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## ANNOUNCEMENT

### Update on Redeemable Notes

**7 January 2016 : Brisbane, Australia** – Citigold Corporation Limited (“Citigold” or “Company”) (ASX:CTO) is pleased to announce that the negotiations with Fortune Gems and Jewelry DMCC (Fortune) in relation to the Redeemable Notes (Notes) previously announced on 21 April 2015 and updated on 9 December 2015 have been completed.

These commercial negotiations have resulted in Fortune and Citigold agreeing to alter the Notes redemption date from 21 October 2015 to 21 March 2016. This is a significant benefit to Citigold and its shareholders and allows the Company to continue to work towards finalizing the major funding of the Charters Towers Gold Project and moving back into gold production.

As part of the Agreement to extend the Notes redemption date, the following Note terms agreed are:

- Structure – Secured Redeemable Notes (Unchanged)
- Security – Mortgage over gold processing plant. (Unchanged)
- Maturity – 21 March 2016
- Notes Issued – 50,000 (Unchanged)
- Notes Issue Price – US\$100 each (Unchanged)
- Redemption Price –

On or before 21 January 2016 US\$139.75

Between 21 January and 21 February 2016 US\$143.94

Between 21 February and 21 March 2016 US\$148.26

In addition to the agreement of future refining of gold doré bars, which remains unchanged, Citigold agreed to increase the period from 3 years to 7 years for the 1% marketing fee paid to Fortune on its share of gold production.

Citigold remains committed to the finalization of a major funding deal sufficient to expand the high-grade underground mine at Charters Towers and achieve the goal of becoming an Ultra low-cost gold producer using state of the art technologies and efficiencies. All with the aim of returning substantial returns to shareholders.

For further information contact:

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Or visit the Company's website – [www.citigold.com](http://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 subject 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.*