Quarterly Activities Report
30 September 2003

HIGHLIGHTS

- Takeover bid for Great Mines
- Warrior Gold Mine development approaching
- Federal Treasurer launches Dubai gold operations
- Evolution to CitiGold Corporation
- Overseas share listing being considered

The Quarter was an exciting period where we continued to build the Company’s base for expansion and development into an integrated gold corporation. A part of this evolution is the proposal to shorten the company name to CitiGold Corporation.

The Company has a very substantial gold asset at Charters Towers and we are keen to increase worldwide investor access to this information. Therefore as the gold operations at Charters Towers expand we will expand communication with the Australian and international investment community.

Takeover Bid For Great Mines Limited

Charters Towers Gold Mines Limited (‘CTO’ -- ASX code) announced a takeover offer in August for Great Mines Limited (GM), a public unlisted company. The offer will be 2 (two) shares in Charters Towers Gold for every 3 (three) Great Mines shares on issue. GM is an established gold explorer and the largest shareholder in CTO.

Great Mines is the owner of the last few mineral tenements in the central area of the Charters Towers goldfield that CTO does not currently own. By obtaining GM and its mineral tenements CTO will achieve 100% ownership of the total goldfield. It is anticipated that GM and its subsidiaries will be absorbed into CTO under its management and control, if the bid is successful. GM was a founding shareholder in CTO.

Charters Towers Gold Mines has about 327 million shares on issue and Great Mines has about 110 million shares on issue. Full details of the offer are set out in the formal offer document (Bidder’s Statement) being sent to all Great Mines shareholders. The takeover of GM will be subject to approval by CTO’s shareholders.

This is a strategic move that will finally place 100% ownership of the rich Charters Towers goldfield in the hands of CTO.
GOLD PRODUCTION PLAN

Warrior Gold Mine

Joint Venture negotiations continue for the joint development of the Warrior and Sunburst gold mines at Charters Towers.

In addition we are actively pursuing acceleration of the Warrior Gold Mine development. Currently the open pit is being successfully dewatered below the planned underground decline portal location. In the near term this will allow us to expand into the major site works.

Mine planning design work on the Decline path, ventilation requirements and other infrastructure are continuing.

Brilliant Gold Reef Project (BGRP)

Preparation is continuing on a new public offer, which was due to be released this quarter. Documentation is still in progress and in its current form, is dependent on feedback from the Australia Tax office. This offer may be available before the end of the December quarter. Completion of a successful public raising would see the third mine under the Gold Production Plan, the Brilliant Mine, move into gold production after the Warrior and adjacent Sunburst Mine.

Joint Venture and other funding negotiations continued with major investment parties and contractual terms are being clarified. We expect to make a further announcement about these negotiations in the near future.

EXPLORATION

Regional Exploration

Infill geochemical soil sampling was undertaken about 5 km south and southeast of Charters Towers city over the Santiago South, Pinnacle, Scandinavian, Mabel Jane West, Caroline, GSQ183687, Mt Cenis, Merrie Monarch, Monarch Creek and Black Jack deposits. Anomalous gold values of 3.8 g/t were detected near GSQ183687 and 2.2 g/t near Scandanavian.

Rock chip sampling was conducted on EPMs 10593, 10861, 13106, 13931, 8150 and 8564. Significant samples returned 9 g/t Au at the Scandinavian deposit, 4 g/t at the GSQ183687 prospect, 46 g/t from the GSQ 112657 prospect (3km SSW of Beary Creek West), 12.7 g/t on the Black Jack-Scandinavian trend, 63 g/t and 54 g/t from the Beary Creek West deposit and 15.2 g/t at the Warrior deposit. Nine samples at Beary Creek exceeded 12 g/t.

Mapping on the Warrior east area (where the Warrior Gold mine will commence underground gold production) has confirmed the continuity of the lode structure over one kilometre between the Washington pit (decline portal) and the Warrior east deposit. This opens up the potential for additional gold to be mined as part of this operation.

Mineral Resources

Mineral Resource estimates were completed for the Annual Report, and a special report prepared covering the Great Mines Ltd leases as part of the takeover bid. Part of the Resource was moved to Ore Reserves following economic evaluation and mine design work for the Warrior East mine.
At September 30 2003 the total Mineral Resource was 3.7 million tonnes at 8.4 g/t Au containing one million ounces of gold in 26 separate geological entities. Contained within this Resource are:

<table>
<thead>
<tr>
<th>Classification</th>
<th>Tonnes</th>
<th>Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Probable Ore Reserve</td>
<td>126 000 t</td>
<td>6.6 g/t Au</td>
</tr>
<tr>
<td>Indicated Mineral Resources (underground)</td>
<td>224 000 t</td>
<td>7.5 g/t Au</td>
</tr>
<tr>
<td>(includes Probable Ore Reserve)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicated Mineral Resource (open pit)</td>
<td>95 000 t</td>
<td>3.6 g/t Au</td>
</tr>
<tr>
<td>Inferred Mineral Resource</td>
<td>3.4 million t</td>
<td>8.6 g/t Au</td>
</tr>
<tr>
<td>Contained Gold</td>
<td>1 million ounces</td>
<td></td>
</tr>
</tbody>
</table>

**Significant changes** from June 30 2002 include:
- Indicator kriging remodelling of E3 (Warrior East) and reclassification of Mineral Resources to Ore Reserves following mine design and economic evaluation
- Inclusion of leases formerly held under agreement
- Identification of two new ore bodies, C24 (Brilliant Deeps Footwall) following deep diamond drilling on the Brilliant Gold Reef Project, and E5 (Washington South)
- Recalculation of resources associated with the Brilliant and Sunburst areas following deep diamond drilling on the Brilliant Gold Reef Project
- Removal of Tailings resources following economic re-evaluation.

The mineral resource database includes 154 km of drilling (2271 holes) comprising 277 diamond-core holes (37 903m), 1234 RC holes (101 058m) and 760 other non-core holes (14 943m). The database also includes 936 mine face samples and 2439m of coretans. Details of other estimation criteria were published in the 1999 and 2000 Annual Reports.

**HEALTH, SAFETY AND ENVIRONMENT**

The company had another successful Quarter, with no serious incidents, Disabling or Lost Time Injuries reported and no reportable environmental incidents. Induction training was revised in the lead-up to the commencement of operations at Warrior Gold Mine.

The company manages its OHS & E risk with the NOSA Five Star integrated risk management system developed by the National Occupational Safety Association.

**CORPORATE**

**Federal Treasurer Launches Dubai Gold Operations**

The Honourable Peter Costello MP, Treasurer for the Commonwealth of Australia, formally launched Charters Towers Gold Mines Limited's operations at a ceremony held in Dubai in September. This unique move by an Australian mining company of establishing a presence in the Middle East will complete the commercial supply chain in the city. It will enhance Dubai's image as a premier gold trading centre and afford the city a greater control of the world gold markets.

The Hon. Peter Costello said, “Gold and mining is an integral part of the Australia’s trade and constitutes a large part of the economy. I also applaud Charters Towers’ foresight in setting up a presence in Dubai to further strengthen the trade between the two countries.” World Gold Council Marketing Manager Manisha McLeod said, “We congratulate Charters Towers in taking the initiative of coming to the City of Gold and we encourage their contribution to the promotion of gold in this region”. Austrade has provided valuable support and contribution to the company’s establishment of its operations in Dubai. Charters Towers Gold established the office at the Gold and Diamond Park to facilitate trade enquiries and gold investment opportunities.
Evolution to CitiGold Corporation

Charters Towers Gold Mines Limited (CTGM) proposes to change its name to Citigold Corporation Limited (CitiGold). The name change is subject to shareholder approval at the Annual General Meeting to be held on 28th November in Sydney. The new shorter name of Citigold was chosen to encompass both our unique heritage, the 'CT' of Charters Towers and reflect the dynamic international gold strategy. This strategic evolution will broaden the company’s appeal to international investors. The timing is coincidental with the market’s renewed interest in gold and our 10 year anniversary as a listed company.

Overseas share listing being considered

The Company is investigating listing its shares on an overseas Stock Exchange. The Company has a very substantial gold asset at Charters Towers and we are keen to increase worldwide investor access to this information.

International investor access has the potential to further promote growth in the share price.

BACKGROUND

Charters Towers Gold is a dynamic growing company developing a major, high grade mining project on Australia’s richest major goldfield. The Charters Towers goldfield is located about 1,000 kilometres north of Queensland’s capital, Brisbane. The Gold Production Plan targets gold production of 250,000 ounces per year based around the goldfields potential of 15 million ounces. To date CTGM has invested A$50 million redeveloping Australia’s richest major goldfield.

Internet, Email and Fax - As more and more people connect to the internet, increasing numbers of CTGM shareholders are accessing the excellent and informative www.ctgold.com.au web site for information. Also shareholders have been advising us of their email address so that they can receive regular updates. For shareholders who prefer advice by facsimile, we welcome you advising us of your fax number so we can forward the latest information.

Roslynn Shand
Company Secretary
31 October 2003

Charters Towers Gold Mines Limited ACN 060 397 177
19 Lang Parade, MILTON Q 4064 PO Box 1909 MILTON Q 4064
ph +61 7 3870 8000 fax +61 7 3870 8111
email: info@ctgold.com.au
web: www.ctgold.com.au

The following statements apply in respect of the information in this report that relates to Exploration Results and Mineral Resources:

- The information is based on, and accurately reflects, information compiled by Mr Christopher Alan John Towney, who is a Corporate Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists.
- Christopher Alan John Towney is employed by CTGM as General Manager, Mining and Exploration.
- Christopher Alan John Towney has 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 Towney 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.