

ANNOUNCEMENT

Dubai Group to acquire up to 18% of Citigold

21 September 2008: Brisbane, Australia – Citigold Corporation Limited (Citigold) (ASX:CTO, DIFX:CTO, FSE:CHP) is pleased to announce a capital raising deal with Dubai Group to underpin the expansion of its Charters Towers gold mining operations.

Dubai Group, the leading diversified financial services company of Dubai Holding, through its subsidiary Dubai Ventures Group Limited, intends to acquire up to an 18% stake in Citigold for A\$ 35 million.

The capital raising will raise up to A\$35 million through a staged securities placement to Dubai Group. Initially a placement of 50 million shares at A\$ 0.20 per share (A\$10 Million) will be carried out followed by a Convertible Loan at a 9% p.a. interest rate that is convertible into shares of the Company at A\$ 0.26 per share within a 2.5 year term (A\$15 Million), and options to acquire Citigold shares exercisable at A\$ 0.26 per share within 2.5 years (A\$10 Million).

Commenting on the deal, Abdulhakeem Kamkar, CEO of Dubai Ventures Group stated, "This transaction reflects our long-term view on gold and Citigold's ability to enhance shareholder value by ramping up production to 250,000 ounces per annum by 2011. We are delighted to add Citigold to our portfolio and complete our first deal in Australia."

"Gold, like oil, continues to play a significant role in the global economy as a fundamental backbone of the financial services sector and a key safe haven commodity. We believe Citigold provides us an opportunity to tap into a potentially lucrative niche segment in the commodities sector, which we look forward to exploring together."

Through this capital raising Citigold has reached an important milestone in terms of securing long term funding for the development of the Charters Towers goldfield. This capital injection is expected to add significant strength to its production capabilities and thereby boost gold production in future years.



Representatives of Dubai Ventures Group at Charters Towers inspecting the underground gold mining operations.

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Mr. Mark Lynch, Managing Director and C.E.O. of Citigold said "Citigold welcomes Dubai Ventures Group onto its share register and its investment in the Company endorses the long term value and potential of Citigold and its 10 million ounce gold deposit at Charters Towers".

Citigold's global vision includes a long term strategy centred around the world's largest physical gold trading centre of Dubai. This strategy resulted in the listing of Citigold shares on the Dubai stock exchange in early 2007.

In accordance with the requirements of the Australian Stock Exchange Listing Rules a meeting of Citigold shareholders will be held to seek any necessary approvals for the capital raising. The meeting is planned for Tuesday 28th October 2008 in Brisbane and the formal notice of meeting and documentation will be forwarded to shareholders.

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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.*

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.*