



Quarterly Report

For the period ending 31 December 2018

HIGHLIGHTS

- The Company continued to plan for the resumption of underground mining at the Central mine, focused on beginning to deliver on our announced strategy.
- Your Company has substantial inherent value in its large high-grade Charters Towers gold assets.
- As previously announced, the 2018 annual profit after tax for the Company was \$13.3 million for the year (being a near \$20 million turnaround from the 2017 reported loss of \$7 million, to a profit of \$13 million).
- The net assets for the Company's annual reporting during the Quarter are \$101 million as at 30 June 2018 (being an increase of \$14 million up from the 30 June 2017 figure of \$87 million).
- Planning and exploration continued for the move into gold production at the Charters Towers project centred on the Central Mine being an ultra-low-cost gold producer.
- Major project funding discussions continue with potentially interested partners for the production ready Charters Towers Gold Project.

OPERATIONS

Planned Resumption of Mining

The underground mining operations at the Company's Charters Towers 'Central' and 'Imperial' mining areas remained on care and maintenance during the quarter, with no gold production.

Corporate plans for the resumption of mining remain unchanged with the main 'Central Mine' underground to be the first area planned to be reopened.

Designs and strategies for the Central Mine continued to be refined during the quarter.

Resumption of mining at Charters Towers is contingent on a sufficient level of capital financing, with active planning and scheduling continuing during the quarter in readiness.

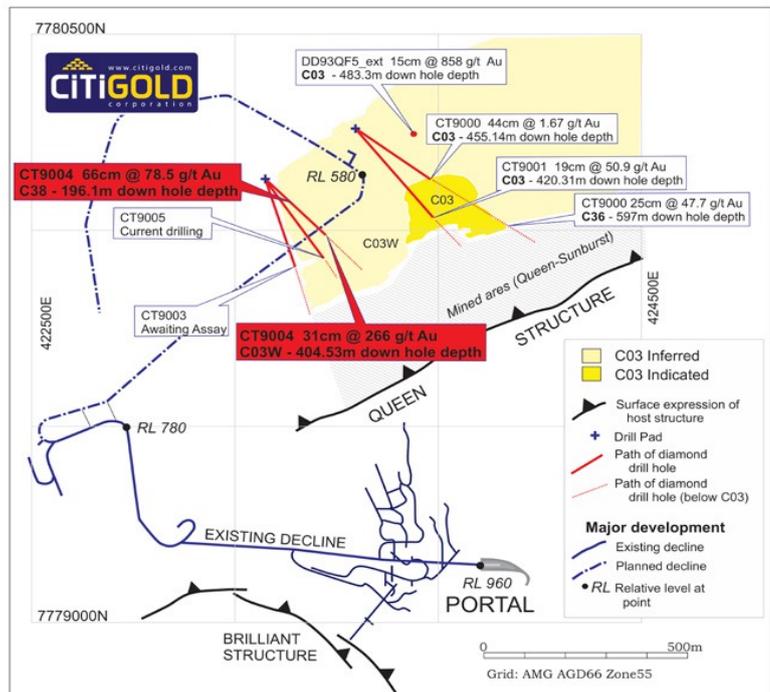
The Charters Towers Gold Project is the Company's prime focus.

The 'Central' underground mine is to be the focus of future mining operations and is the area planned to be reopened. It is scheduled to grow progressively into a 218,000 ounces annual producer of gold. The Central mine remains production ready.

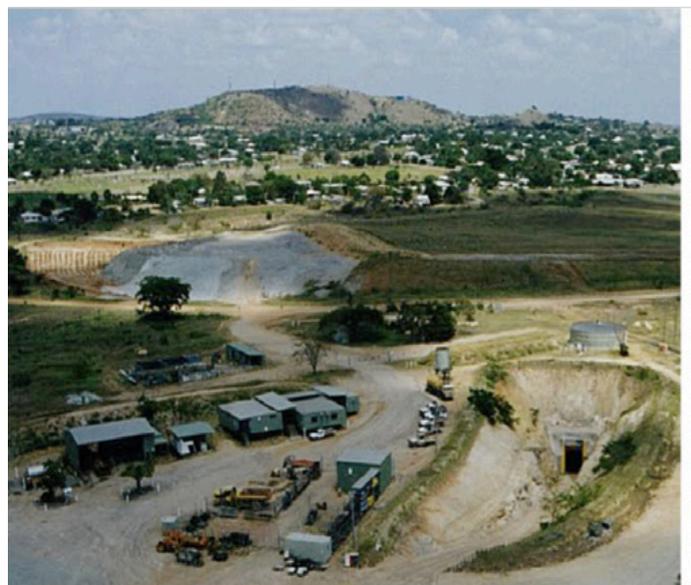
An outline of the mining plan for the Central mining area has been given in previous reports. The early development plan is, in summary:

- The Central Decline (access tunnel) is to be extended by about 1,100 metres roadway length initially to junction again with the existing fresh air intake and then continue downwards to the King Shaft, initially intersecting it at a vertical depth of 360 metres.
- Initial mining is expected at a relatively shallow 300 metre depth.
- The first gold reefs (lodes) scheduled to be opened are the C03W, C38 and C39 and then move on to C05E. Access tunnels (ramps and crosscuts) to the C03W, C38 and C39 will come off the Central access tunnel extension, and gold reef access tunnels (drives) will be driven at nominal 20 meter vertical levels along the length of the reefs to provide closely-spaced grade control samples.
- Gold ore extraction (stopping) will commence once these levels are developed and the King Shaft ventilation and emergency second exit (egress) are established.

With this solid data foundation to build on, the remaining project funding will be mainly used for the underground



ABOVE: Showing location of the drill holes and intercepts relative to the planned Decline (dashed blue line) and the Inferred and Indicated C03 Resources. It clearly shows how much closer the drilling is to the proposed decline in the Central area (Drill results were previously reported).



Aerial overview of Citigold's Central mine site showing the tunnel (decline) entrance to the Charters Towers underground during previous mining operations by Citigold. On page (iv) the wide screen panorama historic image shows the same Towers Hill in the background as here. When operations resume the surface footprint at Central mine site is not expected to materially change.

development, tunnelling to the 'Central' mining areas.

Citigold's go forward business plan is an outsourced model.

The Charters Towers project can provide a long and profitable mine life for the Company, shareholders and the local community.

We are focused and will work conscientiously, to make the 2019 year even better.

We continue to plan for the resumption of underground mining at the Central mine. I will be focused on beginning to deliver on our announced strategy. Your Company has substantial inherent value in its large high-grade Charters Towers gold assets.

GEOLOGY AND EXPLORATION

No new exploration drilling was undertaken during the quarter, with work continuing to be focused on geological data, technical evaluation, project assessment, feasibility and design in preparation for the upcoming period of expanded infield Charters Towers area exploration works and mine planning. No new drilling results are reported this quarter.

During the Quarter there was an application for additional exploration area EPM 27129. The Company has been optimising its mineral land holdings at Charters Towers with the aim of focusing on the core gold mining operations of the Charters Towers goldfield surrounding the resources and reserves already defined. This application is in keeping with this strategy.

Regulatory reporting and compliance continued during the quarter.

Mineral Resources and Ore Reserves

Citigold Mineral Resources and Ore Reserves for the overall Charters Towers Gold Project are reported in accordance with the Australasian JORC Reporting Code 2012.

The Company's prime focus is the Charters Towers Gold Project. The Project comprises of the 11 million ounce gold deposit, with an Inferred Mineral Resource of 25 million tonnes at 14 grams per tonne gold and 620,000 ounces of gold in the Probable Ore Reserve (2.5 Mt @ 7.7 g/t Au at a 3 g/t cut-off).

See full report: <https://www.citigold.com/technical-reports/>

Research and Development

Overall, Citigold's innovation program in mining and exploration is driven by finding what is useful and works at Charters Towers, rather than what is applicable to the general industry.

The Company is currently considering further developing previously trialled technologies for wider application with the Company's forward exploration program at Charters Towers.

Citigold's innovation efforts and achievements will assist faster definition of the high-grade gold areas and the foundation for our automation and development plans are still continuing.

The Company plans to become a net zero emissions underground mine over time. The underground is planned to optimise the use of electricity underground eventually eliminating diesel engine power and its associated pollution. Solar power will over time become the primary energy source. Modern solar and energy storage systems provide benefits not available a decade ago.

This will make for a safer and cleaner air working environment. Furthermore, this then results in reduced energy use for powering the ventilation fans that are used to counter the effect of diesel engines that pollute the same air humans need to breathe. Diesel consumes oxygen, generates substantial excessive heat and airborne particulates.

HEALTH, SAFETY, COMMUNITY AND ENVIRONMENT

There were no Lost Time Injuries, significant environmental, health or safety issues during the quarter.

There were no reportable environmental incidents during the quarter. The Company's project strives for good environmental operations and continues its pleasing record. These favourable achievements, on the ground, are assisted by the relatively benign chemical properties of the local rocks and the operational care taken at the sites.

The Company's Lost Time and Disabling Injury Frequency Rate (LTIFR and DIRF) remains at zero. Citigold is committed to creating and maintaining both a safe environment at the workplace and in the local community. The Company continues its consultation with all personnel on health and safety matters.

CORPORATE

Financial Highlights

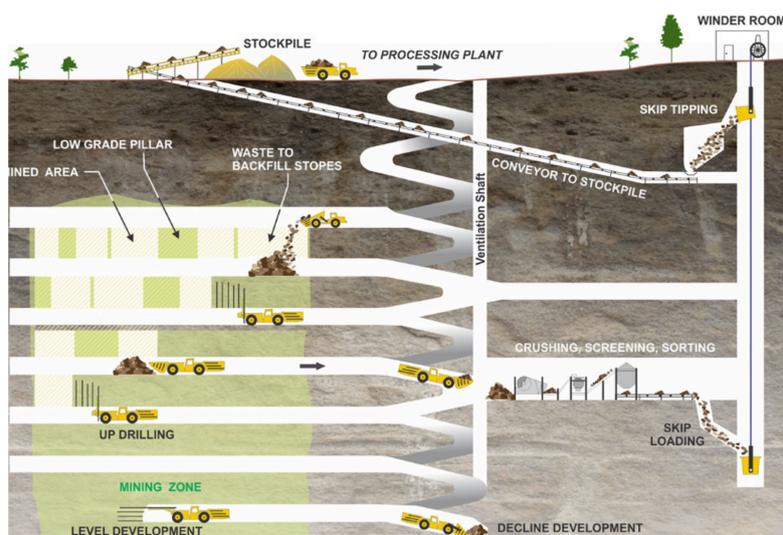
In addition to the financial performance for the Company previously reported, with a favourable profit after tax of \$13.3 million for the year, the net assets also increased.

As at 30 June 2018, the net assets of the Company were \$101 million (being an increase of \$14 million up from the 30 June 2017 figure of \$87 million).

Independent of major funding discussions, the Company has the share placement flexibility to issue securities up to 15% annual placement capacity and may raise up to, or above, circa \$2.5 million depending on the share price. The Company further has the ability to raise funds from the sale of gold in the ground and loan facilities as previously announced.

Development Funding

Activities during the Quarter continued to remain heavily focused on advancing discussions with strategic funding partners. With the very recent strength in the US\$ gold price, back above \$1,200 per ounce during the Quarter and at time of writing reaching US\$1,300 per ounce, interest in our production ready gold project has increased.



Diagrammatic representation of the underground mining method proposed for the Central area of the Charters Towers gold mine. It is a fully mechanised narrow width open stoping method, that was successfully used previously. Initially haulage to surface will be by truck then by vertical shaft as the ore tonnes increase.

CHARTERS TOWERS PROJECT OVERVIEW

Citigold Corporation Limited (Citigold) is an Australian gold mining and exploration company, operating on the high-grade Charters Towers goldfield in north east Australia, 1,000 kilometres north of Brisbane, Queensland, and 130 kilometres south west from the major coastal port of Townsville.

The Company's focus is the Charters Towers Gold Project. The Project comprises of the 11 million ounce gold deposit, with an Inferred Mineral Resource of 25 million tonnes at 14 grams per tonne gold and 620,000 ounces of gold in the Probable Ore Reserve (2.5 Mt @ 7.7 g/t Au at a 3 g/t cut-off).

The Charters Towers Gold Project is one of Australia's largest high-grade pure gold deposits.

The Company does not require additional mine acquisitions to sustain long term gold production. Citigold has already invested over \$200 million in acquiring the gold deposit, developing the infrastructure for mining at Charters Towers. Trial mining operations have produced over 100,000 ounces of gold.

The development fundamentals remain robust with the gold production plan having an initial target of 50,000 ounces per annum building up to over 218,000 ounces of gold production per annum over time.

The Company is seeking to raise the required capital funding to complete the underground capital works. The business plan and capital expenditure program shows the gold production to commence within 12 months of the injection of the required capital.



ABOVE: Underground during test mining loading rock into truck for haulage to the surface. This was at the 'Warrior' mine, located about 5 kilometres from 'Central'. Future mining will be at 'Central' where there are many more reefs.



ABOVE: A mined area from Citigold's test mining showing the floor of the level drive, and the stope voids (ore extracted area) above and below the level. The ore has been cleanly extracted, showing how the mining method minimizes dilution by maintaining a narrow stoping 'slot' width.

SUMMARY OF MINING TENEMENTS & AREAS OF INTEREST

Citigold reports that the Consolidated Entity has a 100% control of the following mining tenements at Charters Towers as at 31 December 2018. During the Quarter there was one new application EPM 27129.

Exploration Permit Minerals	EPM 15964	EPM 15966	EPM 18465	EPM 18813	EPM 27129
Minerals Development Licences		MDL 118	MDL 119	MDL 252	
Mining Leases	ML 1343	ML 1430	ML 1545	ML 10093	ML 10283
	ML 1344	ML 1472	ML 1549	ML 10193	ML 10284
	ML 1347	ML 1488	ML 1585	ML 10196	ML 10335
	ML 1348	ML 1490	ML 10005	ML 10208	
	ML 1385	ML 1491	ML 10032	ML 10222	
	ML 1398	ML 1499	ML 10042	ML 10281	
	ML 1424	ML 1521	ML 10091	ML 10282	

For further information contact:

Niall Nand

Company Secretary

Email: nnand@citigold.com

Or visit the Company's website – 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.*

CONTACTS:

CORPORATE OFFICE

86 Brookes Street, Fortitude Valley, QLD, 4006, Australia

Postal Address: PO Box 1133, Fortitude Valley, Qld, 4006

Telephone: 07 3839 4041 (International +61 7 3839 4041)

Email: mail@citigold.com

STOCK EXCHANGE LISTING

Australia (ASX) Code 'CTO'

SHARE REGISTRY

Link Market Services Limited

Postal Address: Locked Bag A14, Sydney South NSW 1235

Telephone: 1300 554 474

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, 01/05/13, 01/09/16

Name of entity

CITIGOLD CORPORATION LIMITED

ABN

30 060 397 177

Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(121)	(390)
(b) development	(50)	(66)
(c) production	-	-
(d) staff costs	(24)	(45)
(e) administration and corporate costs	(139)	(377)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(334)	(878)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	704
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	40	40
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	40	744

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	326	166
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(334)	(878)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	40	744

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	32	32

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	32	326
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	32	326

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000

5

--

7. Payments to related entities of the entity and their associates

7.1 Aggregate amount of payments to these parties included in item 1.2

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000

--

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	460	40
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

\$500,000 unsecured loan facility obtained from PAL Group Pty Ltd ATF The I and F Trust at 12% per annum interest rate for a period of 18 months.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	10
9.2 Development	25
9.3 Production	-
9.4 Staff costs	30
9.5 Administration and corporate costs	25
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	90

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased	EPM 27129	Application	0%	100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:


.....
Company SecretaryDate: **31 January 2019**Print name: **Niall Nand****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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.