



# CITIGOLD OVERVIEW

Citigold Corporation is an Australian gold developer with a clear strategic plan to grow Citigold into a world class integrated gold company by:-

1. Mining the existing 11 million ounce gold resource;
2. Growing gold production initially to 220,000 ounces per year; and
3. Expand the gold resource.

A 220,000 ounce gold producer with annual revenues of over \$350 million a year is our initial overall goal. We have produced near 100,000 ounces of gold in trial mining at Charters Towers. Our defined gold resources and gold production plan provides for a long mining life of over 30 years.

The goldfield is a proven giant high grade gold system having mined and produce prior to 1920 6,600,000 ounces of gold from an average 38g/t ore.

## Some Key Information

- Our Charters Towers goldfield is the largest major high grade gold deposit in Australia.
- Citigold is the owner and operator of 100% of the goldfield.
- Defined gold resources are 11,000,000 ounces (342 tonnes) of gold - JORC compliant.
- High grade gold deposit contained 25 million tonnes of mineralisation at an average grade of 14 grams of gold per tonne.
- Defined gold reserves of 620,000 ounces of gold.
- Cash mining cost estimated to be under A\$400 per ounce at full production.
- Mine life estimated at over 30 years based on size of gold deposit.
- Capital invested to date over A\$200 million.
- Additional new external capital required to reach initial stage production rate of over 220,000 ozs/year estimated at \$60 million. Balance of growth may be internally funded from cash flow depending on rate of growth.
- No gold has been forward sold, so no hedging risk.

- Citigold is very capital efficient based on cost of asset and gold mining infrastructure built to date.
- Citigold core management and mining team are highly skilled in our gold deposit.
- Mine is located adjacent to a town of 8,500 people so all roads, power, water, accommodation and supporting business infrastructure is in place, so need for often costly fly-in-fly-out.
- Environmental and operating permits are in place.
- Corporate strategy to develop project to add maximum value for shareholders and to be able to pay strong dividends to shareholders.

**NEWS articles worth reading for further information:**

## **11 MILLION OUNCE (342,000 KG) GOLD DEPOSIT**

HOME NEWS 11 MILLION OUNCE (342,000 KG) GOLD DEPOSIT

**Citigold's gold deposit is currently the largest and highest grade in Australia.**

11 million ounces of gold (342 tonnes) Inferred Mineral Resource\* – JORC compliant. Mineralisation is 25 million tonnes at 14 grams of gold per tonne.

Size of the deposit determined after an extensive period of evaluation by the company's experienced technical team led by eminent consultant geologist Mr Christopher Towsey, in accordance with the Australasian JORC Reporting Code. The report was published in 2012.

Contained within Citigold's continuous mineral tenements located at Charters Towers, North Queensland, Australia.

Gold grade estimates are based on 1,550 significant drilling samples. Drilling samples at the time, only go to a depth of 1,200 metres, so the entire 11 million ounce resource is above that, with the deposit open below that depth.

Independent research indicates that the gold under Charters Towers may continue down to 3,000 metres deep. So the huge area below the drill holes has great potential.

In 2008 Citigold, with the financial support of the Queensland Government's Department of Mines and Energy, drilled a very deep 2,000 meter diamond core hole and successfully intersected several reef structures. The deepest intersection was close to 2,000 metres; therefore proving the structures containing the gold mineralisation extend to that depth.

Our plan is to build up to a mining rate of 320,000 ozs a year. A mining rate of 500,000 ozs a year would be required to mine the same number of ounces in a 15 year period.

Charters Towers gold is hosted in structures with good vertical continuity down to 1,300 metres based on deep drilling and detailed historical mining records. There is good geological continuity of the fractures containing the gold and the economics of mining at Charters Towers reef is well known from the past and current mining.

27 metre-grams of gold per tonne of mineralisation is the average of 272 the significant drill intersections in the mineralised bodies, above at a cut-off of 9 metre-grams of gold per tonne (the average cutoff grade of past mining).

27 metre-grams of gold per tonne of mineralisation is the same as the historical in situ resource grade (based on recovered gold and mining metres). Therefore it is excellent that modern drilling of the mineralisation used for the Inferred Mineral Resource matches the historically mined gold grades. Proving the mineralisation is the same.

The Resource grade of 14.7 metre-grams of gold per tonne of rock was the average grade from 623 significant drill intersections above 3 metre-grams of gold per tonne. Drill intersections in the central 'city' mining area showed a slightly lower grade of 13.5 grams of gold per tonne of rock.

Based on extensive past mining over a large area it is known that the 'pay-ability' of the structures averages 30% and therefore in calculating the 'pay-ability' or high grade part of the mineralised bodies.

# LOW COST ADVANTAGE

## HOME NEWS LOW COST ADVANTAGE

Citigold Corporation has major infrastructure and operating cost advantages with its Charters Towers operations forward cost estimates indicating the company could become an internationally competitive ultra low cost gold producer.

Citigold's cost advantages include –

- \* Close to the major town of Charters Towers with 8,500 people.
- \* State grid electricity available to the mine.
- \* Recycled self-sufficient water supply to the mine and extraction plant from dewatering of the old mines.
- \* Existing local community, office accommodation and housing in place.
- \* Existing community infrastructure including schools, supermarkets, hospitals and recreation all in place. We don't have to build a fly-in-fly-out community.
- \* Existing engineering, mechanical, construction and numerous other businesses operate in the community able to supply the mine with its needs.
- \* Trained workforce at hand.
- \* Workforce can live at Charters Towers with their families.

Being a low cost gold producer can mean greater profits.

Being a low cost producer will assist funding long term growth from internal sources.

Citigold's gold production cash costs are expected to be under A\$400 per ounce at the initial production of 220,000 ounces per year and total cash costs under A\$500 per ounce of gold produced due to increased efficiencies.

Gold production at Charters Towers is planned to be 220,000 ounces from the Central mine.

Costs are usually reported on a 'cost per ounce' basis as a common yardstick. These costs are calculated by multiplying the costs to mine and process a tonne of bearing mineralisation by the grams per tonne of gold recovered relative to an ounce.

Costs have been estimated based on actual costs at Charters Towers and future trends for technology, raw materials and labour.