

# ANNOUNCEMENT



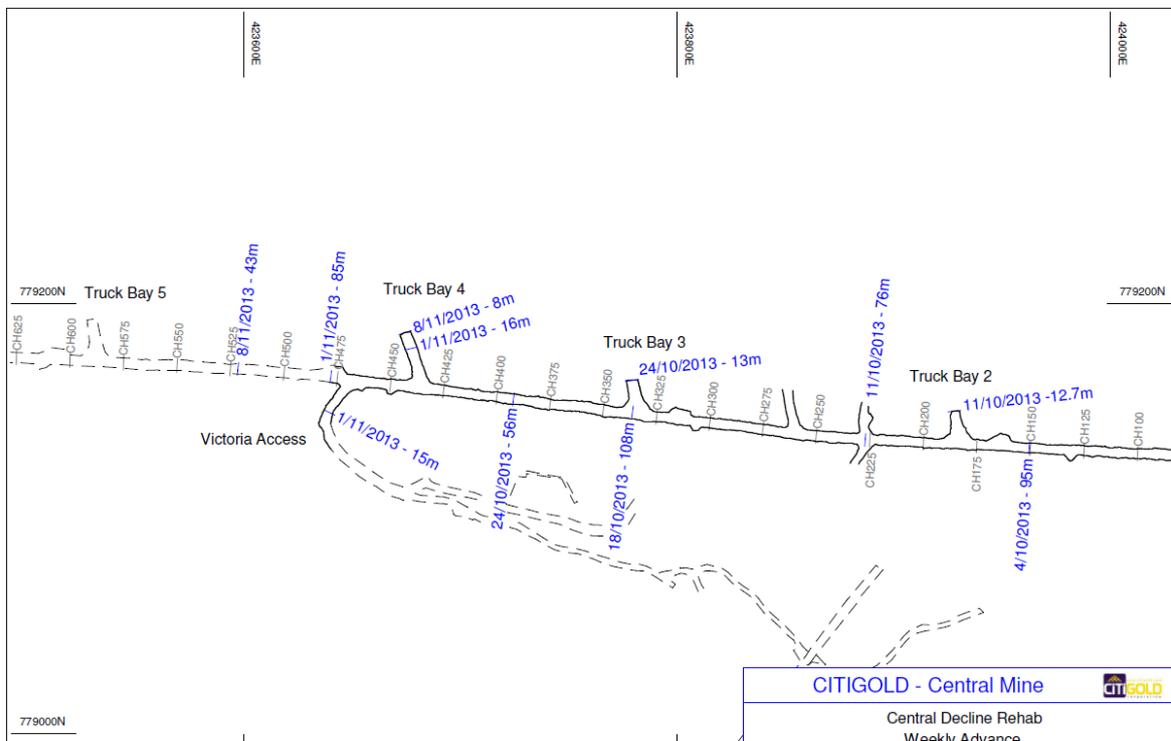
## Update

**12 November 2013: Brisbane, Australia** – Citigold Corporation Limited (“Citigold” or “Company”) (ASX:CTO, FSE:CHP) is pleased to provide an update on the progress of operations at Charters Towers.

The work on recommissioning the Central decline is progressing as scheduled. The central decline is 1600 metres in length and is 4.5 metres high by 4 wide and is main service decline for Central area.

The decline is now at a stage where works on key project infrastructure can begin. These works include the installation of the first underground electrical transformer bay, allowing the mine to operate solely on state grid power, rather than generators used for the first stage. In addition to the electrical upgrade the installation of an underground fan as part of a major ventilation upgrade is also about to commence.

The dewatering system that will enable the Central mine to be dewatered below the planned intersection with the Queen structure has been planned and works on the installation of this system will also commence. Currently the water level is maintained around the 200 metre level this system addition will extend the depth to 500 metres



The above shows the advance of the Central decline recommissioning works. Truck bay 3 is where the main transformer station will be installed and the Victoria Access is the location for the installation of the underground ventilation fan

In addition to the recommissioning work at Central, drilling of the Queen and Brilliant structures, part of the Central mining area, has also commenced. The drilling is focused on a clear target highlighted by the previous conventional drilling, digital drilling and numerical modelling techniques.

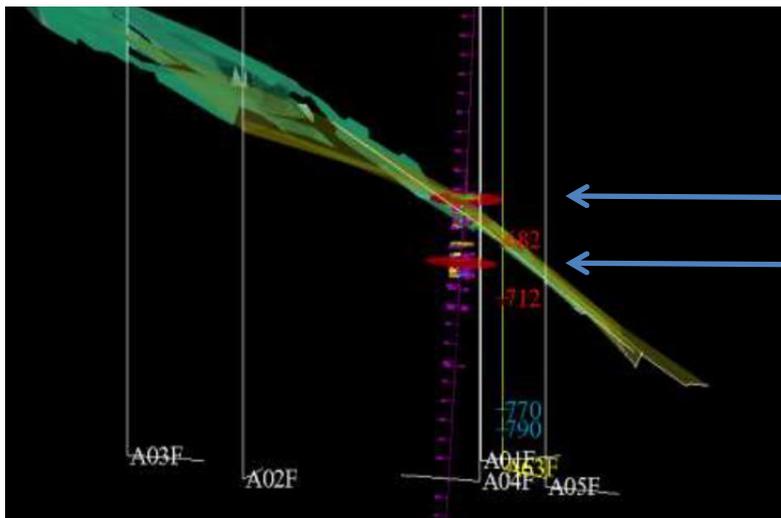
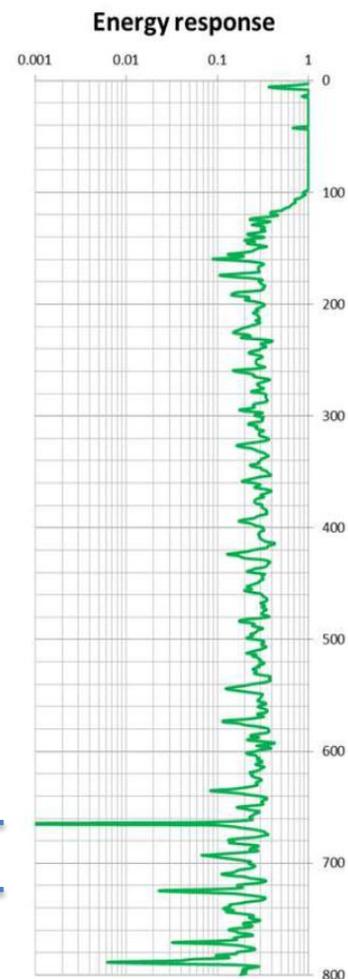


Diamond drill pad drilling the ore body in the Central Mining Area

The geology team continues to advance the geophysics with the latest digital drilling work showing very encouraging results. Citigold is currently trialing several geophysical techniques including

- Dielectric Resonance Spectroscopy,
- Customised DH X-hole tools,
- Surface and Down Hole IP, and
- Ground TEM.

The geophysics programs have been paired with unconventional numerical forward modelling of the structure within the Charters Towers Goldfields in addition to existing geological techniques to add yet additional layers of information to our growing knowledge base.



The above image on the left is a portion of a drill hole intersecting the Brilliant structure. This is represented by the pink lines with intersections at 682 metres and 712 metres, in red. The image on the right is one part of the Dielectric Resonance Spectroscopy (digital drill holes) geophysics results and is represented by the yellow line on the image on the right. The remaining white lines are digital drill holes waiting analysis. The energy response shows density highs at the exact location of the ore body confirmed by the previous drill hole, density is greater where gold is present. This is very encouraging as this work is about 20% of the cost and timing of conventional drilling.

All of this work will assist with the rapid Resource conversion that will help grow production throughout 2014. This work continues as part of the better, smarter, faster, cheaper approach the team at site and corporate have implemented. This approach focuses on using existing technology smarter and more efficient whilst incorporating the use of innovative techniques. This will ensure Citigold remains a low cost gold producer.

Citigold and Express Link Management Ltd (ELM) have agreed to delay completion of the next tranche of funding until early next year. It has been agreed that funds will be paid to Citigold in smaller amounts each month. Once the full tranche has been received Citigold will allot the bonds to ELM. It should be noted that this is similar to what happened with the previous tranche and the timing of the receipt of the funding will continue to enable Citigold to advance the Charters Towers project.

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