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# NEWS

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**FOR IMMEDIATE RELEASE**

**2<sup>nd</sup> February 2009**

### **ANOTHER MAJOR RESOURCE UPGRADE ANNOUNCED**

#### **FOR CITADEL'S SAUDI ARABIAN PROJECT**

Another significant mineral resource upgrade announced today for Citadel Resource Group's (ASX: "CGG") Jabal Sayid copper-zinc project in Saudi Arabia means the estimated resource has now more than doubled since the first resource was released.

Sydney-based Citadel – which in February last year unveiled a 61% jump in the Jabal Sayid resource inventory from 46 million tonnes to 74 million tonnes – today announced a further 22% increase to 100 million tonnes.

The new Jabal Sayid resource estimate includes a total of 1.2 million tonnes of contained copper (up 22%) including a high grade resource of 40Mt at 2.3%Cu for 926,000 tonnes of contained copper (up 29%).

The 100 million tonnes Indicated and Inferred Mineral Resource includes 77 Mt at 1.3% Cu, 0.2% Zn (Cu Stockwork), 21 Mt at 0.9% Cu & 1.8% Zn (Cu/Zn Massive Sulphide) and 0.5 Mt at 1.6% Cu (oxide Cu).

Citadel, which has a 50% interest in the flagship Jabal Sayid project, also today reported the first estimate for the gold and silver content of the expanding resource. Gold and silver has only been completed for Lode 1 and is 368,900 oz of gold and 20.6 million oz of silver. The project's Lodes 2 and 4 gold and silver credits are expected to follow with future resource updates.

#### **Confident of more resource upgrades – CEO**

Ms Ines Scotland, Citadel's Chief Executive Officer, said the latest resource update had again demonstrated excellent tonnage, continuity, and grade within the Jabal Sayid deposit.

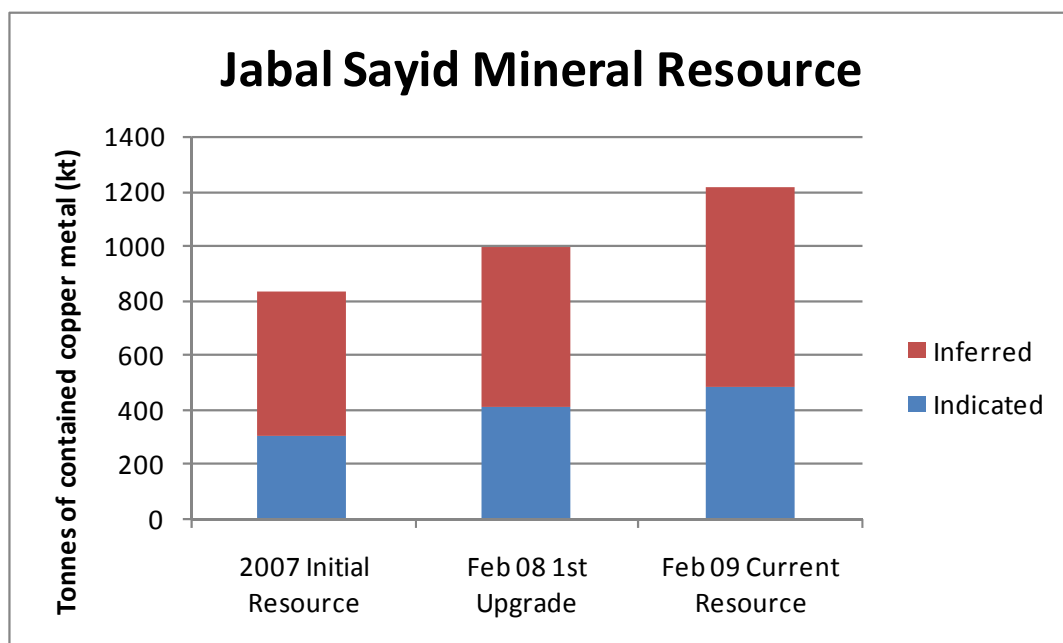
"Twelve months after releasing our first Mineral Resource update we have again upgraded total contained copper by over 20% and the higher grade copper ore by almost 30%. We are confident this is the second of many anticipated upgrades, as Jabal Sayid remains open in most directions," Ms Scotland said.

"We are extremely pleased with this latest result, especially given that drilling was primarily focused on infill drilling for our Definitive Feasibility Study (DFS) rather than resource extension.

"The DFS continues to progress to schedule and we are nearing the completion of the revised Feasibility Study by the integrated Citadel/SNC Lavalin team. As flagged in our last project update the team continues to achieve material reductions in capital expenditure estimates for Jabal Sayid and we look forward to presenting shareholders with the results of the completed Feasibility Study."

| Resource Category | Type*           | Tonnes (Mt) | Cu %         | Contained Cu t (000's) | Zn %         | Contained Zn t (000's) |
|-------------------|-----------------|-------------|--------------|------------------------|--------------|------------------------|
| Indicated         | MS              | 6.4         | 1.21%        | 77                     | 1.67%        | 106                    |
|                   | Stockwork Oxide | 24.8        | 1.62%        | 403                    | 0.17%        | 42                     |
|                   | <i>All</i>      | <i>31.2</i> | <i>1.54%</i> | <i>480</i>             | <i>0.47%</i> | <i>148</i>             |
| Inferred          | MS              | 15          | 0.8%         | 114                    | 1.9%         | 279                    |
|                   | Stockwork Oxide | 52          | 1.2%         | 613                    | 0.3%         | 144                    |
|                   |                 | 0.5         | 1.6%         | 7                      | 0.3%         | 1                      |
| TOTAL             | <i>All</i>      | <i>67</i>   | <i>1.1%</i>  | <i>735</i>             | <i>0.6%</i>  | <i>425</i>             |
|                   | MS              | 21          | 0.9%         | 192                    | 1.8%         | 385                    |
|                   | Stockwork Oxide | 77          | 1.3%         | 1,016                  | 0.2%         | 186                    |
| Grand Total       |                 | 0.5         | 1.6%         | 7                      | 0.3%         | 1                      |
|                   |                 | <b>99</b>   | <b>1.2%</b>  | <b>1,215</b>           | <b>0.6%</b>  | <b>572</b>             |
|                   |                 |             |              |                        |              |                        |

Figure 1 – Jabal Sayid Mineral Resource Growth for Contained Copper



Note 1: The information in this announcement that relates to Exploration Results and Mineral Resources is based on information compiled by Steve Rose, Chief Geologist, who is a Member of The Australasian Institute of Mining and Metallurgy, a Member of The Institution of Materials, Mining and Metallurgy, and a Chartered Engineer. Steve Rose is a full time employee of Citadel Resource Group. Steve Rose has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Steve Rose consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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