

23 December 2009

Lux Wigneswaran
Adviser, Issuers (Sydney)
ASX Markets Supervision Pty Ltd
20 Bridge Street
Sydney, NSW 2000

Dear Ms Wigneswaran,

Citigold Corporation Limited

Thank you for your letter dated 21 December 2009

We have reviewed your comments and the relevant sections of the Listing Rules and the Corporations Act. In response to your questions

1. The Company does not view the information contained in the announcement concerning the Variations to Expected Gold Production as material.
2. The Charters Towers mine is currently planning to increase to a production target of 300,000 ounces per annum. The production will sometimes vary from the quarterly target due to the nature of the ore body and the variation in expected grade, especially at the current level of production where ore is only coming from one area, (WS19). The production target for the 2009 calendar year was below 10% of the total targeted production once the development/ramp up of the mine is complete. Provided production is increasing, which is currently the case, and the underground works are continuing, the variation in target and actual is considered immaterial. It should also be noted that the December quarterly production is still expected to be the largest quarter since production started in 2006.

The Charters Towers mine has an Inferred Mineral Resource of 10 million ounces of gold (23 million tonnes at 14 grams per tonne gold) with an anticipated mine life of over 30 years. Citigold is at the very early stage of developing this large mine. Although this quarter was below the previous target it has little, if any, impact on the value of the asset and the future growth plans of the Company.

3. Although the Company has answered no to question 1, it was considered appropriate to provide a basis of the initial target of 25,000 ounces for the year. The production for the second part of the year was planned to come from the WS19 area as outlined in the June quarterly report. At that time the geological estimate was 18,000 ounces on the WS19 area, with additional ounces to come from the WS16 area. The mining department management had advised that the planned development would be achievable. During

September the development advance was slowed by trial shotcreting for ground support, and second means of egress development, however a large part of the planned work was completed. Although the ounces were down in the September quarter it was anticipated that Citigold would be able to get the planned ounces out from stoping the WS19 area. Mr Towsey was placed at the mine on 12 October 2009 to help drive growth. On 22 October he advised his findings regarding the possibility of achieving the target concluding we will get the ounces. This formed the basis of the wording used in the September quarterly report. Post mining it became apparent that a very high grade intersection had unusually biased the initial geological estimate, which was unexpected as it has not occurred previously in the mining at Warrior.

4. The Company became aware on 1 December 2009 that the production target may not be met and had requested Mr Towsey to review the production target and ounces planned so the market could be informed. On Friday 12 December 2009 Mr Towsey advised that the Company would only be producing approximately 5,000 ounces. The announcement was drafted and released to the ASX on 16 December after the weekend.
5. N/A
6. I confirm the company is in compliance with Listing Rule 3.1.

If you require any further information please do not hesitate to contact me.



Matthew Martin
Company Secretary



ASX Markets Supervision Pty Ltd
ABN 26 087 780 489
20 Bridge Street
Sydney NSW 2000
PO Box H224
Australia Square
NSW 1215

Telephone 61 2 9227 0390
Facsimile 61 2 9241 7620
www.asx.com.au

21 December 2009

Mr Matthew Martin
CFO and Company Secretary
Citigold Corporation Limited
Level 15, IBM Centre
348 Edward Street
Brisbane QLD 4000

By Email

Dear Matthew,

Citigold Corporation Limited (the "Company")

I refer to the following:

1. The Company's quarterly activities report for the period ended 31 March 2009, lodged with ASX on 30 April 2009, in which the following quarterly and annual gold production targets were provided:

June Quarter 2009	September Quarter 2009	December Quarter 2009
2,500 ounces	5,000 ounces	15,000 ounces
Calendar Year 2009	Calendar Year 2010	Calendar Year 2011
25,000 ounces	85,000 ounces	160,000 ounces

2. The Company's quarterly activities report for the period ended 30 September 2009, lodged with ASX on 27 October 2009, which indicated that in the nine months to 30 September 2009 the Company had produced 6,995 ounces of the target 25,000 ounces for the 2009 calendar year, and in which the Company stated that "the Charters Towers management team feels that the 2009 target of 25,000 ounces is still achievable, or close to...".
3. The Company's announcement lodged with ASX on 16 December 2009 and released at 9:19 am AEDT, entitled 'Update Charters Towers Project' (the "Announcement"), in which the Company stated, in respect of the quarter ending 31 December 2009, that "gold production for the current quarter is now expected to be 5,000 ounces", and in respect of the 2010 calendar year, that "the gold production target has been revised to 50,000 ounces" (together, the "Variations to Expected Gold Production").

As you are aware, listing rule 3.1 requires an entity, once it becomes *aware* of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, to immediately tell ASX that information. The exceptions to this requirement are set out in listing rule 3.1A.

Australian Securities Exchange

Australian Stock Exchange
Sydney Futures Exchange

Australian Clearing House
SFE Clearing Corporation

ASX Settlement and Transfer Corporation
Austraclear

I would also like to draw your attention to the definition of "aware" in Chapter 19 of the listing rules. This definition states that:

"An entity becomes aware of information if a director or executive director (in the case of a trust, director or executive officer of the responsible entity or management company) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity."

Furthermore, paragraph 17 of Guidance Note 8 states:

"Once a director or executive officer becomes aware of information, he or she must immediately consider whether that information should be given to ASX. An entity cannot delay giving information to ASX pending formal sign-off or adoption by the board, for example."

In light of the statements in the Company's Announcement relating to the Variations to Expected Gold Production, and having regard to the above definition and listing rule 3.1, we ask that you answer the following questions in a format suitable for release to the market in accordance with listing rule 18.7A.

1. Whether the Company considers the information contained in the Announcement concerning the Variations to Expected Gold Production as material to the Company?
2. If the answer to question 1 is "no", please advise the basis on which the Company does not consider the Variations to Expected Gold Production to be material.
3. If the answer to question 1 is "yes", when did the Company first become aware of the Variations to Expected Gold Production?

In answering this question, please also advise the basis on which the Company, as at 27 October 2009, considered the 25,000 ounce target for the 2009 calendar year to be achievable, with reference to the Company's total gold production in the nine months to 30 September 2009.

4. If the Company first became aware of the Variations to Expected Gold Production before the Announcement, please identify any earlier announcement from the Company which disclosed the Variations to Expected Gold Production.
5. If there was no earlier announcement, and the Company became aware of the Variations to Expected Gold Production prior to the Announcement, why was the information not released to the market at an earlier time? Please comment specifically on the application of listing rule 3.1 and the exceptions to the rule in listing rule 3.1A.
6. Please confirm that the Company is in compliance with listing rule 3.1.

Your response should be sent to me by email at luxmy.wigneswaran@asx.com.au or by facsimile on **facsimile number (02) 9241 7620**. It should **NOT** be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than the close of business (**i.e. before 5:00 pm AEDT on Wednesday, 23 December 2009**).

If you are unable to respond by the time requested, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 - Trading Halts, we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell each of the following.

- The reasons for the trading halt.

- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we may ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

(sent electronically without signature)

Lux Wigneswaran

Adviser, Issuers (Sydney)