



ANNOUNCEMENT

Initial tranche received from Convertible Bond

16 April 2013: Brisbane, Australia – Citigold Corporation Limited (Citigold) (ASX:CTO, FSE:CHP) is pleased to advise it has received the initial tranche of \$3 million as per the ASX announcement of 9 April 2013 (Citigold successfully raises \$100 million).

An Appendix 3B and Cleansing Notice are attached.

For further information contact:

Matthew Martin

Company Secretary

Citigold Corporation Limited : telephone +61 7 3834 0000

Or visit the Company's web site at : www.citigold.com

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.*

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

CITIGOLD CORPORATION LIMITED

ABN

30 060 397 177

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Convertible Bonds |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 3 convertible bonds with a face value of \$1 million each |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Convertible Bonds with a face value of \$1 million and converting into ordinary shares at the election of the Bond Holder at 7 cents per Share and having a maturity date of 3 years. Terms per ASX announcement 9 April 2013 and attached Cleansing Notice. |

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Shares issued as the result of the conversion of Convertible Bonds will rank equally with ordinary fully paid shares from the date of allotment.</p>				
<p>5 Issue price or consideration</p>	<p>\$3 million</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Working Capital</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>16 April 2013</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="766 1288 1069 1332">Number</th> <th data-bbox="1069 1288 1359 1332">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="766 1332 1069 1467">1,352,907,765</td> <td data-bbox="1069 1332 1359 1467">Fully paid ordinary shares</td> </tr> </tbody> </table>	Number	+Class	1,352,907,765	Fully paid ordinary shares
Number	+Class				
1,352,907,765	Fully paid ordinary shares				
<p>9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <tbody> <tr> <td data-bbox="766 1489 1069 1556">7,997,917</td> <td data-bbox="1069 1489 1359 1556">Options expiring 28 June 2015</td> </tr> <tr> <td data-bbox="766 1556 1069 1736">3</td> <td data-bbox="1069 1556 1359 1736">Convertible bonds with a face value of \$1 million each</td> </tr> </tbody> </table>	7,997,917	Options expiring 28 June 2015	3	Convertible bonds with a face value of \$1 million each
7,997,917	Options expiring 28 June 2015				
3	Convertible bonds with a face value of \$1 million each				
<p>10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)</p>	<p>No change in the dividend policy of the Company since the last published accounts.</p>				

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	NOT APPLICABLE
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	

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- 23 Fee or commission payable to the broker to the issue
- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders
- 25 If the issue is contingent on +security holders' approval, the date of the meeting
- 26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do +security holders sell their entitlements *in full* through a broker?
- 31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)	<input type="text"/>	<input type="text"/>

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



(Company Secretary)

Date: 16 April 2013

Print name: Matthew Martin

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CLEANSING NOTICE
issued under section 708(12C)(e) of the Corporations Act 2001 (Cth)
(as inserted by ASIC Class Order [CO 10/322])

1 Summary

This Cleansing Notice has been prepared for the purposes of section 708(12C)(e) of the *Corporations Act 2001* (as inserted by ASIC Class Order [CO 10/322]) to enable fully paid ordinary shares in the capital of Citigold Corporation Limited (**Company**) to be issued on conversion of the convertible bonds issued by the Company to Express-Link Management Ltd (**Express-Link**) to be on-sold to retail investors.

This Cleansing Notice is important and should be read in its entirety.

2 The effect of the issue of the Bonds on the Company

2.1 Background

On 8 April 2013, the Company and Express-Link entered into a convertible bond subscription agreement (**Agreement**) pursuant to which the Company agreed to issue, and Express-Link agreed to acquire 100 convertible bonds each with a face value of \$1,000,000 (**Bonds**) with an aggregate issue price of \$100,000,000 (**Issue Price**) as follows:

- (a) 3 Bonds within 5 days of signing the agreement (**First Tranche Bonds**); and
- (b) 7 Bonds within 5 business days after the date on which FIRB and Citigold's shareholders approval is received (**Second Tranche Bonds**).
- (c) 15 Bonds in relation to each particular Subsequent Tranche, the date for the completion of the issue of the Subsequent Bonds covered by such Subsequent Tranche, which shall be:
 - i. in respect of the first Subsequent Tranche, the date which is 6 months from the date of the Agreement;
 - ii. in respect of the second Subsequent Tranche, the date which is 9 months from the date of the Agreement;
 - iii. in respect of the third Subsequent Tranche, the date which is 12 months from the date of the Agreement;
 - iv. in respect of the fourth Subsequent Tranche, the date which is 15 months from the date of the Agreement;
 - v. in respect of the fifth Subsequent Tranche, the date which is 18 months from the date of the Agreement; and
 - vi. in respect of the sixth Subsequent Tranche, the date which is 21 months from the date of the Agreement.

An outline of the rights and liabilities attaching to the Bonds is provided in section 3 of this Cleansing Notice.

This Cleansing Notice relates to the issue of the First Tranche Bonds.

2.2 Use of proceeds

The First Tranche Bonds to be issued by the Company will raise \$3 million (**First Tranche Issue Price**). The Company will use the net proceeds from the issue of the First Tranche Bonds for working capital purposes and refinement of mine plan.

2.3 The issue of the First Tranche Bonds

Express-Link will subscribe for, and the Company will issue, the First Tranche Bonds on the date of this Cleansing Notice (**Issue Date**). The First Tranche Issue Price is payable by Express-Link to the Company on the Issue Date.

2.4 Effect of the issue on the Company

The principal effects of the issue of the First Tranche Bonds on the Company will be to:

- (a) increase the Company's cash reserves by \$3 million immediately upon the Bonds being issued;
- (b) give rise to the Company assuming a liability for the proceeds received from Express-Link for payment of the First Tranche Issue Price of the First Tranche Bonds less any amount which has been the subject of a conversion into new Shares, repaid or prepaid; and
- (c) if the First Tranche Bonds are converted, either in whole or in part, increase the number of Shares as a consequence of the issue of new Shares to Express-Link. The number of new Shares to be issued to Express-Link will depend on whether the First Tranche Bonds are converted in whole or in part.

2.5 Effect of the issue on share structure

The current issued capital of the Company (before the issue of the Bonds) is set out below.

Type of security	Securities prior to the issue of the First Tranche Bonds	Securities following the issue of the First Tranche Bonds
Shares	1,352,907,765	1,352,907,765
Options (expiring 28 June 2015)	7,997,917	7,997,917
Convertible Bonds	-	3

As noted in section 2.4, the number of new Shares to be issued to Express-Link (if any) will depend on whether the First Tranche Bonds are converted in whole or in part.

If all First Tranche Bonds are converted (and assuming no other dilution event occurs), 42,857,143 new Shares would be issued to Express-Link, which would give Express-Link a relevant interest in approximately 3.07% of the expanded total number of Shares.

3 Rights and liabilities attached to the First Tranche Bonds

A summary of the key conditions of issue of the First Tranche Bonds are set out below.

3.1 Issue Price

The aggregate Issue Price of the First Tranche Bonds is \$3,000,000 (\$1,000,000 per Bond).

3.2 Payment of the Issue Price

Each Bond must be paid for in full on the Issue Date.

3.3 Interest

Interest is payable on the Bonds at a rate of 5% per annum every 6 months.

3.4 Security

The Bonds are unsecured and rank above all issued Shares but rank behind all secured debts in the event of a winding up of the Company.

3.5 Conversion

Each Bond converts into 14,285,714 Shares, subject to anti-dilution provisions in the Agreement.

Express-Link may convert any Bonds at any time on and after the date of issue of such Bond up to the close of business on the date immediately preceding the Maturity Date.

3.8 Entitlements

The Bonds do not confer on the Bondholder any entitlement to vote at a general meeting of shareholders of the Issuer, to receive dividends or to participate in any issue of securities other than upon conversion of the Bonds.

3.9 Transferability

Unless otherwise agreed in writing with the Issuer, a Bond may not be assigned to any third party other than persons who are Affiliates of the Bondholder.

3.10 ASX listing

The Bonds will not be quoted on ASX or any other securities exchange.

4 Rights and liabilities attaching to Shares issued on conversion of the Bond

The new Shares to be issued to Express-Link on the conversion of the Bond will rank equally in all respects with all of the existing Shares. The rights attaching to Shares, including the new Shares to be issued to Express-Link on the conversion of the Bond, are set out in the Constitution and, in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules and the general law.

The following is a summary of the principal rights attaching to those Shares.

4.1 Voting

Every holder of Shares present in person or by proxy, attorney or representative at a meeting of Shareholders has one vote on a vote taken by a show of hands and, on a poll, one vote for every Share held by him or her.

4.2 Dividends

The Directors may from time to time out of profits of the Company pay such dividends as appear to the directors to be justified by the profits of the Company, and may fix the time for payment.

Subject to the rights of persons (if any) entitled to shares with special rights as to dividends, all dividends must be paid according to the amounts paid on the shares in respect of which the dividend is paid.

4.3 Transfer of shares

Except where required by law or elsewhere in the Constitution, there shall be no restriction on the transfer of shares. Notwithstanding anything to the contrary, the directors may determine not to issue a share certificate if that decision is not contrary to the law.

4.4 Meetings and notice

Each Shareholder is entitled to receive notice of and to attend general meetings of the Company and to receive all notices required to be sent to Shareholders under the Constitution, the Corporations Act or the ASX Listing Rules.

4.5 Issue of further Shares

The Directors may allot, issue or grant options in respect of, further Shares on such terms and conditions as they see fit. However, the Directors must act in accordance with the Constitution, law, the ASX Listing Rules and any rights for the time being attached to the Shares.

5 Additional information

5.1 The Company is a "disclosing entity"

The Company is a "disclosing entity" under the Corporations Act and, accordingly, is subject to regular reporting and disclosure obligations under both the Corporations Act and the ASX Listing Rules.

These obligations require the Company to notify ASX of information about specific events and matters as they arise. In particular, the Company has an obligation under ASX Listing Rule 3.1 and section 674 of the Corporations Act (subject to certain limited exceptions) to notify ASX immediately once it is or becomes aware of information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit

report or review. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (refer to section 5.2).

5.2 Copies of documents

The Company will provide a copy of each of the following documents, free of charge, to any person on request:

- (a) the annual financial report most recently lodged by the Company with ASIC, being the financial report of the Company for the year ended 30 June 2012 (**2012 Financial Report**);
- (b) the half-year financial report most recently lodged by the Company with ASIC, being the half yearly financial report of the Company for the period ended 31 December 2012; and
- (c) any continuous disclosure documents given by the Company to ASX after the lodgement of the 2012 Financial Report and before the lodgement of this Cleansing Notice with ASX.

A list of the continuous disclosure documents given by the Company to ASX after the lodgement of the 2012 Financial Report and before the lodgement of this Cleansing Notice with ASX is set out in the table below.

Date	Headline
9/04/2013	Citigold successfully raises \$100 million
15/03/2013	Half Yearly Report and Accounts
6/02/2013	Citigold Expands Board
31/01/2013	Quarterly Activities and Cashflow Report
22/01/2013	Change in substantial holding
31/12/2012	Citigold Raise \$2.3 million through sale of Gateway Shares
20/12/2012	Change in substantial holding
11/12/2012	Response to ASX Price Query
7/12/2012	Liongold Increases Holding to 18%
29/11/2012	Results of 2012 AGM
28/11/2012	AGM 2012 Presentation
31/10/2012	Quarterly Activities and Cashflow Report
24/10/2012	Notice of Annual General Meeting/Proxy Form
24/10/2012	Annual Report to shareholders

5.3 Consent

The following consent has been given in accordance with the Corporations Act (as amended by ASIC Class Order [CO 10/322]) and has not been withdrawn as at the date of this Cleansing Notice:

Express-Link has given its written consent to being named in this Cleansing Notice in the form and context in which it is named.

6 Excluded information

As at the date of this notice, there is no information: (a) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and (b) that investors and their professional advisors would reasonably require for the purposes of making an informed assessment of: (i) the assets and liabilities, financial position and performances, profits and losses of the Company; or (ii) the rights and liabilities attaching to the Shares.

7 Glossary

2012 Financial Report means the annual financial report lodged by the Company with ASIC in respect of the year ended 30 June 2012.

A\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691.

ASX Listing Rules means the listing rules of ASX.

Business Day means a day (excluding Saturday, Sunday and public holidays) on which commercial banks are open for business in Singapore and Brisbane, Queensland.

Cleansing Notice means this Cleansing Notice issued under section 708(12C)(e) of the Corporations Act (as inserted by ASIC Class Order [CO 10/322]).

Constitution means the constitution of the Company at the date of this Cleansing Notice.

Conversion Notice means the notice by which Express-Link notifies the Company that it wishes to convert Bonds into new Shares.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company at the date of this Cleansing Notice.

Issue Date means the date of issue of the Bond, being the date of, or the day following the date of, this Cleansing Notice.

Bonds means the unsecured convertible bonds to be issued by the Company to Express-Link on the Issue Date.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.