

18 October 2007

Dear Shareholder,

Citigold Corporation Limited ("Citigold") is pleased to advise shareholders of our regular October 2007 Share Purchase Plan ("SPP").

The funds raised from this plan are to be used to assist further expansion of gold production at Warrior, towards its goal of 100,000 ounces per annum. The recently released financial statements continue to show that Citigold has been successful at increasing shareholder value with audited assets well in excess of paid up capital.

This capital raising represents a unique opportunity to participate in the growth of the company. While past performance is no indication of future performance, the share price of all previous SPP's issued by Citigold has increased. The five year weighted average gain being 84% per annum return on investment, provided you invested A\$2,500 in each of the SPP's issued by Citigold since 2002.

The purchase price of \$0.39 per share represents a discount to the recent share price and is **only available to eligible Shareholders**. We are also offering one (1) **free bonus loyalty share** for every twenty (20) shares purchased. The minimum investment size is **\$1,000** per investor. The maximum value of shares that can be subscribed for is \$5,000 in any 1 year period. Below are five preferred choices:

Option A	12,821 shares	\$5,000	+	641 free loyalty shares	=	13,462 shares
Option B	10,257 shares	\$4,000	+	513 free loyalty shares	=	10,770 shares
Option C	7,693 shares	\$3,000	+	385 free loyalty shares	=	8,078 shares
Option D	5,129 shares	\$2,000	+	256 free loyalty shares	=	5,385 shares
Option E	2,565 shares	\$1,000	+	128 free loyalty shares	=	2,693 shares

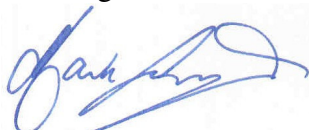
For further important information please read the reverse side of this page and the terms and conditions set out in the Application Form. You do not have to apply for shares.

This **offer closes on Monday 12 November 2007**. Shareholders who participated in the April 2007 Plan can take up further shares in this Plan up to a total of \$5,000 for the combined offers. The shares will be allotted after the offer closes. To subscribe complete the Application Form (Payment can be made by cheque or Visa/Mastercard) and return in the prepaid envelope.

If you have any questions about participating in the SPP, please do not hesitate to contact Citigold's corporate office on (07) 3870 8000.

Thank you for your continued support.

Kind regards.



Mark Lynch
Managing Director

Who is eligible to participate in the share purchase plan (SPP)?

You are an **Eligible Shareholder** and able to apply for shares under the SPP if you are a person or entity:

- who is registered as a holder at 5:00pm on 12 October 2007 (the **Record Date**); and
- you did not subscribe for the maximum \$5,000 amount in the April 2007 Plan, and
- have a registered address in Australia or New Zealand; .

Important: Due to regulatory restrictions if a trustee or nominee company holds shares on your behalf you may not apply for shares on under the SPP unless the trustee or nominee is expressly noted on the register as holding Shares on your account.

Issue price

The subscription price under this October 2007 SPP (**Plan**) has been set at \$0.39 per share plus 1 free bonus loyalty share for every 20 shares applied for. This represents a discount to the market price of Citigold Corporation Limited (**Citigold**) on 12 October 2007. The market price of the shares may rise or fall between the date of this offer and the date when the shares are allotted under the SPP. Therefore, the value of the shares you receive on the allotment date may be more or less than the price paid for the shares. The current share price can be obtained from the Australian Securities Exchange (ASX) and is listed in the financial or business section of major daily newspapers circulating in Australia. Shareholders should consider obtaining their own independent financial and taxation advice before making a decision to acquire shares under the SPP.

How much can you invest under this Plan?

The amount Eligible Shareholders may invest under the SPP is limited. Eligible Shareholders may, regardless of the number of shares they held in Citigold on the Record Date, subscribe for a parcel of ordinary shares in Citigold to the value of A\$5,000 in any twelve month period.

When does the offer close?

Offer closes at 5pm on **Monday 12 November 2007**.

How do you apply for shares in this offer?

Before applying under this offer, **carefully read this letter and terms of the Plan attached**, and then complete the enclosed coloured **APPLICATION FORM**.

- tick the box beside the number of shares you want to buy. **Tick only one box.**
- complete payment section – cheque payable to “Citigold Corporation Share Purchase Plan” **OR** complete and **SIGN** the credit card section (Visa or Mastercard only).
- write your daytime telephone number - in case we need to contact you.
- send your application form and payment (allowing enough time for mail delivery) so that Citigold receives them in Brisbane by no later than 5.00pm on Monday 12 November 2007 or fax to (07) 3870 8111
- you **DO NOT** need to sign the application form.
- Application Forms received after the closing date will not be processed.
- Cheques may be processed on the day of receipt and as such sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your SPP Form being rejected. Cash will not be accepted. Receipt of payment will not be forwarded.
- For further information contact Citigold Shareholder enquiries on **07 3870 8000**

Can you be certain that your application will be successful?

If Citigold receives applications for shares pursuant to the Plan which if issued would in total exceed the limit of new issues under share purchase plans as set out in ASX Listing Rule 7.1, then the Company will allot to applicants the maximum number of shares permitted under Listing Rule 7.1 **on a first come first served basis**. The Company may seek shareholder approval to be permitted to allot shares in relation to excess applications received, unless an appropriate waiver is obtained from ASX.

Can you transfer your offer to a third party?

The offer is optional and non-renounceable. Rights to participate in the SPP cannot be transferred to a third party.

What rights will the shares carry?

Shares will rank equally with existing fully paid ordinary shares in Citigold Corporation Limited.

What costs will you incur through participating in the SPP?

No brokerage, commissions or other transaction costs will be payable by Eligible Shareholders in respect of the application for, and issue of shares under, the SPP.

APPLICATION FORM

OCTOBER 2007 Share Purchase Plan



Shareholder Name
 Company
 A/C Designation
 Address
 Address 2
 SUBURB STATE P/C
 COUNTRY

I/We wish to apply for the number of shares as indicated below in accordance with the terms and conditions of the **Citigold Corporation Limited ACN 060 397 177** (Citigold) October 2007 Share Purchase Plan and agree to be bound by the constitution of Citigold in respect of such shares issued to me/us.

Please
'X' one
option box
only

	Preferred Option	Cost	Free Shares	Total allocation
<input type="checkbox"/>	Option A 12,821 shares	\$5,000	+ 641 free loyalty shares =	13,462 shares
<input type="checkbox"/>	Option B 10,257 shares	\$4,000	+ 513 free loyalty shares =	10,770 shares
<input type="checkbox"/>	Option C 7,693 shares	\$3,000	+ 385 free loyalty shares =	8,078 shares
<input type="checkbox"/>	Option D 5,129 shares	\$2,000	+ 256 free loyalty shares =	5,385 shares
<input type="checkbox"/>	Option E 2,565 shares	\$1,000	+ 128 free loyalty shares =	2,693 shares

THE RETURN OF THIS DOCUMENT WITH YOUR PAYMENT WILL CONSTITUTE:

- your application for shares under the terms of the Citigold October 2007 share purchase plan;
- your acceptance of the terms outlined in the section of the Terms and Conditions (on the reverse of this form) titled "Declaration & Acknowledgement", that the aggregate of the application price for the shares subject of this application (and any other shares or interest in shares) applied for by the holder under this October 2007 SPP does not exceed \$5,000 including shares applied for under the April 2007 SPP.

METHOD OF PAYMENT ('X' appropriate box)

Cheque – please make cheque payable to **Citigold Corporation Share Purchase Plan**.

Drawer:	Cheque Number:	BSB Number:	Account Number:	Amount \$A: \$
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Credit Card – please complete the following details (Visa and Mastercard only)

Cardholder's Name:		Card Number: _____		
Amount \$A: \$	Card Type:	Expiry Date: __ / __	Signature:	

Receipts for credit card payment will not be issued. Cash payment will not be accepted. The completed form should be forwarded together with your payment in the enclosed reply envelope, and **must reach Citigold in Brisbane – OFFER CLOSES 5pm on Monday 12th November 2007.**

Postal Address: Citigold Corporation Limited PO Box 1909 MILTON QLD 4064 Australia	Delivery:	Citigold Corporation Limited 5a/19 Lang Parade MILTON QLD 4064
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If you are unsure of how to complete this application form, please contact

Brisbane Office: Shareholder enquiries
Phone 07 3870 8000 (fax 07 3870 8111)

Please note that if the company receives applications for shares pursuant to the Citigold October 2007 share purchase plan which will cause it to exceed the limit of new issues under share purchase plans as set out in Australian Securities Exchange (ASX) Listing Rule 7.1, then the company will allot to applicants the maximum number of shares permitted under Listing Rule 7.1, on a **first come first served basis**. The Company may seek shareholder approval to be permitted to allot shares in relation to excess applications received, unless an appropriate waiver is obtained from ASX.

OCTOBER 2007 SHARE PURCHASE PLAN TERMS AND CONDITIONS



Participation in the Plan

Participation in the Citigold Corporation Limited October 2007 Share Purchase Plan ("**Plan**") is open to all shareholders who, subject to the paragraph below, as at the close of business on 12 October 2007, are registered as holders of fully paid ordinary shares ("**Shares**") in Citigold Corporation Limited ("**Company**") and whose registered address is in Australia, New Zealand or any other jurisdiction as determined by the directors of the Company from time to time ("**Eligible Shareholders**"). If an offer is made to a shareholder in a jurisdiction outside Australia or New Zealand which would breach the laws of that jurisdiction, the offer is sent for information purposes only and may not be accepted.

Where a shareholder is expressly noted on the Company's register of members as a trustee or nominee on account of another person ("**Beneficiary**") the Beneficiary will be deemed to be the Eligible Shareholder and an acceptance of the offer and subsequent issue of Shares will be deemed to be made by or to the Beneficiary.

Participation in an offer made pursuant to the Plan is optional and is subject to these terms and conditions, the application form and the terms and conditions set out in the letter of offer to shareholders to which these terms and conditions are attached (together the "**Plan Documents**").

Offers non-renounceable

Offers made under the Plan are non-renounceable. This means rights to purchase Shares under this offer cannot be transferred to another person.

Investment in the Offer

If you are an Eligible Shareholder you can elect to participate in the offer by selecting one of the following four options:

- Option A** 12,821 shares \$5,000+ 641 free loyalty shares = 13,462 shares
- Option B** 10,257 shares \$4,000+ 513 free loyalty shares = 10,770 shares
- Option C** 7,693 shares \$3,000+ 385 free loyalty shares = 8,078 shares
- Option D** 5,129 shares \$2,000+ 256 free loyalty shares = 5,385 shares
- Option E** 2,565 shares \$1,000+ 128 free loyalty shares = 2,693 shares

HOWEVER if an Eligible Shareholder participated in the Company's Share Purchase Plan in April 2007 ("**April 2007 SPP**"), the number of Shares that can be applied for under this Plan is limited to the number of Shares determined by the following equation:-

Shares = 5,000 less dollar amount subscribed under the April 2007 SPP 0.39

The maximum amount which can be applied for under this offer applies even if an Eligible Shareholder receives more than one offer or receives the offer as a joint holder of shares. If an offer is received by a shareholder who is expressly noted on the Company's register of members as a trustee or nominee on account of a Beneficiary, then any Shares issued in relation to that offer will not be included in calculating the maximum number of shares that may be applied for by that shareholder, but will be included in calculating the maximum number of Shares that can be applied for by the Beneficiary.

Acceptance and Payment

To accept an offer, a correctly completed application form together with the appropriate payment as set out in the Plan Documents must be sent so as to reach the Company's registered office in **Brisbane by 5 pm on 12th November 2007**.

If the payment received from the Eligible Shareholder is not for the exact amount required to buy the number of Shares the Eligible Shareholder elected to purchase under the Plan, the Company reserves the right not to accept the payment. In these circumstances, the Company will return the

Eligible Shareholder's application form and cheque or refund any other payment. If the Company does that, those Shares will not be issued to the Eligible Shareholder.

Allotment

Shares will be allotted under the Plan as soon as practicable after the closing date for the offer.

Shares allotted under the Plan will rank equally in all respects with existing fully paid ordinary shares in the Company and therefore will carry the same voting rights, dividend rights and other entitlements.

A holding statement (or other applicable evidence of title) will be issued in respect of Shares allotted under the Plan by Computershare.

The Company will apply for Shares allotted under the Plan to be quoted on the Australian Securities Exchange Limited.

Other costs of participation

No brokerage, commission, stamp duty or other transaction costs (as applicable) will be payable by shareholders in respect of the application for, and allotment of, Shares under the Plan.

Shareholders resident in countries other than Australia who are eligible to participate in the Plan are responsible for obtaining any approvals from the relevant authorities for the acceptance of, and payment for, the offer.

Modification of the Plan

The directors of the Company may resolve to change the terms and conditions of this Plan from time to time. The Company reserves the right to issue fewer Shares than an Eligible Shareholder applied for under the Plan (or none at all) if it believes that the allotment of those Shares would contravene any law or rules of any stock exchange on which the Company Shares are listed.

Dispute Resolution

The Company may settle in any manner it thinks fit any disputes or other matters which may arise in connection with the Plan, whether generally or in relation to any particular participant, application or share. The decision of the Company shall be conclusive and binding on all participating shareholders and other persons to whom the determination relates.

The Company reserves the right to waive compliance with any provision of these terms and conditions

Declaration & Acknowledgment

By forwarding and completing this application form, each shareholder:

- (a) acknowledges that he/she has read and understood the terms and conditions of the Plan;
- (b) certifies that (except where shares are held as trustee or nominee on account of a beneficiary which is expressly noted on the Company's register of members) the aggregate of the application price for:
 - (i) the shares or interests the subject of the application; and
 - (ii) any other shares or interests in the class applied for by, or on behalf of, the shareholder under the Plan or any similar plan operated by the Company in the 12 months prior to the application, does not exceed A\$5,000; and
- (c) certifies that (where shares are held as trustee or nominee on account of a beneficiary which is expressly noted on the Company's register of members ('Beneficiary')) the aggregate of the application price for:
 - (i) the shares or interests the subject of the application; and
 - (ii) any other shares or interests in the class applied for by, or on behalf of, the Beneficiary under the Plan or any similar plan in the 12 months prior to the application, does not exceed A\$5,000.