

Valuation of the Charters Towers Goldfield Project

Queensland, Australia

Prepared for

Citigold Corporation Limited

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Australia

By

Global Resources & Infrastructure Pty Ltd

This report has been prepared at the request of the Directors of Citigold Corporation Limited. The report's purpose is to provide information relating to the Charters Towers Goldfield project, located in Queensland, Australia, as part of support documents for the project's value in the financial statements to 30 June 2022.

The Charters Towers Goldfield project has acquired such mine properties as it believes to represent value for the Company, developed the necessary infrastructure and mines at Charters Towers and completed trial mining operations. The project was placed on active care and maintenance in 2015 ready for the recommencement of mining operations. No gold production has occurred since that time. Global Resources & Infrastructure Pty Ltd has been advised that the Company is continuing to work towards executing its business plan to become a significant gold production company. Citigold Corporation Limited plans to recommence its gold production activities from its Central Mine, which is the subject of this valuation report.

This report, prepared by Global Resources & Infrastructure Pty Ltd, has estimated the valuation range for the Project, which has been based on information supplied by management, directors and staff of, and consultants to, Citigold Corporation Limited and from consultant's reports based on technical investigations into the Charters Towers Goldfield project as well as publicly available information and reviews of similar projects of this type in Australia.

This report is intended for Citigold Corporation Limited's auditors and may be made available to the market. The report has been completed in accordance with the terms and conditions described herein and set forth in our agreement with Citigold Corporation Limited.

6 December 2022

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1. INTRODUCTION

1.1 BACKGROUND

Citigold Corporation Limited (“Citigold” or the “Company”) is a gold exploration and production company that owns the Charters Towers Goldfield project located in the Northern Queensland, Australia. Citigold is an Australian company and its shares are listed on the Australian Securities Exchange (“ASX”).

The Charters Towers Goldfield project comprises one previously operated mine that is now on active care and maintenance, the Imperial Mine; one mine under development, the Central Mine and several exploration permits. The Project is located around and under the City of Charters Towers, which is located approximately 130 km southwest of Townsville, Queensland, Australia. The Project comprises 38 separate tenements to include mining leases, minerals development licences and exploration permits.

The Company is focused on producing gold from Australia's historically highest-grade goldfield at Charters Towers and has developed a strategy to grow its gold production towards 220,000 ounces per year. This is to be done through funding a progressive build-up of production after full project funding is obtained.

The production growth will come from expanding gold mining operations from within the Project area where an Inferred Resource of 14,000,000 ounces of gold has been identified. This Inferred Resource increased from the 11,000,000 ounce gold reported in 2012 under the JORC (2004) Code but at this stage has not resulted in any increase in the Probable Ore Reserves (620,000 ounces gold) nor the Indicated Mineral Resources (780,000 ounces gold). Its Central Mine will be developed along with several inter-related and adjacent mines. Mine feed is expected to be initially toll treated through the Black Jack plant then directed towards a new gold extraction plant that is yet to be constructed and will be operated by Citigold. The Central Mine, which has already had a 1.2-kilometre decline constructed, will require further deepening to access the gold mineralisation previously identified by drilling.

The Charters Towers Goldfield project has been on an active care and maintenance programme since 2015 and a small team of mining professionals continues to work on refining the plans for future designs and strategies and development and production operations for the Central Mine, including the decline development extension and the most efficient sizing and excavation method. Further information relating to these more recent studies is contained in Citigold's 2020 Business Plan dated August 2020 and C. Towsey's Mineral Resources and Ore Reserves 2020 report.

2. SUMMARY AND VALUATION

2.1 EXECUTIVE SUMMARY

- The Charters Towers Goldfield Project is located within the City of Charters Towers, which is located 130 kilometres southwest of Townsville, Queensland, Australia;
- Citigold has advised that it is continuing to discuss funding arrangements with potential interested parties;
- A JORC (2012) compliant resources and reserves report has been completed by a Competent Person, Christopher Towsey (2020); with gold resources estimated to be 32Mt @ 14g/t Au for 14 million ounces with Probable Ore Reserves of 620,000 ounces gold;
- The current valuation completed by Global Resources & Infrastructure Pty Ltd ("GRI") has used a gold closing price on 30 June 2022 of US\$1817.00 (A\$2,456.07 at an A\$:US\$ exchange rate of 0.7398);
- The technical report, upon which many of the decisions to proceed were determined, was detailed and has been supplemented by further evaluations and pricing estimations in the Company's 2020 Business Plan and C. Towsey (2020) report on Mineral Resources and Ore Reserves, which GRI also used;
- The Charters Towers Goldfield Project is a Brownfield development, as the area has been previously mined and recent exploration, development and mining activities have identified a significant resource to be present;
- The **estimated Market Value** of the Charters Towers Goldfield Project in its current stage of development at the Central Mine, **on 30 June 2022 lies in the range \$558 million to \$997 million at a Discount Rate of 20%. The Preferred Value is \$865 million at the same Discount Rate.**

2.2 VALUATION

We have undertaken an assessment of the Charters Towers Goldfield Project, Central Mine area, based on the Net Present Value of the Future Cash Flows method.

The estimated value for the Central Mine project has been determined and is set out in Table 1.

Table 1: Summary Valuation of Charters Towers Gold Project at a Discount rate of 20%.

Item	Interest	Valuation Method	Value		
			Low	Preferred	High
Technical Value of Charters Towers Gold Project	100%	DCF/NPV	\$507 million	\$786 million	\$906 million
Market Factor			1.10	1.10	1.10
Market Value of Charters Towers Gold Project	100%	DCF/NPV with Market Factor	\$558 million	\$865 million	\$997 million

3. METHODOLOGY AND APPROACH

3.1 INTRODUCTION

In providing our estimation of the value of the Central Mine area of the Charters Towers Goldfield Project, we recognise that the “value or market value” as defined in the Valmin Code (2015), is dependent on the successful conversion of the gold ore reserves to gold metal using the appropriate production methods. For the purposes of this report, GRI has relied extensively on technical information provided by Citigold and reports developed by geological and mining Consultants and staff geologists, mining and metallurgical engineers.

3.2 PROJECT VALUATION

In consideration of the Charters Towers Gold Project contains defined reserves and resources and that trial mining has taken place over a period of ten years, which should be considered sufficient to justify being a Feasibility Study complete with an understanding of the project’s economics, GRI considers that the most appropriate method available to value this project is the Net Present Value of Future Cash Flows Method. The method is the most used method for valuing mining projects, particularly those that have JORC defined resources as a minimum and at least a Pre-Feasibility study completed.

The method is based on the premise that the value of a business is the net present value of its future discounted cash flows. In the mining business, this method requires assessment of: (1) mineral reserves and resources; (2) the appropriate mining and processing methods to exploit and market those reserves; and (3) analyses of future production, production costs, market prices, cash flows, capital requirements and capital costs for the life of the potential reserves.

GRI determined that this methodology was appropriate for deriving a value for the Charters Towers Goldfield Project as;

- (i) it does fulfil the requirement for a JORC compliant resource report,
- (ii) Citigold has undertaken what could be best described as an extended trial mining evaluation of these Inferred Resources and therefore has been able to determine the most appropriate mining method to be applied, potential production volumes, grades, actual recovery and dilution factors, actual operations costs, capital requirements and costs and actual processing methods, costs and recoveries. Given the significant fluctuations in prices, exchange rates and costs GRI determined that a conservative approach to modeling the project should be adopted. These input assumptions have been explained in more detail later in the report.

3.3 MATERIAL ISSUES

All prices quoted or referred to in this report are in Australian Dollars unless otherwise indicated.

The resources and reserves described herein were reported in compliance at the time of their estimation with JORC (2012) Code. This valuation report complies with the requirements of the VALMIN (2015) Code as it relates to the valuation of minerals assets.

3.4 COMPETENT PERSON

Valuations contained in this report have been prepared by Ian Buckingham, who is the Managing Director of Global Resources & Infrastructure Pty Ltd (“GRI”), Melbourne, Australia. Ian Buckingham is a qualified geologist and Fellow, Australasian Institute of Mining & Metallurgy and has sufficient experience, which is relevant to his ability to provide a value estimation of the assets being considered, to qualify as a Specialist as defined in the 2015 Edition of the ‘Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (The VALMIN Code, 2015).

4. CHARTERS TOWERS GOLDFIELD PROJECT

4.1 PROPERTY STATUS

Citigold has rights over a total of 38 separate tenements. These tenements are arranged under four different licence types, which dictate the work and expenditure requirements that the Company must adhere to, to maintain ownership and tenure.

Citigold reports that the Consolidated Entity has a 100% control of the following mining tenements at Charters Towers as at 30 June 2022.

Table 2 – Summary of Mining Tenements and Areas of Interest

Exploration Permit Minerals	EPM 15964	EPM 15966	EPM 18465	EPM 18813	EPM 27287
Minerals Development Licences		MDL 118	MDL 119	MDL 252	
Mining Leases	ML 1343	ML 1430	ML 1545	ML 10193	ML 10284
	ML 1344	ML 1472	ML 1549	ML 10196	ML 10335
	ML 1347	ML 1488	ML 1585	ML 10208	
	ML 1348	ML 1490	ML 10005	ML 10222	
	ML 1385	ML 1491	ML 10032	ML 10281	
	ML 1398	ML 1499	ML 10042	ML 10282	
	ML 1424	ML 1521	ML 10093	ML 10283	

(Source: Citigold Corporation Ltd Quarterly Report for Period Ending 30 June 2022)

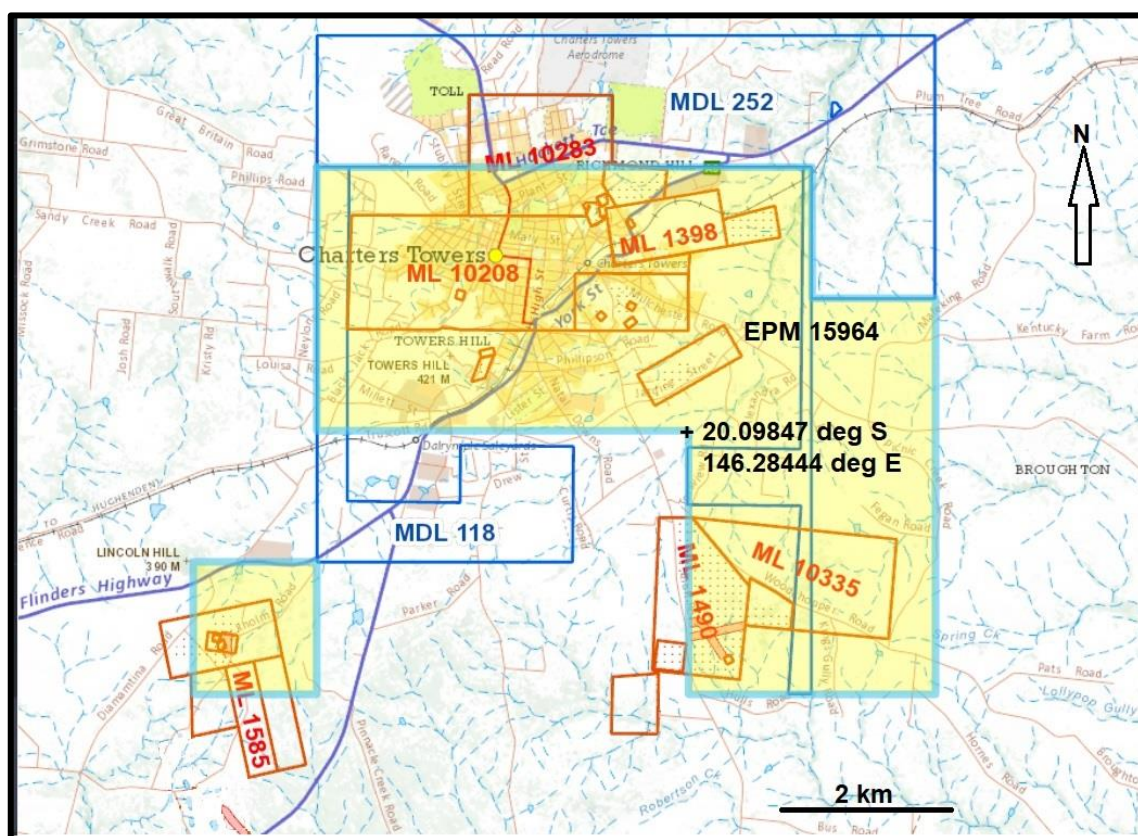


Figure 1: Location Map of the 30 Mining Leases, three MDLs and EPM15964 centred on the city of Charters Towers.

4.2 LOCATION

The City of Charters Towers, at the centre of the Charters Towers goldfield, is located 1,000 kilometres north of Brisbane, and 128 kilometres southwest of Townsville in far north Queensland, at latitude 20° 04' South, longitude 146° 15' East.

The Company has an approved Plan of Operations for its Charters Towers Gold Project (including the Imperial Mine located at 20° 7' South, 147° 17' East) and holds a granted and approved Environmental Authority for its Charters Towers Gold Project. It has been mining and extracting gold intermittently from 1993, and continuously from 2007-2015. It has sold over 100,000 ounces of gold and 45,000 ounces of silver since 1997.

The Mining Leases cover 22.6 square kilometres, with 25.9 square kilometres under MDL and 162.6 square kilometres under granted EPM, making a total area of 210.6 square kilometres.

4.3 NATIVE TITLE

The existence, or prior existence, of Freehold Land tenure extinguishes Native Title rights. As most of the land under tenure is freehold title, Native Title is unlikely to impact on the Company's operations.

4.4 OTHER AGREEMENTS AND ENCUMBRANCES

Fortune Gems and Jewellery DMCC has a secured 1% royalty interest in all gold production which expires on 5 March 2023.

PAL Group Pty Ltd (ATF the I and F Trust) are secured lenders to the Company.

The Rigby Superannuation Fund and Ross Neller and Francis Rigby and P&C Rigby Superannuation Fund are secured lenders to the Company.

4.5 ENVIRONMENT

Management of the Environment and regulation of the mining industry is administered by the Department of Environment and Science (DES) through the provisions of the Environmental Protection Act 1994 (Qld). The Act required applicants for Mining Leases to specify how they would protect the environment, including surface and ground water, during mining and how they would make progressive and final rehabilitation of the land. This integrated approach is known as an Environmental Management Overview Strategy (EMOS) and provides the link between the environmental planning and the Operations plans and rehabilitation program. An EMOS is required for all mines and requires all miners to lodge a security to cover potential repairs caused by mining. The mining area is currently and will continue to be operated within the overall Citigold EMOS.

4.6 MINING ROYALTIES

Mining royalties are paid to the Government through the Department of Employment, Economic Development and Innovation (DEEDI) and are calculated as a percentage of the value of the mineral produced. The Royalty rate for gold in Queensland is now 5% of sales revenue.

4.7 TENEMENT CHARGES

Rents are levied at different rates and are payable annually on all exploration and mining tenements held. Rent on mining leases (MLs) and mineral development licenses (MDLs) is paid in advance for the upcoming calendar year. Rent on exploration permits (EPs) under the Mineral Resources Act is payable on an anniversary basis according to date of grant. Rent is paid on relevant tenures until the date of surrender.

4.8 GOLD RESOURCES

The Goldfield has been estimated to contain a 14-million-ounce gold deposit, with an inferred Mineral Resource of 32 million tonnes at a grade of 14 grams per tonne Au for 14 million ounces of gold and 620,000 ounces of gold in the Probable Ore Reserve (2.5 Mt @ 7.7 g/t using a 4 g/t cut-off). These resources and reserves estimations were determined and reported in 2020 in

compliance with the JORC (2012). A detailed Technical Report by C. Towsey, Competent Person is available at www.citigold.com.

The Imperial area, incorporating the Imperial mine, was estimated to contain 1.9 million ounces of gold. It was previously used as a Trial Mining operation and is now in active care and maintenance. The Central Mine Area is the area of major focus of the company and is being developed to commence production as soon as financing is completed.

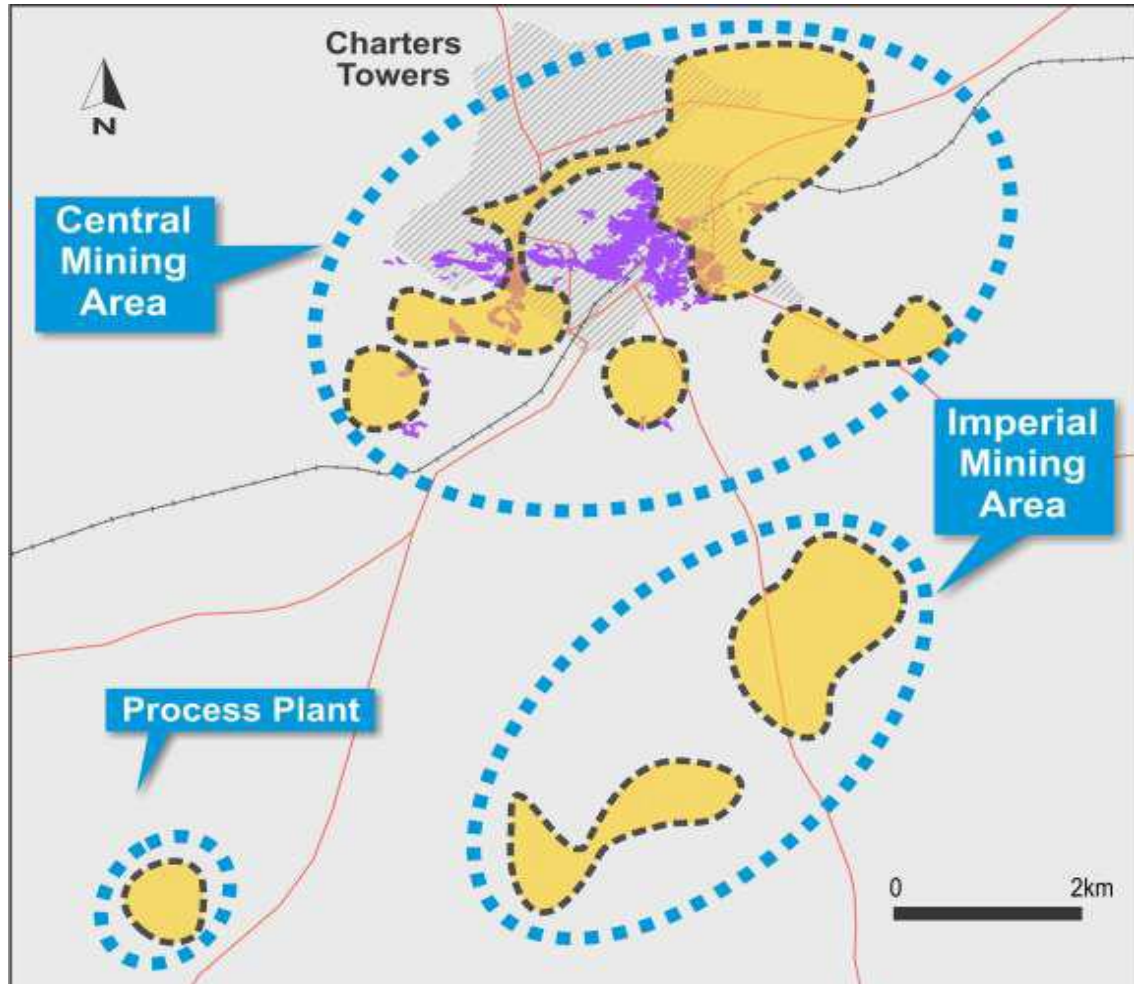


Figure 2: Gold Mineral Resource Areas (32 Mt @ 14 g/t (14 Moz)). (Source: Citigold 2020)

4.9 PLANNING AND INITIAL PRODUCTION

The Central Mining Area has for many years been established as a mine site. It covers an overall surface area of about 16 square kilometres and was the subject of limited trial mining in the 1990's.

The Company has identified four adjacent areas for potential mining and established a decline during the early 2000's to access these potential resources. The decline will be the main access to these potential resources but will need to be extended to access them.

An explanation of the proposed development and mining program for the Central Mine Area has been completed by Citigold (Figures 3 & 4). These figures were provided in the earlier reports, i.e., C. Towsey (2012) and the Citigold Business Plan dated August 2020, which cover mining, existing infrastructure, mining method and mining manpower requirements.

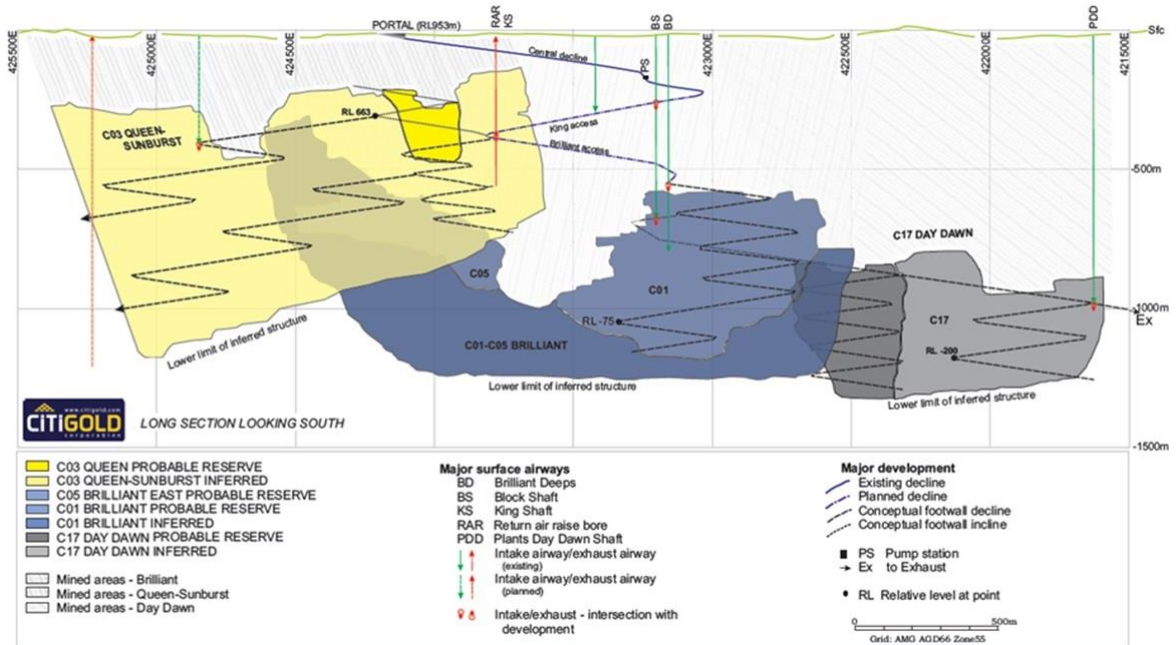


Figure 3: Simplified. Long-term mining plan of Central Mine -long section looking south.
 (Source: Citigold 2020 Business Plan)

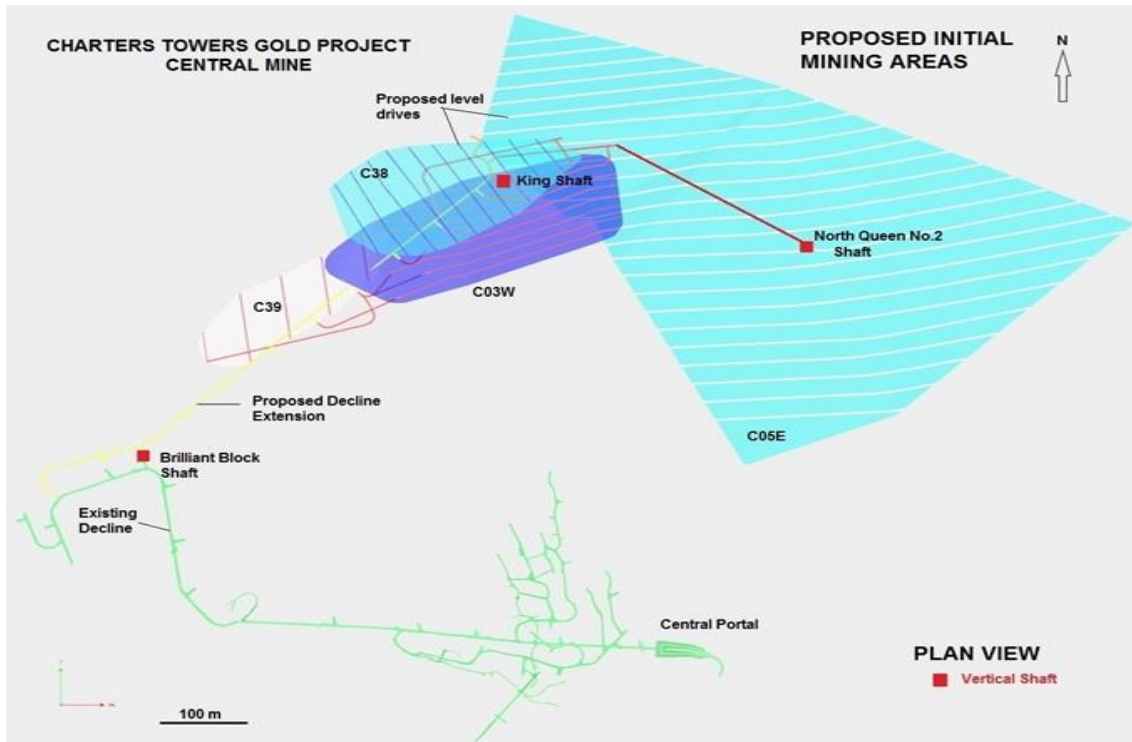


Figure 4: Proposed Initial Mining Areas – Plan View (Source: Citigold 2020 Business Plan)

In its August 2020 Business Plan, Citigold set out its plan for the first three years of mining, which requires the extension of the Central Tunnel (decline underground roadway) to the C38 and C03W areas, a distance of about 1km.

The Central Tunnel roadway will be extended from a current point vertical depth of circa 200 metres from surface to initially junction again with the Brilliant Block Shaft for fresh air and as a second egress.

This Central decline extension will provide access to the gold ore reefs C03W, C38 and C39 respectively (see Figures 7 – 9) and then move on to C05E. Access to the C03W, C38 and C39 will come via the Central Tunnel extension, and gold reef access tunnels (drives) will be driven

at 15 to 20 metre vertical levels to provide closely-spaced grade control samples. High volume gold ore extraction (stopping) will commence once these levels are developed and the King Shaft emergency second exit (egress) established.

The first year of mining is projected to commence in C03W reef and should take the Project well into year 2 and 3, with total projected production of 133,153 ounces of gold.

At the same time, the Project will start opening up C38 and C39 reefs with an additional gold production of 91,945 ounces. As part of the ongoing underground development during Year 3 the plan is to extend the Decline and open up C05E, which will open up additional ore of 108,126 ounces of gold. C05E is planned to be mining in Years 3 to 4.

Table 3: Gold Production Areas

Density	2.8	t/m3						
Thickness	1.4	M						
Payability	30%	Ore:Waste						
Structure	Area	Volume	Tonnage	Payable Tonnes	Reserve Grade (gm/t)	Ounces (oz)	Gold (gm/t)	Ounces (oz)
CO5E	619,000	866,600	2,426,480	727,944	7	163,827	4.62	108,126
C38	81,000	113,520	317,520	95,256	7	21,438	26.00	80,300
CO3W	126,000	176,400	493,920	148,176	7	33,348	27.95	133,153
C39	44,000	61,600	172,480	51,744	7	11,645		-
TOTAL				1,023,120	7	230,258	9.78	321,579

4.10 PROCESSING PLANT

The nearby Black Jack gold treatment plant that Citigold sold some years ago has the capacity to treat up to 340,000 tonnes per annum of ore in its current configuration. Citigold however, has determined that it will construct a new gold processing plant using several stages of digital ore sorting and gravity circuits. The processing cost is expected to be less than \$25 per tonne, however until it is built and operating, we cannot be sure that this cost will be obtained. In our current financial modelling, GRI has retained a processing cost of \$35 per tonne based on agreed processing fees with Maroon Gold Pty Ltd the owner of the existing processing plant. A capital cost of \$20.0 million has been estimated for the construction of the proposed processing plant. These cost assumptions have been used in the financial model.

5 VALUATION

5.1 VALUATION SUMMARY

Table 4 provides GRI's valuation estimate for the Central Mine Area and the valuation method. The valuation method is discussed in detail below. As at the date of valuation, which is 30 June 2022, GRI estimates the value of the Central Mine Area of the Charters Towers Gold Project to have Technical Values in the range \$507 million to \$906 million. Our preferred Technical Value is \$786 million.

Table 4: Valuation of Charters Towers Gold Project, at 30 June 2022.

Item	Interest	Valuation Method	Value		
			Low	Preferred	High
Technical Value of Charters Towers Gold Project (32Mt @ 14g/t for 14Mozs Au)	100%	DCF/NPV	\$507 million	\$786 million	\$906 million
Technical Factor			1.10	1.10	1.10
Market Value of Charters Towers Gold Project (32Mt @ 14g/t for 14Moz Au)	100%	DCF/NPV with Market Factor	\$558 million	\$865 million	\$997 million

After applying our Market Factor as required by Valmin (2015), GRI estimates the **Market Value of the Central Mine Area of the Charters Towers Gold Project to be in the range \$558 million to \$997 million. Our preferred Market Value is \$865 million.**

5.2 INTRODUCTION

Given that the resources are reported in accordance with the 2012 JORC Code, therefore signalling that there is a degree of certainty associated with them, GRI believes that it is appropriate to use this data in calculating a potential value for the development assets. We caution, however, that the valuations derived from these resources have been obtained from calculations involving, anticipated conversion ratios for generating mine inventory, and financial models that have utilised a range of assumptions that may or may not be appropriate under other economic conditions and that may vary with time inside and outside the control of Citigold.

We reviewed GRI's financial model of Citigold and endeavoured to identify that the input data that was used was valid and appropriate according to established principles. In applying the model to calculate the Net Present Value of the project we have used input factors that reflect the Brownfield nature of the project and the uncertainties regarding future costs and performance in executing the project. We would expect that after further experience is gained in operating the project and after production at the Central Mine gets underway that the assumptions could be revisited to reflect the knowledge and experience then available.

All references to dollars within this report are to Australian Dollars except where specifically identified.

5.3 GENERAL ASSUMPTIONS

GRI's financial model of the Charters Towers Gold Project was constructed in real (i.e., not inflation adjusted) terms.

The assumptions reviewed and adopted by GRI for input to the financial model included:

- timing assumptions;
- valuation scenarios;
- capital expenditure and working capital;
- revenue assumptions;
- exchange rate assumptions
- gold price assumptions; and
- modifying factors relating to the resources identified.

These assumptions were compiled by GRI after reviewing the documentation provided by Citigold including the Minerals Resources and Reserves 2020 report prepared by Christopher Towsey and the Business Plan 2020 prepared by the Company.

To enable these calculations to be made, we reviewed the Company's latest production schedule as set out in its 2020 Business Plan and in line with GRI's standard conservative approach to these issues we felt that the Company's estimations were appropriate for this project. We did not reduce the annual tonnages estimations, nor did we change the timing of these production numbers. We accepted the early-stage production figures that Citigold had determined based on our improved confidence that the Company had achieved a greater understanding of the potential production based on its years of trial mining and more recent studies involving geological, mining and operational issues.

In providing our valuations of the Charters Towers Gold Project our basic assumption is that the project has the potential to be developed in a smooth and proper manner and that Citigold has the capital and capacity to enable this to occur. In preparing this valuation report, as at a valuation date of 30 June 2022, we sought advice from Citigold as to what changes to the project had occurred since our previous report dated 30 June 2021. Citigold advised that there had been no physical changes to the project since this earlier date and that the project was still on Care & Maintenance although the Company had spent considerable time and effort in reviewing several key aspects of any future developments, further refined its 2020 Business Plan focussing on a shorter timeframe to achieve initial production. The changes that we have made to our assumptions for this valuation include matters relating to volumes of gold targeted to be produced and ore production, operating costs, capital requirements, gold price and exchange rate considerations.

Production Schedule

The estimated production schedule was determined by Citigold and outlined in its 2020 Business Plan. The Business Plan identifies that the targeted gold reefs to be projected to produce gold within the first 10 months of development and anticipate being capable of annually scaling up quickly to reach approximately 220,000 ounces of gold per annum by year 5. It estimates that a total of 5,000 ounces of gold would be produced from reserves during the first year of production, which is Year 1; then Year 2 would be 51,000 ounces and Year 3 would be 148,000 ounces. The production schedule is shown in Table 5.

Table 5: GRI's Prospective Production Schedule (Ounces per Annum)

Year 1	Year 2	Year 3	Year 4	Year 5
5,000	51,000	148,000	171,000	218,000

As described in Citigold’s 2020 Business Plan, the Access tunnel is effectively the main highway tunnel to each of the gold ore bodies that will be mined. It also connects up the vent shafts to provide air flow throughout the mine and ability to have secondary exit points. This tunnel will remain in use for many years. Table 5 identifies the development stages for the Access Tunnel for the first three years.

Table 6: Access Tunnel Target

Access Tunnel	Year 1 (Metres)	Year 2 (Metres)	Year 3 (Metres)
Capital development	1,300	1,670	1,344
Ongoing development	39	385	1,043
Total Annual Target	1,339	2,336	2,387

The access tunnels will be constructed to access the ore body to enable the gold to be extracted in an efficient manner. When the mine is functioning at full capacity it is estimated that there will be over 18km of tunnelling needed each year for Citigold to reach its gold production target. These tunnels have short life spans and are therefore done by low cost methods. Table 7 sets out the access tunnel drive targets.

Table 7: Access Drive Targets

Access Drive Targets	Year 1 (Metres)	Year 2 (Metres)	Year 3 (Metres)
Capital in Ore Tunnel	1,000	1,575	2,655
Ongoing development	658	6,583	15,423
Total Annual Target	1,658	8,158	18,078

Geologists have initiated mine planning around four of the principal target reefs, which includes two cross-reefs and two north-dipping reefs. Gold reef mining requires ongoing drilling for analysis purposes to assist with detailed mine planning for rolling 2-3 years activity. Table 8 sets out the Diamond Drilling targets for years 1 through 3.

Table 8: Diamond Drilling Targets

Diamond Drilling	Year 1 (Metres)	Year 2 (Metres)	Year 3 (Metres)
Annual Target	20,160	50,400	28,880

Conversion Factors

Most of the resource assets of Citigold have been classified under the JORC Code (2012) as Inferred resources. Anecdotal evidence from Citigold, based on its development drives at the Imperial mine, have advised that the conversion ratio of Inferred resources to metal produced to be in the order of 65%. GRI has reduced the gold grade in the model to allow for a lower conversion factor.

Revenue and Gold Price

All gold produced is assumed to be sold and therefore there is a direct relationship with the production of gold and the gold price on revenue. The revenue in the first year is due in the later

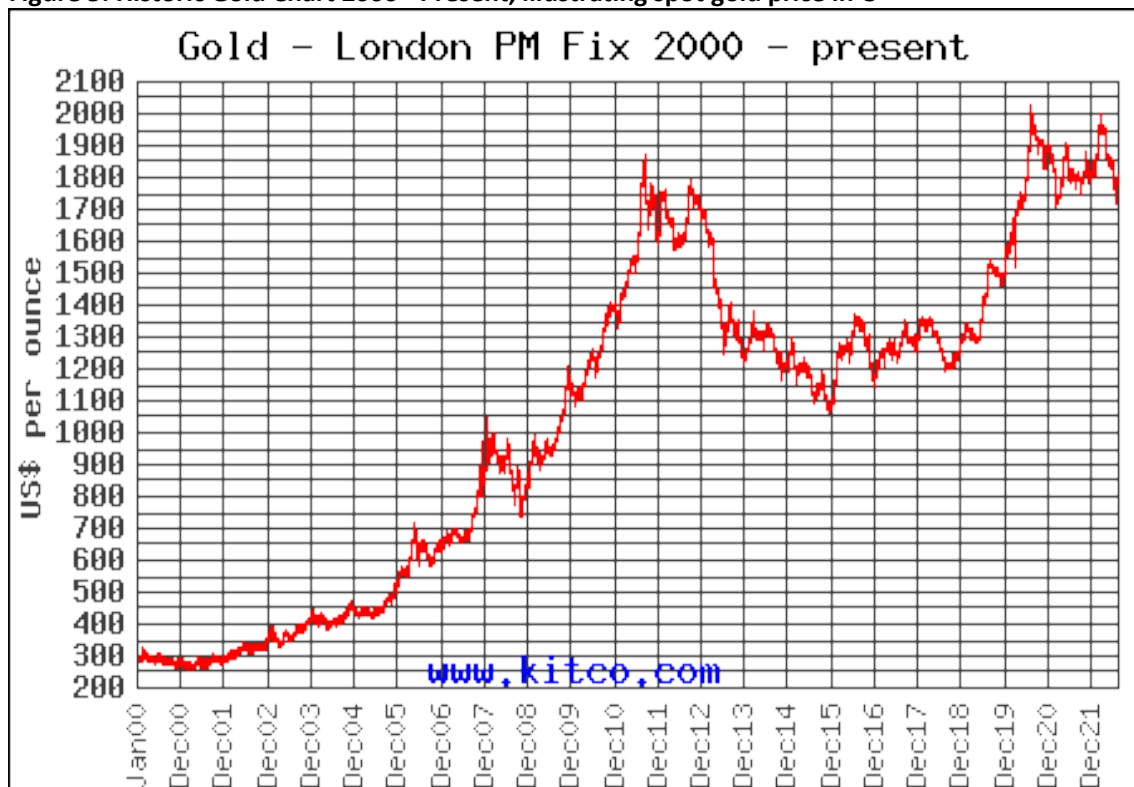
stages of the first year as it will take 10 months to get back into production there after revenue is expected monthly and will be monitored closely.

It is expected that as the production of gold ramps up to the 220,000 ounces per annum by year five (5). No allowance has been made in GRI’s model for dividend payments although we believe that substantial cash reserves will accumulate, we have decided that we are not able to preempt what the Company’s Directors may decide to do in terms of future growth.

GRI set three scenarios for the model’s gold price. We set the low price at US\$1400.00 and the high price of US\$2000.00. Our preferred price was set at US\$1817.00, the closing price of gold on 30 June 2022 (www.kitco.com). The 30 June 2022 was a Thursday, the Market was open, and trades were undertaken. These prices were each kept constant for the life of the model. This also provides us with the ranges in value as required by Valmin (2015).

Figure 5 represents the gold price chart for January 2000 through to August 2022. The chart shows the rapid increase in the price of gold from 2008 peaking in late 2010 before dropping to a low of US\$1050 in December 2015 before attempting a staggered rise to US\$2067.15 on 6 August 2020. Since then, the price has bumped along in a generally downward direction until its latest turn around on 14 July 2022 at US\$1700.70. On 30 June 2022 the London PM Fix price of gold was US\$1817.00.

Figure 5: Historic Gold Chart 2000 - Present, illustrating spot gold price in U



US\$ London Fix PM (Source: www.kitco.com)

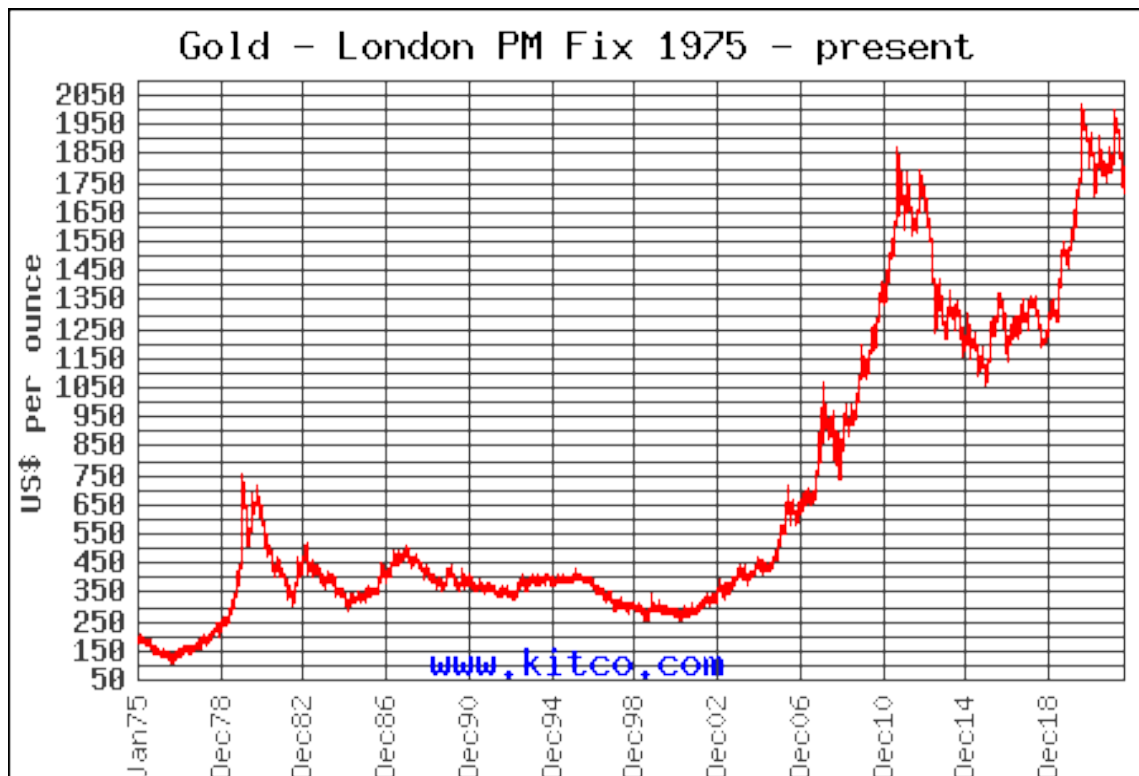


Figure 6: Historic Gold Chart January 1975 - Present, illustrating spot gold price in US\$ London Fix PM (Source: www.kitco.com). Since 2006 the price of gold has achieved unprecedented highs.

Production Costs

The production costs for the Project were provided by Citigold. The production costs comprise of mining costs, processing costs, sales and marketing costs, general management expenses and transportation costs. We used Citigold's Gold cash costs, which are linked to ore production rates.

Depreciation Expense

The depreciation expenses for the fixed assets and forecast capital expenditure were estimated by straight-line depreciation method with a useful life of 10 years.

Income Tax Expense

Tax has been charged at a rate of 30% per annum. The corporate tax rate was multiplied by the profit before tax to obtain the Income tax expense for each year.

Royalties

In Queensland, Government Royalties on gold are charged at a rate of 5% of the value of the product. This has been taken up in GRI's financial model.

GRI has also been advised that Citigold has agreed to pay a 1% Royalty for previous financial services provided by an external party on its gold precious metals production that expires 5 March 2023. This consideration was included in GRI's model.

Inflation

Inflation has been under strong control until recent times when it has grown rapidly. GRI is aware that capital mining equipment and all material supplies have increased significantly and

for the purposes of this valuation we have not included inflationary costs into our value estimations on the basis that mining is not currently progressing on this project and the requirement for operating staff is minimal for the foreseeable future.

Production Costs

The production costs for the Project were provided by Citigold. The production costs comprise of mining costs, processing costs, sales and marketing costs, general management expenses and transportation costs. We used Citigold's Gold cash costs, which are linked to ore production rates.

Depreciation Expense

The depreciation expenses for the fixed assets and forecast capital expenditure were estimated by straight-line depreciation method with a useful life of 10 years.

Capital Expenditure

Citigold estimated the total capital expenditure for the project to be \$149.4 million for its first three years of production. Some capital will be required in future years for equipment, but the bulk of the capital requirements will occur during the first three years. Table 9 outlines the Capital Expenditure Budget for years 1 through 3.

Table 9: Capital Expenditure Budget

Item	Year 1	Year 2	Year 3
Main Access Tunnel	\$7,817,500	\$11,180,300	\$6,803,400
Ore Drives	\$3,000,000	\$6,300,000	\$10,620,000
Drilling	\$4,536,884	\$10,043,453	\$5,669,663
Ventilation	\$1,648,000	\$2,993,333	\$2,886,667
Dewatering	\$1,056,667	\$486,667	\$146,667
UG Services	\$785,846	\$1,663,233	\$629,421
UG Ore Handling System	\$4,000,000	\$2,500,000	\$2,500,000
Processing Plant	\$5,000,000	\$5,000,000	\$10,000,000
Admin, IT & Regulatory overheads	\$7,000,000	\$7,000,000	-
Mine Automation Program	\$1,000,000	\$3,000,000	\$5,000,000
Land acquisition/Environment Bond	\$3,200,000	Nil	Nil
Engineering, Project Mgt	\$1,207,556	\$3,200,022	\$2,508,422
Contingency	\$3,000,000	\$3,000,000	\$3,000,000
TOTAL Annual \$ Budget	\$43,252,452	\$56,367,008	\$49,764,240
Cash from new Capital	\$43,252,452	Nil	Nil
Cash from net operating cash flow and reserves	Nil	\$56,367,008	\$49,764,240

Working Capital

The change in working capital was estimated by GRI based on Citigold data.

The principal assumptions adopted in our valuation of the Charters Towers Gold Project are set out in Table 10.

Table 10: Principal valuation assumptions of the Charters Towers Gold Project

Factor	Assumptions		
	Low	Preferred	High
Operations:			
<i>Production:</i>			
Life of Mine	15 years	15 years	15 years
Total recovered production (ounces Au)	2,555,000	2,555,000	2,555,000
Production commences	Year 1	Year 1	Year 1
<i>Costs:</i>			
Capital expenditure	\$149.4 m	\$149.4 m	\$149.4 m
Financial:			
Long-term gold price (US\$/oz)	1400.00	1817.00	2000.00
Long-term exchange rate	0.7398	0.7398	0.7398
Long-term tax rate	30%	30%	30%
Real discount rate	20.0%	20.0%	20.0%

Foreign Exchange Rates

GRI adopted an exchange rate forecast for the A\$ to US\$ exchange rate of USD 1.00 equivalent to AUD 1:3517 or, AUD 1.00 equivalent to USD 0.7398.

As we are aware foreign exchange rates can be highly variable over time and are impacted by global variations in volatility, speculation, and market lead macro-economic valuations on a day-to-day time scale. GRI acknowledges that these foreign exchange values may vary significantly from the value that we have adopted, however, we have assumed the position that the market's volatility is extremely difficult to predict and that a non-speculative approach should be taken within the Citigold cash flow forecasts and ensuing valuation.

Net Profit

Net profit was derived by subtracting production costs, other operating costs, depreciation expense, and income tax expense from the revenue.

Processing Plant

GRI has set the gold recovery percentage in the treatment plant at 95% based on Citigold's Business Plan and in consideration of the new and technologically up to date processing plant it intends to build. In previous valuations undertaken on this project GRI placed a 93% recovery factor on the gold being processed through the existing plant based on trial processing results but we also allowed for potential inefficiencies and availability issues in the plant. The processing at the new plant is expected to provide for higher recoveries and we have accepted a 95% recovery factor as being acceptable for this proposed plant.

Costs per tonne through the new processing plant are estimated to be \$25.00/tonne.

Environmental Management and Site Rehabilitation

The availability of adequate approved waste and tailings disposal capacity is critical to the performance of the project. The existing facility has adequate capacity for the immediate future however, there has been no allowance in the model for annual progressive construction extensions to the current dam nor has GRI seen any information or allowances relating to planning for a replacement dam. GRI understands that freehold land has been identified and an area acquired to the west of the current dam by the current plant owner where this replacement could be constructed and is not a direct cost to Citigold.

GRI believes that the increase it has allowed for operating cost and maintenance capital allows for ongoing rehabilitation costs.

5.4 MARKET FACTOR

The use of the DCF / NPV method results in the estimation of a “Technical Value”, which Valmin (2015) states *“is an assessment of a Mineral Asset’s future economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.”* (p28, Valmin (2015 edn.).

As GRI is required to determine a “Market Value” for the Charters Towers Gold Project, which is defined as *“the estimated amount for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm’s length transaction after appropriate marketing where the parties had each acted knowledgeably, prudently and without compulsion.”* (p28, Valmin (2015 edn.); we are required to determine the level of any premium or discount, known as the Market Factor, that should be applied to the Technical Value that has been determined.

In determining the most appropriate Market Factor to apply to the technical value determined, GRI looked initially at the current and future market sentiment for gold. Based on our observations we determined that the price of gold should continue to hold above US\$1,800 an ounce as the metal remains an attractive asset as the US Federal Reserve needs to plan what to do with its monetary policy on the back of rapidly escalating inflation, renewed Covid-19 threats, Russia’s war with Ukraine and China’s increasing hostilities towards Taiwan and the West in general.

A prevailing view in the USA is that gold is expected to weather rate increases as a risk and inflation hedge. Inflation is expected to ease slightly but still remain around the 4%-6% mark for some time. US markets are pricing in four rate hikes during 2022 and expectations that the Federal Reserve could unwind its “bloated” balance sheet before the end of the year.

Expectations are that whatever the US Federal Reserve does it could be a win for gold either way. It has been noted that gold will remain well supported in the Federal Reserves approach to interest rates may well keep real interest rates low. However, if they act aggressively it could push the economy into recession. In all of this it appears that gold has found a solid base as so much uncertainty surrounding the economy and U.S. monetary policy that gold remains an attractive portfolio diversifier. While a major market crash is not expected during the remainder of 2022, it may be prudent for investors to take some profits off the table.

This U.S. home based assessment is further complicated by the potentially destructive effects in many global economies and the remaining impacts of COVID-19 variants. Furthermore, the current U.S. tariff strategies with most of its trading partners but in particular China and the destructive effects on world populations and economies as a result of the pandemic, it is our opinion that the price of gold should result in a slightly positive market sentiment in the short term. We are however cognizant of the apparent disconnect between global stock markets and the economic conditions faced by every country in the world caught up in raging inflation.

We also looked at the risks associated with the project and believe that a discount should be applied when considering the nature of the risks and in particular the impact that these risks could have on the project. These risks included the following:

- Not being able to fully develop the identified resources;
- Recovery factors less than optimum;
- Environmental issues that delay or impact severely on operations;
- Sovereign risk issues as the environmental movements brings greater pressure on Governments to implement policies negative to the mining industry.

We also recognised that while the current low investor sentiment towards junior exploration companies continues that the stock prices of companies with production or near production are moving in positive directions.

While the Market Factor is a subjective element in calculating the Market Value GRI, after considering the risks associated with this project within the economic and political climate prevailing at the date of valuation, has applied a Market Factor of 1.10 to the Technical Value determined.

5.5 RISKS

As the Company is preparing its development assets for the commencement of mining there are several risks associated with such a Brownfield operation. Issues other than those outlined within the Timing section above, include the Company's ability to attract and retain a sufficiently skilled labour force during a period of high employment.

While the expansion and high work force requirements of the mining industry throughout Australia are currently impacting on all companies labour costs have been increasing significantly. Competition for skilled and experienced workers will drive up labour costs, which in turn will increase capital costs as labour will leave low paying industrial work to chase higher paying mining jobs. In turn, material and equipment costs will increase as suppliers look to increase salaries and thereby producing equipment procurement costs which will impact on companies like Citigold that is looking to develop its underground operations. This is an operational risk that will need to be managed through the Company's relationships with the individual mining contractors.

The universal problem associated with narrow gold vein projects is that it is difficult to define the resources and reserves with a degree of confidence that other mineralising systems may provide. However, what GRI has observed at Charters Towers is that a greater geologic understanding of the presence, sheet geometry and grade of the gold bearing lodes is being continuously improved by Citigold due to its on-going evaluations.

It is GRI's opinion, which is borne out by the commitment by Citigold to a detailed diamond drilling programme that the Company is prepared to commit to a rigorous on-going exploration effort to refine its reserves situation. It is our experience with similar orebodies/projects that reserves rarely exceed about three years' production scheduling. Citigold has indicated through its current Business Plan that it intends to be at the forefront in developing and understanding the subsurface boundaries and internal grade distributions of the ore bodies to reduce the risks associated with their development and exploitation.

Finally, while orogenic or mesothermal projects such as Charters Towers have previously been shown to be higher risk, the knowledge gained through its production history, new exploration technologies and more efficient production techniques should substantially lower this risk.

5.6 SENSITIVITY ANALYSIS

To determine how the different values of an independent variable would impact a particular dependent variable under a given set of assumptions, GRI carried out a sensitivity analyses on the market value of the Project in respect of 5% and 10% deviations in the exchange rate (Table

11) and in 5% and 10% deviations in the price of gold (Table 12) from the values pertaining at the date of valuation. The results of the sensitivity analyses were as follows:

Table 11: Project Value Sensitivities at variable Exchange Rates at fixed gold price

Change in Exchange Rate	Applied Exchange Rate	100% Market Value of the Project (AUD millions)	Value Differential (AUD million)
+10%	0.85	630	-156
+5%	0.78	730	-56
0%	0.74	786	0
-5%	0.70	850	+64
-10%	0.67	920	+134

NOTE: 1. Gold price held at US\$1817.00/oz with Discount Rate @ 20%.
2. Slight variations due to rounding factors in calculations.

Table 12: Project Value Sensitivities at variable gold prices and fixed Exchange Rate

Change in Gold Price	Applied Gold Price (USD/oz)	100% Market Value of the Project (AUD million)	Value Differential (AUD million)
+10%	2000	907	+121
+5%	1908	846	+60
0%	1817	786	0
-5%	1726	725	-61
-10%	1635	665	-121

NOTE: 1. Exchange rate held at USD 0.74 = AUD 1.00 with Discount Rate @ 20%.
2. Slight variations due to rounding factors in calculations.

6. GENERAL

6.1 QUALIFICATIONS

Global Resources & Infrastructure Pty Ltd (“GRI”) is a management consulting company that specialises in providing its services to the resources and infrastructure industries. Ian Buckingham, Managing Director of GRI is GRI’s lead consultant in preparation of this opinion for the Directors of Citigold Corporation Limited. Mr. Buckingham has worked on over three hundred valuation assignments involving gold, silver, molybdenum, diamonds, iron ore, base metals, coal, lithium, petroleum and other resources commodities.

Ian Buckingham holds a B.App.Sc.(Applied Geology) from the Victorian Institute of Colleges and Fellowship and Associateship Diplomas in Geology (RMIT) with extra studies in mining engineering and primary metallurgy and an MBA from RMIT University. He is a Fellow AusIMM and Member PESA and AAPG. (FRMIT, B.App.Sc, MBA, FAusIMM, MAAPG, MPESA)

Commencing his career as a base metals, gold and diamonds exploration geologist he moved into gas engineering and petroleum exploration and development before establishing himself as a resources analyst in stock broking and investment banking. As an analyst, he evaluated and developed financial models for major mining and energy companies. On joining Anderson & Schwab Australia as founding Managing Director, he worked on a significant number of resources projects where his knowledge and expertise in areas such as due diligence, valuation, commercial and technical analyses, concept and strategic development, financial modeling and general mining management have been required. On establishing Global Resources & Infrastructure he has carried on his work in the resources and infrastructure industries focusing on project development, strategic analysis and project evaluation and valuation. Ian was a member of the committee that re-wrote the VALMIN Code (2005).

6.2 COMPLIANCE

This report has been prepared in accordance with the requirements of the “Code and Guidelines for Technical Assessment and/or Valuation of Mineral and Petroleum Assets and Mineral and Petroleum Securities for independent Expert Reports” (The VALMIN Code, 2015).

6.3 DECLARATION

GRI initially provided a valuation of the Charters Towers Gold Project for Citigold Corporation Limited in February 2012. In March 2017, Citigold Corporation Limited requested GRI evaluate and value the Project based on modifications to the mining program and gold price movements. GRI has been further requested to provide valuations of the project for internal reporting requirements as of 30 June of each year as follows: 2017, 2018, 2019, 2020, and 2021. The date of valuation of this report is 30 June 2022.

GRI does not have any business relationship with Citigold Corporation Limited or with any companies associated with that company that could reasonably be regarded as being prejudicial to its ability to give an unbiased and independent assessment.

There is no present agreement, arrangement or understanding that GRI will at any time in the future undertake any assignment for Citigold Corporation Limited or any company or organisation associated with Citigold Corporation Limited. Other than as set out herein, neither GRI nor Ian Buckingham has any interest in the company that is the subject of this report.

6.4 INDEMNITY

GRI and Ian Buckingham have been indemnified by Citigold Corporation Limited as to damages, losses and liabilities relating to or arising out of their engagement that do not arise from the fault of GRI, or Ian Buckingham or their associates.

6.5 CONSENT

GRI has given its written consent to allow Citigold Corporation Limited to use this report for internal company reporting requirements and release to the market. GRI has not been involved in the preparation of or authorised or caused the issue of any other part of any documentation to be provided to Citigold Corporation Limited's directors, management and shareholders, other than this report.

Neither the whole, nor any part of this report, nor any reference thereto, may be included in or with, or attached to any document or used for any other purpose without the prior written consent of GRI to the form and context in which it appears and the purpose of its use.

All the persons involved in the preparation of this report have consented to the use of this assessment report, for the purpose stated above and, in the form, and context in which it appears.

6.6 LIMITATION

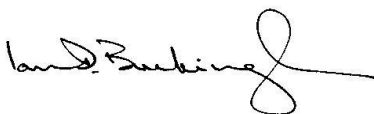
The statements and opinions contained in this report are given in good faith and, to a considerable extent; reliance has been placed on the information provided by Citigold Corporation Limited. All such information has been presented in a professional manner and GRI believes, on reasonable grounds, that it is true, complete as to material details, and not misleading. The work undertaken for this report in no way constitutes a technical audit of any of the assets or records reviewed, and GRI does not warrant that its inquiries have realised all the matters that an audit might disclose. GRI in no way guarantees or otherwise warrants the achievability of any forecasts of future production and costs used in valuations in this report.

6.7 FACTUAL AND CONFIDENTIALITY REVIEW

A draft copy of this report was provided to officers of Citigold for comments as to confidentiality issues, errors of fact or misinterpretation, or substantive disagreements on the assumptions that GRI has adopted. While GRI has included minor corrections and amendments in this final report because of comments received, neither the methodology nor conclusions were amended.

GRI gratefully acknowledge the assistance provided by the Directors and officers of Citigold Corporation Limited in facilitating the preparation of this report.

GLOBAL RESOURCES & INFRASTRUCTURE PTY LTD



IAN BUCKINGHAM
Managing Director

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