

ANNOUNCEMENT

Citigold Reserves and Resources Increase

19 May 2012: Brisbane, Australia – Citigold Corporation Limited (“Citigold” or “Company”) (ASX:CTO, FSE:CHP) is pleased to announce the release of the technical report *Mineral Resources and Reserves 2012* (Technical Report) for the Charters Towers Gold Project (the Project).



This independent Technical Report has been prepared in accordance with the *Joint Ore Reserves Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004* (‘the JORC Code’).

The 173 page Technical Report by the consultant’s is a rigorous review and evaluation of the technical aspects of the Projects geological gold and silver deposit. The consultant’s findings replace previously released gold reports with the gold and silver Mineral Resources and Ore Reserves for the Charters Towers project. This is the first time the silver Mineral Resources and Ore Reserves have been quantified.

The gold Ore Reserves have increased by nearly 90% and the Mineral Resources for the Project have increased by 10%.

The **Probable Ore Reserves** are outlined below:-

- ✓ **620,000 ounces (19,000 kilograms) of gold** (2,500,000 tonnes at 7.7 grams per tonne gold), and
- ✓ **410,000 ounces (13,000 kilograms) of silver** (2,500,000 tonnes at 5.1 grams per tonne silver).

The **Inferred Mineral Resources** are outlined below:-

- ✓ **11 million ounces of gold** (25 million tonnes at 14 grams per tonne gold)
- ✓ **7 million ounces of silver** (25 million tonnes at 9 grams per tonne silver)

The full Technical Report follows this announcement.

The Project is in gold production, with the necessary infrastructure in place and has sold over 95,000 ounces of gold and 45,000 ounces of silver since production commenced.

This Technical Report, dated 18 May 2012, follows the format of the Canadian *National Instrument 43-101 Standards of Disclosure for Mineral Projects Technical Report* for convenience, and for overseas investors familiar with the Canadian format. At the time of writing Citigold does not come under Canadian jurisdiction.

The assessment and announcement of Citigold's increased Ore Reserves and Mineral Resources is another important development towards realising the substantial value contained within the rich asset that is the Charters Towers goldfield. From Citigold's accumulated perspective this deposit may in time prove to be one of the worlds leading high grade gold deposits based on findings to date, the nearby infrastructure and the upside potential of the yet to be explored surrounds.

For further information contact:

Mark Lynch
Managing Director/CEO

Matthew Martin
Company Secretary
secretary@citigold.com

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.

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.