Market Announcement

5 May 2025

Citigold Corporation Limited (ASX: CTO) – Responses to ASX Letters

Description

Attached for the information of the market are ASX's letters and CTO's responses. These documents have been presented in chronological order.

Issued by

ASX Compliance

25 March 2025

Reference: 107316

Mr Niall Nand
Company Secretary
Citigold Corporation Limited
Level 1, 1024 Ann Street
Fortitude Valley, QLD 4006

By email: nnand@citigold.com

Dear Mr Nand

Citigold Corporation Limited ('CTO'): Half-year report (reviewed financial report) – Query Letter

ASX refers to the following:

A. CTO's half year report for the half year ended 31 December 2024 released on the ASX Market Announcements Platform ('MAP') on 14 March 2025 ('Half Year Report').

B. ASX notes that the Independent Auditor's Review Report included in the Half Year Report ('Auditor's Review Report') contains an adverse opinion together with the basis for adverse opinion as follows:

> *In our opinion, because of the significance of the matter discussed in this section, the financial report does not present fairly, in all material respects, the financial position of Citigold Corporation Limited as at 31 December 2024, and its financial performance and cash flows for the half-year then ended, in accordance with Australian Accounting Standards and the Corporations Act 2001.*
>
> *We refer to the half-year financial statements in which property, plant, and equipment are reported at $112 million, including mining tenements. We have a disagreement with management regarding the interpretation and application of AASB 6 and AASB 136 concerning the impairment of these assets.*
>
> *The Group has been unable for several years to secure significant funding necessary to fund more extensive exploration. As one test for impairment, AASB 6(20)(b) states that for exploration and evaluation assets, substantive expenditure on further exploration or evaluation in a specific area must be either budgeted or planned. Whilst there are budgets and plans, significant funding has not been secured to action these budgets and plans.*
>
> *Furthermore, paragraph 19 of AASB 6 requires that, for exploration and evaluation assets, the conditions set out in paragraph 20 be applied in preference to the requirements of paragraphs 8 to 17 of AASB 136.*
>
> *Given the absence of any significant contractual or financial commitment to date in relation to exploration and evaluation of its tenements, there is lesser evidence to support at this stage the expectation of future economic benefits from these assets. We assert that, pursuant to AASB 6(20)(b), the property, plant, and equipment should be impaired in accordance with AASB 136.*
>
> *Management has preferred to rely on an AASB 136 value in use calculation based on discounted cash flow projections. Without any secured funding or contractual agreements for the significant further exploration of its tenements, the assumptions underlying these calculations are less supportable.*
>
> *In our opinion, management's decision not to impair the property, plant, and equipment to any degree*

is both material and pervasive, and as a result, the financial statements do not present a true and fair view in accordance with the applicable accounting standards.

C. CTO's Corporate Governance Statement for the full year ended 30 June 2024 released on MAP on 27 September 2024 ('2024 CGS') which provides confirmation that CTO complies with recommendation 4.2 of the ASX Corporate Governance Principles and Recommendations which states:

The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

D. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

E. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity.

F. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled "When does an entity become aware of information?"

G. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure.

H. Listing Rule 12.2 which states:

12.2 An entity's financial condition (including operating results) must, in ASX's opinion, be adequate to warrant the continued +quotation of its +securities and its continued listing.

I. Listing Rule 19.11A which states:

19.11A If a listing rule requires an entity to give ASX accounts, the following rules apply.

(a) If the entity controls an entity within the meaning of section 50AA of the Corporations Act or is the holding company of an entity, required by any law, regulation, rule or accounting standard, or if ASX requires, the accounts must be consolidated accounts.

(b) The accounts must be prepared to Australian accounting standards. If the entity is a foreign entity the accounts may be prepared to other standards agreed by ASX.

(c) If the listing rule requires audited accounts, the audit must be conducted in accordance with Australian auditing standards by a registered company auditor. If the entity is a foreign entity, the audit may be conducted in accordance with other standards agreed by ASX and may be conducted by an overseas equivalent of a registered company auditor.

(d) If the listing rule requires accounts to be reviewed, the review must be conducted in accordance with Australian auditing standards. If the entity is a foreign entity, the review may be conducted in accordance with other standards agreed by ASX. Unless the listing rule says an independent accountant may conduct the review, it must be conducted by a registered company auditor (or, if the entity is a foreign entity, an overseas equivalent of a registered company auditor).

(e) *If there is a directors' declaration that relates to the accounts, the directors' declaration must be given to ASX with the accounts.*

(f) *If there is a directors' report that relates to the period covered by the accounts, the directors' report must be given to ASX with the accounts.*

Request for information

In light of the information contained in the Half-Year Report and the Auditor's Review Report, and the application of the Listing Rules stated above, please respond to each of the following questions:

1. Does CTO consider the following information, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

    1.1 The auditor's intention to issue an adverse opinion in respect of the Half Year Report if CTO did not impair its exploration and evaluation assets.

    1.2 The auditor's issue of an adverse opinion in respect of the Half Year Report.

    Please answer separately for each of the above.

2. If the answer to question 1 is "no", please advise the basis for that view.

3. When did CTO become aware that the Auditor's Review Report would likely include an adverse opinion? In answering this question, please include specific details of:

    3.1 the date when CTO commenced engagement with the auditor;

    3.2 the date when the auditor first communicated to CTO that it intended to issue an adverse opinion if CTO did not impair its exploration and evaluation assets; and

    3.3 the date when CTO decided that it would not impair its exploration and evaluation assets, with the likely result that the auditor would proceed to issue an adverse opinion.

4. If CTO first became aware of the information referred to in question 1 above before the date of release of the Half Year Report, did CTO make any announcement prior to that date which disclosed the information? If not, please explain why the information was not released to the market at an earlier time, commenting specifically on when you believe CTO was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps CTO took to ensure that the information was released promptly and without delay.

    Please answer separately for each of the items in question 1 above and provide details of the prior announcement if applicable.

5. Having regard to CTO's answers to questions 1 to 4 above, does CTO consider that it complied with Listing Rule 3.1 in respect of disclosure relating to the auditor's issue of an adverse opinion? If so, please explain the basis for that view.

6. Please explain the basis for, and the factors considered by CTO's Directors in, the Board satisfying itself that the property, plant, and equipment, including mining tenements, reported at approximately $112 million in the Half Year Report did not need to be impaired pursuant to paragraph 20(b) of AASB 6 and that the Directors could instead could rely on an AASB 136 value based on discounted cash flow projections, despite the absence of any significant contractual or financial commitment being received to date (see paragraph A above).

7. What steps has CTO taken since the release of the Half Year Report to obtain an unmodified audit opinion in respect of its future financial reports?

8. What steps does CTO intend to take to obtain an unmodified audit opinion in respect of its future financial reports?
9. In relation to the Half Year Report, did the Board receive the CFO and CEO declaration, as described in section 4.2 of CTO's 2024 CGS, that, in the opinion of the CFO and CEO, the financial records of CTO have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of CTO and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively (see paragraph C above)?
10. If the answer to question 9 is "no", why did the Board not receive the CEO and CFO declaration as described in section 4.2 of CTO's 2024 CGS?
11. What enquiries did the Board make of management to satisfy itself that the financial records of CTO have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of CTO?
12. Commenting specifically on the adverse opinion included in the Auditor's Review Report, does the Board consider that CTO has a sound system of risk management and internal control which is operating effectively?
13. Please confirm that CTO is complying with the Listing Rules and, in particular, Listing Rule 3.1.
14. Please confirm that CTO's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of CTO with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:00 AM AEDT <u>Tuesday, 1 April 2025</u>**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CTO's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require CTO to request a trading halt immediately.

Your response should be sent to me by e-mail at **<u>ListingsComplianceSydney@asx.com.au</u>**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to CTO's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that CTO's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Yours sincerely

ASX Compliance

Citigold Corporation Limited

28 March 2025

Mr Alan Zhao
Adviser, Listings Compliance (Sydney)
ASX Compliance Pty Ltd
20 Bridge Street
SYDNEY NSW 2000

By email to: ListingsComplianceSydney@asx.com.au

Dear Mr Zhao

Citigold Corporation Limited ('CTO'): Half-year report (reviewed financial report) – Query Letter

Citigold Corporation Limited (the "Company", "Citigold" or "CTO") refers to ASX letter dated 25 March 2025 with reference 107316 entitled "Citigold Corporation Limited ('CTO'): Half-year report (reviewed financial report) – Query Letter". *The Company's responses are in 'italics'.*

1. **Does CTO consider the following information, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

   1.1. **The auditor's intention to issue an adverse opinion in respect of the Half Year Report if CTO did not impair its exploration and evaluation assets.**

   No

   1.2. **The auditor's issue of an adverse opinion in respect of the Half Year Report.**

   No

   Please answer separately for each of the above.

2. **If the answer to question 1 is "no", please advise the basis for that view.**

   The impairment was a non-cash adjustment and did not reflect a deterioration in the underlying physical gold resource or infrastructure assets. The company still holds 14 million ounces of gold resources, and its operations, rights to explore, and development potential remain unchanged.

3. **When did CTO become aware that the Auditor's Review Report would likely include an adverse opinion? In answering this question, please include specific details of:**

   3.1. **the date when CTO commenced engagement with the auditor;**

   5th February 2025

   3.2. **the date when the auditor first communicated to CTO that it intended to issue an adverse opinion if CTO did not impair its exploration and evaluation assets; and**

   CTO first became aware of the auditor's intent to issue an adverse opinion on 14 March 2025, during the final stage of lodgement with the ASX. Prior to this, the auditor had not formally or specifically indicated that an adverse opinion would be issued.

3.3. the date when CTO decided that it would not impair its exploration and evaluation assets, with the likely result that the auditor would proceed to issue an adverse opinion.

The auditor did not provide an opportunity to consider prior to lodgement.

4. If CTO first became aware of the information referred to in question 1 above before the date of release of the Half Year Report, did CTO make any announcement prior to that date which disclosed the information? If not, please explain why the information was not released to the market at an earlier time, commenting specifically on when you believe CTO was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps CTO took to ensure that the information was released promptly and without delay.

   Please answer separately for each of the items in question 1 above and provide details of the prior announcement if applicable.

   CTO became aware of the auditor's intention to issue an adverse opinion on 14 March 2025 during the final stages of lodgement of the Half Year Report. This was the first communication of the auditor's position. Prior to this, there was no indication that an adverse opinion would be issued. Accordingly, CTO did not consider it held material information requiring disclosure under Listing Rule 3.1. Once it became clear, CTO acted promptly by releasing the Half Year Report.

5. Having regard to CTO's answers to questions 1 to 4 above, does CTO consider that it complied with Listing Rule 3.1 in respect of disclosure relating to the auditor's issue of an adverse opinion? If so, please explain the basis for that view.

   Yes, refer to question 4.

6. Please explain the basis for, and the factors considered by CTO's Directors in, the Board satisfying itself that the property, plant, and equipment, including mining tenements, reported at approximately $112 million in the Half Year Report did not need to be impaired pursuant to paragraph 20(b) of AASB 6 and that the Directors could instead could rely on an AASB 136 value based on discounted cash flow projections, despite the absence of any significant contractual or financial commitment being received to date (see paragraph A above).

   In assessing potential impairment, CTO considered various internal and external factors and applied AASB 136 Impairment of Assets, which requires assets to be carried at no more than their recoverable amount. This assessment included an independent valuation by Global Resources & Infrastructure Pty Ltd and CTO's internal financial model, both of which indicated that the recoverable amount significantly exceeded the carrying value of property, plant and equipment.

7. What steps has CTO taken since the release of the Half Year Report to obtain an unmodified audit opinion in respect of its future financial reports?

   The half year report was reissued on 26th March 2025.

8. What steps does CTO intend to take to obtain an unmodified audit opinion in respect of its future financial reports?

   N/A

9. In relation to the Half Year Report, did the Board receive the CFO and CEO declaration, as described in section 4.2 of CTO's 2024 CGS, that, in the opinion of the CFO and CEO, the financial records of CTO have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of CTO and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively (see paragraph C above)?

   Yes.

10. If the answer to question 9 is "no", why did the Board not receive the CEO and CFO declaration as described in section 4.2 of CTO's 2024 CGS?

    N/A

11. What enquiries did the Board make of management to satisfy itself that the financial records of CTO have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of CTO?

    CTO employs experienced accounting personnel to maintain its financial records. At the end of each reporting period, the Board is given an opportunity to review and query the accounting personnel and CFO.

12. Commenting specifically on the adverse opinion included in the Auditor's Review Report, does the Board consider that CTO has a sound system of risk management and internal control which is operating effectively?

    Yes, the Board considers that CTO has a sound system of risk management and internal control.

13. Please confirm that CTO is complying with the Listing Rules and, in particular, Listing Rule 3.1

    CTO confirms that it is complying with the Listing Rules and, in particular, Listing Rule 3.1

14. Please confirm that CTO's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of CTO with delegated authority from the board to respond to ASX on disclosure matters.

    CTO confirms that CTO's response to the questions above has been authorised and approved by an officer of CTO with delegated authority from the Board to respond to ASX on disclosure matters.

We trust that the above addresses all the ASX's questions.

Yours sincerely

Niall Nand
Company Secretary

Level 1, 1024 Ann Street (PO Box 1133),
Fortitude Valley, QLD, 4006 Australia

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nnand@citigold.com
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Authorised for release: by Mark Lynch, Chairman, Citigold Corporation Limited.

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 subject 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.

15 April 2025

Mr Niall Nand
Company Secretary
Citigold Corporation Limited
Level 1, 1024 Ann Street
Fortitude Valley, QLD 4006

Dear Mr Nand

Citigold Corporation Limited ('CTO'): Query Letter

ASX refers to the following:

A. CTO's announcement titled 'Annual Report to Shareholders' released on the ASX Market Announcements Platform ('MAP') on 30 September 2024, which contained a qualified opinion in the Independent Auditor's Review Report. Specifically, K.S. Black & Co, as CTO's auditor, stated (relevantly, emphasis added):

   Although management has represented that the Group is in advanced discussions with several external funding parties, we have not received sufficient and appropriate audit evidence to confirm that there is substantial committed or planned expenditure.

   *Consequently we have requested that management record an impairment of **$25 million** until such time as these discussions are concluded and funding is secured for the Group to exploit its resources. However, management has chosen not to book this impairment.*

   Given management's choice not to record the impairment due to these advanced discussions with external investors, and the limited documentary evidence provided, we believe a qualification is warranted due to the risk of overstating the next assets in the financial report.

   (…)

   Our procedures included, amongst others:

   - *Review of the **independent valuation report dated 9 August 2024 prepared by Global Resources & Infrastructure Pty Limited** stating that in situ gold is greater than the carrying value in the financial statements.*

B. CTO's announcement titled 'Half Year Report' released on MAP on 14 March 2025, which contained an adverse opinion from its auditor, K.S. Black & Co, in the Independent Auditor's Review report as follows (relevantly):

   Adverse Opinion

   Disagreement in interpretation and application of Accounting Standards

   (…)

   In our opinion, because of the significance of the matter discussed in this section, the financial report does not present fairly, in all material respects, the financial position of Citigold Corporation Limited as at 31 December 2024, and its financial performance and cash flows for the half-year then ended, in accordance with Australian Accounting Standards and the Corporations Act 2001.

We refer to the half-year financial statements in which property, plant, and equipment are reported at $112 million, including mining tenements. We have a disagreement with management regarding the interpretation and application of AASB 6 and AASB 136 concerning the impairment of these assets.

The Group has been unable for several years to secure significant funding necessary to fund more extensive exploration. As one test for impairment, AASB 6(20)(b) states that for exploration and evaluation assets, substantive expenditure on further exploration or evaluation in a specific area must be either budgeted or planned. Whilst there are budgets and plans, significant funding has not been secured to action these budgets and plans.

Furthermore, paragraph 19 of AASB 6 requires that, for exploration and evaluation assets, the conditions set out in paragraph 20 be applied in preference to the requirements of paragraphs 8 to 17 of AASB 136.

Management has preferred to rely on an AASB 136 value in use calculation based on discounted cash flow projections. Without any secured funding or contractual agreements for the significant further exploration of its tenements, the assumptions underlying these calculations are less supportable.

In our opinion, management's decision not to impair the property, plant and equipment to any degree is both material and pervasive, and as a result, the financial statements do not present a true and fair view in accordance with the applicable accounting standards.

C. CTO's announcement titled 'Reissued Half Year Report 2024' released on MAP on 26 March 2025 (the 'Reissued Half Year Report'), which included under a section heading titled 'Impairment of Assets' the following (relevantly, emphasis added):

The carrying values of property, plant, and equipment are reviewed for impairment and adjusted if appropriate, at each reporting date.

*Following this review, the Board has recognised an impairment of **$20 million** to the carrying value of its Capitalised Exploration, Evaluation, and Development Expenditure.*

Despite this impairment, the Board believes that the net present value of the group's project remains above the adjusted carrying value of its Capitalised Exploration, Evaluation, and Development Expenditure.

This impairment is an accounting adjustment rather than a reflection of a decline in the project's inherent value.

D. The Independent Auditor's Review Report contained in the Reissued Half Year Report, which included, under a section heading titled 'Other Matters', the following (relevantly):

Other Matters

(…)

Future gold sales are contingent upon the Group's ability to secure sufficient capital for extraction and processing.

While the group has identified resources and developed plans for exploration, progress remains dependent on the Group's ongoing ability to raise capital. There has been no significant expenditure in the areas of interest beyond what is required under AASB 6.

As a result of the lack of significant expenditure, the Group has impaired Property, Plant, and Equipment by $20 million. Discussions with potential investors are ongoing to secure funding for resource development.

Our opinion is not modified because of the above.

E. ASX's query letter dated 25 March 2025 and CTO's response dated 28 March 2025, which stated the following (relevantly, emphasis added):

> *In assessing potential impairment, CTO considered various internal and external factors and applied AASB 136 Impairment of Assets, which requires assets to be carried at no more than their recoverable amount. This assessment included an* ***independent valuation by Global Resources & Infrastructure Pty Ltd*** *and CTO's internal financial model, both of which indicated that the recoverable amount significantly exceeded the carrying value of property, plant and equipment.*

Request for information

Having regard to the above, ASX asks CTO to respond separately to each of the following questions:

1. Noting that CTO's auditor indicated on 30 September 2024 that a $25 million impairment was necessary, please explain in detail the basis on which the directors of CTO, satisfied themselves that an impairment of $20 million was adequate for the half year ended 31 December 2024, including the factors considered by the directors in doing so.
2. Noting that the Reissued Half Year Report does not contain an adverse or qualified opinion from CTO's auditor (see paragraph D above), please detail the evidence provided to CTO's auditor which supported their determination to provide an unmodified opinion on the revised financial report for the half year ended 31 December 2024.
3. Please provide a copy (not for release to the market) of the independent valuation report dated 9 August 2024, prepared by Global Resources & Infrastructure Pty Limited (see paragraph A above).
4. Noting that CTO relies on secured debt facilities to finance its operations, for the purposes of Listing Rule 12.2, please advise whether the $20 million impairment of the carrying value of CTO's property, plant and equipment resulted in a breach of any covenants or other conditions of CTO's financing facilities.
5. Please confirm that CTO's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CTO with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:00 AM AEST Wednesday, 23 April 2025**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CTO's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require CTO to request a trading halt immediately if trading in CTO's securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsComplianceSydney@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to CTO's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that CTO's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours faithfully

ASX Compliance

Citigold Corporation Limited

22 April 2025

Mr Alan Zhao
Adviser, Listings Compliance (Sydney)
ASX Compliance Pty Ltd
20 Bridge Street
SYDNEY NSW 2000

By email to: ListingsComplianceSydney@asx.com.au

Dear Mr Zhao

Citigold Corporation Limited ('CTO'): Query Letter

Citigold Corporation Limited (the "Company", "Citigold" or "CTO") refers to ASX letter dated 15 April 2025 with reference #10885164v5 entitled "Citigold Corporation Limited ('CTO'): Query Letter". *The Company's responses are in 'italics'.*

1. **Noting that CTO's auditor indicated on 30 September 2024 that a $25 million impairment was necessary, please explain in detail the basis on which the directors of CTO, satisfied themselves that an impairment of $20 million was adequate for the half year ended 31 December 2024, including the factors considered by the directors in doing so.**

   The auditor initially suggested a $25 million impairment based on a prior period assessment. The board considered the auditor's modelling, which it is understood to incorporate more appropriate assumptions including the gold price, exchange rate and timing of the mine development. On this reassessment and the board's comprehensive knowledge of the project, the Board considered the $20 million impairment was adequate.

2. **Noting that the Reissued Half Year Report does not contain an adverse or qualified opinion from CTO's auditor (see paragraph D above), please detail the evidence provided to CTO's auditor which supported their determination to provide an unmodified opinion on the revised financial report for the half year ended 31 December 2024.**

   CTO provided the below requested information to K.S. Black & Co:

   a. *Pictures and drone videos of the core yards.*
   b. *Invoice of exploration assay results.*
   c. *Sample of assay results issued from an external laboratory.*
   d. *Sample of historical assay results from drilling issued from an external laboratory.*

3. **Please provide a copy (not for release to the market) of the independent valuation report dated 9 August 2024, prepared by Global Resources & Infrastructure Pty Limited (see paragraph A above).**

   CTO notes that the reference to a "9 August 2024" valuation indicated in the Audit Report prepared by K.S. Black & Co appears to be a typographical error. CTO previously advised K.S Black & Co of this. The correct date was 6 December 2022. See attached.

4. Noting that CTO relies on secured debt facilities to finance its operations, for the purposes of Listing Rule 12.2, please advise whether the $20 million impairment of the carrying value of CTO's property, plant and equipment resulted in a breach of any covenants or other conditions of CTO's financing facilities.

   There were no breaches.

5. Please confirm that CTO's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CTO with delegated authority from the board to respond to ASX on disclosure matters.

   CTO confirms that CTO's responses to the questions above have been authorised and approved by an officer of CTO with delegated authority from the Board to respond to ASX on disclosure matters.

We trust that the above addresses all the ASX's questions.

Yours sincerely

Niall Nand
Company Secretary

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Fortitude Valley, QLD, 4006 Australia

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nnand@citigold.com
www.citigold.com

Authorised for release: by Mark Lynch, Chairman, Citigold Corporation Limited.

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 subject 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.

30 April 2025

Mr Niall Nand
Company Secretary
Citigold Corporation Limited
Level 1, 1024 Ann Street
Fortitude Valley, QLD 4006

Dear Mr Nand

Citigold Corporation Limited ('CTO'): Query Letter

ASX refers to CTO's response dated 22 April 2025 (the 'CTO Response) to ASX's query letter dated 15 April 2025 (the 'ASX Letter').

Capitalised terms in this letter have the same meaning as in the ASX Letter.

Request for information

Having regard to the CTO Response, ASX asks CTO to respond separately to each of the following questions:

1. In response to question 1 of the ASX Letter concerning the basis for the quantum of the impairment, the CTO Response states (emphasis added):

   The auditor initially suggested a $25 million impairment based on a prior period assessment. The board ***considered the auditor's modelling, which it is understood to incorporate more appropriate assumptions including the gold price, exchange rate and timing of the mine development.*** *On this reassessment and the board's comprehensive knowledge of the project, the Board considered the $20 million impairment was adequate.*

   1.1 ASX understands from this response that CTO's directors formed the view that CTO's auditors used more appropriate assumptions for the half year ended 31 December 2024 concerning the gold price, the exchange rate and the timing of the mine development at the Charters Towers Goldfield Project, than CTO's internal modelling. Is this understanding correct?

   1.2 For the assumptions relating to the gold price, exchange rate and timing of the mine development referred to in the CTO Response, please explain:

   1.2.1 how these assumptions changed from the Half Year Report to the Reissued Half Year Report; and

   1.2.2 how the changes in these assumptions supported the impaired carrying value of CTO's Capitalised Exploration, Evaluation and Development Expenditure ultimately recognised in the Reissued Half Year Report.

2. In response to question 2 of the ASX Letter, CTO states that it provided the following to its auditor to support of the issue of an unmodified opinion in the Reissued Half Year Report:

   a. Pictures and drone videos of the core yards.

   b. Invoice of exploration assay results.

   c. Sample of assay results issued from an external laboratory.

   d. Sample of historical assay results from drilling issued from an external laboratory.

ASX notes the following comments made by CTO's auditor in the adverse opinion included in CTO's original half year report for the half year ended 31 December 2024 released on the ASX Market Announcements Platform on 14 March 2024:

> *The Group has been unable for several years to secure significant funding necessary to fund more extensive exploration. As one test for impairment, AASB 6(20)(b) states that for exploration and evaluation assets, substantive expenditure on further exploration or evaluation in a specific area must be either budgeted or planned. Whilst there are budgets and plans, significant funding has not been secured to action these budgets and plans.*
>
> *…*
>
> *Management has preferred to rely on an AASB 136 value in use calculation based on discounted cash flow projections. Without any secured funding or contractual agreements for the significant further exploration of its tenements, the assumptions underlying these calculations are less supportable.*

Did CTO provide any evidence to its auditor to address the comments extracted above in relation to the impaired carrying value of CTO's Capitalised Exploration, Evaluation and Development Expenditure in the Reissued Half Year Report? If so, please provide details of the evidence provided to support that impaired value.

3. Please confirm that CTO's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CTO with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:00 <u>AM</u> AEST Monday, 5 May 2025**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CTO's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above.

Your response should be sent by e-mail to **ListingsComplianceSydney@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to CTO's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that CTO's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours faithfully

ASX Compliance

Citigold Corporation Limited

2 May 2025

Mr Alan Zhao
Adviser, Listings Compliance (Sydney)
ASX Compliance Pty Ltd
20 Bridge Street
SYDNEY NSW 2000

By email to: ListingsComplianceSydney@asx.com.au

Dear Mr Zhao

Citigold Corporation Limited ('CTO'): Query Letter

Citigold Corporation Limited (the "Company", "Citigold" or "CTO") refers to ASX letter dated 30 April 2025 with reference #10897597v3 entitled "Citigold Corporation Limited ('CTO'): Query Letter". *The Company's responses are in 'italics'.*

1.1 **ASX understands from this response that CTO's directors formed the view that CTO's auditors used more appropriate assumptions for the half year ended 31 December 2024 concerning the gold price, the exchange rate and the timing of the mine development at the Charters Towers Goldfield Project, than CTO's internal modelling. Is this understanding correct?**

The Board considered both the auditor's assumptions which are conservative in nature and CTO's own internal model as part of a reassessment. The reference to "more appropriate assumptions" in the earlier response was intended to reflect the auditor's use of less conservative parameters than those used in September 2024, not to indicate a preference for their model over CTO's. The final decision to recognise the impairment reflected the Board's independent judgment, and the Board's detailed knowledge of the project.

1.2 **For the assumptions relating to the gold price, exchange rate and timing of the mine development referred to in the CTO Response, please explain:**

1.2.1 **how these assumptions changed from the Half Year Report to the Reissued Half Year Report; and**

1.2.2 **how the changes in these assumptions supported the impaired carrying value of CTO's Capitalised Exploration, Evaluation and Development Expenditure ultimately recognised in the Reissued Half Year Report.**

CTO Board had a more pragmatic approach in its reassessment of the gold price, exchange rate and timing of the mine development that concluded the impairment was adequate.

2. Did CTO provide any evidence to its auditor to address the comments extracted above in relation to the impaired carrying value of CTO's Capitalised Exploration, Evaluation and Development Expenditure in the Reissued Half Year Report? If so, please provide details of the evidence provided to support that impaired value.

The Auditor has erroneously merged two distinct matters: funding for ongoing exploration programs and major project funding for the mine development:

a. *CTO provided additional exploration information including budgets and plans.*

b. *Funding for our ongoing exploration programs was supported by a cash flow forecast demonstrating the company's capacity to fund the planned activities.*

c. *In relation to the mine development funding, we provided evidence of productive discussions in relation to the matter. We are of the view that these funding discussions indicatively to develop the mine into a large gold producer are irrelevant to the independent funding of our ongoing exploration programs.*

3. Please confirm that CTO's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CTO with delegated authority from the board to respond to ASX on disclosure matters.

CTO confirms that CTO's responses to the questions above have been authorised and approved by an officer of CTO with delegated authority from the Board to respond to ASX on disclosure matters.

We trust that the above addresses all the ASX's questions.

Yours sincerely

Niall Nand
Company Secretary
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Authorised for release: by Mark Lynch, Chairman, Citigold Corporation Limited.

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 subject 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.