

ANNOUNCEMENT

**Australia - ASX
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3 September 2007

Citigold Drilling 2,000 metres Deep

Citigold Corporation Limited (CTO) is proud to announce that the Government of Queensland, acting through the Department of Mines and Energy (DME), is supporting the drilling of the deepest gold exploration hole ever drilled at Charters Towers. The 2,000 metre deep hole will test for both extensions and repetitions of classic high grade Charters Towers gold mineralisation.

The Charters Towers Deeps Project has been successful in qualifying for full funding (\$150,000) from the State under Round 1 of the Collaborative Drilling Initiative of the Smart Mining – Future Prosperity Program.

The selection of Citigold's Charters Towers gold project was followed a detailed technical assessment by the Department of Mines. The successful assessment acknowledges the high quality of the exploration target and the technical competencies of Citigold's exploration team. The government aims to stimulate the discovery of a new generation of mineral resources by drilling new exploration concepts with economic and technical merit that expand exploration into under-explored areas of Queensland.

The hole will be drilled on Citigold's Exploration Permit Minerals (EPM) 15964 on the north eastern edge of the City. Citigold's adjacent Mining Leases cover much of the up dip extension of the reef system that is targeted by the 2,000 metre hole.



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The previous deepest hole drilled at Charters Towers was 1,270 metres deep and it intersected the targeted gold reef. Recent studies lead to the conclusion that the gold bearing structures may extend to 3,000 metres deep.

Successful results from the deep hole are likely to stimulate major investment to facilitate the exploration and development of the deep levels of the Charters Towers City gold deposits.

It is expected that the drilling will be carried out using one of Citigold's two powerful Diamec U8 APC computer-automated electric hydraulic diamond core drill rigs. It is expected that drilling will commence in early 2008.

Citigold is currently producing gold from the Warrior vein system located on a nearby and similar sub-parallel east-west structure and is expanding gold production.

The Company has already defined a 10 million ounce gold resource at Charters Towers (23 million tonnes @ 14 g/t of gold as inferred mineral resource), the largest in Queensland and one of the largest in Australia. The planned deep hole targets extensions and deeper areas below the existing gold resource and therefore a successful hole could materially increase the gold resources.



Mark Lynch
Managing Director/CEO
Citigold Corporation Limited

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 and the Australian Institute of Geoscientists. Mr Towsey is a geologist and employed by CTO as Chief Operating Officer. 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 Identified Mineral Resources and Ore Reserves. 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.

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 subjected 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.
