

Quarterly Report

For the period ending 31 December 2021, dated 11 January 2022

HIGHLIGHTS

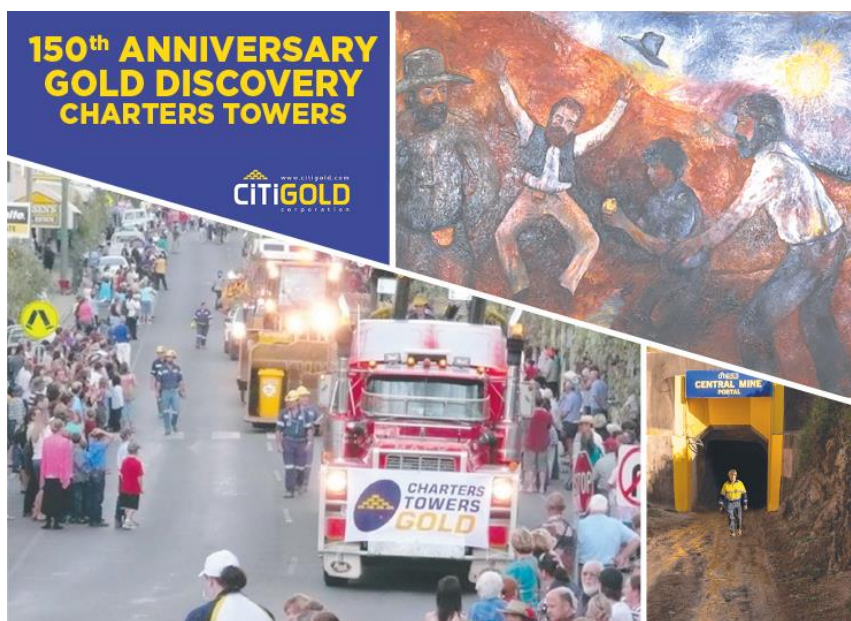
- Main focus remains on advancing the mine design and engineering for the Central Mine, ahead of the mining restart process.
- Latest round of exploration infill rock chip and float sampling has highlighted additional anomalous gold results¹.
- It is 150 years anniversary since the discovery of gold at Charters Towers.
- Major project funding negotiations continuing.

COMMUNITY

150 years anniversary since the discovery of gold at Charters Towers.

On 24 December 1871, a 12-year-old First Nations Australian boy named 'Jupiter Mosman' as part of the prospecting team discovered gold that led to the birth of Charters Towers in Queensland.

Jupiter's important contribution to the discovery of the gold made Charters Towers goldfield in Queensland, Australia's fifth-largest gold producer, and saw the richest gold ore grades of all the major goldfields.



Citigold's recognition of Jupiter included commissioning two large paintings in 1997 and 1999 by Marji Hill, a renowned writer of educational books on Australia's First Nations. The initial painting depicted Jupiter as an elderly statesman of Charters Towers, and the second was an artist's impression of the discovery of gold in Mosman Creek by Jupiter and the prospecting team, partially depicted above. The painting of Jupiter, as an elderly statesman, is on permanent display inside the historic community-owned and beautifully restored "World Theatre" building in Mosman Street Charters Towers.

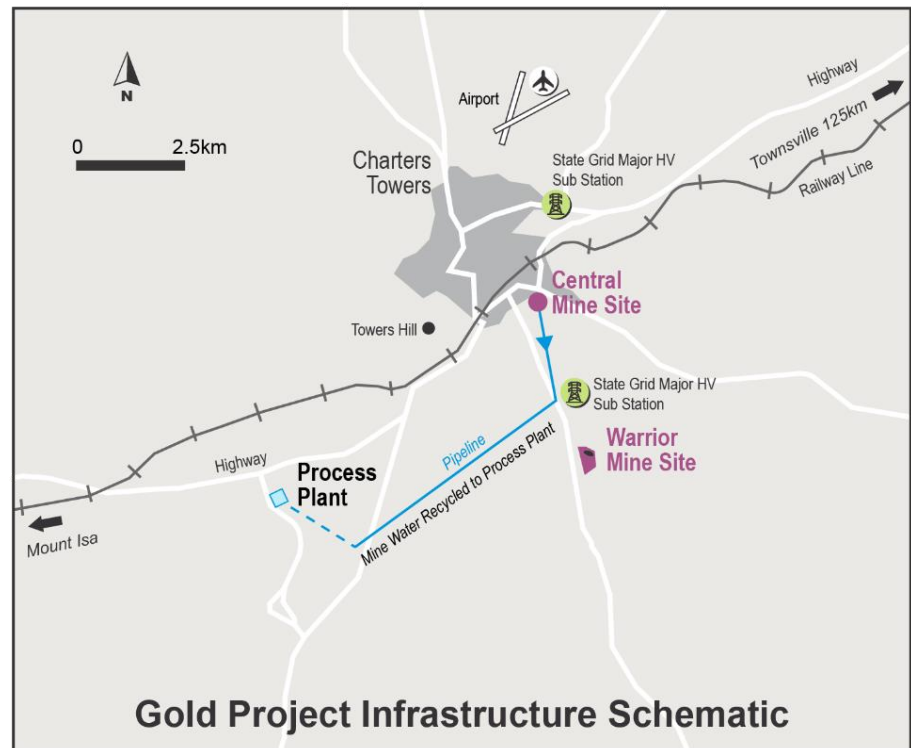
¹ See ASX announcement dated 12 November 2021, [Exploration highlights area to the north of Charters Towers](#)

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 initial 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.



Citigold envisages its new plant will be an environmentally friendly efficient design, 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.



CHARTERS TOWERS GOLD MINE

Mine Overview

The below right 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 efficient system.



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

Mine Optimisation



Inside the portal of the Central Mine main access tunnel

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.

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.

GEOLOGY AND EXPLORATION

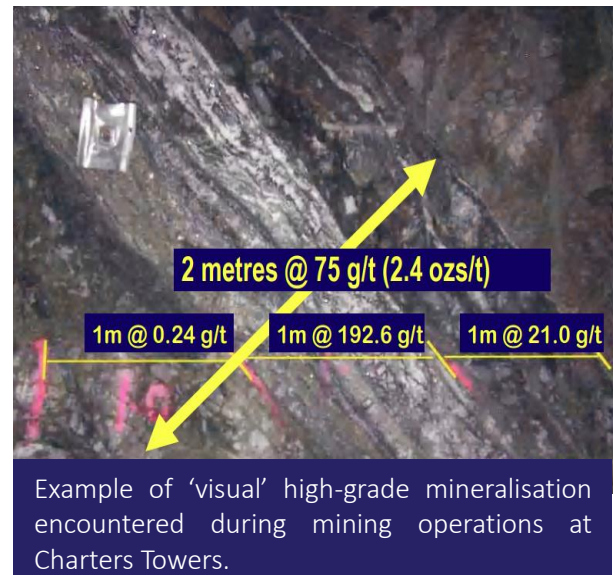
Geology & Mineral Resources

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 mining¹.

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/oz¹. 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/t¹.

Mineral resources and reserves¹ are summarised below:



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 2012¹. 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 changed¹.

¹ See ASX announcement dated 9 December 2020, [Mineral Resources and Ore Reserves 2020](#)

Exploration

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.

Over very recent years there have been advances in the areas of detection, modeling 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 highlights the area to the north of Charters Towers: The latest round of infill rock chip and float sampling in creeks around the city of Charters Towers has highlighted anomalous gold results in an area of interest on its exploration permits to the north of Charters Towers.

The northern area will become a priority focus for further work, tracing the creeks upstream with further mapping and sampling of rock outcrops, float and soils to determine the source of the anomalous samples.

See detailed announcement titled "[Exploration highlights area to the north of Charters Towers](#)" released to the ASX on 12 November 2021 that sets out all the details.

HEALTH, SAFETY, COMMUNITY AND ENVIRONMENT

There were no Lost Time Injuries, significant environmental, health or safety issues during the quarter.

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.

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 Company has two existing loan facilities in place which increased to \$1,430,000 with undrawn balances of \$548,179 at quarter-end. The \$1 million loan facility has a maturity of 7 December 2022. The second facility increased to \$430,000 during the Quarter and 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.

Change of Registered Office and Principal Place of Business

The Company announced its registered office and principal place of business changed to¹:

Level 1, 1024 Ann Street
Fortitude Valley QLD 4006 Australia

The Company's telephone number, email address, postal address and website remain 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 2021².



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 \$21,000 (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 \$79,000 (expense) relate to tenement management costs, annual mining rent and EA fee payments. Development payments totalling \$21,000 (capitalised) as reported at item 2.1(f) relate to mine design and engineering, aerial survey, and process plant development. Development payments totaling \$28,000 (expense) relate to site management and maintenance costs.

Payment for administration and corporate costs amounted to \$131,000 and include listing, compliance, consultants and project marketing activities.

The above activities were summarised in this quarterly report.

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 31 December 2021 and there were no acquisitions or disposals during the Quarter, other than an additional EPM application EPMa28173:

Exploration Permit Minerals	EPM 15964	EPM 15966	EPM 18465	EPM 18813	EPM 27287
	EPMa 28173				
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	

¹ See ASX Announcement dated 5 October 2021, [Change of Registered Office and Principal Place of Business](#)

² See ASX Announcement dated 8 April 2021, [Corporate Presentation](#)

CHARTERS TOWERS PROJECT OVERVIEW

Citigold is an Australian gold mining and exploration company, operating on the core high-grade Charters Towers goldfield in north-east Australia. Citigold has extensive prospective exploration ground holdings at Charters Towers outside the current gold deposit and the overall Central goldfield area. The Company's exploration program is aimed at increasing the detailed knowledge of the ore body, mine planning, identifying new reefs for future drilling and increasing resources and reserves.



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.**

+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")

31 December 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(79)	(490)
	(b) development	(28)	(62)
	(c) production	-	-
	(d) staff costs	-	(18)
	(e) administration and corporate costs	(131)	(379)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	(3)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	4
1.9	Net cash from / (used in) operating activities	(238)	(948)

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	(21)	(92)
	(e) investments	-	-
	(f) other non-current assets	(21)	(44)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	(42)	(136)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	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	(3)	(28)
3.5	Proceeds from borrowings	515	700
3.6	Repayment of borrowings	-	(280)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	100	120
3.10	Net cash from / (used in) financing activities	612	1,102

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	118	432
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(238)	(948)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(42)	(136)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	612	1,102

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 (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	450	450

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	450	118
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)	450	118

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
17

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 <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	1,430	882
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		548
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.		
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. The unsecured loan facility obtained from the The Rigby Superannuation Fund and Ross Neller was increased to \$430k at 1.25% per month interest rate, with maturity of 4 February 2023 and all other terms remain unchanged.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(238)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(21)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(259)
8.4 Cash and cash equivalents at quarter end (item 4.6)	450
8.5 Unused finance facilities available at quarter end (item 7.5)	548
8.6 Total available funding (item 8.4 + item 8.5)	998
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.85
<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>	
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?	
Answer: N/a	
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?	
Answer: N/a	

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: N/A

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: 11 January 2022

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.