



## Quarterly Report

For the period ending 30 September 2015

### HIGHLIGHTS

- Revised timeframes in respect of the financial settlement of the proposed Joint Venture with Kingsford Investment Groups Ltd (KIG) were agreed upon during and subsequent to the period. See announcements. As of today settlement of the \$72 million has not yet occurred. As allowed under the extensions Citigold has been in active negotiations with several other parties about superior proposals to KIG. While the delays have been frustrating the finalisation and settlement of a superior deal could be a favourable outcome for shareholders.
- Planning and preparation for the successful resumption of mining of the Central mine continued to be a focus during the quarter, in order to be ready when the funding is finalised.
- Citigold continued to restructure management to reduce costs and have in place a skilled core team for driving planned growth. The Company's contract accountant Greg Harding assumed the role of CFO and a full time Company Secretary, Francis Rigby, was appointed invising his role over time would expand to include whole of business Chief Risk Manager.
- Capital raising of \$1.7 million occurred during the quarter for working capital, which confirms the continued support of investors and shareholders of the Company.

### OPERATIONS

The underground operations and processing plant continue to be on active care and maintenance while we await the expansion funding. The team at the mine and processing plant sites, continue to carry out all general maintenance of the infrastructure, conduct underground inspections, minor site works to the tailings storage facility (preparation for the wet season), detailed process plant budget (mechanical and electrical), all with the aim of being ready for the resumption of gold mining as soon as capital financing is finalised.

No production mining operations were undertaken during the quarter.

Citigold's geologists have been focussed on developing techniques and tools for improving the efficiency of reserve definition and mining the unique, but rewarding, Charters Towers reef gold deposit. The team's aim is to fully integrate geology and geophysics into the new 3D mining software and increase its 3D statistical targeting strategies. This involves a significant change to the way that even the most basic geological data such as core logging is captured and managed. In doing so, the team has streamlined and

simultaneously increased the relationships between its geological data by generating a new geo database. Citigold is confident that with these new data capture, management and interrogation techniques, will dramatically increase the success of its ongoing mineral targeting, reserve definition and target generation strategies

In preparation for re-entering the Central decline, a complete re-evaluation of the volume and location of the historic Charters Towers workings was completed during the quarter. Historical records were matched with digital 3D volume models to develop a precise volume of water contained within the old workings. Modeling on volumetric slices at 50m intervals confirmed our estimates of water in Central workings. The confirmation that the models are accurate came by comparing the model estimates with actual extractions. The models thereby provide confidence in our estimates and ability to dewater the Central workings ahead of mining. The water inflow, proven over having the field dewatered for 20 years to near 200 metres depth, is very small at 9 l/s (this flow rate equates to about 20 garden hoses). Resumption of mining at central envisages deepening the decline rapidly to 300m depth.

### **Health, Safety and Environment**

There were no Lost Time Injuries or significant health issues during the Quarter.

During the quarter there were routine inspections carried out by the Environmental Department along with a site inspection from the Department of Mines (mechanical inspector).



### **DRILLING**

Planning is underway in anticipation of the re-initiation of drilling in Central. In particular, Citigold aims to extend its "Brilliant East" (C05E) indicated resource further to the East and up-dip where positive results from geophysical surveys have been obtained. The Brilliant East structure forms an integral part of the long term mining plan for Citigold. The drilling will complement where the reserve definition is being carried out a few hundred metres further to the west. Results, including the identification of new, visible gold-bearing and previously unmined structures from these existing drill holes have been published in previous releases.

No new drilling was undertaken during the Quarter.

## **CORPORATE**

### **Major development funding**

In light of the Company's position in relation to KIG's failure to make payments under the agreement, Citigold has engaged in and will continue to engage in negotiations with other interested parties. Through such negotiations it is Citigold's goal to seek to obtain a "superior deal" with a larger funding commitment than had been proposed by KIG and/or for Citigold shareholders to retain a greater interest in the Charters Towers asset and its future cash flows. Success in improving the deal would be a favorable outcome for shareholders.

The Charters Towers gold deposit is large and forecasts show that there is the potential to generate material positive cash flows. Citigold is committed to development of the project, with the intention of building gold production for the global Charters Towers goldfield to over 300,000 ounces per annum. The initial mining area will be the Central mine.

Citigold understands that the process to secure funding is taking longer than the Company or shareholders would like. Given that this current project, has a 20 to 30 year lifespan, it is important to find the appropriate funding partner to go on this journey with us for the benefit of all shareholders.

We thank all shareholders for their patience and will continue to keep the market updated.

### **Financial Highlights**

During the Quarter there was capital raising of \$1.7 million through the issue of ordinary shares to sophisticated investors, this funding is being used as working capital until the finalisation of the capital works funding is finalised.

Citigold is working with PWC in order to finalise the research and development tax offset claim and is in the final stages of review before lodgement. This relates to the past extensive research work in advancing the innovation in mining program. This work should ultimately assist the Company define high grade ore areas faster to support the proposed aggressive ramp up in gold production and provide a three year availability in front of mining. Citigold continues on our planned development of automation for underground operations to assist Citigold become an ultra low cost gold producer.

### **Strategic Review**

During the quarter there was considerable time taken to review and fine tune the detailed mine plan and schedule of mining. This process was guided with the assistance of Gibsons project management consultants. With the time taken in this planning process Citigold is of the opinion that the future growth in the Company will be enhanced.

There have been numerous meetings during the quarter with many external providers, both domestic and international. These meetings have been conducted with the mantra

“Smarter, Faster, Better, Cheaper” in mind, in order to meet all the facets of becoming an ultra low cost gold producer.

## SUMMARY OF MINING TENEMENTS & AREAS OF INTEREST

The Consolidated Entity has a 100% control of the following mining tenements at Charters Towers as at 30<sup>th</sup> September 2015 and there were no acquisitions or disposals during the quarter:

Exploration Permit Minerals	EPM 15964	EPM 15966	EPM 16979	EPM 18465	EPM 18813	EMP 18820
Minerals Development						
Licence	MDL 116	MDL 118	MDL 119	MDL 251	MDL 252	
Mining Lease	ML 1343	ML 1408	ML 1433	ML 1548	ML 10042	ML 10222
	ML 1344	ML 1409	ML 1472	ML 1549	ML 10048	ML 10281
	ML 1347	ML 1424	ML 1488	ML 1585	ML 10050	ML 10282
	ML 1348	ML 1428	ML 1490	ML 1586	ML 10091	ML 10283
	ML 1385	ML 1429	ML 1491	ML 1587	ML 10093	ML 10284
	ML 1387	ML 1430	ML 1499	ML 1735	ML 10193	ML 10285
	ML 1398	ML 1431	ML 1521	ML 10005	ML 10196	ML 10335
	ML 1407	ML 1432	ML 1545	ML 10032	ML 10208	

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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*

**\* for full details see *Technical Report on the Mineral Resources and Reserves at [www.citigold.com](http://www.citigold.com) click Mining >Technical Reports >Mineral Resources and Reserves 2012.***

## APPENDIX 1

No new drilling was done in the Quarter or reported here. Below are the notes to accompany the discussion of exploration.

Section 1 Sampling Techniques And Data		
Criteria	Explanation	Accompanying statement
Sampling techniques	<ul style="list-style-type: none"> <li>• <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></li> <li>• <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> <li>• <i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The Charters Towers area has been sampled by a mixture of diamond (HQ and NQ2) and RC drill holes for the purpose of identifying the location of mineralised structures and for identifying potential for mineralisation on these structures and for down-hole (DH) geophysics.</li> <li>• HQ / NQ core is typically cut in half (50%) using a diamond saw (100% of core recovered) and half or in some instances 1/4 (25%) of the core is submitted for analysis. Only HQ-size drill core is used for quarter core samples.</li> <li>• RC drilling was sampled on 1m intervals or through sections where mineralisation was known to occur. RC results are not reported here.</li> <li>• Due to the "narrow vein" style of mineralisation found at Charters Towers, the maximum HQ / NQ sample interval is 1m &amp; minimum sample interval 0.1m.</li> <li>• Zones of mineralisation are defined by sericite, chlorite and epidote alteration of granite surrounding narrow, but high grade quartz veins containing sulfides, other gangue minerals and gold. Samples are taken from the mineralised zone and on either side of the mineralisation into unaltered granite.</li> <li>• Sampling methods follow guidelines and methodologies established by Citigold throughout its mining and exploration history. These methods are described in detail in the 2012 Mineral Resources and Reserves Report which can be found on the company's website (<a href="http://www.citigold.com">www.citigold.com</a> click Mining &gt; Technical Reports &gt; Mineral Resources and Reserves 2012).</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>• <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></li> </ul>	<ul style="list-style-type: none"> <li>• Most diamond drilling has been 63.5mm diameter HQ core, although some NQ2 core has been drilled. RC pre-collars have been used for some drill holes where drilling was aimed at defining the location for the fracture. NQ2 drill core was typically used for the diamond tails on RC pre-collars.</li> <li>• Downhole surveys have been taken at a minimum of every 50m down hole.</li> <li>• 60mm PN12 PVC piping has been inserted into many holes to accommodate the DH geophysics tools and to maintain the internal integrity of the holes in case of further surveying requirements.</li> <li>• Contractors used for drilling previously include Eagle Drilling, Dominion Drilling, WAR NQ and Weller Drilling. All drilling was completed under contract to Citigold.</li> <li>• Core orientation was only carried out on drilling taking place in the central area (CT9000).</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li>• <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The core is marked up and measured by senior field assistants and geologists under the guidance of the senior geologist. Core recovered (CR) is compared with the meters drilled (MD, recorded by the drillers in their shift record) and a 'core recovery' percentage is calculated; <math>CR/MD \times 100 = \% \text{ recovered}</math>. All data is recorded within the Citigold database where it is checked by senior geologists.</li> <li>• Drilling is mostly within competent granitic rock where core loss is minimal. However, in areas where high degrees of alteration and associated mineralisation occur, some core loss is expected and subsequently recorded. Accordingly, it is possible that some fine gold within clay could have been lost during drilling.</li> </ul>

<p>Logging</p>	<ul style="list-style-type: none"> <li>• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>• The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>• 100% of core was logged. Samples were collected from intercepts where alteration or alteration and mineralisation were clearly seen. The nature of the orebody is such that mineralisation or potentially mineralised structures are easily identified. Selected RC samples were geologically logged and sampled.</li> <li>• The logging describes the dominant and minor rock types, colour, mineralisation, oxidation, degree of alteration, alteration type, vein type, core recovery, basic structure.</li> <li>• Rock Quality Designation or RQD % has been noted in the core drill logs (also number of fractures per interval has been noted).</li> </ul>
<p>Sub-sampling techniques and sample preparation</p>	<ul style="list-style-type: none"> <li>• If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>• For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>• Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling</li> <li>• Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>• Core is sawn in half and one half (50%) is submitted for analysis at SGS labs in Townsville (QLD, Australia).</li> <li>• Selected core (as listed in associated tables) is cut for 1/4 core (25%) and submitted for analysis at SGS labs in Townsville (QLD, Australia).</li> <li>• The 25%-50% sampling of the HQ core is considered appropriate for the mineralisation type. NQ core is sampled for 50% only.</li> <li>• Samples are couriered to SGS where they are dried at 105C; weighed; crushed to – 6mm; and pulverised to 90% passing 75um where a 200 g sub-sample is taken. 5% of samples are dual sub-sampled (second split) for sizing and analytical quality control purposes.</li> <li>Fire assay: 50 g of sample is added to a combustion flux and fired at 1000 C; the resultant lead button is separated from the slag and muffled at 950C to produce a gold/silver prill; the prill is digested in aqua regia and read on an AAS.</li> <li>ICP40Q: A 0.2g sub-sample is digested using nitric/hydrochloric/perchloric/hydrofluoric acids; the diluted digestion product is then presented to a Perkin Elmer 7300 ICP AES for analysis.</li> <li>Quality Control: second splits (5% of total); 2 in 45 sample repeats; and 2 CRM standards for each rack of 50 samples are analysed in all methods</li> </ul>
<p>Quality of assay data and laboratory tests</p>	<ul style="list-style-type: none"> <li>• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>• For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>• Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>• Citigold uses standards sourced from Gannett Holdings Pty Ltd, Perth, Australia. Certificate number 13U20C-22-04-13.</li> <li>• A blank sample and/or a standard sample and/or a duplicate sample are randomly inserted approximately every 30 samples that are submitted.</li> <li>• SGS Townsville have their own rigorous 'in lab' QAQC procedures and are accredited for precious metal and base metal analyses.</li> <li>• A complete discussion on assay techniques, sample sizes, assay variance and sample bias can be found in the Citigold 2012 Mineral Resources and Reserves report.</li> </ul>
<p>Verification of sampling and assaying</p>	<ul style="list-style-type: none"> <li>• The verification of significant intersections by either independent or alternative company personnel.</li> <li>• The use of twinned holes.</li> <li>• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>• Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>• Selected samples are submitted to other labs, including Citigold's on-site lab) to check for consistency, accuracy and as a second means of obtaining a result.</li> <li>• Some strongly anomalous holes have been resubmitted for assay.</li> <li>• No twinned holes were completed by Citigold in 2015, however, prior exploration has engaged diamond drilling as a means of checking anomalous RC drilling and to confirm the precise depth of the mineralised structure.</li> <li>• All drill holes are logged into laptop computers and checked before entering into database. Criteria have been established so that erroneous or incorrect characters within a given field are rejected thereby reducing the potential for transfer error. All logs are reviewed by the senior geologist.</li> <li>• All samples logs are recorded onto paper and assigned a unique sample number once cut. The sample and other details are entered into the Citigold database.</li> <li>• All significant intercepts are checked against the remaining core, checked for corresponding base metal grades and assessed for geological consistency.</li> </ul>

<p>Location of data points</p>	<ul style="list-style-type: none"> <li>• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>• Specification of the grid system used. -Quality and adequacy of topographic control.</li> <li>• Data spacing and distribution-Data spacing for reporting of Exploration Results.</li> <li>• Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>• Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>• Citigold uses a combination of grids including a local mine grid and AMG AGD66 Zone 55 which closely approximates the local mine grid.</li> <li>• Drill hole collars are surveyed using a Leica Viva Real Time Kinematic (RTK) Differential GPS system with a fully integrated radio, allowing for data capture in three dimensions at an accuracy of +/- 25mm over baselines within 5km radius of the base station.</li> <li>• All coordinates are provided in AMG AGD66 unless otherwise stated.</li> <li>• Citigold uses a geo-registered 50cm pixel satellite photograph acquired in September of 2013 as a secondary check on the spatial location of all surface points.</li> <li>• Down-hole (DH) surveys are obtained using either a Ranger or Camteq downhole survey instrument. Survey tools are checked in Citigold's base station (a precise DH camera alignment station) prior to drilling holes over 800m or approximately every 4-5 holes in other circumstances. DH geophysics are obtained from most drill holes at which time the holes are often re-surveyed with a Camteq Proshot acting as a secondary check of the original survey.</li> </ul>
<p>Data spacing and Distribution</p>	<ul style="list-style-type: none"> <li>• Data spacing for reporting of exploration results</li> <li>• Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>• Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>• Drill hole spacing and orientation is currently constrained by the requirements for DH geophysical surveying. Approximately 80m between points of intercept are planned, however; the nature of the structure may require alterations to the spatial pattern of holes.</li> <li>• Drill hole spacing in the E05 area is aimed at intercepts no further than 50m apart. No Resources or Reserves are presented here. A full description of Citigolds Mineral Resources and Reserves can be found in the 2012 Mineral Resources and Reserves Report (<a href="http://www.citigold.com">www.citigold.com</a> - click Mining &gt;Technical Reports &gt;Mineral Resources and Reserves 2012).</li> </ul>
<p>Orientation of data in relation to geological structure</p>	<ul style="list-style-type: none"> <li>• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>• If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>• Drill holes are planned to intercept the mineralised structures (average 45 degree dip) at high angles. The presence of infrastructure and other features on the landscape prevent all holes from intercepting perpendicular to the structure. Typically, holes will be drilled in a fanning pattern with intercepts at no less than 60 degrees to the mineralised structure. True widths are determined only after the exact geometry of the structure is known from multiple drill holes.</li> <li>• Holes intercepting at angles of less than an estimated 60 degrees are reported as such.</li> <li>• Lode-parallel drill holes have been completed by Citigold. However, these holes are specifically designed for geophysics and are not reported.</li> </ul>
<p>Sample security</p>	<ul style="list-style-type: none"> <li>• The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>• All drill core is stored within locked yard guarded by contracted security.</li> <li>• Samples are delivered by Citigold staff to SGS and/or by registered courier.</li> <li>• Standards are retained within the office of the chief geologist and only released under strict control.</li> <li>• The chain of sample custody is managed and closely monitored by Citigold (management and senior staff).</li> </ul>
<p>Audits or reviews</p>	<ul style="list-style-type: none"> <li>• The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>• A Mineral Resources and Reserves report was completed in 2012. The report contains a comprehensive review and assessment of all sampling techniques and methodologies, sub-sampling techniques, data acquisition and storage, and reporting of results. Statements on QA and QC can be found on page 48 of the report. The report can be found on Citigold's website at <a href="http://www.citigold.com">www.citigold.com</a> - click Mining &gt;Technical Reports &gt;Mineral Resources and Reserves 2012).</li> <li>• Citigold's database has been audited by several independent consultants since 1998 and most recently by Snowden in 2011.</li> </ul>

Section 2 Reporting of Exploration Results		
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>• <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></li> <li>• <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Citigold holds a number of tenements including Exploration Permit Minerals (EPM's), Mineral Development Licenses (MDL) and Mining Leases (ML's).</li> <li>• Citigold currently holds six (6) EPM's, Five (5) MDL's and forty seven (47) ML's. EPM15964, EPM15966, EPM116979, EPM18465, EPM18813, EPM18820, MDL116, MDL118, MDL119, MDL251, MDL252, ML1343 , ML1344 , ML1347, ML1348, ML1385, ML1387, ML1398, ML1407, ML1408, ML1409, ML1424, ML1428, ML1429, ML1430, ML1431, ML1432, ML1433, ML1472, ML1488, ML1490, ML1491, ML1499, ML1521, ML1545, ML1548, ML1549, ML1585, ML1586, ML1587, ML1735, ML10005, ML10032, ML10042, ML10048, ML10050, ML10091, ML10093, ML10193, ML10196, ML10208, ML10222, ML10281, ML10282, ML10283, ML10284, ML10285, ML10335</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>• <i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Charters Towers is one of Australia's richest gold deposits. A plethora of historical data from the Charters Towers area has been collected, collated and is included within the Citigold geological database.</li> <li>• Citigolds drill hole database includes historical drilling including 1993 - Mt Leyshon Gold Mines Ltd extensions to CRA diamond drill holes in the areas. 1991 - Diamond and RC drilling by PosGold in a joint venture with Charters Towers Mines NL that covered parts of the Central area areas. 1981-84 - Diamond-drilling by the Homestake/BHP joint venture in the Central area 1975, 1981-82, and 1987 - Diamond and RC drilling in central by A.O.G., CRA and Orion respectively.</li> <li>• Citigold retains all diamond core and a collection of core drilled by other companies is its on-site coreyard.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Mineralisation at Charters Towers is referred to as "orogenic" style narrow vein mesothermal gold deposit.</li> <li>• The many reefs are hosted within a series of variably-oriented fractures in granite and granodioritic host rocks. Mineralisation does occur in adjacent metasedimentary rocks.</li> <li>• The gold-bearing reefs at Charters Towers are typically 0.3 metres to 1.5 meters thick, comprising hydrothermal quartz reefs in granite, tonalite and granodiorite host rocks. There are some 80 major reefs in and around Charters Towers city,</li> <li>• The majority of the ore mined in the past was concentrated within a set of fractures over 5 km long East-West, and 500 meters to 1600 meters down dip in a North-South direction. The mineralised reefs lie in two predominant directions dipping at moderate to shallow angles to the north (main production), and the cross-reefs, which dip to the ENE.</li> <li>• The reefs are hydrothermal quartz-gold systems with a gangue of pyrite, galena, sphalerite, carbonate, chlorite and clays. The reefs occur within sericitic hydrothermal alteration, historically known as "Formation".</li> <li>• The goldfield was first discovered in December 1871 and produced some 6.6 million ounces of gold from 6 million tons of ore from 1872 to 1920, with up to 40 companies operating many individual mining leases on the same ore bodies. There were 206 mining leases covering 127 mines working 80 lines of reef and 95 mills, cyaniding and chlorination plants. The field produced over 200,000 ounces per year for 20 consecutive years, and its largest production year was 1899 when it produced some 320,000 ounces.</li> </ul>

Drill hole Information	<ul style="list-style-type: none"> <li>• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>• easting and northing of the drill hole collar</li> <li>• elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar</li> <li>• dip and azimuth of the hole</li> <li>• down hole length and interception depth</li> <li>• hole length.</li> </ul> </li> <li>• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable to this report – no new drill assay results included.</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li>• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>• The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>• No drill assays are reported here.</li> <li>• No aggregation of sections have been used.</li> <li>• Metal equivalents are not used.</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>• These relationships are particularly important in the reporting of Exploration Results.</li> <li>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>• Structures within Charters Towers are highly variable in width and can be variable in dip over short distances, however, every attempts is made to drill approximately perpendicular to the dip of the structure. The intercepts presented here are reported as intercept widths and may not necessarily represent true widths in some cases.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable to this report – no new drill assay results included.</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results</li> </ul>	<ul style="list-style-type: none"> <li>• Almost every drillhole completed on the property in 2013 is available from the Citigold website (<a href="http://www.citigold.com">www.citigold.com</a>).</li> <li>• Drill holes not included (regardless of intercepts and grade) are those that were drilled specifically for DH geophysics which were typically drilled parallel to the mineralised structure. All other drill holes have been reported, regardless of whether it has returned high or low grades.</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable to this report</li> </ul>
Further work	<ul style="list-style-type: none"> <li>• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>• Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>• Future work will concentrate on drilling between drill hole intercepts in the Central area.</li> </ul>
Section 3 Estimation and Reporting of Mineral Resources Section 4 Estimation and reporting of Ore Reserves		Section 3 and Section 4 do not pertain to this report.

## Appendix 5B

### ***Mining exploration entity and oil and gas exploration entity quarterly report***

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

CITIGOLD CORPORATION LIMITED

ABN

30 060 397 177

Quarter ended ("current quarter")

30 September 2015

### **Consolidated statement of cash flows**

	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation	(918)	(918)
(b) development	(245)	(245)
(c) production	-	-
(d) administration	(618)	(618)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
	(1,781)	(1,781)
<b>Net Operating Cash Flows</b>		
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
	-	-
<b>Net investing cash flows</b>		
1.13 Total operating and investing cash flows (carried forward)	-	-

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,781)	(1,781)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	1,730	1,730
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	106	106
1.17	Repayment of borrowings	(1,245)	(1,245)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>	591	591
	<b>Net increase (decrease) in cash held</b>	(1,190)	(1,190)
1.20	Cash at beginning of quarter/year to date	1,263	1,263
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	73	73

**Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	209
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	-
4.3 Production	-
4.4 Administration	400
<b>Total</b>	<b>900</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	73	1,263
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>73</b>	<b>1,263</b>

### Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

+ See chapter 19 for defined terms.

### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns	-	-	-	-
7.3 <b>+Ordinary securities</b>	1,725,950,553	1,725,950,553		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns	56,000,000 56,000,000	56,000,000 56,000,000	3 cents nil	
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	20,000,000	nil	3 cents	20 June 2016
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 <b>Debentures</b> <i>(totals only)</i>	-	-		
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	-	-		

### Compliance statement

+ See chapter 19 for defined terms.

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: .....  
(Company secretary)

Date: 30 October 2015

Print name: Francis Rigby

## Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.