

ANNOUNCEMENT

Citigold signs MOU to develop Charters Towers City mining area

4 March 2010: Brisbane, Australia – Citigold Corporation Limited (Citigold) (ASX:CTO, FSE:CHP) advises that it has signed a non binding Memorandum of Understanding with Henan Jinqu Gold Company Limited (Jinqu), China, to form a joint venture company to develop the City mines of Citigold’s Charters Towers gold project.

Under the terms of the MOU Jinqu may acquire up to a 50% interest in the joint venture company which will own granted mining leases with permits to mine and associated infrastructure, containing a gold Mineral Resource of 1.8 million ounces*.

Henan Jinqu Gold Company Limited’s main industry is the exploration, mining, processing and smelting of gold. The company is also engaged in research, development, production and sales of synthetic diamonds. The company is a member of the Shanghai Gold Exchange.

The City mining area is where Citigold carried out the initial exploration in the 1990’s after acquiring the first part of the Charters Towers goldfield. Full control of the goldfield was obtained in 2004.



Mr Qizeng CEO of Jinqu and Mr Lynch CEO of Citigold and officials at the signing ceremony.

Citigold’s Gold Production Plan for the design and development work has been undertaken with the aim of producing 200,000 ounces per annum from the City mines. The City includes the major Sunburst, Brilliant and Day Dawn reefs to be developed together as one ‘super’ mine.

Citigold has internally budgeted that the development of the City operations should take 24 months and cost up to \$70 million. The development of the City is to be separate from the 100% owned Warrior mine and the existing 340,000 tonne capacity gold processing plant.

For further information contact:

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Company Secretary

* See full report at http://www.citigold.com/downloadablefiles/Inferred_Mineral_Resources.pdf

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 resource of 10 million ozs (23 Mt @ 14 g/t) with exceptional growth potential. Gold output targets growing to 300,000 ozs per year with gold production cash costs under A\$350 per oz. (See www.citigold.com for full resources report)

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.

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 and the Australian Institute of Geoscientists. Mr Towsey is a geologist and employed by CTO as Chief Operating Officer. 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 Identified Mineral Resources and Ore Reserves. 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.