ANNOUNCEMENT

Deep Hole Success at Charters Towers

6 November 2008: Brisbane, Australia – Citigold Corporation Limited (Citigold) (ASX:CTO, DIFX:CTO, FSE:CHP) is pleased to announce that the Deep Hole exploration initiative was successful having completed 2,001 metres, and intersecting its prime targets.

Highlights

- Gold mineralisation extended 700 metres vertically to 1,900 metres.
- Continuity of mineralisation confirmed.
- Potential to significantly increase total gold resource.
- Geological model of deep gold structures proven.
- Record depth for Atlas Copco Diamac U8 APC drill.

This is believed to be a world record depth hole drilled with the Atlas Copco U8 APC diamond core drill and the deepest diamond drill hole in northeast Queensland. The 2 kilometres of BQ drill rods in the ground weighed nearly 13 tonnes with this powerful 'mighty midget' drill rig completed the hole and pulled the rods successfully.

The final piece of drill core retrieved by the rig was from 2001.1 metres. The hole was drilled at a steep angle from surface of 78 degrees and stayed remarkably straight.

Citigold Corporation’s Managing Director and CEO Mr Mark Lynch said “The results from the deep hole are awesome and prove beyond doubt that the Charters Towers mineralised system extends to great depths, way beyond the limits previously mined and remains open at depth and to the east”

Since the last update in mid October the hole intersected additional separate mineralised structures of 0.50 metres length at 1,615 and 1,778 metres plus a smaller 0.02 metres at 1,982 metre depth.

The results confirm the presence of gold related alteration and mineralisation and demonstrate that the mineralised structures persist to at least 1,900 m depth on the eastern side of the gold field.
Citigold was fortunate to have the leadership and skill of Mr Jim Morrison, General Manager Exploration for Citigold and the services of one of the regions most experienced drilling managers, Mr Alan Rowe. They and their team ensured the project was executed successfully.

Detailed logging, sampling, assaying, and microscope examination are in progress together with the interpretation of the geological and routine geophysical data obtained.

**CHARTERS TOWERS GOLD DEPOSIT**

Nearly 1,000 metres of the hole was drilled in a monzonite intrusion country rock that was not known to exist in this area or to have been mineralised. The mineralised structures pass through this previously unexpected rock and confirms the fractures, that contain the gold mineralisation, pass through and do not appear to be limited by different host rocks. This is very positive for the future expansion of the current overall 10 million ounce gold inferred resource.

This is a great achievement by the whole drilling and exploration team at Charters Towers. This Deep Hole project has added substantial geological and technical knowledge to the understanding of the huge and unique Charters Towers gold system. The Company and exploration team extend their appreciation for the support given by the Queensland Department of Mines and Energy that made this deep drilling project possible.

**Gold Production and Reserves**

During the drilling of the Deep Hole the main focus for Citigold's Charters Towers mining team remained on the capital works program at the Warrior underground mine to lift gold production.

With the recently announced $35 million capital funding deal with Dubai Group in place the project saw strong growth in the recently reported September Quarter.

The diamond drilling program at Charters Towers will return its full focus towards the use of the drill rigs to expand the gold reserves and mine planning drilling.
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**STRAEGIC 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 targets growing to 300,000 ozs per year with gold production cash costs under A$350 per oz.** (See [www.citigold.com](http://www.citigold.com) for full resources report)

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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.