

Quarterly Report

For the period ending 30 September 2021, dated 27 October 2021



PROJECT OVERVIEW

Citigold is an Australian gold mining and exploration company operating on the Charters Towers goldfield in northeast Australia. The Charters Towers Gold Project is one of Australia's largest high-grade pure gold deposits.

HIGHLIGHTS

- Main focus remains on advancing the mine design and engineering for the Central Mine, ahead of the mining restart process.
- Broad Regional Exploration Program progress at Charters Towers with further anomalies identified. Final samples have been transported to Perth for analysis and results are awaiting.
- Planning work continued on Citigold's new process plant.
- Major project funding negotiations continuing.
- Citigold completes placement confirming continued investor interest in the Charters Towers Gold Project¹.
- Citigold partners with Charters Towers Regional Council to enable "Charters Towers Water Park" project to go forward providing benefit to the community.
- 2021 Annual Report to Shareholders has been released².

¹ See ASX Announcement dated 10 August 2021, [Application for Quotation of Securities](#)

² See ASX Announcement dated 20 August 2021, [Annual Report to Shareholders](#)

CITIGOLD'S 14 MILLION OUNCE GOLD DEPOSIT.



Restarting a World Class Gold Mine
Citigold Corporation Limited (ASX:CTO)
citigold.com

www.citigold.com
CITIGOLD
corporation

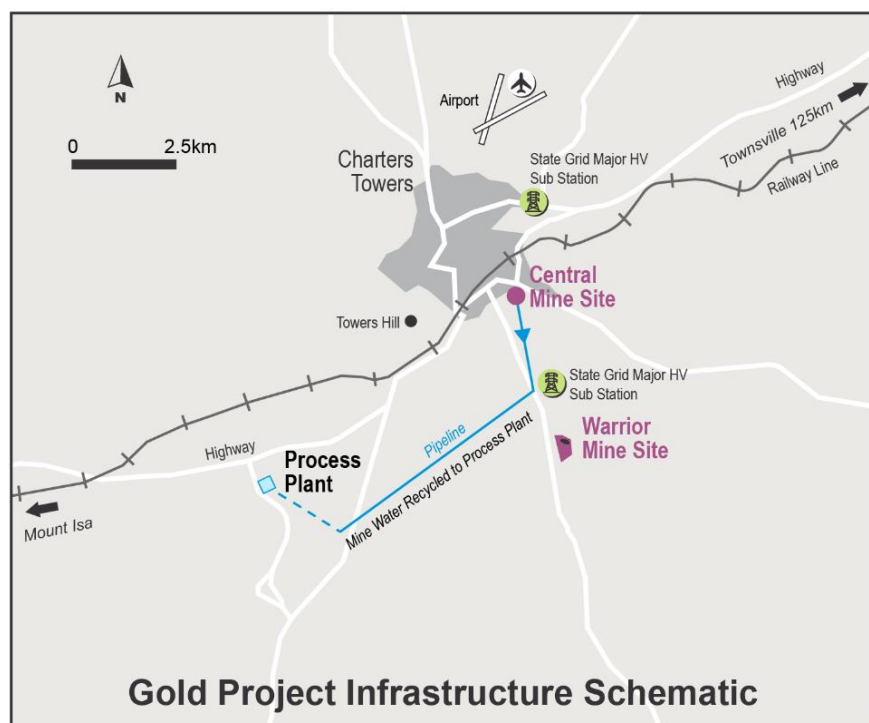
OPERATIONS

Planned Resumption of Mining

During the Quarter the Company's technology-driven 'ultra-low-cost mining' initiative manifested in selecting the site of the new Citigold processing plant. The plant will be located closer to the Central Mine, adjacent to the Company's previously mined open pit. The site has existing mining leases with sealed highway door to door.

The evolving new process plant design will focus on the 'upgrading' of ore to remove the bulk of the granite 'dilution' that naturally occurs during the underground mining process.

The Company's existing water pipeline will be extended to the new processing site. Based on known mineral resources, the mine the Company is building is planned to produce for many years.



Citigold envisages its new plant will be an efficient design, environmentally friendly, requiring significantly less surface footprint, using less water and renewable energy power compared to traditional process plants. Further investigation is currently continuing to be carried out.

Central Mine Overview



The above satellite image shows Citigold's Central Mine site in excellent condition, the production-ready surface infrastructure well maintained and in place for the commencement of mining.

The Central Mine, located adjacent to 30 Nagle Street Charters Towers, is centred around the initially excavated Central Mine access tunnel, that dives down at a 1:7 slope to over 200 metres vertical depth in the granite country rock. Previous trial production mining the 'usual way' identified the challenges to, and constraints on, 'ultra-low-cost mining'. While we have been in the project development financing stage, our efforts have been to develop an ultra-low-cost mining system.

The long-life mine will generate many benefits for the local community and the Company.

Mine engineering and design work continued during the period with the Central area being the area of focus. Existing mine designs and schedules are currently being reviewed and optimised for initiatives such as "Twin-declines", ore handling systems, and taking into consideration other advancements in technologies and innovations. The review involves long-term planning, design, engineering and optimising the whole of life of mine plan.

Central Mine Optimisation

In consultation with project designers, an innovative mining system has been put together that takes an efficient 'keyhole mining' approach to our mining and thereby doing what needs to be done for the geometry of our ore system, which in itself is somewhat unique. Make small excavations, and just extract the valuable ore minimising dilution and processing less waste.

The previously reported planned use of two small declines, commencing circa 1,300 metres down the current single decline has, continued to advance. The 'twins' require smaller blasts, excavate less rock than a single standard decline and therefore less rock to move. The declines will allow flexibility for ventilation, emergency egress, material and personnel movements in and out of the underground.



A further advantage of the 'twin declines identified previously is that this approach may allow more efficient access to multiple areas of the underground reefs. This could allow the 'twins' to multiply gold production ore extraction accessing different and multiple areas of the mineralisation earlier than was possible under the old 'single' tunnel. The design possibilities will be further investigated.

Preliminary costs indicate the 'twin' smaller declines are within the existing budget.

It is interesting that as we investigate 'greener' ways to mine, new cost reduction opportunities emerge.

To ensure harmony with the environment the mine will eventually be renewables powered. Potential sites were selected and the possibilities for 'captive' off-grid renewables were considered to be favourable. There are additional upfront capital costs, that need to be amortised, but then the 'energy' costs are essentially free. This is an evolving change from the earlier 'independent' development of these renewable assets.

Geology and Exploration

Geology

Citigold's previous gold production test mining gave the opportunity to better understand the varying grades, varying mineralisation widths and varying ground conditions. Previous mining used conventional mechanised methods for reef mining².

Citigold's Probable Ore Reserves grade average of 7.7 g/t gold, uses a 4 g/t economic cut off @ a gold price of A\$1,600/oz². The mineralisation then and now is the same, but old-time hand mining indicatively used a 6 dwt (9 g/t) 'cut-off grade' for their higher cost unmechanised manual methods¹.

Modern mechanised mining usually takes more total tonnes and overall more ounces of gold but at a lower ore grade than what was historically mined at 38 g/t².

Mineral resources and reserves² are summarised below:

² See ASX announcement dated 9 December 2020, [Mineral Resources and Ore Reserves 2020](#)

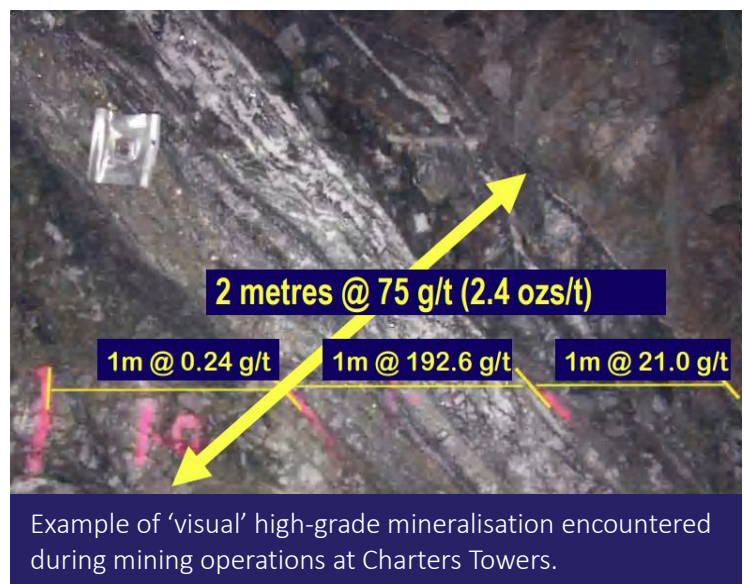
CATEGORY	TONNES	GRADE	CUT-OFF	CONTAINED GOLD OUNCES
Probable Ore Reserves (derived from and contained within Indicated Mineral Resource)	2,500,000	7.7 g/t	4.0 g/t	620,000
Indicated Mineral Resources (includes Probable Ore Reserves)	3,200,000	7.7 g/t	4.0 g/t	780,000
Inferred Mineral Resources	32,000,000	14 g/t	3.0 g/t	14,000,000

Citigold's Mineral Resources and Ore Reserves for the overall Gold Project are reported in accordance with the Australasian JORC Reporting Code 2012³. Mineral Resources and Ore Reserves remain unchanged during the Quarter. The material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed³. Exploration fieldwork, sampling and analysis continued. During the Quarter, no new exploration drilling was undertaken. Normal regulatory compliance reporting for exploration, mine and environmental continued during the Quarter.

The gold is rarely visible to the eye in the mineralisation despite the high grades, being very fine-grained. The associated galena, pyrite and sphalerite are very visible and a proxy for the gold. The gold particles are not encapsulated by these minerals, but are along the grain boundaries giving excellent gold recoveries³.

The initial defined mining area is the 'C03W' area³.

Over very recent years they have advanced in the areas of detection, modelling and imaging. These 'geophysical' technology advances will be a part of the go-forward budgets, in combination with traditional diamond core drilling, to support a strong ramp-up in gold production once gold mining commences.



Exploration

Broad Regional Exploration Program Progress

The stream sediment sampling program previously announced (20 April 2021) was expanded with follow-up and infill sampling at 74 sites. In the initial program discussed in earlier releases (19 January 2021 and 23 March 2021), 84 sites were sampled, with three types of samples taken at each site:

- 3-5kg of 2mm sand analysed for gold by Bulk Cyanide Leach (BCL),

³ See ASX Announcement dated 9 December 2020, [Mineral Resources and Ore Reserves 2020](#)

- 1-3kg of rock chip or rock float from the stream bed, analysed for gold by 50g fire assay and for a 35- element scan by Inductively Couple Plasma Atomic Emission Spectroscopy (ICP-AES, and
- 3-5kg of 2mm sand analysed for gold by 50g fire assay and for a 35-element scan by Inductively Couple Plasma Atomic Emission Spectroscopy (ICP-AES).

During May and June 2021, an expanded program of sampling 74 additional sites was planned to infill the more broad sampled areas and to follow up on the earlier anomalies. As in the earlier program, three samples were planned to be taken at each site, as detailed above, totalling 222 samples from 74 sites. Sample locations are shown on the map below.

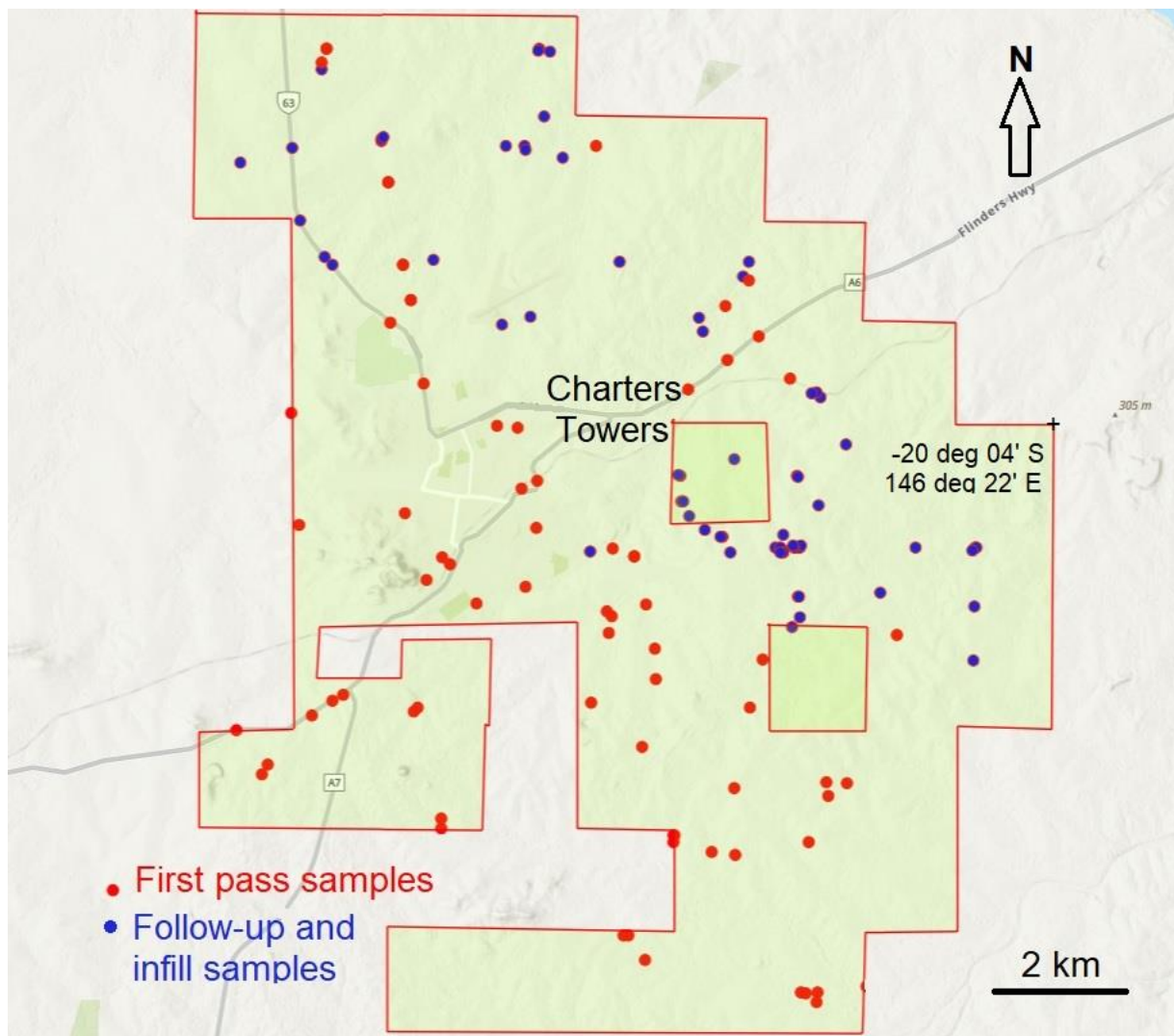


Figure 1. Sample site locations on Citigold's broad regional exploration ground are shown above. Red circles are the initial 84 first-pass samples taken in December 2020 and discussed in releases in January and March 2021. The 74 follow-up and infill sample sites are shown as blue circles.

Initial fieldwork was completed in late June 2021, with the first batch of 74 samples submitted to the commercial laboratory in Townsville for analysis of gold by Bulk Cyanide Leach. Twenty-six samples in the first-pass sampling and eight samples in the in-fill sampling were anomalous in cyanide-extractable

gold (>100 ppb). Fifteen samples were anomalous in gold (>0.1 ppm) in the -2mm sand samples, and of these, six were anomalous in lead and zinc (>100 ppm) and four in arsenic (>20 ppm As).

These anomalies will be followed up in the coming two Quarters subject to the approaching Wet Season.

Sample No.	Latitude	Longitude	BCL CNx Au	-2mm Sand Samples			
			ppb	Au ppm	Pb ppm	Zn ppm	As ppm
1	- 20.08210	146.27694	6,033	0.33			
2	- 20.08667	146.29417	2,449				
3	- 20.08537	146.29038	785				
4	- 20.08665	146.29417	456	0.09			
5	- 20.09457	146.29625	421				
6	- 20.10190	146.29775	175				
7	- 20.10683	146.29788	261				
8	- 20.09582	146.28940	127				
9	- 20.09658	146.29017	220				
10	- 20.11070	146.28652	171				
11	- 20.09170	146.27515	345	0.2	98	258	
12	- 20.10425	146.28035	181				
13	- 20.10463	146.27993	176				
14	- 20.09975	146.27872	139				
17	- 20.13355	146.30102	141				
22	- 20.07567	146.27433	189	0.4	148	284	
23	- 20.06557	146.27367	620	0.21	434	636	41
24	- 20.06522	146.27008	144	0.19	269	363	74
25	- 20.07968	146.25387	471	0.44	490	661	79
26	- 20.08693	146.26045	372	0.45	957	912	82
27	- 20.09055	146.25768	520				
28	- 20.08802	146.26190	107				
29	- 20.09450	146.26647	101				
34	- 20.11147	146.25617	158				
50	- 20.03887	146.25353	711				
56	- 20.05938	146.30350	136	0.17			
59	- 20.04567	146.31012		0.24			
61	- 20.04142	146.31420	119	0.18			
62	- 20.01373	146.33782		0.13			
94	- 20.02520	146.25103	126				
110	- 20.03830	146.29148	144				
113	- 20.02470	146.32893	233	0.08			
114	- 20.02470	146.32893	160				
115	- 20.08590	146.28635	281	0.23			
124	- 20.07350	146.30222	167				
125	- 20.07330	146.30190		0.11			
126	- 20.06060	146.32677	106				
127	- 20.05980	146.32600	111				

Table 1. Stream sediment anomalous samples. Samples above 100 ppb are regarded as anomalous in cyanide-extractable gold ('CNx Au') in the bulk cyanide leach ('BCL') samples. Samples above 100 ppm

lead ('Pb') or zinc ('Zn') and above 20 ppm arsenic ('As') are regarded as anomalous in the -2mm sand samples.

The infill rock chip samples have been transported to Perth for analysis and results are awaited.

This exploration program surrounds the gold production Mining Leases of 23 square kilometres and includes the 'Central' gold mining site. The exploration aim is over time to increase mineral resources and reserves. The exploration areas include 26 square kilometres of Mineral Development Licenses and 163 square kilometres of Exploration Permits.

Health, Safety, Community And Environment

There were no Lost Time Injuries, significant environmental, health or safety issues during the quarter. Personnel have commenced receiving COVID-19 vaccination and all personnel remained COVID-19 safe with no reported infection.

Citigold is committed to creating and maintaining a safe environment, both in the workplace and in the local community.

Progressive rehabilitation and reclamation initiatives are incorporated into the Project's life of mine landforms and post-mining community uses.

Community

Citigold is very pleased to recently partner with the Charters Towers Regional Council to provide regulatory assistance to enable "Charters Towers Water Park" project to go forward. The water park will be a valuable social infrastructure providing benefits to the wider community which Citigold is proud to be a part of.

To promote sports and exercise, our Company has worked with the local community previously to develop a BMX skatepark and an athletics field. This period, we have contributed to further developing the athletics field by contributing to heavy ground maintenance work and assisting with water recycling initiatives.

Rehabilitation

As part of Citigold's ongoing operations, sites previously used are rehabilitated to be stable self-sustaining landforms with vegetation. The Company has been very successful with all the sites rehabilitated to date. Several of the sites will also be integrated into beneficial uses. From the inception of the project, we have always looked to design in the post-mining land use so that it generates self-sustaining benefits to the local community.

The progress of vegetation re-generation over time and wildlife habitation is very pleasing.



Citigold's Stockholm site shows the progress of rehabilitation.

CORPORATE

Financial Discussion

The Company's Gold Mine is currently production-ready and the main focus is on completing the major funding negotiations and moving to gold production and revenue thereafter.

The Annual Report as at 30 June 2021 was released during the Quarter. The loss after tax for the Company was \$1.4 million for the year (2020: net loss was \$1.06 million)⁴.

The net assets for the Company are \$101.6 million as at 30 June 2021 (2020: \$101.1 million)⁴.

[Click here](#) to download a copy of the 2021 Annual Report to Shareholders.

During the Quarter, Citigold completed a placement for 53,659,091 shares, raising a total of \$590,250⁵.

The Company has two existing loan facilities in place totalling \$1,300,000 with undrawn balances of \$947,905 at quarter-end. The \$1 million loan facility has a maturity of 7 December 2022, and the \$300,000 facility has a maturity of 4 February 2023.

The Company has in the past undertaken broad shareholder share purchase plans and share placements. The Company further has the ability to raise funds from the forward sale of gold in the ground and drawing on loan facilities as previously announced.

2021 Annual General Meeting

The Company's 2021 Annual General Meeting was held on Friday 1 October 2021 with all resolutions passed. The Directors thank all the shareholders who attended the AGM. [Click here](#) to read the 2021 AGM Chairman's Address.



⁴ See ASX Announcement dated 20 August 2021, [Annual Report to Shareholders](#)

⁵ See ASX Announcement dated 10 August 2021, [Application for Quotation of Securities - CTO](#)

Change of Registered Office and Principal Place of Business

Citigold wishes to advise that its registered office and principal place of business has changed to⁶:

Registered Office and Principal Place of Business:

Citigold Corporation Limited
Level 1, 1024 Ann Street
Fortitude Valley QLD 4006 Australia

Postal address remains unchanged:

Citigold Corporation Limited
PO Box 1133
Fortitude Valley QLD 4006 Australia

The Company's telephone number, email address and website remains unchanged.

Corporate Presentation

[Click here](#) to view Citigold's 'Path to high-grade gold production' corporate presentation which was released to the ASX on 8th April 2021⁷.

Appendix 5B Disclosures

The Company's accompanying Appendix 5B (Quarterly Cash Flow Report) includes an amount in item 6.1 which constitutes directors' accrued fee and reimbursement payments during the Quarter.

During the period, the Company made a payment of \$71,000 (capitalised), on exploration activities at its Charters Towers Gold Project, which included regional exploration sampling program, assay results, review of historical data, and exploration technologies. Exploration payments totalling \$411,000 (expense) relate to tenement management costs, annual mining rent and EA fee payments. Development payments totalling \$23,000 (capitalised) as reported at item 2.1(f) relate to mine design and engineering, aerial survey, and process plant development. Development payments totaling \$34,000 (expense) relate to site management and maintenance costs.

Payment for administration and corporate costs amounted to \$248,000 and include listing, compliance, consultants and project marketing activities.

The above activities were summarised in this quarterly report.



⁶ See ASX Announcement dated 5 October 2021, [Change of Registered Office and Principal Place of Business](#)

⁷ See ASX Announcement dated 8 April 2021, [Corporate Presentation](#)

SUMMARY OF MINING TENEMENTS & AREAS OF INTEREST

Citigold reports that the Consolidated Entity has a 100% control of the following mineral titles at Charters Towers as at 30 September 2021 and there were no acquisitions or disposals during the Quarter:

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

CHARTERS TOWERS PROJECT OVERVIEW

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



OUR MISSION

"Our aim is to be a 300,000 plus ounces per annum ultra-low cost gold producer in five years using state of the art technologies and efficiencies, all with the aim of returning substantial profits to shareholders in harmony with the local environment"

For further information contact:

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Company Secretary

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

Cautionary Note: This release may contain forward-looking statements that are based upon management's expectations and beliefs in regards to future events. These statements are subject to risk and uncertainties that might be out of the control of Citigold Corporation Limited and may cause actual results to differ from the release. Citigold Corporation Limited takes no responsibility to make changes to these statements to reflect change of events or circumstances after the release.

Competent Person Statement:

Competent Person Statement: The following statements apply in respect of the information in this report that relates to **Exploration Results, Mineral Resources and Ore Reserves:** The information is based on, and accurately reflects, information compiled by Mr Christopher Alan John Towsey, who is a Corporate Member and Fellow of the Australasian Institute of Mining and Metallurgy. Mr Towsey is a Chartered Professional (Geology) and currently independent of Citigold Corporation Limited, having previously been a Director of the Company from 2014-June 2016. He has the relevant experience in relation to the mineralisation being reported on to qualify as a Competent Person as defined in the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Identified Mineral Resources and Ore Reserves 2012. Mr Towsey has consented in writing to the inclusion in this report of the matters based on the information in the form and context in which it appears. **For full details see Technical Report on the Mineral Resources and Reserves at www.citigold.com click Mining >Technical Reports >Mineral Resources and Ore Reserves 2020.**



Inside the portal of the Central Mine main access tunnel.

+Rule 5.5

Appendix 5B

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

Name of entity

CITIGOLD CORPORATION LIMITED

ABN

30 060 397 177

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(411)	(411)
	(b) development	(34)	(34)
	(c) production	-	-
	(d) staff costs	(18)	(18)
	(e) administration and corporate costs	(248)	(248)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(3)	(3)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	4	4
1.9	Net cash from / (used in) operating activities	(710)	(710)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(71)	(71)
	(e) investments	-	-
	(f) other non-current assets	(23)	(23)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(94)	(94)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	590	590
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(25)	(25)
3.5	Proceeds from borrowings	185	185
3.6	Repayment of borrowings	(280)	(280)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	20	20
3.10	Net cash from / (used in) financing activities	490	490

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	432	432
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(710)	(710)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(94)	(94)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	490	490

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	118	118

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	118	432
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	118	432

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

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

**Current quarter
\$A'000**

64

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

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

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>			
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	1,300	352
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities		
7.5	Unused financing facilities available at quarter end		948
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>A\$1 million secured loan facility obtained from PAL Group Pty Ltd ATF The I and F Trust at 12% per annum interest rate, with maturity extended to 7 December 2022 and all other terms remain unchanged. A \$300k unsecured loan facility obtained from the The Rigby Superannuation Fund and Ross Neller at 1.25% per month interest rate, with maturity of 4 February 2023.</p>			

8. Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(710)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(71)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(781)
8.4	Cash and cash equivalents at quarter end (item 4.6)	118
8.5	Unused finance facilities available at quarter end (item 7.5)	948
8.6	Total available funding (item 8.4 + item 8.5)	1,066
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.36
<p><i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i></p>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
<p>Answer: In common with resource exploration and development companies, the Company expects that it will continue to have negative operating cash flows until such time it brings its gold mine into production.</p>		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
<p>Answer:</p> <p>The Company is and continues to assess the merits of various fund-raising options. In addition, the Company has loan facilities available as outlined in item 7 above and has share placement capacity available.</p>		

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

Answer: Yes, the Company does expect to be able to continue its operations and meet its business objectives based on cash and loan facilities currently in place. The Company regularly monitors its cash flow requirements in order to meet its planned ongoing activities.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

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

Date: 27 October 2021

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

Notes

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

JORC CHECKLIST

SECTION 1 SAMPLING TECHNIQUES AND DATA

(Criteria in this section apply to all succeeding sections)

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Sampling techniques	<p>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</p> <p>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</p> <p>Aspects of the determination of mineralisation that are Material to the Public Report.</p> <p>In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</p>	<ul style="list-style-type: none"> Three samples were taken at each site, and a duplicate sample taken at every tenth site. Duplicates were given consecutive numbers to ensure the laboratory was unaware of which samples were duplicated. At each site 3-5kg of -2mm sediment was collected for Bulk Cyanide Leach assaying; A further 2-5kg of -2mm sediment was collected for gold assay by 50g fire assay and a 35 element scan. At each site 1-2 kg of rock chips from either outcrop or creek-bed float was taken. This report refers to analysis results received from the -2mm sediment fraction assayed for gold by fire assay and the 35 element scan.
Drilling techniques	<p>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</p>	<ul style="list-style-type: none"> No drilling was undertaken for this report
Drill sample recovery	<p>Method of recording and assessing core and chip sample recoveries and results assessed.</p> <p>Measures taken to maximise sample recovery and ensure representative nature of the samples.</p> <p>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</p>	<ul style="list-style-type: none"> No drilling was undertaken for this report
Logging	<p>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</p> <p>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photo-graphy.</p> <p>The total length and percentage of the relevant intersections logged.</p>	<ul style="list-style-type: none"> Sample sites were photographed and locations determined from handheld GPS. Field notes were taken at each site and any items of interest recorded.
Sub-sampling techniques and sample preparation	<p>If core, whether cut or sawn and whether quarter, half or all core taken.</p> <p>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</p> <p>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</p> <p>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</p> <p>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</p> <p>Whether sample sizes are appropriate to the grain size of the material being sampled.</p>	<ul style="list-style-type: none"> Samples were hand delivered to a commercial NATA accredited laboratory in Townsville where they are dried at 105°C; weighed; crushed to -6mm; and pulverised to 90% passing 75um where a 200g sub- sample is taken. 5% of samples are dual sub-sampled (second split) for sizing and analytical quality control purposes. Fire assay: 50g of sample is added to a combustion flux and fired at 1000°C; the resultant lead button is separated from the slag and muffled at 950°C to produce a gold/silver prill; the prill is digested in aqua regia and the liquid read on an AAS. ICP-AES: A 0.2g sub-sample is digested using nitric/hydrochloric/ perchloric/hydrofluoric acids; the diluted digestion product is then presented to a Perkin Elmer 7300 ICP AES for analysis. Quality Control: second splits (5% of total); 2 in 45 sample repeats; and 2 CRM standards for each rack of 50 samples are analysed in all methods.

SECTION 1 SAMPLING TECHNIQUES AND DATA (CONT)

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Quality of assay data and laboratory tests	<p>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</p> <p>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</p> <p>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</p>	<ul style="list-style-type: none"> Citigold uses standards sourced from Gannett Holdings Pty Ltd, Perth, Australia. Certificate number 13U20C-22-04-13. A blank sample and/or a standard sample are randomly inserted in approximately every 30 samples that are submitted. NATA accredited laboratories in Townsville have their own rigorous 'in lab' QA/QC procedures and are accredited for precious metal and base metal analyses. A complete discussion on assay techniques, sample sizes, assay variance and sample bias can be found in the Citi gold 2020 Mineral Resources and Ore Reserves report at: http://www.citigold.com/mining/technical-reports
Verification of sampling and assaying	<p>The verification of significant intersections by either independent or alternative company personnel.</p> <p>The use of twinned holes.</p> <p>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</p> <p>Discuss any adjustment to assay data.</p>	<ul style="list-style-type: none"> No check sampling was undertaken for this program with other laboratories. The laboratory conducted its own QA/QC procedure and the results reported back to Citigold, and found to be acceptable. Assay data is not adjusted prior to entry into the database. Repeat or duplicate assays are recorded in separate columns.
Location of data points	<p>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</p> <p>Specification of the grid system used.</p> <p>Quality and adequacy of topographic control.</p>	<ul style="list-style-type: none"> Handheld GPS was used for sample locations and is accurate to within about 3 to 4 metres, sufficient for this type of surface sampling. Site photographs were taken using a GPS enabled camera and coordinates cross-checked. Coordinates are plotted using GDA 2020.
Data spacing and distribution	<p>Data spacing for reporting of Exploration Results.</p> <p>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</p> <p>Whether sample compositing has been applied.</p>	<ul style="list-style-type: none"> Sample spacing was one sample per two square kilometres in the first pass. Follow-up sampling will close this up to one sample per one square kilometre for BCL sampling. Depending on results of the follow-up rock chip sampling, soil sampling may be undertaken using a pegged grid with samples 25m to 50m apart on lines 100m apart
Orientation of data in relation to geological structure	<p>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</p> <p>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</p>	<ul style="list-style-type: none"> Creek patterns tend to mirror the conjugate fracture set of regional stress fractures oriented roughly northwest-southeast and northeast-southwest. Intruded mineralization has been injected along the pre-existing fracture set in a series of crack-seal events. Sampling the creeks therefore will give a reasonable chance of sampling material shedding from lode systems that may also follow the pre-existing fracture set.
Sample security	<p>The measures taken to ensure sample security.</p>	<ul style="list-style-type: none"> Samples were delivered by Citigold staff to the NATA accredited laboratory. Standards are retained within the office of the chief geologist and only released under strict control. The chain of sample custody is managed and closely monitored by Citigold (management and senior staff).
Audits or reviews	<p>The results of any audits or reviews of sampling techniques and data.</p>	<ul style="list-style-type: none"> A full Mineral Resources and Ore Reserves report was completed in May 2012, written in compliance with the then-current 2004 JORC Code. The report contains a comprehensive review and assessment of all sampling techniques and methodologies, sub-sampling techniques, data acquisition and storage, and reporting of results. Statements on QA and QC can be found on page 48 of the 2012 report. The report can be found on Citigold's website at: http://www.citigold.com/mining/technical-reports. This 2012 report was audited by Snowden in 2012 and updated in December 2020 with no change to the sampling technique or resource estimation methodology. Citigold's database has been audited by several independent consultants since 1998 and most recently by Snowden in 2011. <p>There have been no material changes to this report since Dec 2020.</p>

SECTION 2 REPORTING OF EXPLORATION RESULTS

(Criteria listed in the preceding section also apply to this section)

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	<ul style="list-style-type: none"> Citigold holds a number of different types of mineral tenements including Exploration Permit Minerals (EPM's), Mineral Development Licenses (MDL) and Mining Leases (ML's). Citigold currently holds five (5) EPM's, three (3) MDL's and thirty (30) ML's:- EPM15964, EPM15966, EPM18465, EPM18813 & EPM27287 MDL118, MDL119, MDL252, ML1343, ML1344, ML1347, ML1348, ML1385, ML1398, ML1424, ML1430, ML1472, ML1488, ML1490, ML1491, ML1499, ML1521, ML1545, ML1585, ML10005, ML10032, ML10042, ML10091, ML10093, ML10193, ML10196, ML10208, ML10222, ML10281, ML10282, ML10283, ML10284, ML10335 Citigold holds current Environmental Authorities over the tenements, and has already produced over 100,000 ounces of gold. There are no known impediments to continuing operations in the area.
Exploration done by other parties	Deposit type, geological setting and style of mineralisation.	<ul style="list-style-type: none"> Charters Towers is one of Australia's richest gold deposits that was discovered in 1871. A plethora of historical data from the Charters Towers area has been collected, collated and is included within the Citigold geological database. Previous exploration was summarised in the 2020 Mineral Resources and Reserves Report which can be found at: (http://www.citigold.com/mining/technical-reports). Citigold's drill hole database includes historical drilling including: <ul style="list-style-type: none"> 1993 - Mt Leyshon Gold Mines Ltd extensions to CRA diamond drill holes in the areas. 1991 - Diamond and RC drilling by PosGold in a joint venture with Charters Towers Mines NL that covered parts of the Central area areas. 1981-84 - Diamond-drilling by the Homestake/BHP joint venture in the Central area. 1975, 1981-82, and 1987 - Diamond and RC drilling in central by A.O.G., CRA and Orion respectively. Citigold retains all diamond core and a collection of core drilled by other companies is its on-site core-yard.
Geology	Deposit type, geological setting and style of mineralisation.	<ul style="list-style-type: none"> Mineralisation at Charters Towers is referred to as "orogenic" style vein mesothermal gold deposit. See the 2020 Mineral Resources and Reserves Report which can be found at: http://www.citigold.com/mining/technical-reports The many reefs are hosted within a series of variably-oriented fractures in granite and granodioritic host rocks. Mineralisation does occur in adjacent metasedimentary rocks. The gold-bearing reefs at Charters Towers are typically 0.3 metres to 1.5 metres thick, comprising hydrothermal quartz reefs in granite, tonalite and granodiorite host rocks. There are some 80 major reefs in and around Charters Towers city. The majority of the ore mined in the past was concentrated within a set of fractures over 5 km long East-West, and 500 metres to 1600 metres down dip in a North-South direction. The mineralised reefs lie in two predominant directions dipping at moderate to shallow angles to the north (main production), and the cross-reefs, which dip to the ENE. The reefs are hydrothermal quartz-gold systems with a gangue of pyrite, galena, sphalerite, carbonate, chlorite and clays. The reefs occur within sericitic hydrothermal alteration, historically known as "Formation". The goldfield was first discovered in December 1871 and produced some 6.6 million ounces of gold from 6 million tons of ore from 1872 to 1920, with up to 40 companies operating many individual mining leases on the same ore bodies. There were 206 mining leases covering 127 mines working 80 lines of reef and 95 mills, cyaniding and chlorination plants. The field produced over 200,000 ounces per year for 20 consecutive years, and its largest production year was 1899 when it produced some 320,000 ounces.
Drill hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case..	<ul style="list-style-type: none"> No drilling was undertaken for this report.
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated.	<ul style="list-style-type: none"> No drilling was undertaken in this report. Stream sediment sampling reports anomalous samples with an explanation of the statistical method used to identify anomalies. Assay results for Ag, Pb and Au are presented as ppm (equivalent to grams of metal per tonne of rock, written as g/t). In addition, Au (gold) when sampled over an interval such as a channel sample is presented as metal accumulations (grade x width), in metre-grams per tonne (m.g/t), particularly where intervals are less than one metre, to put the results into perspective as the minimum mining width is one metre. No aggregation of sections have been used. Metal equivalents are not used.

SECTION 2 REPORTING OF EXPLORATION RESULTS (CONT)

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Relationship between mineralisation widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	<ul style="list-style-type: none"> No drilling was undertaken for this report.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Sample locations and anomalous sample location maps are presented in the report together with a table of latitude and longitude of anomalous samples.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	<ul style="list-style-type: none"> The percentage of sediment samples regarded as anomalous is recorded in the report together with an explanation of the method used to determine anomalies. Maps showing all sample locations and the locations of anomalous samples are provided in the report so the reader can visually see what proportion of the samples are anomalous and where they lie in relation to all samples.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	<ul style="list-style-type: none"> The Project has produced over 100,000 ounces of gold. Details such as bulk density, metallurgical characteristics, groundwater and geotechnical data are covered in the 2020 Mineral Resources and Ore Reserves Report which can be found at: http://www.citigold.com/mining/technical-reports.
Further work	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	<ul style="list-style-type: none"> Planned futurework is detailed in the report.

The following statements apply in respect of the information in this report that relates to Exploration Results:

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 currently independent of Citigold Corporation Limited, having previously been an Executive Director of the Company from April 2014 to 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.