

ANNOUNCEMENT

Citigold Raising \$18 million to Fund Growth

31 May 2010: Brisbane, Australia – Citigold Corporation Limited (Citigold) (ASX:CTO, FSE:CHP) is pleased to advise that it is in the final stages of completing a \$18 million capital raising. This capital raising, through RB Capital group of Singapore and Khandwala Securities of India, will be a combination of debt and equity.



The capital raising will be used to fund growth at Citigold's Charters Towers gold project including the Warrior mine.

The capital raising is still being finalised however it is expected to be approximately 50% debt and 50% equity, for which full details will be announced. At this stage in the development of the project the Directors feel a term loan facility has become attractive to the Company. Citigold and management are well known to both groups and, in particular, Khandwala Securities has previously raised substantial capital for the Company.

The development of the Company's substantial gold asset at Charters Towers requires patient capital. The joint venture with Henan Jingu Gold, having recently signed the second stage agreement, is an example of investor foresight to understand what the large gold deposit at Charters Towers can become. The joint venture plans to provide funding, skills and a shared goal of profitable gold production. Citigold's senior geologists believe that, based on current knowledge, the overall Charters Towers gold deposits may show in time to be larger than the current inferred mineral resource of 10 million ounces of gold (23 million tonnes at 14 grams per tonne). Citigold's mineral tenements at Charters Towers total over 600 square kilometres. Developing this large project will require capital, extensive drilling and application of the best technology and practices.

International investor interest in Citigold continues to grow as further evidenced by this next stage funding. Therefore the Company is considering the possibility of a Singapore stock exchange listing to give international shareholders additional access to trade in CTO securities. Singapore is a large and long established, sophisticated financial centre catering to, and easily accessible by, the fast growing Asian economies, especially India and China.

The Company believes that the above capital raisings, coupled with the joint venture strategy, can produce long term growth to the overall Citigold business.

For further information contact:

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Managing Director

Matthew Martin
Company Secretary

STRATEGIC BUSINESS SUMMARY

Citigold Corporation is a gold producer controlling Australia's richest major goldfield at Charters Towers in North Queensland. The high-grade deposit contains a gold resource of 10 million ozs (23 Mt @ 14 g/t) with exceptional growth potential. Gold output planned growth to 300,000 ozs per year with gold production cash costs under A\$350 per oz. (See www.citigold.com for full resources report)

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