ANNOUNCEMENT

Citigold receives $10 million placement from LionGold

28 June 2012: Brisbane, Australia – Citigold Corporation Limited (Citigold) (ASX:CTO, FSE:CHP) is pleased to advise that it has reached agreement with LionGold Corp Ltd (SGX: Code: A78) (“LionGold) to invest $10 million into Citigold.

Highlights

- Placement of 125,000,000 new Citigold shares at 8 cents per share, representing a premium of over 30% to the last traded Citigold share price on 27 June 2012, to LionGold, raising $10,000,000
- LionGold is an emerging, diversified gold explorer and producer, with increased financial strength.

LionGold Corp is an SGX-listed investment holding company focussing on gold mining, mine development and exploration.

The company aims to become a global, mid-tier gold producer by 2014, targeting gold minimum gold resources of 10 million ounces, reserves of 3 million ounces and annual production of 120,000 ounces. Management intends to achieve these objectives through acquisitions and organic growth. Acquisition prospects will have scalable resources with scope for rapid enhancement. Targets include mining companies and projects in an advanced stage of development or early stage of production across a range of geographies. The intention behind this selective approach is to unlock asset value while building out the gold business. Further information on LionGold can be found on their website at www.liongoldcorp.com

The placement transaction, which is not subject to any conditions precedent, will see 125 million fully paid ordinary shares issued at 8 cents per share to raise $10 million. The funding will come into Citigold in two $5 million tranches. This will provide LionGold with a 10% stake in Citigold.

The proposed placement of new ordinary shares at 8 cents per share represents a 33% premium to Citigold’s last traded share price on 27 June 2012 of 6 cents per share, a solid endorsement of the underlying upside value LionGold sees in Citigold’s Charters Towers project.
The funds raised will be used for working capital and to advance the development of Citigold’s JORC compliant 11 million ounce Charters Towers gold deposit.

Citigold’s Chairman, Mr John Foley commented: “This is a pleasing development for Citigold and this investment confirms the underlying value and future potential of the Charters Towers Project.

“We are encouraged by the relationship we have forged with LionGold. They bring significant financial strength and a strong team to augment our talented professionals at Charters Towers.”

The parties had been in discussions about a broad transaction and the agreement reached is the placement outlined above.

An appendix 3B and 708A notice are attached.

For further information contact:

Matthew Martin

Company Secretary

Citigold Corporation Limited : telephone +61 7 3834 0000

Or visit the Company’s web site at : www.citigold.com

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 a member of the Australian Institute of Geoscientists. Mr Towsey is a consultant geologist. 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 Exploration Results, 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.
Appendix 3B

New issue announcement,
application for quotation of additional securities
and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.


Name of entity
CITIGOLD CORPORATION LIMITED

ABN
30 060 397 177

We (the entity) give ASX the following information.

Part 1 - All issues
You must complete the relevant sections (attach sheets if there is not enough space).

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Class of *securities issued or to be issued</td>
</tr>
<tr>
<td></td>
<td>Ordinary shares</td>
</tr>
<tr>
<td>2</td>
<td>Number of *securities issued or to be issued (if known) or maximum number which may be issued</td>
</tr>
<tr>
<td></td>
<td>One hundred and twenty five million (125,000,000) shares</td>
</tr>
<tr>
<td>3</td>
<td>Principal terms of the *securities (eg, if options, exercise price and expiry date; if partly paid *securities, the amount outstanding and due dates for payment; if *convertible securities, the conversion price and dates for conversion)</td>
</tr>
<tr>
<td></td>
<td>Ordinary shares</td>
</tr>
</tbody>
</table>

* See chapter 19 for defined terms.
4 Do the *securities rank equally in all respects from the date of allotment with an existing *class of quoted *securities?

Yes

If the additional securities do not rank equally, please state:
- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

5 Issue price or consideration

$0.08

6 Purpose of the issue

Working Capital
(If issued as consideration for the acquisition of assets, clearly identify those assets)

7 Dates of entering *securities into uncertificated holdings or despatch of certificates

28 June 2012

<table>
<thead>
<tr>
<th>Number</th>
<th>*Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,238,622,051</td>
<td>Fully paid ordinary shares</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number</th>
<th>*Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,090,000 options</td>
<td>Options expiring 10 December 2012</td>
</tr>
<tr>
<td>7,997,917 options</td>
<td>Options expiring 28 June 2015</td>
</tr>
</tbody>
</table>

9 Number and *class of all *securities not quoted on ASX (including the securities in clause 2 if applicable)

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

No change in the dividend policy of the Company since the last published accounts.

* See chapter 19 for defined terms.
**Part 2 - Bonus issue or pro rata issue**

<p>| | |</p>
<table>
<thead>
<tr>
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<th></th>
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<tbody>
<tr>
<td>11</td>
<td>Is security holder approval required?</td>
</tr>
<tr>
<td>12</td>
<td>Is the issue renounceable or non-renounceable?</td>
</tr>
<tr>
<td>13</td>
<td>Ratio in which the ‘securities will be offered</td>
</tr>
<tr>
<td>14</td>
<td>+Class of ‘securities to which the offer relates</td>
</tr>
<tr>
<td>15</td>
<td>+Record date to determine entitlements</td>
</tr>
<tr>
<td>16</td>
<td>Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?</td>
</tr>
<tr>
<td>17</td>
<td>Policy for deciding entitlements in relation to fractions</td>
</tr>
<tr>
<td>18</td>
<td>Names of countries in which the entity has ‘security holders who will not be sent new issue documents</td>
</tr>
<tr>
<td></td>
<td>Note: Security holders must be told how their entitlements are to be dealt with.</td>
</tr>
<tr>
<td></td>
<td>Cross reference: rule 7.7.</td>
</tr>
<tr>
<td>19</td>
<td>Closing date for receipt of acceptances or renunciations</td>
</tr>
<tr>
<td>20</td>
<td>Names of any underwriters</td>
</tr>
<tr>
<td>21</td>
<td>Amount of any underwriting fee or commission</td>
</tr>
<tr>
<td>22</td>
<td>Names of any brokers to the issue</td>
</tr>
</tbody>
</table>

* See chapter 19 for defined terms.
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>23</td>
<td>Fee or commission payable to the broker to the issue</td>
</tr>
<tr>
<td>24</td>
<td>Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of “security holders”</td>
</tr>
<tr>
<td>25</td>
<td>If the issue is contingent on “security holders’ approval, the date of the meeting</td>
</tr>
<tr>
<td>26</td>
<td>Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled</td>
</tr>
<tr>
<td>27</td>
<td>If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders</td>
</tr>
<tr>
<td>28</td>
<td>Date rights trading will begin (if applicable)</td>
</tr>
<tr>
<td>29</td>
<td>Date rights trading will end (if applicable)</td>
</tr>
<tr>
<td>30</td>
<td>How do “security holders sell their entitlements in full through a broker?</td>
</tr>
<tr>
<td>31</td>
<td>How do “security holders sell part of their entitlements through a broker and accept for the balance?</td>
</tr>
<tr>
<td>32</td>
<td>How do +security holders dispose of their entitlements (except by sale through a broker)?</td>
</tr>
<tr>
<td>33</td>
<td>+Despatch date</td>
</tr>
</tbody>
</table>

* See chapter 19 for defined terms.
**Part 3 - Quotation of securities**

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

**Entities that have ticked box 34(a)**

**Additional securities forming a new class of securities**

*Tick to indicate you are providing the information or documents*

35 ☐ If the *securities are *equity securities, the names of the 20 largest holders of the additional *securities, and the number and percentage of additional *securities held by those holders

36 ☐ If the *securities are *equity securities, a distribution schedule of the additional *securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37 ☐ A copy of any trust deed for the additional *securities

* See chapter 19 for defined terms.
### Entities that have ticked box 34(b)

38 Number of securities for which *quotation is sought*

39 Class of *securities for which quotation is sought*

40 Do the *securities rank equally in all respects from the date of allotment with an existing *class of quoted *securities?*

If the additional securities do not rank equally, please state:
- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

<table>
<thead>
<tr>
<th>Number</th>
<th>*Class</th>
</tr>
</thead>
</table>

42 Number and *class of all securities quoted on ASX (including the securities in clause 38)*

* See chapter 19 for defined terms.
Quotation agreement

1 Quotation of our additional securities is in ASX’s absolute discretion. ASX may quote the securities on any conditions it decides.

2 We warrant the following to ASX.
   • The issue of the securities to be quoted complies with the law and is not for an illegal purpose.
   • There is no reason why those securities should not be granted quotation.
   • An offer of the securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
     Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
   • Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any securities to be quoted and that no-one has any right to return any securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the securities be quoted.
   • If we are a trust, we warrant that no person has the right to return the securities to be quoted under section 1019B of the Corporations Act at the time that we request that the securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before quotation of the securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: ____________________________ Date: 28 June 2012

(Company Secretary)

Print name: Matthew Martin
SECTION 708A NOTICE

In accordance with section 708A(5)(e) of the Corporations Act 2001 (Corporations Act), Citigold Corporation Limited ("the Company") provides notice to ASX that:

1. The Company has issued 125,000,000 shares (the Placement Shares) without disclosure to investors under Part 6D.2 of the Corporations Act;

2. As at the date of this notice, the Company has complied with:
   a) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
   b) section 674 of the Corporations Act; and

3. As at the date of this notice, there is no information:
   a) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
   b) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
      i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
      ii) the rights and liabilities attaching to the ordinary shares of the Company,

to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in a disclosure document.