

Quarterly Report

For the period ending 31 March 2022, dated 4 April 2022

HIGHLIGHTS

- The main focus remains on all matters to advance the Central mine restart process including mine design, engineering, and financing.
- With the wet season nearing the end, preparation has commenced for launching the next regional exploration program post-quarter-end.

DEVELOPMENT STRATEGY

The Company has a substantial gold asset at Charters Towers and works towards profitable extraction of the gold on a major scale. The Company has invested over \$200 million to acquire and develop the goldfield. This is a relatively modest and efficient expenditure considering the size and quality of the gold asset, and infrastructure built to date.

Our go-forward plan is backed by technical research, analysis, and financial evaluation.

The mining leadership team understands our underground mining conditions. The uneven gold distribution is a challenge, but the historic average grade of 38 g/t¹ proves this gold deposit is very high quality and large.

The mine design is based on actual mining experience at Charters Towers.

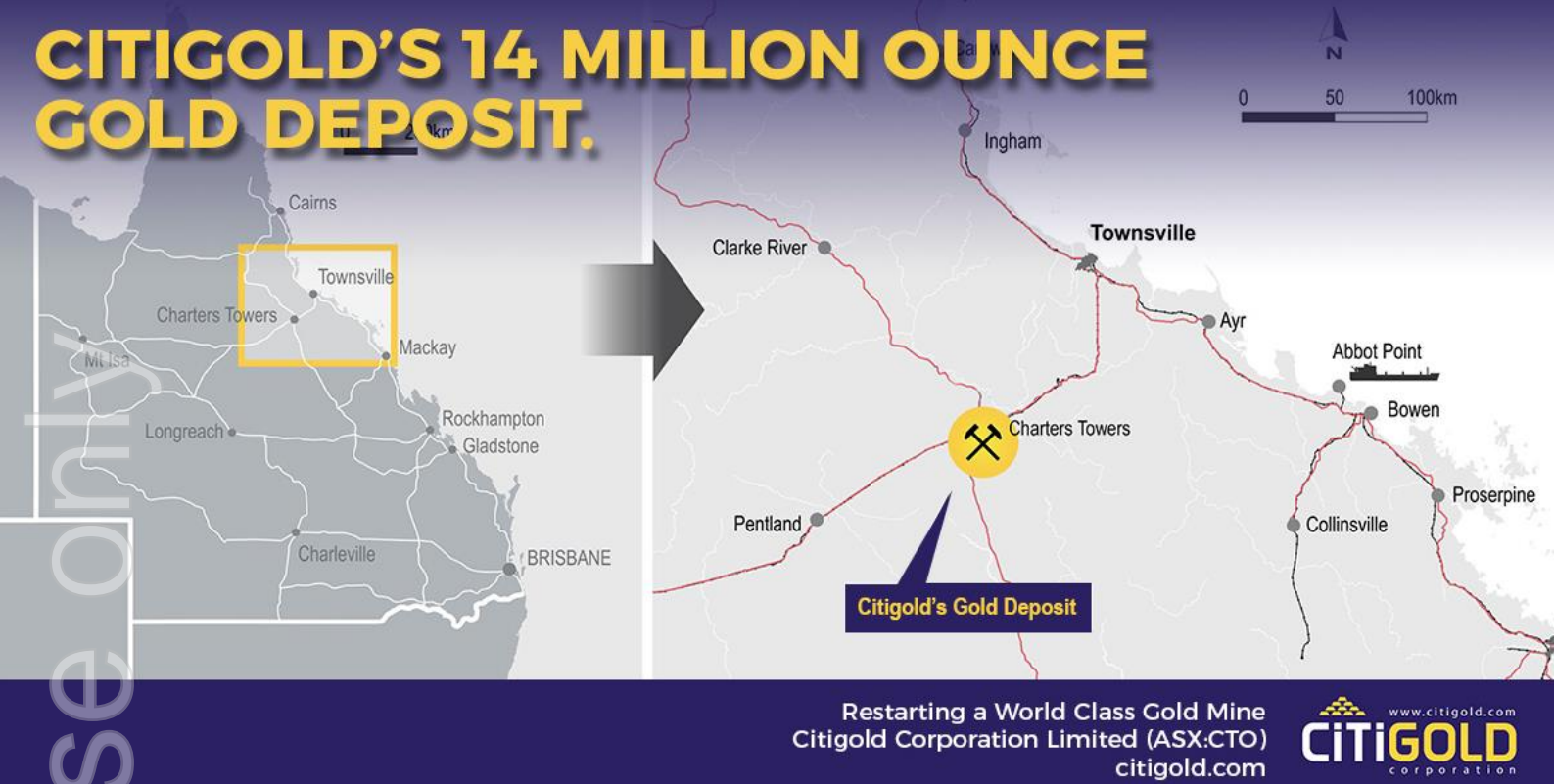
Over many years, Citigold has invested considerable time and resources to understand the Charters Towers reefs and formulate the most effective mining method. Maintaining a low-cost focus has sometimes meant that this has taken longer than desired.

Shareholders have funded the Company over many years. Management seeks to structure funding beneficial to the funder(s) and shareholders. Growth requires substantial further capital. There is interest by entities to join Citigold in the development of the gold mine. Citigold is continuing to work with parties who are at various stages of discussions regarding funding opportunities.



¹ See ASX announcement dated 9 December 2020, [Mineral Resources and Ore Reserves 2020](#)

CITIGOLD'S 14 MILLION OUNCE GOLD DEPOSIT.



Restarting a World Class Gold Mine
Citigold Corporation Limited (ASX:CTO)
citigold.com



OPERATIONS

Citigold Corporation Ltd (Citigold) is an Australian ASX 'CTO' listed gold development company located in northern Australia in Charters Towers. Our mission is to be a 300,000 ounces per annum ultra-low-cost gold producer, using state-of-the-art technologies and efficiencies, all with the aim of returning substantial profits to shareholders in harmony with the local environment¹.

Gold mining is good for Australia because 100% of the final product value, is added in Australia.

The Company has been a leader in minimalist surface disturbance for its mining operations, progressive rehabilitation, and community beneficial post-mining land use. This will continue with the restart of the mine and future expansions.

CITIGOLD'S PRODUCTION READY CENTRAL MINE SITE



The foundation of our efforts was the original Environmental Management Overview Strategy. This has further evolved over recent years into a clear whole of mine 'ESG Integrated Business Model'.

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.

¹ See ASX announcement: 11 February 2019, [Updated December 2018 Quarterly Activities Report](#).



Mine Development Summary

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

Designs and strategies for the Central Mine continued to be refined during the quarter, including the twin decline development extension and the most efficient sizing and excavation method.

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 'Central' underground is scheduled to grow progressively contributing to our mission of being a 300,000 ounces annual producer of gold in five years¹. The work begins once funding is in place. The project is currently "shovel ready".

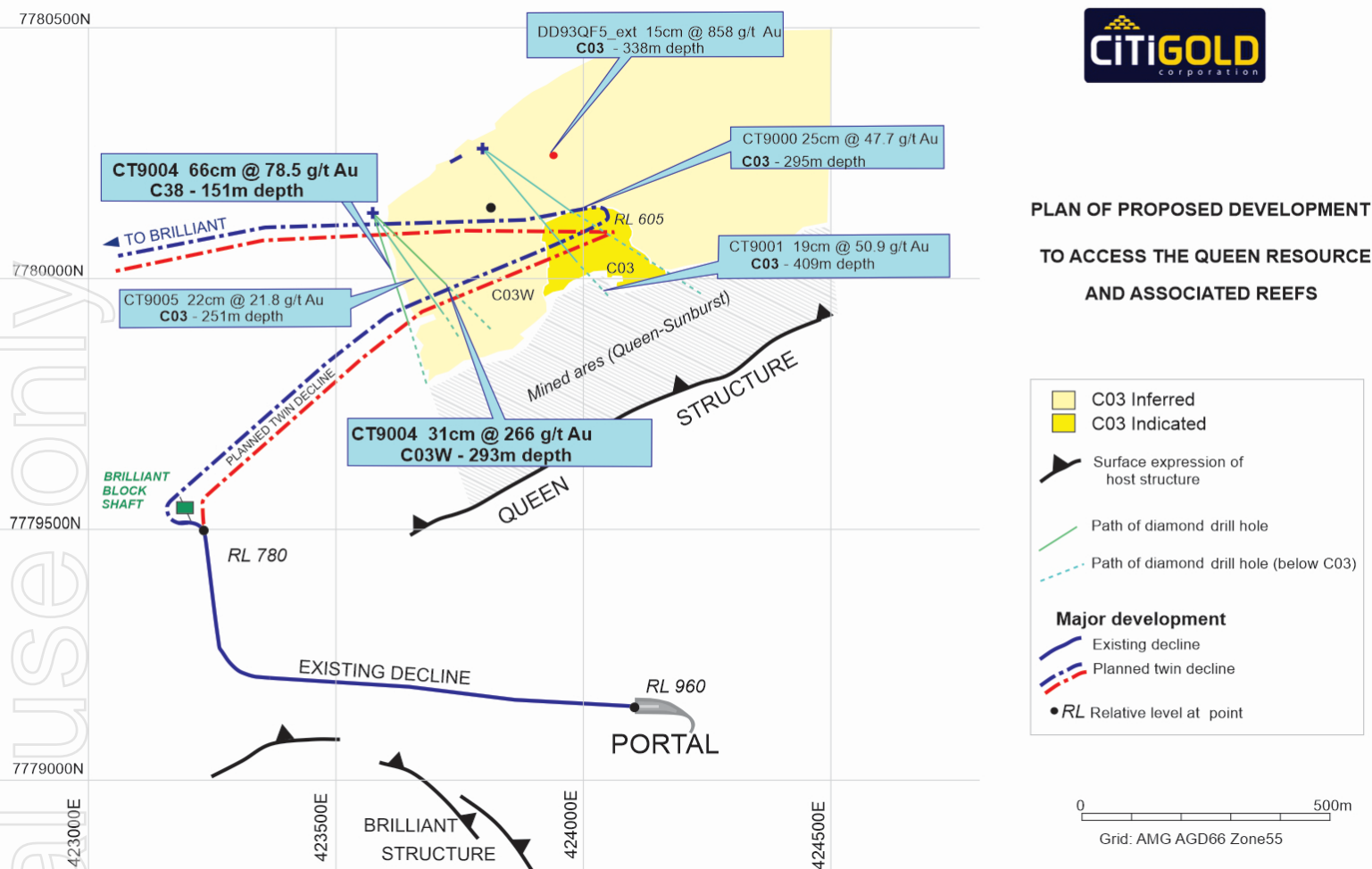
The early development plans are, in summary:

- The Central Mine access tunnel is to be extended by circa 2,000 metres roadway length down to a vertical depth approaching 430 metres (RL530m bottom of the Queen), with the initial mining starting at circa 280 metres (RL680 top of the Queen).
- The first gold reefs (lodes) scheduled to be opened are the C03W, C38, and C39 and then move on to C05. Access tunnels (ramps and crosscuts) to the C03W, C38, and C39 will come off the Central Main access tunnel extension. The in-ore gold reef access tunnels (drives) will be excavated at nominal 20 metre vertical spacing along the length of the reefs to provide closely-spaced grade control samples for the high-grade ore to be extracted. Waste remains as pillars.
- Gold ore extraction (stoping) will commence once these tunnels are developed.

With this solid data foundation to build on, the plan is to have up to 15 working areas underground ('stopes') that are available for ore extraction, ensuring sufficient tonnage to meet the schedule.



¹ See ASX announcement: 11 February 2019, [Updated December 2018 Quarterly Activities Report](#).



The above plan shows the approximate locations of structures (reefs) in the Central area. The boundaries of structures are approximate and shown here for structural reference only. Historical workings exist on some upper parts of the initial mining area not shown here. C3W represents a new part of the C3 structure that has not been mined. Not all structures can be found at the surface and some dip more westerly. Historical mining has removed most of the upper part of some of the Structures.

The planned extension of the Central main access tunnel (decline) trends to the northeast and can provide primary access to all the reefs shown here. The C5 (Brilliant East) and C1 (Brilliant West) resources are not shown here. Note: Not all drill holes intercepted all structures due to the angle and length of the drill hole. The above assay results are shown for mine planning purposes and were previously released to the ASX on 12 May 2014.

GEOLOGY AND EXPLORATION

Geology & Mineral Resources

Citigold's previous gold production 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 mining¹.

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/oz¹. 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 methods¹.

¹ See ASX announcement dated 9 December 2020, [Mineral Resources and Ore Reserves 2020](#)

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/t¹.

Mineral resources and reserves¹ are summarised below:

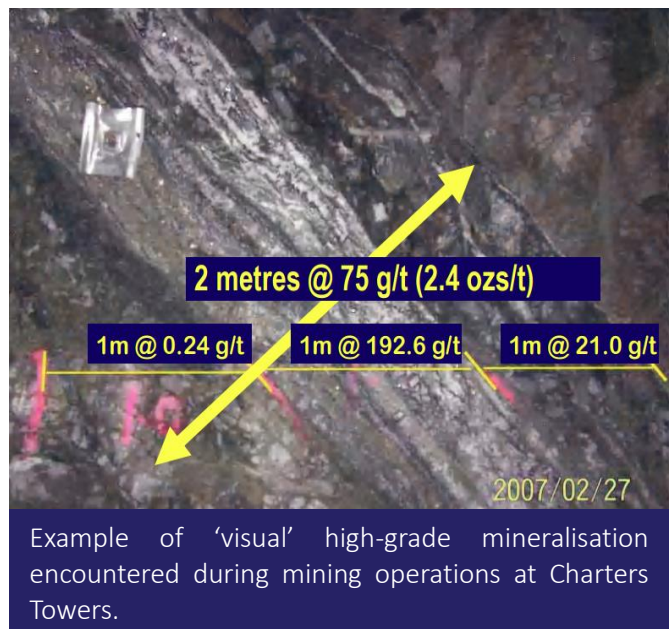
CATEGORY	TONNES	GRADE	CUT-OFF	CONTAINED GOLD OUNCES
Probable Ore Reserves (derived from and contained within Indicated Mineral Resource)	2,500,000	7.7 g/t	4.0 g/t	620,000
Indicated Mineral Resources (includes Probable Ore Reserves)	3,200,000	7.7 g/t	4.0 g/t	780,000
Inferred Mineral Resources	32,000,000	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 2012¹. 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 changed¹.

Exploration

With the wet season nearing the end, preparation has commenced for launching the next exploration program post-quarter-end.

The northern area will be the focus of further work, tracing the creeks upstream with further mapping and sampling of rock outcrops, float, and soils to determine the source of the anomalous samples.



The Company continues to optimise future plans for an intensive exploration program with priority areas identified from the current exploration. The technical team inspected core samples at the mine sites from previous gold production test mining. The previous exploration saw over 350,000 metres of drilling had been conducted in 3,200 holes on down-dip and strike extensions of known reefs systems, with 1,550 significant drill intersections¹.

Exploration analysis and review of historical data continued. During the Quarter, no new exploration

¹ See ASX announcement dated 9 December 2020, [Mineral Resources and Ore Reserves 2020](#)

drilling was undertaken. Normal regulatory compliance reporting for exploration, mine, and environmental continued during the Quarter.

Over the recent years there have been advances in the areas of detection, modeling and imaging. These 'geophysical' technology advances will be a part of the go-forward budgets, in combination with traditional diamond core drilling, to support gold production once gold mining commences.

HEALTH, SAFETY, COMMUNITY AND ENVIRONMENT

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

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.

Routine groundwater sampling was undertaken to increase the base data to assist with planned growth in harmony with the local community and environment.

The leadership team is committed to practicing and upholding high standards of occupational health, safety, and environment (OHS&E) standards. These are an integral components of efficient operations.

CORPORATE

Financial Discussion

The 2021 Half Year Report was released during the quarter. The Company holds very substantial assets with net assets of \$101.1 million at 31 December 2021 (30 June 2020: Net assets were \$101.6 million). The loss after tax for the Group during the half-year was \$1.1 million (31 December 2020: Net loss was \$485,479). [Click here](#) to view the 2021 Half Year Report.

Financing discussions to enable the transition to gold production, have progressed and will be announced when in place. The Company's Gold Mine is currently production-ready.

The Company has two existing loan facilities in place which increased to \$1,750,000 with undrawn balances of \$553,849 at quarter-end. The \$1 million loan facility's maturity date was extended to 31 March 2023. The second facility increased to \$750,000 during the Quarter and has a maturity of 4 February 2023. All other terms remain 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 drawing on loan facilities as previously announced.

New website launched

A new look website was launched during the period. Shareholders are encouraged to join the Company's mailing list by visiting www.citigold.com to stay up to date with the latest company announcements.



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 2021¹.

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 \$15,000 (capitalised), on exploration activities at its Charters Towers Gold Project, which included a regional exploration sampling program, assay results, review of historical data, and exploration technologies. Exploration payments totaling \$233,000 (expense) relate to tenement management costs, annual mining rent, and EA fee payments. Development payments totaling \$13,000 (capitalised) as reported at item 2.1(f) relate to mine design and engineering and process plant development. Development payments totaling \$25,000 (expense) relate to site management and maintenance costs.

Payment for administration and corporate costs amounted to \$142,000 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 31 March 2022 and there were no acquisitions or disposals during the Quarter:

Exploration Permit Minerals	EPM 15964	EPM 15966	EPM 18465	EPM 18813	EPM 27287
	EPMa 28173				
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	

CHARTERS TOWERS PROJECT OVERVIEW

Citigold is an Australian gold mining and exploration company, operating on the core high-grade Charters Towers goldfield in northeast Australia. Citigold has extensive prospective exploration ground holdings at Charters Towers outside the current gold deposit and the overall Central goldfield area. The Company's exploration program is aimed at increasing the detailed knowledge of the ore body, mine planning, identifying new reefs for future drilling, and increasing resources and reserves.

¹ See ASX Announcement dated 8 April 2021, [Corporate Presentation](#)

For further information contact:

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Company Secretary

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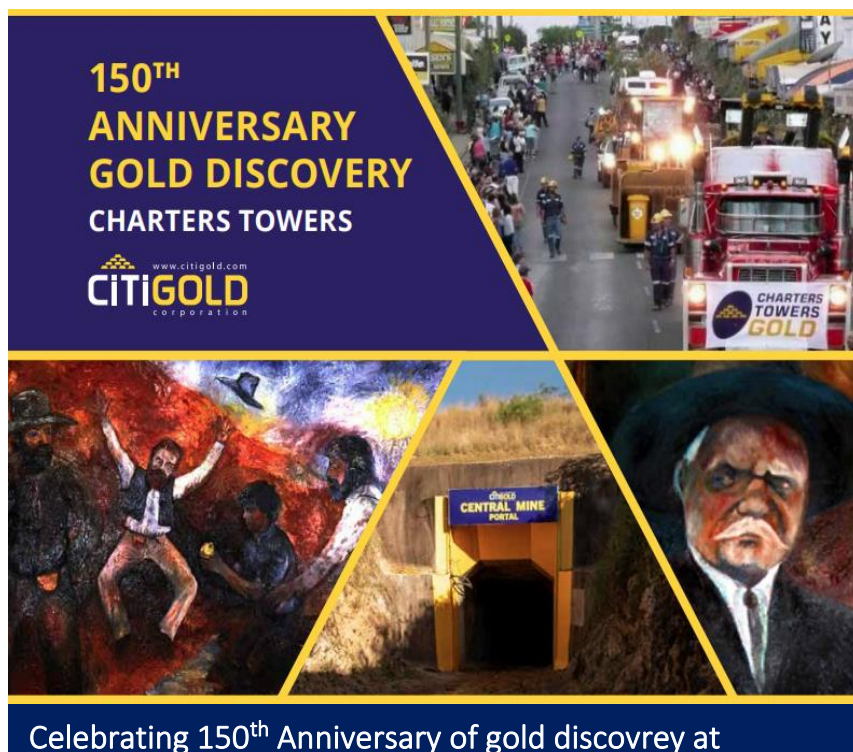
www.citigold.com

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 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.**



Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

CITIGOLD CORPORATION LIMITED

ABN

30 060 397 177

Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(233)	(723)
(b) development	(25)	(87)
(c) production	-	-
(d) staff costs	-	(18)
(e) administration and corporate costs	(142)	(521)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	(3)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	4
1.9 Net cash from / (used in) operating activities	(400)	(1,348)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(15)	(107)
(e) investments	-	-
(f) other non-current assets	(13)	(57)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) 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	(28)	(164)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	590
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(28)
3.5	Proceeds from borrowings	270	970
3.6	Repayment of borrowings	-	(280)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	120
3.10	Net cash from / (used in) financing activities	270	1,372

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	450	432
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(400)	(1,348)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(28)	(164)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	270	1,372

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	292	292

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	292	450
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)	292	450

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

15

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	1,750	1,196
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities		
7.5	Unused financing facilities available at quarter end		554
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>A\$1 million secured loan facility obtained from PAL Group Pty Ltd ATF The I and F Trust at 12% per annum interest rate, with maturity extended to 31 March 2023 and all other terms remain unchanged. The unsecured loan facility obtained from the The Rigby Superannuation Fund and Ross Neller was increased to \$750k at 1.25% per month interest rate, with maturity of 4 February 2023 and all other terms remain unchanged.</p>			

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(400)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(15)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(415)
8.4	Cash and cash equivalents at quarter end (item 4.6)	292
8.5	Unused finance facilities available at quarter end (item 7.5)	554
8.6	Total available funding (item 8.4 + item 8.5)	846
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.04
<p><i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i></p>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/a	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/a	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

Date: 4 April 2022

Authorised by: Mark Lynch, Chairman
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.