



ANNOUNCEMENT

Citigold Licence Granted

8 May 2012: Brisbane, Australia – Citigold Corporation Limited (“Citigold” or “Company”) (ASX:CTO, FSE:CHP) is pleased to report that a new large 1,724 hectare (17.24 square kilometres) Mineral Development Licence MDL 252 (MDL) has been granted to the Company by the Minister for Natural Resources and Mines for the State of Queensland.

This large MDL, granted under the Queensland Mineral Resources Act, covers the immediately north section of the Central mining area at Charters Towers and has an east-west length of over 8 kilometres. The major reef lines at Charters Towers strike east-west and dip to the north. The southern boundary abuts the Company’s existing granted mineral titles including the northern boundaries of MDL’s 116, 118, 119 and Mining Leases 10283 and 1488.

The Company’s overall MDL holdings, with this new grant, have increased by 35% and now total 66.4 square kilometres. These are in addition to the 26 square kilometres of Mining Leases and over 1,000 square kilometres of Exploration Permits or applications.

The successful deep hole drilled in 2008 through the Queensland Government sponsored Collaborative Drilling Initiative program, has demonstrated that the gold mineralised reefs persist to at least 2 kilometres vertically and remains open at depth. This hole was drilled within the boundaries of MDL 252 and proved that the gold mineralisation at Charters Towers extends much deeper than the 1200 metres depth limit of the currently defined Mineral Resources.

The grant of this MDL means that essentially all of the Company’s Mineral Resources and Ore Reserves are now held under granted Mining Leases and Mineral Development Licences. It has taken many years to gradually progress towards the remainder of the Mineral Resource moving out of Exploration Permit into the higher level of tenure. This further consolidates and improves the overall quality of the Company’s mining titles held at Charters Towers.

For further information contact:

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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 a member of the Australian Institute of Geoscientists. Mr Towsey is a consultant geologist. 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. 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.*