

## SUCCESS IN THE FIRST HOLE OF THE UNDERGROUND DEEP DIAMOND DRILLING PROGRAM AT JABAL SAYID

**Drillhole BDH4028 pushes the base of Lode 4 at least 60m below the current resource shell with the hole ending in high grade mineralisation.**

- **Assays have been received for the first deep diamond core hole (BDH4028) designed to test below the current resource.**
- **The results confirm that significant mineralisation continues at least 60 metres below the current resource with the last metres of BDH4028 assaying high grade mineralisation.**
  - High grade zone of **76m at 3% Cu, 0.4 g/t Au, 19 g/t Ag** from 529m to end of hole.
  - Higher grade zone encountered at the end of hole with the **final 13m averaging 4% Cu, 0.57 g/t Au**.
- **BDH4028 also intersected a new mineralised zone situated between Lodes 2 & 4 towards the top of the hole.**
  - This previously unidentified zone (**59m at 1.84% Cu and 0.34 g/t Au**, from 25m downhole) is within 300m of the surface and easily accessible via existing infrastructure.
- **BDH4028 is the deepest hole ever drilled into the Jabal Sayid project, its success demonstrates the potential of Jabal Sayid to grow even further into the future.**

Citadel Resource Group Limited (ASX: CGG – “Citadel”) is pleased to announce the results of BDH4028 from its underground drilling program at **Jabal Sayid**. Jabal Sayid is the flagship project in Citadel’s portfolio of Saudi Arabian gold and base metal projects. Jabal Sayid is a 50% joint venture between Citadel and Consolidated Mining Company (CMCI).

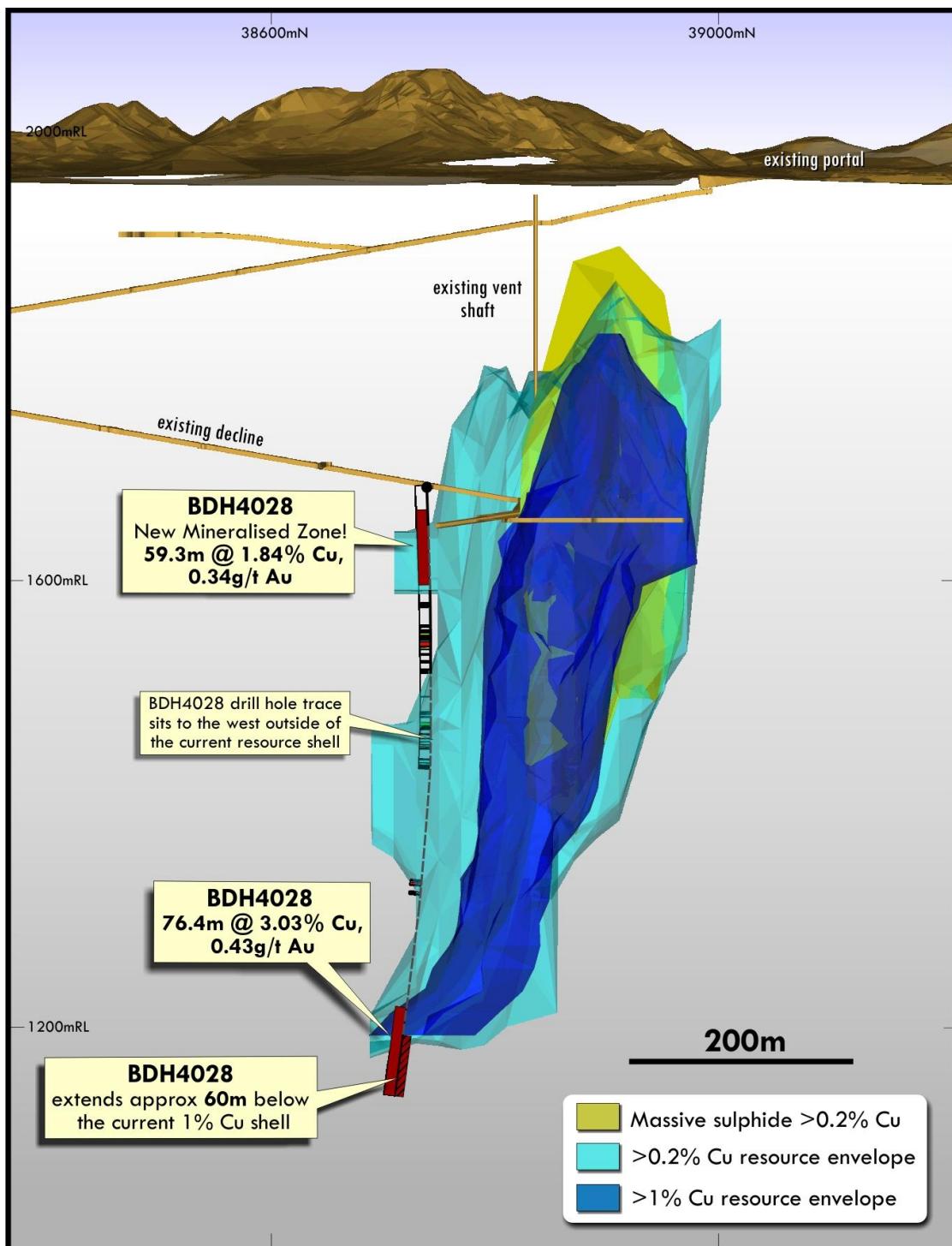
Underground drillhole BDH4028 was drilled from the decline, 300m below surface, midway between Lode 2 and Lode 4. The drillhole is the first to be drilled in Citadels underground deep drilling program and was designed to test the top of the “Lode 4 Deeps” exploration target (the down plunge extension of Lode 4) below the current resource model.

To date, BDH4028 is the deepest hole drilled into the project and has succeeded in delineating mineralisation below the 1140mRL level with an intercept of **76.4m at 3.03% Cu, 0.43 g/t Au, 18.9 g/t Ag** (to end of hole). The hole extends the known mineralisation at least 60m below the current resource boundary. BDH4028 was programmed to a total depth of 750m and encountered strong (**+5% Cu**) mineralisation at 605.7m when the hole was suspended due to technical difficulties until specific drilling equipment can be mobilised to site. A complete list of significant intercepts for drillhole BDH4028 is presented in Table I

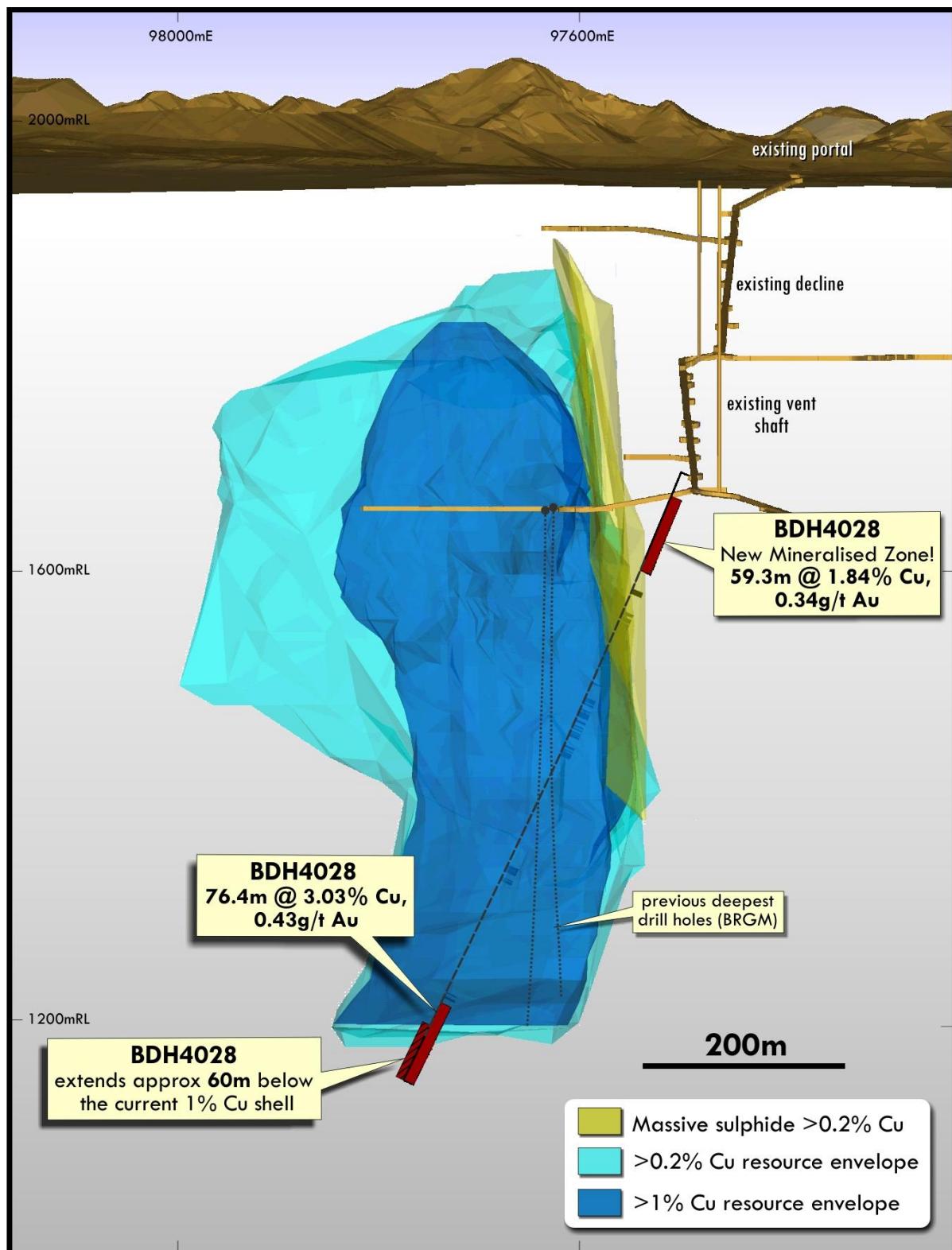
Importantly, BDH4028 also discovered a new zone of mineralisation approximately 300m below surface situated between Lodes 2 & 4 within 30m of existing development. This new zone recorded an intercept of **59.3m at 1.84 %Cu and 0.34 g/t Au, 7.3 g/t Ag** from 25m downhole. Early interpretation suggests that this new discovery may be a northern extension of Lode 2 some 80m beyond the current Lode 2 resource envelope. Citadel plans to further define this zone as it has potential to enhance the short term economics of the Jabal Sayid Project.

The success of this hole in delineating high grade mineralisation at depth further demonstrates the credentials of Citadels Jabal Sayid Project and its potential to deliver future discoveries and resource expansions.

**Figure 1. Lode 4 Cross Section looking west - BDH4028**



**Figure 2. BDH4028 – Oblique view Lode 4, looking from the North showing deep drillholes**



**Note 1:** The information in this announcement that relates to Exploration Results and Mineral Resources is based on information compiled by Brett Butlin, Exploration Manager, who 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". Brett Butlin is a member of the Australian Institute of Geoscientists. Brett Butlin is a full time employee of Citadel Resource Group, and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Note 2: \* Citadel has recently revised the local grid at Jabal Sayid. The revision is due to some discrepancies in the old grid, and the need to use a grid suitable for underground mine development. The new grid is a change of -599,991.988m on Northings, -600,094.064m on Eastings and +994.318m on RL compared to the old grid that has been used for previous announcements.

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**Table 1: Jabal Sayid Significant Intercepts**

Jabal Sayid Diamond Drill Program – Lode 4														
Hole ID	Co-ordinates		RL	Az i	Inc l	Total Depth (m)	Significant Assay Results							Significance of Results
	Northin g	Eastin g					From (m)	To (m)	Length (m)	Grade				
BDH402 8	38737	97515	168 4	85	-65	605.7 !	24.7	84	<b>59.3</b>	<b>1.8 4</b>	0.0 6	<b>0.34</b>	7.3	NZ
							529.3	605. 7	<b>76.4</b>	<b>3.0 3</b>	0.2 8	<b>0.43</b>	18.9	CI, UR
						incl.	529.3	557	27.7	4.43	0.1 1	0.66	25.3	
						incl.	583.4 5	605. 4	21.95	3.70	0.3 3	0.52	21.0	
X = Not yet Drilled				! = Mineralisation at base of hole				NZ = New Mineralisation zone!						
~ = Hole Underway				CI = Conforms geological interpretation				UR = Upgrades Resources						
* = Assays not received				PCI = Partly confirms geological interpretation				CR = Confirms Resource						
? = Data subject to verification				DI = Disproves geological Interpretation				DR = Downgrades Resource						

**Table 2: Jabal Sayid Mineral Resource by Category**

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

\*MS = Massive Sulphide mineralisation; Stockwork = copper stockwork mineralisation; Oxide=copper oxide mineralisation