www.citigold.com
CITIGOLD corporation

Restarting a World Class Gold Mine

PO Box 1133, Fortitude Valley QLD 4006 Australia
T: +61 (0)7 3839 4041 E: info@citigold.com

Quarterly Report

For the period ending 30 June 2021, dated 20 July 2021

PROJECT OVERVIEW

Citigold is an Australian gold mining and exploration company operating on the Charters Towers goldfield in northeast Australia. The Charters Towers Gold Project is one of Australia's largest high-grade pure gold deposits.

- 14 million oz gold deposit [2]
- Key infrastructure in place [2]
- Production test mining completed [2]
- Production-ready [2]

HIGHLIGHTS

- Mine engineering and other technical personnel inspected the Central Mine site, confirming the site is ready to commence the restart mining process.
- Mine design and engineering continue to advance for the Central Mine, ahead of the mining restart process.
- 2021 Exploration Program commences at the Charters Towers Gold Project, with the first batch of samples submitted to the commercial laboratory for analysis.
- Survey work of the planned process plant site assists project development.
- Citigold completes placement confirming continued investor interest in the Charters Towers Gold Project[1].
- Technical team is pleased with previous rehabilitation work carried out at Warrior and Stockholm sites.

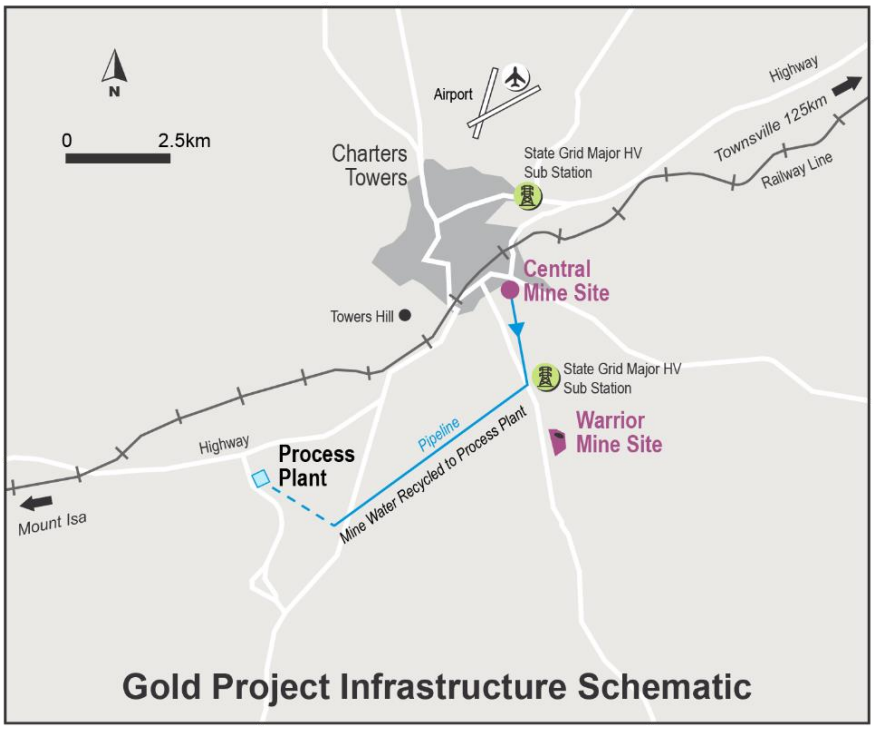
[1] See ASX Announcement dated 14 April 2021, Citigold Completes Strategic Placement
[2] See ASX Announcement dated 9 December 2020, Mineral Resources and Ore Reserves 2020

Project team conducting on ground survey work of Citigold's planned gold process plant.

OPERATIONS

Planned Resumption of Mining

During the Quarter the Company's technology-driven 'ultra-low-cost mining' initiative manifested in selecting the site of the new Citigold processing plant. The plant will be located closer to the Central Mine, adjacent to the Company's previously mined open pit. The site has existing mining leases with sealed highway door to door.



The evolving new process plant design will focus on the 'upgrading' of ore to remove the bulk of the granite 'dilution' that naturally occurs during the underground mining process.

The Company's existing water pipeline will be extended to the new processing site. Based on known mineral resources, the mine the Company is building is planned to produce for many years.

Citigold's project team visited the planned 'Process Plant' site (see above picture) during the period to conduct survey work to assist continued project development.

Citigold envisages its new plant will be an efficient design, environmentally friendly, requiring significantly less surface footprint, using less water and renewable energy powered compared to traditional process plants. Further investigation is currently continuing to be carried out.

Central Mine Overview

The above satellite image shows Citigold's Central Mine site in excellent condition, the production-ready surface infrastructure well maintained and in place for the commencement of mining.

The Central Mine, located adjacent to 30 Nagle Street Charters Towers, is centred around the initially excavated Central Mine access tunnel, that dives down at a 1:7 slope, underneath the City, to over 200 metres vertical depth in the strong granite country rock. Previous trial production mining the 'usual way' identified the challenges to, and constraints on, 'ultra-low-cost mining'. While we have been in the project development financing stage, our efforts have been to develop an ultra-low-cost mining system.

The long-life mine will generate many benefits for the local community and the Company.

Mine engineering and design work continued during the period with the Central area being the area of focus. Existing mine designs and schedules are currently being reviewed and optimised for initiatives such as "Twin-declines", ore handling systems, and taking into consideration other advancements in technologies and innovations. The review involves long-term planning, design, engineering and optimising the whole of life of mine plan.

Central Mine Optimisation

In consultation with project designers, an innovative mining system has been put together that takes an efficient 'keyhole mining' approach to our mining and thereby doing what needs to be done for the geometry of our ore system, which in itself is somewhat unique. Make small excavations, and just extract the valuable ore minimising dilution and processing less waste.

The previously reported planned use of two small declines, commencing circa 1,300 metres down the current single decline has, further advanced. The 'twins' require smaller blasts, excavate less rock than a single standard decline and therefore less rock to move. The declines will allow flexibility for ventilation, emergency egress, material and personnel movements in and out of the underground.

Citigold's Central Mine access tunnel is ready to commence the restart of the mining process.

A further advantage of the 'twin declines identified previously is that this approach may allow more efficient access to multiple areas of the underground reefs. This could allow the 'twins' to multiply gold production ore extraction accessing different and multiple areas of the mineralisation earlier than was possible under the old 'single' tunnel. The design possibilities will be further investigated.

Preliminary costs indicate the 'twin' smaller declines are within the existing budget.

It is interesting that as we investigate 'greener' ways to mine, new cost reduction opportunities emerge.

To ensure harmony with the environment the mine will eventually be renewables powered. Potential sites were selected and the possibilities for 'captive' off-grid renewables were considered to be favourable. There are additional upfront capital costs, that need to be amortised, but then the 'energy' costs are essentially free. This is an evolving change from the earlier 'independent' development of these renewable assets.

Geology and Exploration

Geology

Citigold's previous test mining gave the opportunity to better understand the varying grades, varying mineralisation widths and varying ground conditions. Previous mining used conventional mechanised methods for reef mining[3].

Citigold's Probable Ore Reserves grade average of 7.7 g/t gold, uses a 4 g/t economic cut off @ a gold price of A$1,600/oz[3]. The mineralisation then and now is the same, but old-time hand mining indicatively used a 6 dwt (9 g/t) 'cut-off grade' for their higher cost unmechanised manual methods[3].

Modern mechanised mining usually takes more total tonnes and overall more ounces of gold but at a lower ore grade than what was historically mined at 38 g/t[3].

[3] See ASX announcement dated 9 December 2020, Mineral Resources and Ore Reserves 2020

Mineral resources and reserves[4] are summarised below:

CATEGORY	TONNES	GRADE	CUT-OFF	CONTAINED GOLD OUNCES
Probable Ore Reserves (derived from and contained within Indicated Mineral Resource)	**2,500,000**	**7.7 g/t**	**4.0 g/t**	**620,000**
Indicated Mineral Resources (includes Probable Ore Reserves)	**3,200,000**	**7.7 g/t**	**4.0 g/t**	**780,000**
Inferred Mineral Resources	**32,000,000**	**14 g/t**	**3.0 g/t**	**14,000,000**

Citigold's Mineral Resources and Ore Reserves for the overall Gold Project are reported in accordance with the Australasian JORC Reporting Code 2012. Mineral Resources and Ore Reserves remain unchanged during the Quarter. The material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed[4]. Exploration fieldwork, sampling and analysis continued. During the Quarter, no new exploration drilling was undertaken. Normal regulatory compliance reporting for exploration, mine and environmental continued during the Quarter.

The gold is rarely visible to the eye in the mineralisation despite the high grades, being very fine-grained. The associated galena, pyrite and sphalerite are very visible and a proxy for the gold. The gold particles are not encapsulated by these minerals, but are along the grain boundaries giving excellent gold recoveries[4].

The initial defined mining area is the 'C03W' area[4].

Over very recent years they have advanced in the areas of detection, modelling and imaging. These 'geophysical' technology advances will be a part of the go-forward budgets, in combination with traditional diamond core drilling, to support a strong ramp-up in gold production once gold mining commences.

Example of 'visual' high-grade mineralisation encountered during mining operations at Charters Towers.

Exploration

Citigold Commences 2021 Exploration Program[5]

On 20 April 2021, Citigold announced[5] with the traditional wet season having finished, the 2021 exploration program has commenced. This exploration program aims to increase the density of sampling

[4] See ASX Announcement dated 9 December 2020, Mineral Resources and Ore Reserves 2020
[5] See ASX Announcement dated 20 April 2021, Citigold Commences 2021 Exploration Program

across all of Citigold's exploration land titles, filling in gaps from the previous successful sampling program completed at the end of 2020[6].

Fieldwork will initially be conducting geological traverses upstream, taking outcrop rock-chip and float samples and seeking to identify potential sources of the anomalies previously identified[6].

Exploration Program Expands[7]

The stream sediment sampling program previously announced (20 April 2021) has been expanded with follow-up and infill sampling at 74 sites.

In the initial program discussed in earlier releases (19 January 2021 and 23 March 2021), 84 sites were sampled, with three types of samples were taken at each site:

• 3-5kg of-2mm sand analysed for gold by Bulk Cyanide Leach (BCL),

• 1-3kg of rock chip or rock float from the stream bed, analysed for gold by 50g fire assay and for a 35-element scan by Inductively Couple Plasma Atomic Emission Spectroscopy (ICP-AES, and

• 3-5kg of-2mm sand analysed for gold by 50g fire assay and for a 35-element scan by Inductively Couple Plasma Atomic Emission Spectroscopy (ICP-AES).

During May and June 2021, an expanded program of sampling 74 additional sites was planned to infill the more broad sampled areas and to follow up on the earlier anomalies. As in the earlier program, three samples were planned to be taken at each site, as detailed above, totalling 222 samples from 74 sites[7].

Sample locations are shown on the map below[7].

Initial fieldwork was completed in late June 2021, with the first batch of 74 samples submitted to the same commercial laboratory in Townsville for analysis of gold by Bulk Cyanide Leach[7]. The samples have been transported to Perth for this analysis and results are awaited. The remaining samples have been prepared and will be despatched to the laboratory during the Quarter[7].

These exploration efforts surround the gold production Mining Leases of 23 square kilometres and include the 'Central' gold mining site. The exploration efforts aim is over time to increase mineral resources and reserves. The exploration areas include 26 square kilometres of Mineral Development Licenses and 163 square kilometres of Exploration Permits[8].

[6] See ASX Announcement dated 20 April 2021, Citigold Commences 2021 Exploration Program
[7] See ASX Announcement dated 14 July 2021, Exploration Program Expands
[8] See ASX announcement dated 9 December 2020, Mineral Resources and Ore Reserves 2020

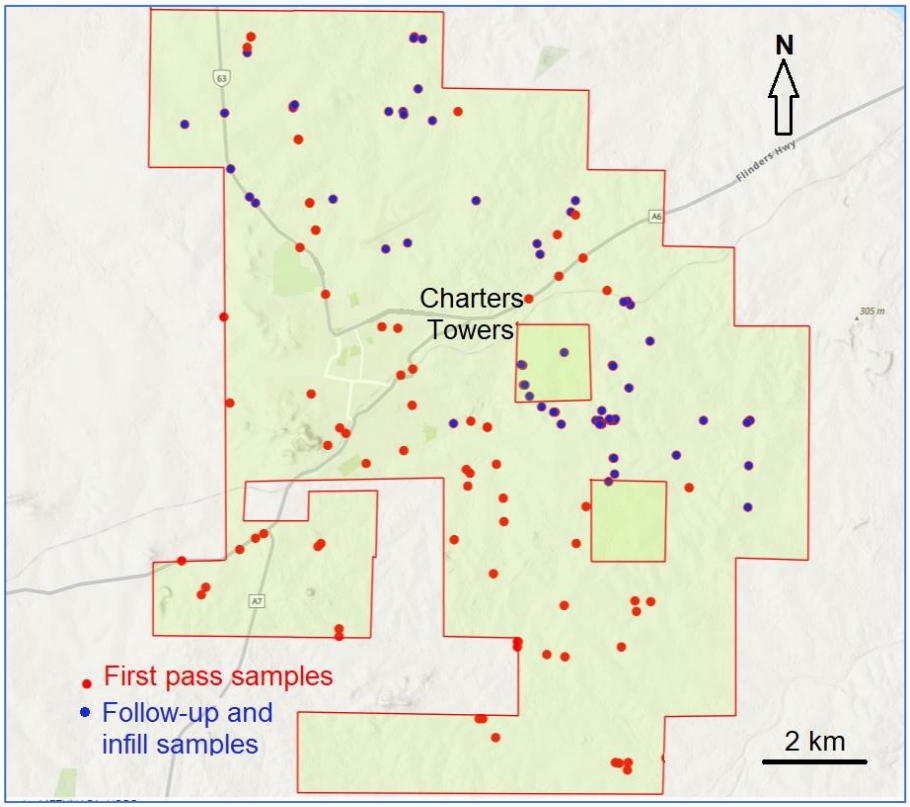


Figure 1. Sample site locations on Citigold's exploration ground are shown above. Red circles are the initial 84 first-pass samples were taken in December 2020 and discussed in releases in January and March 2021. The 74 follow-up and infill sample sites are shown as blue circles[7].

Health, Safety, Community And Environment

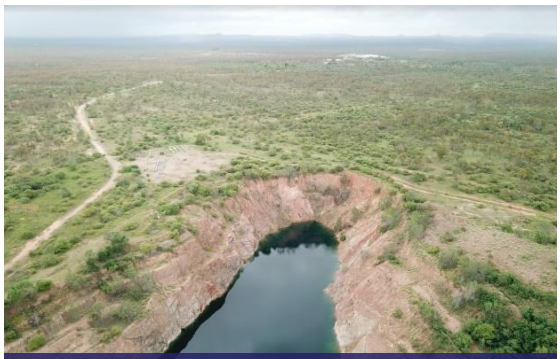
There were no Lost Time Injuries, significant environmental, health or safety issues during the quarter. Personnel remained COVID-19 safe with no reported infection.

Citigold is committed to creating and maintaining a safe environment, both in the workplace and in the local community.

Progressive rehabilitation and reclamation initiatives are incorporated into the Project's life of mine landforms and post-mining community uses.

Rehabilitation

Citigold's project team reviewed the previous vegetation rehabilitation work carried out at Warrior and Stockholm involving placing topsoil and sowing grass seeds. The progress of vegetation re-generation over time and wildlife habitation is very pleasing.



Citigold's Stockholm site shows progress of rehabilitation.

CORPORATE

Financial Discussion

The Company's Charters Towers gold mine is currently production-ready and the main focus is on completing the major funding negotiations and moving to gold production and revenue thereafter.

During the Quarter, Citigold completed a placement for 59,326,791 shares, raising a total of $756,417[9]. The issued capital of Citigold is now 2,780,000,000 shares[9].

The loan maturity of the existing loan facility with PAL Group Pty Ltd ATF The I and F Trust was extended to 7 December 2022. All other terms remained unchanged. The loan facility with The Rigby Superannuation Fund increased to $280,000. All other terms remained unchanged.

The Company has in the past undertaken broad shareholder share purchase plans and share placements. The Company further has the ability to raise funds from the forward sale of gold in the ground and loan facilities as previously announced.

Corporate Presentation

Click here to view Citigold's 'Path to high-grade gold production' corporate presentation which was released to the ASX on 8th April 2021[10].

Appendix 5B Disclosures

The Company's accompanying Appendix 5B (Quarterly Cash Flow Report) includes an amount in item 6.1 which constitutes directors' accrued fee and reimbursement payments during the Quarter.

During the period, the Company made a payment of $38,000 (capitalised), on exploration activities at its Charters Towers Gold Project, which included regional exploration sampling program, assay results, review of historical data, and exploration technologies. Exploration payments totalling $42,000 (expense) relate to tenement management costs. Development payments totalling $79,000 (capitalised) as reported at item 2.1(f) relate to mine design and engineering, aerial survey, and process plant development. Development payments totaling $95,000 (expense) relate to site management and maintenance costs.

Payment for administration and corporate costs amounted to $101,000 and include listing, compliance, consultants, and project marketing activities.

The above activities were summarised in this quarterly report.

SUMMARY OF MINING TENEMENTS & AREAS OF INTEREST

Citigold reports that the Consolidated Entity has a 100% control of the following mineral titles at Charters Towers as at 30 June 2021 and there were no acquisitions or disposals during the Quarter:

Exploration Permit Minerals	EPM 15964	EPM 15966	EPM 18465	EPM 18813	EPM 27287
Minerals Development Licenses		MDL 118	MDL 119	MDL 252	
Mining Leases	ML 1343	ML 1430	ML 1545	ML 10193	ML 10284
	ML 1344	ML 1472	ML 1585	ML 10196	ML 10335
	ML 1347	ML 1488	ML 10005	ML 10208	
	ML 1348	ML 1490	ML 10032	ML 10222	
	ML 1385	ML 1491	ML 10042	ML 10281	
	ML 1398	ML 1499	ML 10091	ML 10282	
	ML 1424	ML 1521	ML 10093	ML 10283	

[9] See ASX Announcement dated 14 April 2021, Citigold Completes Strategic Placement
[10] See ASX Announcement dated 8 April 2021, Corporate Presentation

CHARTERS TOWERS PROJECT OVERVIEW

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

OUR MISSION

"Our aim is to be a 300,000 plus ounces per annum ultra-low cost gold producer in five years using state of the art technologies and efficiencies, all with the aim of returning substantial profits to shareholders in harmony with the local environment"

For further information contact:

Niall Nand

Company Secretary

86 Brookes St (PO Box 1133),

Fortitude Valley, QLD, 4006
Australia

+61 7 3839 4041
nnand@citigold.com
www.citigold.com

Authorised for release: by Mark Lynch, Chairman, Citigold Corporation Limited.

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.

Competent Person Statement:

Competent Person Statement: The following statements apply in respect of the information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves: The information is based on, and accurately reflects, information compiled by Mr Christopher Alan John Towsey, who is a Corporate Member and Fellow of the Australasian Institute of Mining and Metallurgy. Mr Towsey is a Chartered Professional (Geology) and currently independent of Citigold Corporation Limited, having previously been a Director of the Company from 2014-June 2016. He has the relevant experience in relation to the mineralisation being reported on to qualify as a Competent Person as defined in the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Identified Mineral Resources and Ore Reserves 2012. Mr Towsey has consented in writing to the inclusion in this report of the matters based on the information in the form and context in which it appears. **For full details see Technical Report on the Mineral Resources and Reserves at www.citigold.com click Mining >Technical Reports >Mineral Resources and Ore Reserves 2020.**

Citigold's Central Mine Site office complex containing modern offices, shower, change room, toilet and lunchroom.