



## ANNOUNCEMENT

### Citigold Update

**6 December 2011: Brisbane, Australia** – Citigold Corporation Limited (Citigold) (ASX:CTO, FSE:CHP) is pleased to provide an update with regard to the planned expansion of mining operations.

#### **Capital Expansion Funding**

As outlined in the recent Quarterly Report funding negotiations for the major expansion are at an advanced stage. There is considerable interest by international companies to join in the growth of Citigold's Charters Towers gold mines. This includes the Central and Imperial areas with the planned growth requiring substantial further capital.

The corporate management team and Board remain focused on completing the funding. The timeframe to completion is not entirely within Citigold's control. Nevertheless, it is the Company's aim to get the funding deal completed in the shortest possible time and to develop the Charters Towers gold project whilst gold prices are at the current historically high level.

Shareholders gave strong support at the Annual General Meeting by authorising the Company to issue some additional shares should they be required as a part of the expansion funding. Funding options under discussion include debt, joint venture, equity and combinations thereof.

#### **Exploration Joint Venture**

Anhui Geology & Mining Investment Ltd (Anhui) has now completed their initial geological assessment and has provided their report to Citigold for review. This report highlights two key areas of interest. Once the details of the report have been agreed by both parties work will commence on designing the exploration program and testing of the assumptions through exploration techniques.

The exploration joint venture is not just looking for gold.

The exploration joint venture is separate from and excludes the Mining Area that contains Citigold's current mineral resources, underground mines and processing plant.

## Central Mine Planning

Under the leadership of Dr Brian White, Executive Director Mining Operations, the Central Mining Development Committee has been reviewing the initial plans for the development of the Central mine with the aim of accelerating the production ramp up. This process has been advancing well, generated potential time and cost saving techniques that are currently being tested in the project model.

The dewatering of the existing Central mine workings continues to operate well and the decreasing water level is progressing as planned. This is one of several activities being carried out in readiness for completion of the capital expansion funding deal and implementation of the development plan.

For further information contact:

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Or visit the Company's web site at : [www.citigold.com](http://www.citigold.com)

### **STRATEGIC BUSINESS SUMMARY**

***Citigold Corporation is a gold producer controlling Australia's richest major goldfield at Charters Towers in North Queensland. The high-grade deposit contains a gold Inferred Mineral Resource of 10 million ozs (23 Mt @ 14 g/t) with exceptional growth potential.***

***(See Report for full details Inferred Mineral Resources [www.citigold.com](http://www.citigold.com) click Mining >Technical Reports >Mineral Resources)***

**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.*