,615)	(645,894)
Finance costs	4	(3,014,736)	(2,322,436)
Consulting expense		(207,608)	(687,922)
Other expenses	3	(2,737,929)	(2,345,582)
Impairment of Assets	12	-	(96,000,000)
(Loss)/Profit before income tax expense		(8,278,308)	(103,012,104)
Income tax	6	-	-
(Loss)/Profit after tax from continuing operations		(8,278,308)	(103,012,104)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Share of other comprehensive income of associate		-	-
Total comprehensive income		(8,278,308)	(103,012,104)
Profit attributable to:			
(Loss)/Profit attributable to non controlling interest		-	-
(Loss)/Profit attributable to members of the company		(8,278,308)	(103,012,104)
		(8,278,308)	(103,012,104)
Total comprehensive income attributable			
(Loss)/Profit attributable to non controlling interest		-	-
(Loss)/Profit attributable to members of the company		(8,278,308)	(103,012,104)
		(8,278,308)	(103,012,104)
Basic and diluted EPS (Cents per share)	7	(0.477)	(6.66)

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

Consolidated statement of financial position
As at 30 June 2016

	Notes	2016 $	2015 $
Current assets			
Cash and cash equivalents	9	21,707	1,263,903
Trade and other receivables	10	374,734	216,552
Inventories	11	227,831	251,053
Total current assets		624,272	1,731,508
Non - current assets			
Property, plant and equipment	12	111,046,934	111,775,670
Other financial assets	13	2,004,096	1,060,900
Total non-current assets		113,051,030	112,836,570
Total assets		113,675,302	114,568,078
Current liabilities			
Trade and other payables	14	7,174,516	6,086,017
Borrowings	15	10,897,258	8,129,067
Provisions	16	1,378,307	1,237,185
Total current liabilities		19,450,081	15,452,269
Non-current liabilities			
Borrowings	15	-	73,157
Provisions	16	1,497,785	603,408
Total non-current liabilities		1,497,785	676,565
Total liabilities		20,947,866	16,128,834
Net assets		92,727,436	98,439,244
Equity			
Issued capital	17	212,170,319	209,603,819
Reserves	18	39,257,541	39,257,542
Accumulated losses	19	(158,769,507)	(150,491,200)
Total equity attributable to shareholders of the company		92,658,353	98,370,161
Non Controlling Interest		69,083	69,083
Total equity		92,727,436	98,439,244

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

Consolidated statement of changes in Equity
For the year ended 30 June 2016

	Issued Capital $	Asset Revaluation Reserve $	Capital Reserve $	Share based payments reserve $	Retaining Earning $	Attributable to Owners of parent $	Non controlling interest $	Total $
CONSOLIDATED								
Balance as at 1 July 2015	**209,603,819**	**37,851,949**	**571,430**	**834,163**	**(150,491,200)**	**98,370,161**	**69,083**	**98,439,244**
Profit for period					(8,278,308)	(8,278,308)		(8,278,308)
Total comprehensive income	-	-	-	-	(8,278,308)	(8,278,308)	-	(8,278,308)
Owners contribution, net of transaction cost	2,566,500	-	-	-	-	2,566,500	-	2,566,500
Balance as at 30 June 2016	**212,170,319**	**37,851,949**	**571,430**	**834,163**	**(158,769,508)**	**92,658,353**	**69,083**	**92,727,436**
Balance as at 1 July 2014	**207,868,247**	**37,851,949**	**571,430**	**834,163**	**(47,479,096)**	**199,646,693**	**69,083**	**199,715,775**
Profit for period					(103,012,104)	(103,012,104)		(103,012,104)
Total comprehensive income	-	-	-	-	(103,012,104)	(103,012,104)	-	(103,012,104)
Issue of Convertible Bonds	-	-	-	-	-	-	-	-
Owners contribution, net of transaction cost	1,735,572	-	-	-	-	1,735,572	-	1,735,572
Balance as at 30 June 2015	**209,603,819**	**37,851,949**	**571,430**	**834,163**	**(150,491,200)**	**98,370,161**	**69,083**	**98,439,244**

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

Consolidated statement of cash flows
For the year ended 30 June 2016

	Notes	2016 $	2015 $
Cash flows from operating activities			
Receipts from customers		245,212	3,222,285
Payments to suppliers and employees		(3,361,033)	(8,266,804)
Interest and other costs of finance paid		(3,014,737)	(2,178,544)
Net cash (used in) /provided by operating activities	8	(6,130,558)	(7,223,063)
Cash flows from investing activities			
Interest received		307	5,223
Proceeds for property, plant and equipment		21,980	1,127,296
Development costs paid		-	(454,539)
Net cash provided by / (used in) investing activities		22,286	677,980
Cash flows from financing activities			
Proceeds from issues of equity securities		2,066,500	1,735,572
Proceeds from borrowings		2,872,732	10,271,075
Repayment of borrowings		(73,157)	(4,384,632)
Net cash provided by/(used in) financing activities		4,866,075	7,622,015
Net (Decrease) / Increase in cash and cash equivalents		(1,242,196)	1,076,932
Cash and cash equivalents at the beginning of the financial year		1,263,903	186,971
Cash and cash equivalents at end of the financial year	9	21,707	1,263,903

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

Notes to the Financial Statements

For the Year Ended 30 June 2016

The financial report of Citigold Corporation Limited for the year ended 30 June 2016 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 year 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 includes 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 between 2 and 90 days. 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 are 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 liability give 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. Citigold 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 value 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 flow 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 30-60 day payment terms.

n) Property, plant and equipment

Development Properties are measured at cost less accumulated amortisation.

Freehold land is not depreciated.

All other plant and equipment is 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) is depreciated to its 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 it's 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 does 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 is 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) Government grants

Government grants are not recognised until there is reasonable assurance that the group will comply with the conditions attaching to them that the grants will be received.

Government grants are recognised in profit and loss on a systematic basis over the periods in which the group recognises as expenses the related costs for which the grants are intended to compensate.

t) Borrowing Costs

Borrowing costs are expensed in the statement of profit or loss and other comprehensive income unless capitalised to qualifying assets.

u) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 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.

v) Going Concern

The ability of the Company and consolidated entity to continue as a going concern is dependent upon future successful raising of funding through equity and/or exploitation of tenements.

2. Revenue and other Income

	Consolidated	
	2016	2015
	$	$
Interest received	307	5,223
Research & Development Tax Offset	-	861,010
Sundry Income	242,914	47,106
Total	243,221	913,339

3. Expenses

Other Expenses	Consolidated	
	2016	2015
	$	$
Insurance	19,856	121,833
Office administration costs	818,685	572,560
Royalty Payments	-	106,109
Corporate administration	135,329	150,477
Tenement charges and costs	676,132	630,773
Travel expenses	91,010	197,791
Professional fees	874,776	259,467
Loss on sale of asset	122,141	306,572
Total	2,737,929	2,345,582

Depreciation and Amortisation Expense		
Plant and Equipment	584,615	645,894
Operating Lease Expense		
Operating Lease Expenses	4,480	6,720
Superannuation Expense		
Superannuation Expense	133,003	217,400

4. Finance Costs

Other Interest	2,981,700	1,394,298
Interest on Leases	-	13,467
Other Funding Costs	33,036	914,671
Total	3,014,736	2,322,436

5. Auditors Remuneration

	Consolidated	
	2016	2015
	$	$
Audit and review of financial reports- KS Black & Co	36,067	37,220
Other services	9,955	15,430
Total	46,022	52,650

6. Income Tax Expense

Prima facie income tax benefit calculated at 30% (2015: 30%)	(2,483,492)	(30,903,631)
on the (loss)/profit from continuing operations		
Deferred tax benefit accrued/(utilised):	2,483,492	30,903,631
Income tax attributable to net loss for year	-	-

At 30 June 2016 consolidated deferred tax assets of $51,481,336 ($48,997,844 at 30 June 2015) arising from carried forward income tax losses calculated at a tax rate of 30% (30 June 2015, 30%) 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 derive future assessable income is derived 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 2016 was based on the loss attributable to ordinary shareholders of $8,278,308 (loss of $103,012,103 in 2015) and weighted average number of ordinary shares outstanding during the financial year ended 30 June 2016 of 1,735,076,512 (1,547,181,462 in 2015), calculation as follows:

	Consolidated	
	2016 $	2015 $
Profit (loss) for the period*	(8,278,308)	(103,012,103)
Weighted average number of ordinary shares		
Opening Balance	1,613,950,553	1,495,764,906
Effect of shares issued during the year	121,125,959	51,416,556
Total weighted average number of ordinary shares used in calculating basic and diluted earnings per share	1,735,076,512	1,547,181,462
Profit /(Loss) per share – cents	(0.477)	(6.66)

** all attributable to ordinary shareholders*

There were 5,000,000 options outstanding at the end of the year (20,000,000 in 2015) that have not been taken in to account in calculating diluted EPS as there effect would be antidilutive.

8. Reconciliation of cash flows from operating activities

	Consolidated	
	2016 $	2015 $
Net (Loss) for the year	(8,278,308)	(103,012,103)
Adjustments for:		
Impairment, Depreciation and Amortisation net after write back of assets sold	584,615	96,117,871
Interest Received	(307)	(5,223)
(Increase)/ decrease in Trade and other receivables	(36,041)	1,016,369
(Increase)/ decrease in inventories	23,222	75,368
(Decrease)/ increase in trade and other payables	1,483,958	(1,277,959)
Increase/ (decrease) in Employee provisions	92,303	(137,386)
Net Cash (used in) / provided by operating activities	(6,130,558)	(7,223,063)

9. Cash and Cash Equivalents

	Consolidated	
	2016	2015
	$	$
Bank Balances	21,707	1,263,903
Cash and cash equivalents	21,707	1,263,903

10. Trade and other receivables

CURRENT		
Security Bonds	17,574	18,674
Other Receivables and Accrued Income	20,386	20,512
Prepayments	153,474	164,924
GST paid on acquisitions	183,300	12,442
Total	374,734	216,552

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

11. Inventories

	Consolidated	
	2016	2015
	$	$
Current		
Consumables	227,831	251,053
Total	227,831	251,053

12. Plant, Property and Equipment

	Consolidated 2016 $	Consolidated 2015 $
Plant, Property and Equipment		
Exploration, Evaluation and Development expenditure		
Costs brought forward in respect of areas of interest:	131,464,236	131,009,698
Costs incurred in period	-	454,539
Less: Accumulated amortisation	(1,142,988)	(1,142,988)
Total exploration, evaluation and development expenditure	130,321,248	130,321,249
Development Property		
Costs brought forward	74,439,914	74,439,914
Less: Accumulated amortisation	-	-
Total development property	74,439,914	74,439,914
Freehold Land and Buildings		
- at cost		
Carrying amount at beginning of year	151,048	151,048
Less: Sale of land during year	-	-
Carrying amount at end of year	151,048	151,048
Plant and Equipment		
At Cost	13,778,125	14,156,384
Less: accumulated depreciation	(11,643,401)	(11,292,925)
Carrying amount at end of year	2,134,724	2,863,459
Less Impairment of Property, Plant and Equipment	(96,000,000)	(96,000,000)
Total Carrying Value of Property, Plant and Equipment	111,046,934	111,775,670

Reconciliation of Plant and Equipment:

	2016	2015
Plant and Equipment		
Carrying amount at beginning of year	2,863,459	4,108,625
Net additions/(sale) during year	(144,120)	(599,501)
Less: depreciation charged in year	(584,615)	(645,665)
Transfer/Reclassification	-	-
Carrying amount at end of year	2,134,724	2,863,459

Leased Plant and Machinery

At reporting date, the consolidated entity did not have any motor vehicle 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.

During the prior year the consolidated entity recognised an impairment loss on some of its Capitalised Exploration, Evaluation and Development Expenditure.

The Company acknowledges an indicator of impairment has occurred in that the market capitalisation as at the date of this report was $25M. However, the Company has determined in accordance with the Accounting Standard that the recoverable amount of the assets based on the future discounted cash flows significantly exceeds the carrying amount of the assets and therefore no impairment is required.

13. Other financial assets

	Consolidated	
	2016	2015
	$	$
Security deposit against restoration costs lodged with the Department of Natural Resources and Mines	2,000,000	1,060,900

14. Trade and other payables

Current		
Trade creditors	4,971,203	4,064,037
Sundry creditors and accrued expenses	2,203,313	2,021,980
Total	7,174,516	6,086,017

15. Borrowings

Current		
Unsecured Liabilities		
Loan from unrelated parties	802,058	874,484
Insurance funding	-	17,980
Secured Liabilities		
Loan from unrelated parties	10,095,200	7,174,445
Finance lease liabilities	-	62,158
Total	10,897,258	8,129,067
Non-Current		
Finance lease liabilities	-	73,157
Total	-	73,157

Loans from unrelated parties

The loans are all fixed interest and are recallable at any time. Interest is calculated at rate of 5% to 12% per annum.

Provisions

	Consolidated	
	2016	2015
	$	$
Current Provisions		
Employee benefits	1,378,308	1,237,185
Total	1,378,308	1,237,185

Non Current Provisions		
Employee benefits	46,785	95,604
Restoration and rehabilitation	1,451,000	507,804
Total	1,497,785	603,408

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 mining. 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 and Mines. The provision is based on the calculated cost of restoration, rehabilitation and environmental work required in accordance with the Plan of Operations 2014-2016 accepted by Department of Environment and Heritage Protection.

16. Issued Capital

Reconciliation of movement in issued capital of the parent entity

Movements in Issued Capital 2016:

Date	Details	Number of Shares	Issue Price	$
Balance as at 1 July 2015		1,613,950,553		209,603,819
19-Aug-15	Share Placement	112,000,000	0.015	1,680,000
09-Oct-15	Share Placement	15,000,000	0.02	300,000
04-Jan-16	Share Placement	25,075,000	0.02	501,500
03-May-16	Share Placement	6,562,500	0.016	105,000
Total movement during the year		158,637,500		2,566,500
Balance for the year		1,772,588,053		212,170,319

Movements in Issued Capital 2015:

Date	Details	Number of Shares	Issue Price	$
Balance as at 1 July 2014		1,495,764,906		207,868,247
23-Nov-14	Share Placement	20,000,000	0.015	300,000
10-Dec-14	Share Placement	48,142,861	0.0175	842,500
17-Mar-15	Share Placement	7,735,094	0.0135	101,072
31-Mar-15	Share Placement	42,307,692	0.013	492,000
Total movement during the year		118,185,647		1,735,572
Balance for the year		1,613,950,553		209,603,819

Share Options

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

Number of options outstanding as at 30 June 2016:

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 2016	5,000,000		

Number of options outstanding as at 30 June 2015:

Issuing Entity	Number of options	Exercise Price	Expiry date of Option
Citigold Corporation Limited	20,000,000	$0.03	20 June 2016
Balance as at 30 June 2014	20,000,000		

Movement in share options

The movement in the company's share options during the year ended 30 June 2016 were as follows:

Date	Details	Number of options	Issue Price $	$
20-Jun-16	Expiry of options	(20,000,000)	-	-
Total Movement		(20,000,000)	-	-

The movement in the company's share options during the year ended 30 June 2015 were as follows:

Date	Details	Number of options	Issue Price $	$
28-Jun-15	Expiry of options	(7,997,917)	-	-
Total Movement		(7,997,917)	-	-

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% *(2015: 0 - 15%)*. The Group's gearing ratio at the balance date is shown below

	Consolidated	
	2016	**2015**
	$	**$**
Gearing Ratio:		
Net debt	10,897,258	8,202,224
Total equity	92,658,353	98,439,244
Total capital	102,955,611	106,641,468
Gearing Ratio	10.58%	7.69%

17. Reserves

	Consolidated	
	2016	2015
	$	$
Composition:		
Asset Revaluation Reserve	37,851,949	37,851,949
Capital Profits Reserve	571,430	571,430
Conversion Rights	-	-
Share Based Remuneration Reserve	834,163	834,163
Total	39,257,542	39,257,542
Asset Revaluation Reserve		
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
Capital Profits Reserve		
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
Conversion Rights		
Balance at beginning of the year	-	-
Option (decrease)/ increase during the year	-	-
Balance at end of Year	-	-
Share Based Remuneration Reserve		
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 is transferred to the capital profits reserve.

Share-based payment reserve

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

18. Accumulated Losses

	Consolidated	
	2016	**2015**
	$	**$**
Accumulated losses at beginning of the year	(150,491,200)	(47,479,096)
Net Profit/ (loss) attributable to members of the parent entity for the year	(8,278,308)	(103,012,104)
Total	(158,769,508)	(150,491,200)

(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.

19. 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		Consolidated	
	Note	2016	2015
		$	$
Cash	9	21,707	1,263,903
Security bonds	10	17,574	18,674
Prepayments (if these are refundable)	10	153,474	164,924
Receivables	10	203,686	32,954
Deposits (if refundable)	13	2,004,096	1,060,900
Loans and Receivables (Cash and Cash equivalents)		2,400,537	2,541,355
Trade creditors	14	4,971,202	4,064,037
Sundry creditors and accrued expenses (exclude accrued expenses and any statutory amounts such as PAYG/Superannuation)		283,741	470,788
Loans from unrelated party	15	10,897,258	8,048,929
Loan- Insurance	15	-	17,980
Finance lease liability	15	-	135,315
Financial liabilities at amortised cost		16,152,201	12,737,049
Categories of financial Instruments			
Loans and Receivables (Including cash and cash equivalents)		394,441	1,480,455
Financial liabilities at amortised cost		(16,152,201)	(12,737,049)
Total		(15,757,760)	(11,256,594)

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	
	2016	2015
	$	$
Loans and receivables	374,734	216,552
Cash and Cash Equivalents	21,707	1,263,903
	396,441	1,480,455

The maximum exposure to credit risk at balance date by country is as follows:		
Australia	396,441	1,480,455

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 flow and matching them to current obligations

d) Financing arrangements

Maturity Analysis - Group 2016

Financial Liabilities	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	$	$	$	$	$	$
Trade Creditors	4,971,202	4,971,202	4,971,202	-	-	-
Finance Lease	-	-	-	-	-	-
Term Loans	10,897,258	10,897,258	10,897,258	-	-	-
Loans others	-	-	-	-	-	-
TOTAL	15,868,460	15,868,460	15,868,460	-	-	-

Financial Assets	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	18,674	18,674	18,674	-	-	-
TOTAL	50,959	50,959	50,959	-	-	-

Maturity Analysis - Group 2015

Financial Liabilities	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	$	$	$	$	$	$
Trade Creditors	4,064,037	4,064,037	4,064,037	-	-	-
Finance Lease	135,315	135,315	31,079	31,079	73,157	-
Term Loans	8,048,929	8,048,929	8,048,929	-	-	-
Loans others	17,980	17,980	17,980	-	-	-
TOTAL	12,266,261	12,266,261	12,162,025	31,079	73,157	-

Financial Assets	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	$	$	$	$	$	$
Trade debtors	18,214	18,214	18,214	-	-	-
Other receivables	20,972	20,972	20,972	-	-	-
TOTAL	39,186	39,186	39,186	-	-	-

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 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.

Sensitivity Analysis

Consolidated - 2016	Carrying Amount AUD $	+1% Profit $	-1% Profit $
Cash and cash equivalents	21,707	217	(217)
Tax charge of 30%	-	(65)	65
After tax increase/ (decrease)	-	152	(152)

The above analysis assumes all other variables remain constant.

Consolidated - 2015	Carrying Amount AUD $	+1% Profit $	-1% Profit $
Cash and cash equivalents	1,263,903	12,639	(12,639)
Tax charge of 30%	-	(3,792)	3,792
After tax increase/ (decrease)	-	8,847	(8,847)

20. Commitments

Finance Lease Liabilities

	Consolidated	
	2016 **$**	**2015** **$**
Finance Lease Commitments Payable		
- not later than one year	-	70,714
- later than one year but not later than five years	-	76,606
Minimum lease payments	-	147,320
Less future finance charges	-	(12,005)
Total lease liability	-	135,315

The finance leases commitments are for finance leases over mining machinery, office equipment, motor vehicles and portable items of plant. At the end of each lease, the entity has the option to purchase the equipment at a beneficial price. The leases are on normal commercial terms and conditions and are for terms of between one and five years. The group's obligations under the leases are secured by the lessor's title to the leased assets.

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.

	Consolidated	
	2016	**2015**
	$	**$**
Exploration expenditure commitments payable:		
- not later than one year	957,960	389,200
- later than one year but not later than five years	2,037,320	1,463,844
Total	2,995,280	1,853,044

Operating lease commitments

Operating Lease Commitments in respect of non-cancellable operating leases contracted for but not capitalised in the financial statements

	Consolidated	
	2016	**2015**
	$	**$**
Operating lease commitments payable		
- not later than one year	12,818	88,209
- later than one year but not later than five years	-	48,660
Total	12,818	136,869

The general terms of the operating lease commitments disclosed above are: Non - cancellable leases for rental of office equipment and/or rental of office for remaining term of less than six months. Rentals are payable monthly. The agreements do not contain escalation clauses.

21. Consolidated Entities

	Country Of Incorporation	Ownership Interest 2016	Ownership Interest 2015	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
Deeprock Mining Pty Ltd	Australia	81.2	81.2	18 Jun 1984
Queensland Gold Mines Pty Ltd	Australia	100	100	27 Feb 2006
Indo Citigold Pte Ltd	Singapore	51	51	21 May 2013

22. 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

	2016		2015	
	Carrying Amount $	Fair Value $	Carrying Amount $	Fair Value $
Trade and other receivables	374,734	365,594	216,552	211,270
Cash and cash equivalents	21,707	21,707	1,263,903	1,263,903
Trade and other payables	7,174,516	6,832,872	6,086,017	5,794,302
Non-current assets (note 13)	1,060,900	1,035,024	1,060,900	1,035,024
Non-current interest bearing liabilities (note 15)	-	-	73,157	69,673

Securities

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

23. 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 21.

(c) Key management personnel

Disclosures relating to key management personnel are set out in note 28

(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.

24. Subsequent Events

Since the end of the financial year the Company issued 13,333,333 shares to raise working capital.

25. Going Concern

The financial statements have been prepared on a going concern basis. The group incurred a net loss $8,278,308 during the period ended 30 June 2016 and as of that date the group had current assets of $624,272 and current liabilities of $19,450,081. As in previous financial periods, the ability of the consolidated entity to meets its expenditure commitments and progress with its development and exploration program is dependent upon production and continued capital raising.

26. Contingent Liabilities

Citigold are continuing discussion with the Department of Environment, Heritage and Protection in regards to the adequacy of financial assurance provided for the purpose of mine rehabilitation. The potential liability can be up to a maximum of $4.5 million. At this time it is not anticipated that this will be resolved until some-time in late calendar year 2016.

27. 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.

28. 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)
C. Towsey	(Executive Director, Resigned 21 June 2016)
S. Acharya	(Non Executive Director, Appointed 21 June 2016)

(b) Other Key Management Personnel

No Key Management Personnel appointed during the financial year.

(c) Key management personnel compensation

	Consolidated	
	2016	2015
	$	$
Short term employee benefits	-	1,108,207
Post-employment benefits	-	50,506
	-	1,158,713

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, are set out below:

2016	Balance at the start of the year	Exercise of options	Other net changes during the year	Balance at the end of the year
J J Foley	7,307,876	-	-	7,307,876
M J Lynch	88,347,084	-	-	88,347,084
C Towsey	1,032,880	-	-	1,032,880
S Acharya	-	-	-	-
A Panchariya	-	-	-	-
Other Key Management Personnel				
-	-	-	-	-

2015	Balance at the start of the year	Exercise of options	Other net changes during the year	Balance at the end of the year
Directors				
J J Foley	4,736,450	-	2,571,429	7,307,876
M J Lynch	81,347,083	-	7,000,001	88,347,084
C Towsey	175,737	-	857,143	1,032,880
R Tan	-	-	-	-
A Panchariya	-	-	-	-
Other Key Management Personnel				
M B Martin	-	-	-	-

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, are set out below:

2016	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

2015	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 2016.

TRANSACTION RELATING TO KEY MANAGEMENT PERSONNEL

A Key Management Personnel have provided a $246,376 unsecured loan to the company at the interest rate of 12% per year.

29. Parent Entity Financial Information

a) Summary financial information

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

	Parent Entity	
	2016	**2015**
	$	**$**
Balance Sheet		
Current assets	301,522	1,389,405
Total assets	117,138,580	117,692,239
Current liabilities	13,904,765	10,556,818
Total Liabilities	13,866,763	11,271,290
Shareholders' equity		
Issued Capital	212,170,318	209,603,819
Reserves	38,686,113	38,686,113
Accumulated losses	147,584,615	141,868,983
Profit and Loss		
Loss for the year	5,715,632	99,446,059
Total comprehensive loss	5,715,632	99,446,059

b) Guarantees entered into by the parent entity

Citigold Corporation Limited has provided unsecured guarantees in respect of the provisions of financial assistance to of 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 2016 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 2016, 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 21 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 2016 pursuant to Section 295A of the corporations act.

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

M J Lynch
Chairman

J J Foley
Director

Dated at Brisbane this 30th September 2016

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INDEPENDENT AUDITOR'S REPORT

To the Members of Citigold Corporation Limited and Subsidiaries

Report on the Year End Financial Report

We have audited the accompanying financial report of Citigold Corporation Limited and Subsidiaries, which comprises the Statements of financial position as at 30 June 2016, the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the year end financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the year end financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the

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appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Citigold Corporation Limited and Subsidiaries, would be in the same terms if given to the directors as at the time of this auditor's report.

Basis for Opinion

In our opinion:

(a) the financial report of Citigold Corporation Limited and Subsidiaries is in accordance with the Corporations Act 2001 including:

  i. giving a true and fair view of the company's and consolidated entity's financial positions as at 30 June 2016 and of their performance for the year ended on that date; and

  ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(b) the consolidated financial statements and notes or financial report also comply with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of matter

Without amendment to our conclusion we emphasise the following matter.

<u>Other Matters</u>

In our report dated 15 March 2016, we expressed a disclaimer opinion on the basis that we were not provided with sufficient audit evidence relating to the carrying amount of property, plant and equipment of $111,473,375 to form the basis of an opinion.

With respect to these financial statements the company has provided sufficient audit evidence relating to the carrying amount of property, plant and equipment.

However, we have included an emphasis of matter detailed below. Accordingly, our present opinion on the June 2016 financial statements, as presented herein, is different from that expressed in our previous report.

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Impairment of Assets

Note 1(h) of the accounting policies state that the company reviews the carrying amounts of its tangible and intangible assets to determine where there is any indication that those assets have suffered an impairment loss.

The market capitalisation of the company as at the date of this report is $25m and pursuant to AASB 136 paragraph 12(d) this is an indicator of impairment as it is below the carrying amount of the tangible and intangible assets of the company.

The company has provided sufficient information and has determined that the recoverable amount is greater than the carrying amount disclosed in the financial statements and as such has determined that no impairment is required to the carrying amounts of the tangible and intangible assets disclosed in the financial statements and therefore complies with AASB 136.

Going Concern

The Directors opinion, as detailed in the Note 1 to the financial report, indicates that the ability of the entity to continue as a going concern is dependent upon future successful raising of necessary funding through equity and exploitation of the entity's tenements. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore, the entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Included in the trade creditors of the company of $7,174,516 are taxation liabilities which the company is the process of obtaining a deed of settlement and guarantee with the Australian Taxation Office. As with all liabilities, the ability of the company to repay amounts owed is dependent on raising necessary funding as noted above.

Loan from Fortune Gems and Jewellery DMCC

The company has borrowed $10,897,258 from Fortune Gems and Jewellery DMCC secured over part of the mining assets of the company.

The loan agreement expired on 21 March 2016 and has not being formally renegotiated, nor has the lender sought as at the date of this report to recover its debt. The loan has continued on an informal basis with monthly interest accruing.

Report on the Remuneration report

We have audited the remuneration report included on pages 5-8 of the attached report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and

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Auditors Opinion
In our opinion the remuneration report of Citigold Corporation Limited and Subsidiaries for the year ended 30 June 2016 complies with s 300A of the Corporations Act 2001.

KS Black & Co
Chartered Accountants

Scott Bennison
Partner
Dated: 30/9/16

ASX Additional Information

1. SHAREHOLDINGS as at 29 September 2016

Distribution of Members and their Shareholdings

Range	Total holders	Number of Shares
1 - 1,000	1,438	569,243
1,001 - 5,000	1,648	4,841,273
5,001 - 10,000	1,068	8,705,451
10,001 - 100,000	3,000	118,109,183
100,001	1,231	1,653,696,236
Total	**8,385**	**1,785,921,386**

5,869 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 29 September 2016

Name	Number of Shares	% of Issued Share Capital
R G F LAND SDN BHD	188,554,719	10.56
K SERA SERA HOLDINGS PTY LTD	96,485,307	5.40

Twenty Largest Shareholders as at 29 September 2016

Name	Number of Shares	% of Issued Share Capital
R G F LAND SDN BHD	188,554,719	10.56
CITICORP NOMINEES PTY LIMITED	173,084,277	9.69
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	162,345,071	9.09
K SERA SERA HOLDINGS PTY LTD	96,485,307	5.40
AURORA INVESTMENTS LIMITED	81,199,144	4.55
JFO INVESTMENTS PTY LTD	75,318,808	4.22
RHB SECURITIES SINGAPORE PTE LTD <CLIENTS A/C>	43,351,555	2.43
PAL GROUP PTY LTD <KATHLEEN THERESE LYNCH A/C>	38,801,058	2.17
J P MORGAN NOMINEES AUSTRALIA LIMITED	31,690,797	1.77
LIM KOK	25,000,000	1.40
MR CHARLES RAYMOND LARKIN	16,105,947	0.90
MR IAN MCDONALD FRASER + MS JILLIAN BACON <IAN FRASER SUPER FUND A/C>	12,500,000	0.70
MR HARRY SIOROS	12,010,368	0.67
JF APEX SECURITIES BERHAD <CLIENT ACCOUNT>	10,576,410	0.59
BNP PARIBAS NOMS PTY LTD <DRP>	10,017,585	0.56
MR FRANCIS ROGERSON	10,002,230	0.56
MR IAN MCDONALD FRASER	10,000,000	0.56
MR WEITIAN ZHANG	9,899,129	0.55
BNP PARIBAS NOMS PTY LTD <UOB KAY HIAN PRIV LTD DRP>	9,029,905	0.51
MR NICHOLAS KENOS + MRS PAULINE KENOS <NP HOLDINGS SUPER FUND A/C>	8,785,714	0.49
	1,024,758,024	57.38

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 29 September 2016
The Consolidated Entity has a 100% control of the following mining tenements at Charters Towers:

Exploration Permit Minerals	EPM 15964	EPM 15966	EPM 16979	EPM 18465	EPM 18813	EPM 18820
Minerals Development Licence	MDL 116	MDL 118	MDL 119	MDL 251	MDL 252	
Mining Lease	ML 1343	ML 1408	ML 1433	ML 1548	ML 10042	ML 10222
	ML 1344	ML 1409	ML 1472	ML 1549	ML 10048	ML 10281
	ML 1347	ML 1424	ML 1488	ML 1585	ML 10050	ML 10282
	ML 1348	ML 1428	ML 1490	ML 1586	ML 10091	ML 10283
	ML 1385	ML 1429	ML 1491	ML 1587	ML 10093	ML 10284
	ML 1387	ML 1430	ML 1499	ML 1735	ML 10193	ML 10285
	ML 1398	ML 1431	ML 1521	ML 10005	ML 10196	ML 10335
	ML 1407	ML 1432	ML 1545	ML 10032	ML 10208	

Corporate Directory

REGISTERED OFFICE

30 Nagle Street
Charters Towers, QLD, 4820, Australia

CORPORATE OFFICE & PRINCIPLE 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

Clermont Highway, 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

Computershare Investor Services
117 Victoria Street,
West End, QLD 4000
Telephone: 1300 850 505

AUDITOR

KS Black & Co
Level 6, 350 Kent Street
Sydney NSW 2000

BANK

Westpac