



Market Announcement

19 April 2024

Citigroup Corporation Limited (ASX: CTO) – Responses to ASX Letters

Description

Attached for the information of the market are ASX's letters and CTO's responses. These documents have been presented in chronological order.

Issued by

ASX Compliance



21 March 2024

Reference: 90715

Mr Niall Nand
General Manager Corporate & Company Secretary
Citigold Corporation Limited
Level 1, 1024 Ann Street
Fortitude Valley QLD 4006

By email: nnand@citigold.com

Dear Mr Nand

Citigold Corporation Limited ('CTO'): Half-year report (reviewed financial report) - Query

ASX refers to the following:

- A. CTO's half-year report for the half-year ended 31 December 2023 ('HY 23') released on the ASX Market Announcements Platform on 13 March 2024 ('Half-Year Report').
- B. The Independent Auditor's Review Report accompanying the Half-Year Report ('Auditor's Review Report') which includes under a section heading titled "Other matters" the following commentary:

"The Group have external borrowings of \$3.8mil noting that the borrowings have not been sourced from regulated financial institutions.

To that end, the continued capacity of the lenders to provide funding to the Group as and when required is not guaranteed.

In addition to the above borrowing facility, the Group has indicated in its cash flow forecast reliance on future share placements and loan drawdown to provide cash flow to enable the Group to pay its debts as and when they fall due.

All future gold sales are based on the Group's ability to raise sufficient capital to extract and process gold.

The gold sales are subject to future delivery of physical gold that may result in future cash outflows that may require funding.

Notwithstanding the group's resources and plans to exploit these resources this is solely conditional on the Group's ability continue to raise sufficient capital. There has been no significant expenditure in the area of interest other than expenditure pursuant to AASB 6.

Consideration of possible impairment pursuant to AASB 6 is difficult to possibly quantify, as the Group continues to have discussions with potential investors to exploit the resources."

- C. Note 6 titled "Impairment of Assets" in the Half-Year Report, which states:

"The carrying values of property, plant and equipment are reviewed for impairment, and adjusted if appropriate, at each reporting date. The Directors have considered internal and external factors including the previous transactions, and believe that the net present value of the group's projects remains well above the carrying value of its Capitalised Exploration, Evaluation and Development Expenditure."

D. The Half-Year Report consolidated statement of cash flow which discloses:

“Proceeds from pre-sales of \$185,000.”

E. Listing Rule 12.1 which states:

12.1 The level of an entity’s operations must, in ASX’s opinion, be sufficient to warrant the continued quotation of the entity’s securities and its continued listing.

F. Listing Rule 12.2 which states:

12.2 An entity’s financial condition (including operating results) must, in ASX’s opinion, be adequate to warrant the continued quotation of its securities and its continued listing.

Request for information

In light of the information contained in the Half-Year Report (including the Auditor’s Review Report), and the application of the Listing Rules referred to above, ASX asks CTO to respond separately to each of the following questions and requests for information:

1. Given that CTO:

- (a) incurred a net loss amounting to \$1,287,462 for HY 23;
- (b) had net current liabilities amounting to \$1,840,336 as at 31 December 2023; and
- (c) had net operating cash outflows of \$625,513 for HY 23,

please provide details of the factors considered by the Directors of CTO in forming the opinion that CTO will continue to operate as a going concern for the foreseeable future and that there are reasonable grounds to believe that CTO will be able to pay its debts as and when they become due and payable.

- 2. Please provide an outline of any evidence that CTO provided to its auditor in support of the continued capacity of CTO’s existing lenders to provide funding in accordance with the terms of the relevant financing facilities.
- 3. Please provide details of the *“internal and external factors including the previous transactions”* considered by the Directors of CTO in forming their opinion (as extracted in paragraph C above) that the net present value of CTO’s projects remains well above the carrying value of its Capitalised Exploration, Evaluation and Development Expenditure.
- 4. In respect of paragraph D above, please provide details of the contractual delivery dates for the pre-sale of gold as reported by CTO in the Half-Year Report consolidated statement of cash flow?
- 5. Noting that the consolidated statement of financial position included in the Half-Year Report discloses that *“Receivables”* constituted a substantial portion of CTO’s current assets as at 31 December 2023 and note 7 to the financial statements provides no further information on the nature of CTO’s current receivables, please provide details of the nature of these receivables.
- 6. Please provide further details of the nature of the *“Payables and accrued liabilities”* disclosed as current liabilities in the consolidated statement of financial position included in the Half-Year Report.
- 7. Does CTO consider that its level of operations is sufficient to warrant continued quotation of its securities on ASX as required under Listing Rule 12.1? In answering this question, please explain the basis for this conclusion, including specifically commenting on the nature of CTO’s current business activities.
- 8. Does CTO consider that the financial condition of CTO is sufficient to warrant continued quotation of its securities on ASX as required under Listing Rule 12.2? In answering this question, please explain the basis for this conclusion.

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9. If the answer to either question 7 or 8 is “No”, please explain what steps CTO has taken, or proposes to take, to warrant continued quotation of its securities on ASX and continued listing under the requirements of Listing Rules 12.1 and 12.2.
 10. Please confirm that CTO is complying with the Listing Rules and, in particular, Listing Rule 3.1.
 11. Please confirm that CTO’s responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of CTO with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **4:00 PM AEDT Thursday, 28 March 2024**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CTO’s obligation is to disclose the information ‘immediately’. This may require the information to be disclosed before the deadline set out in this paragraph and may require CTO to request a trading halt immediately.

Your response should be sent by e-mail to ListingsComplianceSydney@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in CTO’s securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in CTO’s securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to CTO’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that CTO’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Yours faithfully

ASX Compliance

28 March 2024

Mr Justin Nelson
Principal Adviser
Listings Compliance (Sydney)

By email to: ListingsComplianceSydney@asx.com.au

Dear Mr Nelson

Citigold Corporation Limited ('CTO'): Half-year report (reviewed financial report) - Query

For the purpose of the ASX Listing Rules, CTO is classified and assessed as a "Mining Exploration Entity".

The Company's responses are in 'italics'.

1. Given that CTO:

- a. incurred a net loss amounting to \$1,287,462 for HY 23;
- b. had net current liabilities amounting to \$1,840,336 as at 31 December 2023; and
- c. had net operating cash outflows of \$625,513 for HY 23,

please provide details of the factors considered by the Directors of CTO in forming the opinion that CTO will continue to operate as a going concern for the foreseeable future and that there are reasonable grounds to believe that CTO will be able to pay its debts as and when they become due and payable.

Factors considered by the Directors include but not limited to:

- a. *CTO has been operating since 1993.*
- b. *CTO has been a very successful explorer.*
- c. *CTO's has defined 14 million ounces of gold in Inferred Mineral Resource of 32 million tonnes at 14 grams per tonne gold and 620,000 ounces of gold in the Probable Ore Reserves (2.5Mt @ 7.7 g/t Au at a 4 g/t cut-off) as announced to ASX on 9 December 2020 Mineral Resources and Ore Reserves 2020.*
- d. *CTO is the holder of very substantial assets with net assets of \$97 million as disclosed in the Half Yearly Report as at 31 December 2023.*
- e. *CTO has previously conducted income-generating mining activities at the site of its Charters Towers Gold Project. These past income-generating activities had included underground mining and mining two small open pit mines at Stockholm and Warrior/Imperial. Due to their convenient and established infrastructure and assuming a sustained relatively strong circa \$3,000/oz gold price, means that in the normal course of business, these open pits are being reconsidered by our consultants potentially for early mining cash flow.*
- f. *During gold production test mining, CTO successfully produced 100,000 ounces of gold.*
- g. *It is customary, and or not unusual, for an exploration entity to have negative 'operating' cash flows. Therefore, it's reasonable, given the nature and stage of the company's operations, to expect this.*
- h. *The Company has a long and proven track record of raising funds to meet the requirements of its business activities as required.*
- i. *The Directors currently consider that CTO will be in a position to secure investments from a funding partner in order that CTO may undertake significant mining activities.*

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- j. *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.*
 - k. *CTO has share placement capacity under Listing Rule 7.1 and 7.1A and would raise circa \$1 – \$1.5 million depending on the share prices.*
 - l. *In addition to the above, loans (both unsecured and secured) have been used by CTO in the past year and further loans could be considered or facility balances increased or extended by CTO.*
 - m. *The Company has the ability to raise further funds from sale of gold in situ.*
 - n. *CTO also has various assets including mining and exploration leases and freehold property available that may be realised, if required, to assist in funding its activities.*
 - o. *CTO regularly monitors its cash flow requirements in order to meet its planned ongoing activities by arranging capital raisings, as may be required.*
 - p. *Other factors considered include but are not limited to future outlook, budgets, operating plans and strategies, economic conditions, gold prices, investor sentiments, company's performance, asset valuations, cost management, regulatory and risk considerations, etc.*

These above factors collectively provide the basis for the Directors' assessment of CTO's ability to continue operating as a going concern and meet its debt obligations, thereby ensuring compliance with regulatory requirements.

2. Please provide an outline of any evidence that CTO provided to its auditor in support of the continued capacity of CTO's existing lenders to provide funding in accordance with the terms of the relevant financing facilities.

CTO's existing lenders have a history of providing support to CTO over many years including increasing and extending the loan facilities as required and thereby demonstrating their capacity to provide funds.

CTO has provided loan statements from its lenders, bank statements of loan drawdown and has previously provided loan agreements to its auditor.

3. Please provide details of the "internal and external factors including the previous transactions" considered by the Directors of CTO in forming their opinion (as extracted in paragraph C above) that the net present value of CTO's projects remains well above the carrying value of its Capitalised Exploration, Evaluation and Development Expenditure.

The Directors have considered various internal and external factors including but not limited to the current strong gold price circa \$3,000 per ounce, mineral resources, gold grade, process recovery, covid impact, Ukraine and Russia conflict, supply chain costs, interest rate, inflation, economic conditions, exchange rates, production costs, capital costs, operating costs, technology, market capitalisation, rehabilitation costs, environmental and climate change risks, mining incidents, laws and regulations, investor sentiments, property, plant and equipment, social license to operate, availability of personnel and consumables, previous transactions including Express-Link Management Ltd, etc play a role in this assessment.

4. In respect of paragraph D above, please provide details of the contractual delivery dates for the pre-sale of gold as reported by CTO in the Half-Year Report consolidated statement of cash flow?

5th and 18th December 2027.

5. Noting that the consolidated statement of financial position included in the Half-Year Report discloses that "Receivables" constituted a substantial portion of CTO's current assets as at 31 December 2023 and note 7 to the financial statements provides no further information on the nature of CTO's current receivables, please provide details of the nature of these receivables.

The nature of CTO's current "receivables" is made up of prepayments and security deposit.

6. Please provide further details of the nature of the "Payables and accrued liabilities" disclosed as current liabilities in the consolidated statement of financial position included in the Half-Year Report.

The nature of the “Payables and accrued liabilities” disclosed as current liabilities is made up of accounts payable, personnel entitlements, accrued liabilities, tax, unearned revenue, and software finance.

7. Does CTO consider that its level of operations is sufficient to warrant continued quotation of its securities on ASX as required under Listing Rule 12.1? In answering this question, please explain the basis for this conclusion, including specifically commenting on the nature of CTO’s current business activities.

Yes. CTO strongly considers that its level of operations is sufficient to warrant continued quotation of its securities on the ASX on the basis of the information set out below:

- a. ASX has classified CTO as a “mining exploration entity” and this is the benchmark that CTO is being measured against, “exploration” activity in usual meaning of the word.*
- b. The Company has developed the Charters Towers Gold Project from scratch. From exploration to determining geological potential, onto the pegging of mining leases and progressing them through the very complex permitting processes, onto successful test mining producing collectively 100,000 ounces of gold.*
- c. CTO holds very substantial assets and plans ongoing exploration, and mine development programs.*
- d. The Company has invested around \$300 million to acquire, explore, maintain mineral rights and titles; drilling, exploration assessment to quantify the gold deposits size; test mining several areas to understand the mining conditions, and design an innovative ultra-low-cost mining method; and funding costs, innovation, overheads and corporate existence, etc. Our go forward plan is backed by technical research, analysis, and financial evaluation.*
- e. CTO’s very substantial assets include having 14 million ounces of gold in Inferred Mineral Resource of 32 million tonnes at 14 grams per tonne gold and 620,000 ounces of gold in the Probable Ore Reserves (2.5Mt @ 7.7 g/t Au at a 4 g/t cut-off) as announced to ASX on 9 December 2020 Mineral Resources and Ore Reserves 2020.*
- f. The Company has a robust geological model that has been predicted and then tested by diamond-core drilling down to 2,000 metres vertical depth. Intersections into known quartz reefs have hit the predicted position within one meter at depths of up to 1,500 metres downhole. Over 350,000 metres of drilling have been conducted in 3,200 holes on down-dip and strike extensions of known reef systems, with 1,550 significant drilling intersections, as announced to the ASX on 9 December 2020 Mineral Resources and Ore Reserves 2020.*
- g. CTO is the holder of a number of substantial mining leases and other exploration tenements.*
- h. CTO will be conducting its gold mine project with an expected mine life of 20 to 30 years.*
- i. CTO 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.*
- j. CTO has undertaken considerable sampling and analysis in respect of the project area.*
- k. CTO has compiled a geological database and has collected, collated and reviewed a plethora of historical data in respect of gold mining at Charters Towers.*
- l. Tenure management of the Project’s complex mineral title holdings is an ongoing key activity. These efforts into exploration and project development activities would be more in keeping with a major gold producer. Our team is doing an excellent job.*
- m. The mining leadership team understands our underground mining conditions and this will ensure the mine design is based on actual mining experience. The resulting ultra-low-cost mining assessment is supported by technical research, and mining based financial evaluation. The team has an extensive diversity and depth of skills including management leadership, industry technical skills, mine management, financial, governance, legal, capital raising, innovation, risk*

management, environmental, native title, community, ASX and broad regulatory and government policy directly applicable to the advancement of our business. The consultants we have engaged with are leaders in their fields, often with very specialist knowledge of our gold deposit, and its specific challenges.

- n. CTO has and continues to fulfil its requirements as an Explorer under the ASX Listing Rules, 12.1.
 o. CTO is a very successful Explorer over a long period of time, including the following:

ASX Announcements	
Date of ASX Release	ASX Announcement titles
4 Dec 2020	Stream Sediment Sampling Program
9 Dec 2020	Citigold Gold Resources Increase
9 Dec 2020	Mineral Resources and Ore Reserves 2020
19 Jan 2021	Exploration Program
15 Mar 2021	Exploration Program March 2021
23 Mar 2021	Regional Exploration Program Synopsis
20 Apr 2021	Citigold Commences 2021 Exploration Program
14 Jul 2021	Exploration Program Expands
12 Nov 2021	Exploration highlights area to the north of Charters Towers
30 Sep 2022	Exploration Update
19 Jan 2023	Results of Recent Exploration
20 Jul 2023	Exploration Update July 2023
18 Sep 2023	Exploration Update September 2023
12 Dec 2023	Exploration Results

- p. CTO plans to continue to follow the gold anomalous trail and further exploration.
- q. CTO's exploration program is assisting the Company in meeting its business objectives.
- r. CTO has a mission statement "Our aim is to be a 300,000 plus 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 environment".
- s. It is clear that CTO aspires to be a substantial, long-term, profitable gold producer.
- t. Other day-to-day routine exploration activities include but are not limited to desktop studies, maintaining and updating geology database, planning future exploration programs, completion activities, data management and interpretation, technical evaluation activities, reviewing metallurgical testing, preparing mining feasibility and environmental studies, assisting engineer with mine design, assisting with native title management, review exploration sites, field trips to collect ground samples, reviewing exploration technologies, preparing various compliance returns for regulatory bodies, adhering to tenement requirements, developing strategies, conducting reviews, maintaining relationships with landholders, reviewing historical data, tenement holding optimization, monitoring for additional tenement availability, review of the initial mining areas, etc.
- u. The above activities are ongoing.
- v. Despite the Company being classified as an exploration company, we have continued to review and optimize our current mining plans for (See ASX announcement dated 24 August 2022, Annual Report to Shareholders):
- Designing out previous constraints and improving efficiencies
 - Minimising our environmental footprint in harmony with the local community

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- *Designing an ultra-low-cost mine*
 - *Safety driven by removing personnel from hazardous areas*
 - *Technology centred with robotics and automation.*

8. Does CTO consider that the financial condition of CTO is sufficient to warrant continued quotation of its securities on ASX as required under Listing Rule 12.2? In answering this question, please explain the basis for this conclusion.

Yes. CTO considers that the financial condition of CTO is sufficient to warrant continued quotation of its securities on ASX as required under Listing Rule 12.2 and will continue to be, compliant with Listing Rule 12.2 based on the below:

- CTO is the holder of very substantial assets with net assets of \$97 million as disclosed in the Half Yearly Report as at 31 December 2023;*
 - CTO has a long trading history;*
 - On 19 January 2024, CTO raised \$695,000 in capital, confirming the support of investors and shareholders.*
 - CTO regularly monitors its cash flow requirements in order to meet its planned ongoing activities by arranging capital raisings including through the issue of equity securities, raising of finance via debt funding, and/or the sale of assets, as may be required;*
 - CTO has previously conducted income-generating mining activities at the site of its Charters Towers Gold Project;*
 - The Directors currently consider that CTO will be in a position to secure investments from a funding partner in order that CTO may undertake significant mining activities;*
 - The proven ability of CTO to raise further funds for working capital is consistent with previous practice and experience in respect of the Entity;*
 - CTO had loan facilities available with unused financing facilities available of \$637,000 as at 31 December 2023 Quarterly Report released 29th January 2024.*
 - In addition to the above, loans (both unsecured and secured) have been used by CTO in the past year and further loans could be considered, or facility balances increased or extended by CTO.*
 - The Company has the ability to raise further funds from sale of gold in situ.*
 - CTO has in the past undertaken broad shareholder share purchase plans and share placements.*
 - CTO has share placement capacity under Listing Rule 7.1 and 7.1A and would raise circa \$1 – \$1.5 million depending on the share prices.*
 - CTO also has various assets including mining and exploration leases and freehold property available that may be realized, if required, to assist in funding its activities.*
 - Major project funding: Shareholders have funded the Company over many years. Management seeks to structure funding beneficial to the funder(s) and shareholders. 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.*
 - CTO has and continues to fulfil its requirements as an Explorer under the ASX Listing Rules, 12.2.*
9. If the answer to either question 7 or 8 is “No”, please explain what steps CTO has taken, or proposes to take, to warrant continued quotation of its securities on ASX and continued listing under the requirements of Listing Rules 12.1 and 12.2.

Not Applicable.

10. Please confirm that CTO is complying with the Listing Rules and, in particular, Listing Rule 3.1.

CTO confirms that it is complying with the Listing Rules and, in particular, Listing Rule 3.1.

11. Please confirm that CTO's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of CTO with delegated authority from the board to respond to ASX on disclosure matters.

CTO confirms that CTO's response to the questions above has been authorised and approved by an officer of CTO with delegated authority from the Board to respond to ASX on disclosure matters.

We trust that the above addresses all the ASX's questions.

Yours sincerely

Niall Nand

Company Secretary

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Fortitude Valley, QLD, 4006 Australia

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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.



11 April 2024

Reference: 90715

Mr Niall Nand
General Manager Corporate & Company Secretary
Citigold Corporation Limited
Level 1, 1024 Ann Street
Fortitude Valley QLD 4006

By email: nnand@citigold.com

Dear Mr Nand

Citigold Corporation Limited ('CTO'): Query Letter

ASX refers to its query letter dated 21 March 2024 ('Query Letter') and CTO's response to the Query Letter dated 28 March 2024.

Request for information

Having considered the information provided in CTO's response to the Query Letter, ASX asks CTO to respond separately to each of the following further questions and requests for information:

1. In response to question 2 of the Query Letter concerning evidence provided to CTO's auditors, CTO stated it had "*provided loan statements from its lenders*". Please provide a copy of these loan statements to ASX (not for release to market).
2. In response to question 3 of the Query Letter concerning the net present value of CTO's projects, CTO stated "*previous transactions including Express-Link Management Ltd, etc play a role in this assessment*". Please provide further details of this transaction and how it is relevant to CTO's assessment of the net present value of its projects. Your answer should include, but not be limited to, material assumptions; similarities and differences to CTO's projects; and when this transaction was completed.
3. In response to question 5 of the Query Letter concerning the nature of CTO's current assets, CTO referenced 'prepayments'. Please provide details of the nature and quantum of the material prepayments.
4. In response to question 6 of the Query Letter concerning the nature of CTO's current liabilities, CTO referenced among other things 'accounts payable' and 'accrued liabilities'. Please provide details of the quantum and nature of any material items classified as 'accounts payable' and accrued liabilities.
5. In response to question 7 of the Query Letter concerning the level of CTO's operations, CTO stated at paragraph 'i.' "*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*". Does CTO currently have any upcoming planned drilling or other exploration work which it expects to increase its resources and reserves?
6. If the answer to question 5 above is "yes", please provide specific details of the nature and timing of those exploration plans.
7. If the answer to question 5 above is "no", please explain the basis for CTO's apparent view that its current (not past) exploration activities constitute a level of operations sufficient to warrant the continued quotation of CTO's securities as a mineral explorer.

8. In response to question 7 of the Query Letter concerning the level of CTO's operations, CTO referred at paragraph 'v.' to plans outlined in its 2022 Annual Report (released to ASX on 24 August 2022) for:

- *“Designing out previous constraints and improving efficiencies*
- *Minimising our environmental footprint in harmony with the local community*
- *Designing an ultra-low-cost mine*
- *Safety driven by removing personnel from hazardous areas*
- *Technology centred with robotics and automation”*

For each of the above stated objectives, please provide specific details of the progress CTO has made and the activities undertaken in pursuing the relevant objective since the release of its 2022 Annual Report.

9. Please confirm that CTO's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CTO with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **11:00 AM AEST Tuesday, 16 April 2024**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CTO's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in this paragraph and may require CTO to request a trading halt immediately.

Your response should be sent by e-mail to **ListingsComplianceSydney@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in CTO's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to CTO's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that CTO's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Yours faithfully

ASX Compliance

15 April 2024

Mr Justin Nelson
Principal Adviser
Listings Compliance (Sydney)

By email to: ListingsComplianceSydney@asx.com.au

Dear Mr Nelson

Citigold Corporation Limited ('CTO'): Query Letter

Citigold Corporation Limited (the "Company", "Citigold" or "CTO") refers to ASX letter dated 11 April 2024 with reference 90715 entitled "Citigold Corporation Limited ('CTO'): Query Letter". The Company's response to the ASX request for further information is as per below.

The Company's responses are in 'italics'.

2. In response to question 3 of the Query Letter concerning the net present value of CTO's projects, CTO stated "previous transactions including Express-Link Management Ltd, etc play a role in this assessment". Please provide further details of this transaction and how it is relevant to CTO's assessment of the net present value of its projects. Your answer should include, but not be limited to, material assumptions; similarities and differences to CTO's projects; and when this transaction was completed.

Citigold announced the Express-Link Management Ltd (ELM) transaction on 9 April 2013 which involved Citigold issuance of \$100 million of convertible bonds representing 50% of CTO equity. At the time, the capital raising was fully executed, and approved by the Foreign Investment Review Board on 17 May 2013 and Citigold's shareholders on 8 July 2013. Therefore, the 100% of CTO's equity represented \$200 million as the "value" of the asset (being CTO's only asset).

3. In response to question 5 of the Query Letter concerning the nature of CTO's current assets, CTO referenced 'prepayments'. Please provide details of the nature and quantum of the material prepayments.

Prepayments included tenement rents for \$150k and environmental fees for \$245k.

4. In response to question 6 of the Query Letter concerning the nature of CTO's current liabilities, CTO referenced among other things 'accounts payable' and 'accrued liabilities'. Please provide details of the quantum and nature of any material items classified as 'accounts payable' and accrued liabilities.

Accounts payable included rates for \$334k, cartage for \$297k, permit fees for \$257k and accounting fees for \$219k.

5. In response to question 7 of the Query Letter concerning the level of CTO's operations, CTO stated at paragraph 'i.' "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". Does CTO currently have any upcoming planned drilling or other exploration work which it expects to increase its resources and reserves?

Yes

6. If the answer to question 5 above is "yes", please provide specific details of the nature and timing of those exploration plans.

The long-term goal of exploration is to ultimately define resources and reserves that will form the basis of a mine. Drilling is the culmination of an iterative exploration process that progresses through a sequence of increasing knowledge of a project, usually commencing with a collation and review of existing previous exploration data, interpretation of existing geophysical public file data, satellite and remote-sensing imagery, structural interpretation and mapping, then new stream sediment sampling, followed by soil and rock chip sampling and new geophysical surveys. The previous data is constantly reviewed and may be reinterpreted in the light of new information in the iterative process of reviewing data to advance a project. These surveys and data interpretations are used to define drill targets. Drilling maybe the end result of prior exploration.

Exploration drilling to date of over 350,000 metres in 3,200 holes has defined a Probable Ore Reserve of 620,000 ounces (19,000 kilograms) of gold (2,500,000 tonnes at 7.7 grams per tonne gold at a cut-off grade of 4 g/t Au), and the Inferred Mineral Resources are 14 million ounces of gold (32 million tonnes at 14 grams per tonne gold at a cut-off grade of 3 g/t Au) (ASX release dated 8 December 2020).

Citigold is currently exploring an area of approximately 190 km² comprising Exploration Permits Minerals (EPMs) and Mineral Development Licences (MDLs). Included within this area are 30 Mining Leases (MLs). Exploration prior to 2018 was conducted piecemeal following a range of exploration models proposed by different exploration managers from 1998. Around 2018, a decision was made to collate all data and re-assess areas deemed to have been under-explored or missed altogether. It was clear that substantial areas were under-explored and a decision was made to commence new exploration from scratch over the whole project area using the process sequence detailed above.

Current exploration is in the active soil sampling and rock chip sampling phase. When this is completed, new geophysical surveys will be undertaken to further focus on prospective areas identified by soil and rock chip results, using the proprietary atomic dielectric resonance technique uniquely developed by a geophysical company which is based overseas. This company is not currently operating in Queensland and surveys cannot be undertaken until it resumes Queensland operations. The technique has been previously successfully used, and data interpretation refined, by Citigold, and found to be the most useful technique for detecting sulphide mineralisation associated with gold in the narrow quartz veins of the Charters Towers goldfield. Using this technique minimises the drilling of barren holes and increases the strike rate of successful drilling.

*As stated in the 2020 Mineral Resource and Ore Reserve report (released 8 December 2020), the patchy distribution of the disseminated gold mineralisation and absence of large cohesive mineralised shoots at Charters Towers down to 1,000 metres depth makes drilling a risky and expensive procedure. It has demonstrated a low success rate with conventional target selection at Charters Towers of less than 1 in 7. Citigold regards it to be unwise and imprudent to commence drilling without first implementing this geophysical survey method. As exploration and interpretation are ongoing and unfinished, a commencement date cannot be defined at this time. Current exploration is in the active soil sampling and rock chip sampling phase of an ongoing program, including regular reviews and reinterpretation of current data, aimed at leading to geophysical surveys, and exploration is proceeding at a prudent rate. **It is fair to say that Citigold has been and is a very successful explorer.***

7. If the answer to question 5 above is “no”, please explain the basis for CTO’s apparent view that its current (not past) exploration activities constitute a level of operations sufficient to warrant the continued quotation of CTO’s securities as a mineral explorer.

N/A

8. In response to question 7 of the Query Letter concerning the level of CTO’s operations, CTO referred at paragraph ‘v.’ to plans outlined in its 2022 Annual Report (released to ASX on 24 August 2022) for:
- “Designing out previous constraints and improving efficiencies
 - Minimising our environmental footprint in harmony with the local community
 - Designing an ultra-low-cost mine

-
- Safety driven by removing personnel from hazardous areas
 - Technology centred with robotics and automation”

For each of the above stated objectives, please provide specific details of the progress CTO has made and the activities undertaken in pursuing the relevant objective since the release of its 2022 Annual Report.

a. Designing out previous constraints and improving efficiencies.

CTO has responded to issues observed during test mining by completely redesigning its method of accessing the various ore zones across the goldfield. The current mining plan is to access ore in the Central Area across a strike length of over 5 kilometres. These areas will be accessed using a “novel” twin decline system, that is being developed completely in-house. This system appears to improve (among other things):

- *development rate,*
- *ventilation,*
- *ore and waste haulage costs,*
- *personnel safety.*

b. Minimising our environmental footprint in harmony with the local community.

The new proposed mine plan will result in less impact on the local community. Previously, the plan included the creation of a number of ventilation and emergency egress facilities across the goldfield, most of which would be directly in the town of Charters Towers. The new mine plan utilizing a twin decline access system eliminates the need for these openings.

Additionally, the current mine plan includes the excavation of a new production decline which brings the surface opening portal to the far east of the town, instead of the current access point in the town at Nagle Street. Activities in the current portal at Nagle Street will then be dramatically reduced, hence positively impacting the local community, when the new eastern opening is commissioned.

The new mining system will effectively replace diesel-powered equipment with battery power packs, hydrogen, or other alternative engines. The impact of this is that a significant reduction of diesel fumes exhausted to the local airspace will be achieved.

Our Central Mine is conveniently located near the township, allowing our workforce to reside nearby with their families. As a result, we are exploring alternative roster options beyond the typical 12/12 mining roster. We believe this will be more family-friendly and enhance worker safety.

c. Designing an ultra-low-cost mine.

In creating a new mine plan CTO has focussed on matters which reduce the estimated operating cost of future ore mining and processing. Areas where cost reductions have been found include:

- *Backfilling completed production stopes with development waste rather than bringing waste to the surface, (as was done during test mining).*
 - *Removing the need to reticulate compressed air underground by careful selection of mining equipment.*
 - *Reducing haulage costs by utilizing a unique conveyor belt system for selected haulage paths.*
 - *The face area of the twin decline system is circa 18% less than a conventional single large decline, resulting in lower development costs.*
 - *It is planned to include ore sorting equipment in the new processing plant which very quickly reduces the tonnage of ore material in the plant, leading to lower processing costs.*
-

d. Safety driven by removing personnel from hazardous areas.

In the process of recent and ongoing mine planning activities, CTO has redesigned its proposed ore stoping method to increase the safety of personnel working underground. Previously during test mining, CTO operated a conventional “top down” stoping method, where miners worked in or around the stopped void. CTO has redesigned its system to a “bottom up” method utilising back filled void. This will significantly improve the safety of workers.

e. Technology centred with robotics and automation.

CTO is working to include the latest technologies into its future operating environment. This is demonstrated by a system being discussed to provide continuous tracking of personnel and equipment in the mine.

Below is an extract from the project’s scoping concept.

The location of personnel within an underground mine is a key component of the mine’s Safety Management System. This task is currently performed by the person being in regular contact with their supervisor, directly or via a digital or analogue radio network.

*The project will create a **high-level coordination system** that collects and distributes data from mining equipment, personnel, and devices. It will control communications, video, data, and reports.*

The system will be modularised, multiplatform, multilingual (English, Chinese), and will use a voice interface for user interaction through handheld devices. As new opportunities arise the system would be expanded.

The system could be customised by licensees through some sort of scripting language.

A network of hard-wired (fibre) nodes and high-accuracy Wi-Fi nodes will be distributed throughout the underground environment.

One of the first modules to be developed would be AI enabled sensors to: identify, locate, and tag user’s devices when underground.

It is proposed that much more underground equipment will be operated remotely. This will include remotely operated LHD loaders, automated development and production drills, cable bolters, and blast hole loading equipment. The concreting of the current Central decline floor is currently being considered in support of the automation of the mine.

Discussions are ongoing with an existing supplier of mine ventilation equipment to provide an automated “smart” ventilation control system which will adjust the amount of air underground depending on immediate needs. This will result in significant power cost savings.

CTO has already identified an experienced international automation team and initial commercial discussions have already commenced and are ongoing.

The above activities are ongoing.

9. Please confirm that CTO’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CTO with delegated authority from the board to respond to ASX on disclosure matters.

CTO confirms that CTO’s response to the questions above has been authorised and approved by an officer of CTO with delegated authority from the Board to respond to ASX on disclosure matters.

We trust that the above addresses all the ASX's questions.

Yours sincerely

Niall Nand

Company Secretary

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

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