

MORE HIGH-GRADE GOLD INTERSECTIONS FROM CITADEL'S SHAYBAN PROJECT, SAUDI ARABIA

LATEST RC IN-FILL AND EXTENSIONAL DRILLING CONTINUES TO DELIVER HIGH-GRADE GOLD RESULTS

Highlights:

- Results include:
 - **43m at 9.38 g/t gold from 11m (SH091RC)**
Including 16m at 19.38 g/t gold from 20m
 - **11m at 6.29 g/t gold from 21m (SH090RC)**
 - **13m at 4.19 g/t gold from 22m (SH079RC)**
 - **21m at 3.08 g/t gold from 55m (SH080RC)**
 - **40m at 1.66 g/t gold from 58m (SH088RC)**
- Continued high-grade intercepts of primary and oxide gold further define and expand the Shayban deposit.
- Mineralisation has been intersected over a strike length of 600m and is open along strike, down plunge and to the east.
- An ongoing diamond drilling program is targeting depth and strike extensions.

Summary

Citadel Resource Group Limited (ASX: CGG – “Citadel” or “the Company”) is pleased to announce that it has received further high-grade assay results from its third RC drilling program at the Company’s **100%-owned Shayban Gold Project** in Saudi Arabia. Gold assay results have been received for ten reverse circulation (“RC”) drill holes (Table 1). The program was designed to in-fill and extends some areas identified as requiring additional information as part of the resource work the Company is undertaking.

All holes intersected significant gold mineralization from surface, or near surface. Results include **13m at 4.19 g/t gold** from 22m (SH079RC), **21m at 3.08 g/t gold** from 55m (SH080RC), **40m at 1.66 g/t gold** from 58m (SH088RC), **11m at 6.29 g/t gold** from 21m (SH090RC) and **43m at 9.38 g/t gold** from 11m (SH091RC). Silver and base-metal results are pending and should be available within six weeks. A full listing of significant intersections is presented in Table 1, with the collar positions are shown in Figure 1. The holes announced within this report have both extended and, in places, in-filled the Shayban deposit. Drilling continues to focus on extending the northern section of the deposit to the north, west and east, the central portion of the deposit to the east and the southern portion of the deposit to the south down plunge.

Holes SH090RC (11m at 6.30 g/t gold from 21m) and SH091RC (43m at 9.40 g/t gold from 11m) are of particular consequence, as mineralisation remains open to the northwest and east, respectively. The four holes SH079RC, SH082RC SH084RC and SH087RC extend a previously reported high-grade gold “shoot” located in the northern portion of the deposit eastwards by returning 13m at 4.19 g/t from 22m and 5m at 2.88 g/t gold from 39m (SH079RC), 13m at 1.79 g/t gold from 47m (SH082RC), 8m at 4.55 g/t gold from 21m (SH084RC) and 15m at 1.73 g/t gold from 64m. Drill hole SH085RC extends gold mineralization in the central part of Shayban further to the east with 4m at 1.90 g/t gold from 59m, 4m at 3.61 g/t gold from 74m and 5m at 1.54 g/t gold from 81m. Hole SH080RC extends mineralisation in the southern part of Shayban further eastwards by returning 6m at 3.54 g/t gold from 31m and 18m at 3.50 g/t gold from 55m. Holes SH083RC and SH088RC were drilled for infill purposes and intersected 11m at 2.35 g/t gold from 2m and 13m at 2.60 g/t gold from 33m (SH083RC) as well as 40m at 1.66 g/t gold from 58m (SH088RC).

The Shayban Project

The Jabal Shayban deposit is hosted within a sequence of highly prospective, weakly metamorphosed, felsic to intermediate volcanoclastics that includes subordinate units of chert and marble. This sequence is, in turn, locally intruded by a suite of dioritic and syenitic intrusions. Exploited by ancient miners, the Shayban prospect area is marked by an extensive alteration zone and gossanous outcrops.

The mineralisation at Shayban forms south plunging, generally westerly dipping, semi-continuous lodes which remain open down plunge, down dip and along strike. Within the prospect area mineralisation mainly occurs within the northeast-striking “Shayban Shear Zone”, a locally significant deformational zone that is mapped for in excess of 2.5km in the immediate area.

The lodes are boudinaged out along the Shayban Shear Zone with an attenuated, “pinch and swell” morphology, traceable for more than 600m along plunge. Within these attenuated horizons several high-grade gold, sulphide-rich “shoots” have been intersected. These variably boudinaged “shoots” can have strike extents of up to 150m, a dip extent of about 70m with a maximum true thickness of 30m.

There are three main mineral phases recorded at Shayban, the first and most important, is a gold-rich volcanic-hosted massive sulphide (VHMS) event marked by the presence of conformable massive to semi-massive sulphides and associated stringer and disseminated sulphides. This style of mineralisation consists of anhedral pyrite-chalcopyrite assemblages hosted by strongly black chlorite-altered epiclastic units and accounts for much of the contained gold at Shayban. The secondary mineral phase comprises auriferous euhedral pyrite disseminations that are hosted by light grey sericite-altered epiclastic rocks. It appears to be structurally controlled by the Shayban Shear Zone and postdates the massive sulphide phase. Locally, this stage contains high gold grades that have been hydrothermally remobilised along the shear zone. The third mineral phase is a late-stage, high-grade, quartz-telluride gold bearing vein system that locally propagates throughout the Shayban Shear Zone.

Wadi Shugea Regional Exploration Potential

Jabal Shayban is located within Citadel’s Wadi Shugea project comprising 203 sq km’s of the highly prospective Neo-Proterozoic Ariab-Samran-Shayban volcanic belt. The belt extends for more than 1000km from the Nile Valley in Sudan, north-eastwards beneath the Red Sea into Saudi Arabia. The belt is host to several significant gold and base metal mines, from Sudan (Hassai gold-rich VHMS deposit (+2Moz)) in the south through to the Mahd Adh Dhahab (“Cradle of Gold deposit” +5Moz) and Citadel’s Jabal Sayid deposits to the north.

In addition to containing Citadel’s advanced Jabal Shayban and Jabal Baydan deposits, the Wadi Shugea project contains numerous other, less explored prospects and occurrences that include gossans, ancient workings, anomalous geochemistry and geophysical anomalies. Citadel considers the potential for the discovery of both base-metal and gold-rich VHMS and epithermal precious-metal deposits within the Wadi Shugea project to be high and has planned an exploration program for the year ahead.

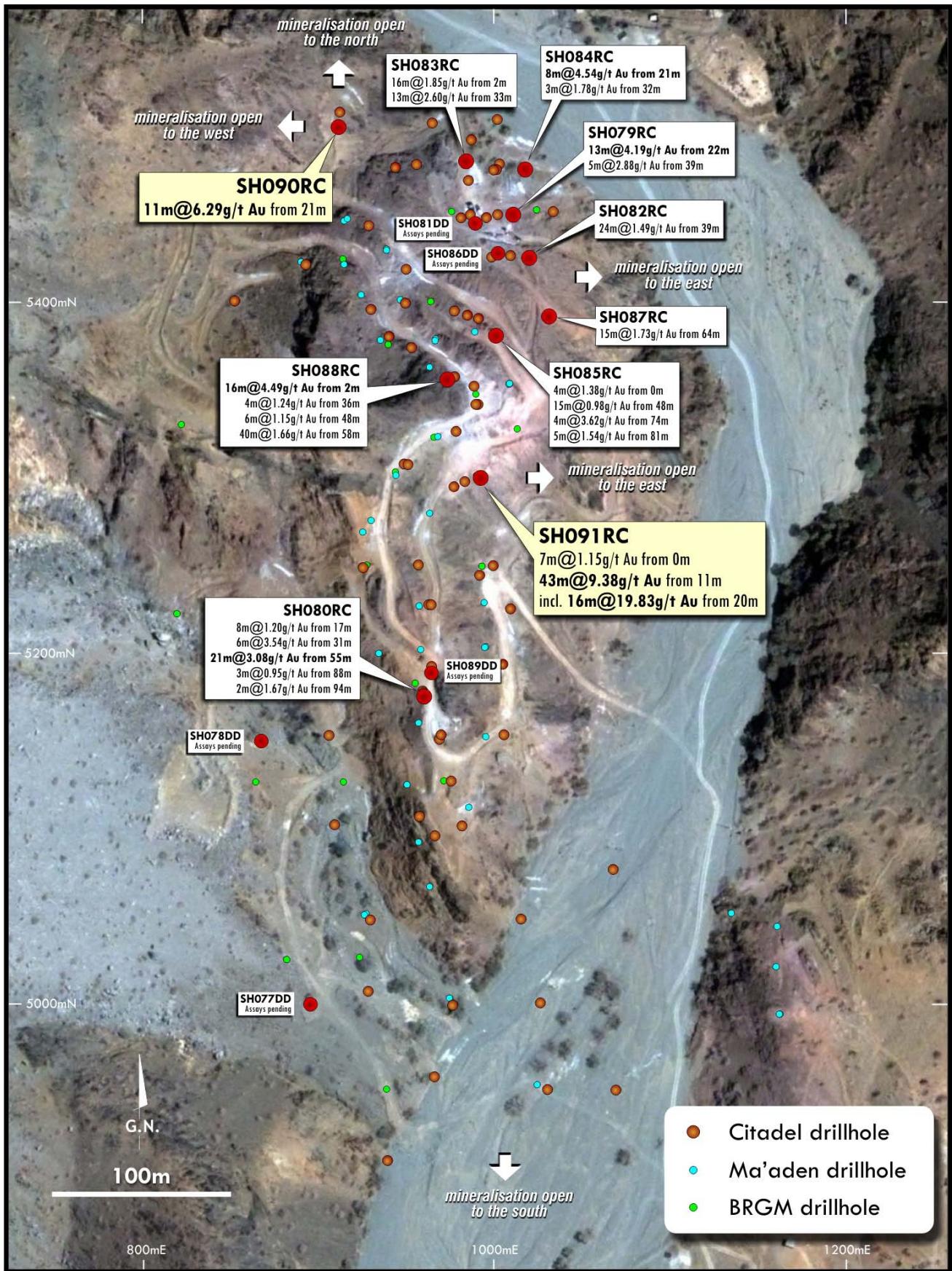


Figure 1. Collar Location Plan of Jabal Shayban, showing location of drillholes discussed in this report.

WADI SHUGEA PROJECT

Regional Geology

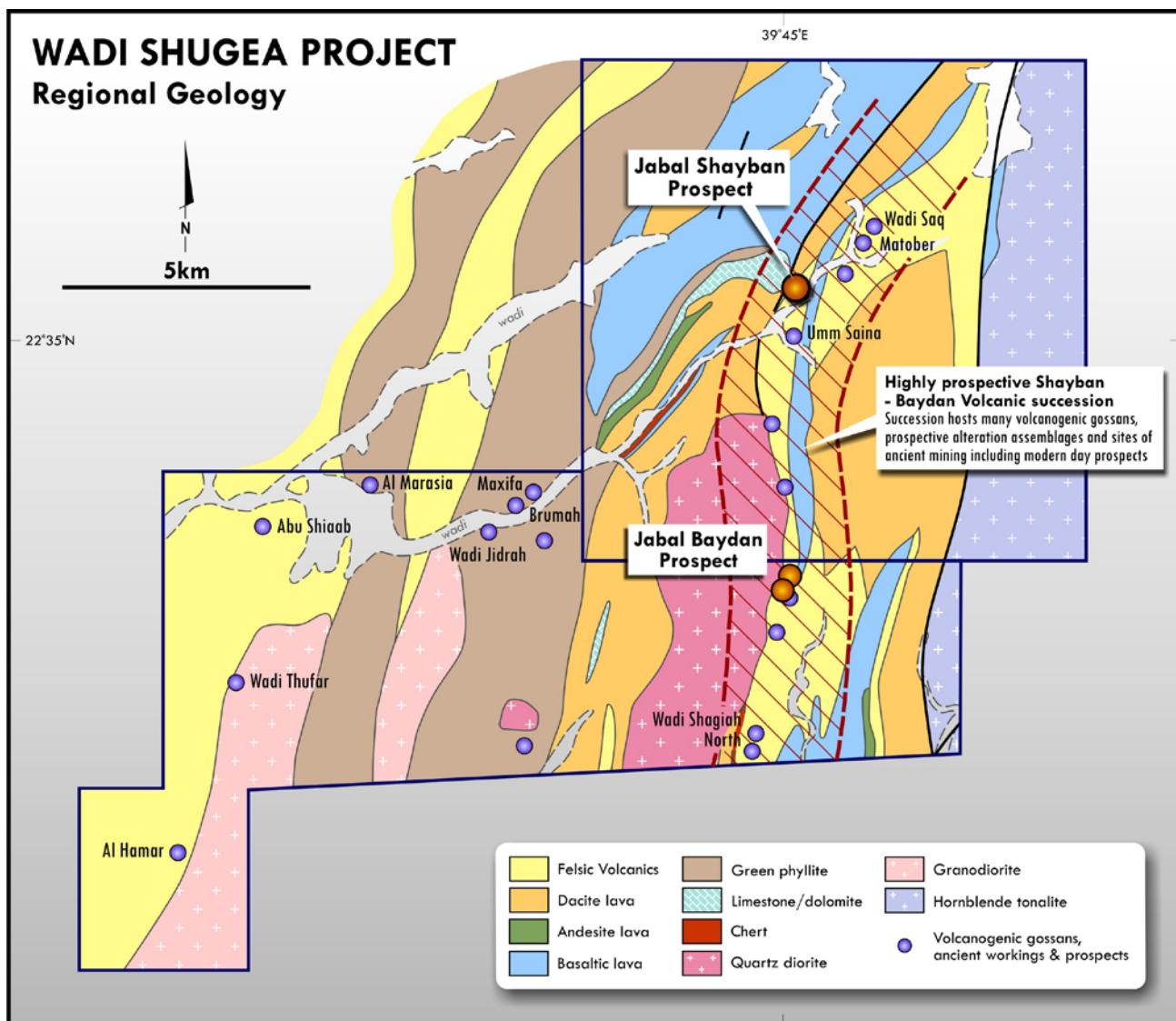


Figure 2. Regional Geological compilation of Citadel's Wadi Shugea Project.

Note 1: The information in this announcement that relates to Exploration Results and Mineral Resources is based on information compiled by Brett Butlin, General Manager, Geology 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.

For a more detailed Technical Summary of the Shayban and the Regional Prospects please refer to the link on the home page of our website: www.citadelrg.com.au.

For further information please contact:

Citadel Resource Group Limited
 Inés Scotland (CEO)
 +61 3 8680 4609
ines.scotland@citadelrg.com.au

Media Enquiries
 John Field
 Field Public Relations
 08 8234 9555

Hole ID	North (local)	East (local)	Azi	Dip	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)
SH077DD	5000	895	090	-65				Pending	Pending	Pending	Pending
SH078DD	5150	867	090	-60				Pending	Pending	Pending	Pending
SH079RC	5450	1010	0	-90	22	35	13	4.19	Pending	Pending	Pending
					39	44	5	2.88	Pending	Pending	Pending
SH080RC	5175	960	090	-60	17	25	8	1.20	Pending	Pending	Pending
					31	37	6	3.54	Pending	Pending	Pending
					55	76	21	3.08	Pending	Pending	Pending
					88	91	3	0.95	Pending	Pending	Pending
					94	96	2	1.67	Pending	Pending	Pending
SH081DD	5445	989	090	-70				Pending	Pending	Pending	Pending
SH082RC	5425	1020	0	-90	39	63	24	1.49	Pending	Pending	Pending
SH083RC	5480	983	0	-90	2	18	16	1.85	Pending	Pending	Pending
					33	46	13	2.60	Pending	Pending	Pending
SH084RC	5475	1017	0	-90	21	29	8	4.54	Pending	Pending	Pending
					32	35	3	1.78	Pending	Pending	Pending
SH085RC	5381	1000	0	-90	0	4	4	1.38	Pending	Pending	Pending
					48	63	15	0.98	Pending	Pending	Pending
					74	78	4	3.62	Pending	Pending	Pending
					81	86	5	1.54	Pending	Pending	Pending
SH086DD	5428	1002	0	-90				Pending	Pending	Pending	Pending
SH087RC	5392	1031	0	-90	64	79	15	1.73	Pending	Pending	Pending
SH088RC	5356	973	270	-85	2	18	16*	4.49*	Pending	Pending	Pending
					36	40	4	1.24	Pending	Pending	Pending
					48	54	6	1.15	Pending	Pending	Pending
					58	98	40	1.66	Pending	Pending	Pending
SH089DD	5189	964	090	-75				Pending	Pending	Pending	Pending
SH090RC	5500	911	0	-90	21	32	11	6.29	Pending	Pending	Pending
SH091RC	5300	992	090	-60	0	7	7**	1.15**	Pending	Pending	Pending
					11	54	43	9.38	Pending	Pending	Pending
					Incl.	20	36	16	19.83	Pending	Pending

Table 1. Summary of significant mineralised intercepts.

Mineralised intercepts estimated using a 0.5 g/t cutoff with no more than 2m of continuous internal dilution. Au determination by Fire Assay - 50gm. (EOH) = End of hole. * Interval includes 3m of sample loss (no sample) at 6-8m and 9-10m respectively wholly contained within the mineralised zone; the missing samples have not been included in the average grade calculation and treated as zero. ** Interval includes 1m of sample loss (no sample) at 4-5m wholly contained within the mineralised zone; the missing samples have not been included in the average grade calculation and treated as zero. All intercepts reported are downhole lengths only and are not reported as true widths.