

## 200 METRES AT 2.51% COPPER EXTENDS LODE 4 MINERALISATION

*Jabal Sayid drilling intersects 200m at 2.51%Cu from 220m to 420m  
(end of hole and open), including 60m at 3.35%Cu*

### Highlights:

- **BDH4007 returned 200m @ 2.51% Cu from 220m (hole ending in mineralization), including 60m at 3.35%Cu in the upper section of the Lode 4 stockwork.**
- **New gold occurrence from Lode 4 in BDH4007 of 13m @ 4.88 g/t Au (uncut) from 95m to 108m, including 5m at 10.85 g/t Au (uncut).**
- **BDH 4006 returned 87m at 1.50% Cu from 274m to 361m (eoh) , including 32m @ 2.51% Cu**
- **Both holes targeted near surface Cu stockwork and successfully intersected the Lode 4 mineralisation closer to surface than previously interpreted.**
- **Both holes ended in mineralization and BDH4007 also intersected 20m @ 8.13% Zn, 0.60 g/t Au, 65.3 g/t Ag above the main Cu stockwork zone**

Citadel Resource Group Limited (ASX: CGG – “Citadel”) is pleased to announce that it continues to receive excellent near surface copper results from the Lode 4 drilling program at its **50%-owned Jabal Sayid Copper Project** in Saudi Arabia.

In the latest Lode 4 drill results, drillhole 4007 intersected **200m at 2.51% Cu, 0.21% Zn, 0.31g/t Au, 10.0g/t Ag** (end of hole), including **60m at 3.35% Cu, 0.22% Zn, 0.29g/t Au, 13.0g/t Ag**. BDH 4006 intersected **87m at 1.50% Cu, 0.17% Zn, 0.16g/t Au, 9.4g/t Ag** (end of hole), including **32m at 2.51% Cu, 0.06% Zn, 0.29g/t Au, 10.8g/t Ag**.

The results are significant in that **both holes have intersected mineralization above the current resource envelope** with the intersection in BDH4007 encountered substantially above the top of the current resource boundary. BDH 4007 also intersected a **new style of strong gold mineralization** in the hanging wall and **high grade zinc mineralization** both above the main copper stockwork zone.

Drillholes 4004 – 4007 were targeted into the upper part of the Lode 4 stockwork adjacent to the massive sulphide contact where little drilling had been undertaken in the past. Most of the previous historic drilling programs in Lode 4 targeted the deeper part of Lode 4 from surface or below the 650m RL drives from underground. Drilling into these upper areas by CGG has shown that the stockwork lode extends nearer to surface than previously interpreted, as proved by drillholes 4001, 4004 and 4005 (previously announced) and these two drillholes.

Drillhole 4007 was sited 50m south of previously announced drillhole 4005 and targeted the upper part of the Lode 4 stockwork. BDH4007 intersected **200m at 2.51% Cu, 0.21% Zn, 0.31g/t Au, 10.0g/t Ag** from 220 to 420m downhole (end of hole), including **60m at 3.35% Cu, 0.22% Zn, 0.29g/t Au, 13.0g/t Ag** from 284 to 334m downhole. The hole also intersected **20m at 8.13%Zn, 0.24%Cu, 0.60g/tAu, 65.3g/t Ag** in massive sulphide from 136 to 156m downhole including 7m at 14.36%Zn, 0.34%Cu, 0.65g/tAu, 94.4g/t Ag from 140 to 147m downhole in the upper part of the hole (see Table 1).

Drillhole 4007 intersected strong Au mineralization of a style not recognized by the previous workers at Jabal Sayid. Situated in the hanging wall volcanic succession this mineralisation style is expressed as zones of pervasive haematitic, pyritic and silicic alteration indicating the presence of strongly oxidizing fluids in the hangingwall succession. This zone returned **13m at 4.88g/t Au (uncut), 19.0g/t Ag** from 95 to 108m downhole including 5m at 10.85 g/t Au (uncut), 42.0 g/t Ag from 99 to 104m downhole.

Drillhole 4006 was sited about 50m SW of drillhole 4007 (see Table 2) and was designed to test the southern extensions of the upper part of the strong stockwork mineralisation intersected in previously reported drillhole 4004. The hole intersected **87m at 1.50% Cu, 0.17% Zn, 0.16g/t Au, 9.4g/t Ag** from 274 to 361m downhole (end of hole in the stockwork zone), including **32m at 2.51% Cu, 0.06% Zn, 0.29g/t Au, 10.8g/t Ag** from 226 to 358m downhole (see Table 1).

The results from drillholes 4006 and 4007 were not included in the recent resource upgrade (previously announced – see Table 3) and have the potential to increase high-grade copper mineralisation in the Lode 4 stockwork as well as base (Zn-Cu) and precious metal (Au-Ag) mineralisation in the massive sulphide zone. A deep drilling program is also planned for later in 2008. This program will target the interpreted higher grade extension of Lode 4 below the current resource to a level of 1000m below surface.

Today's results follow last month's 61% increase in the Jabal Sayid copper-zinc mineral resource from 46.2 million tonnes to 74.3 Mt. Contained copper was up 20% to 1,000,000 tonnes and contained zinc up 400% to 440,000 tonnes (Table 3).

Commenting on the results for this follow-up diamond drilling into Zone 4 at Jabal Sayid, Mr Ralph Stagg, Technical Director of CGG, said:

***These holes demonstrate that both the stockwork and massive sulphide zones within Lode 4 come closer to surface than modeled in the current resource.***

***The new style of gold mineralization, previously unrecognized and unsampled at Jabal Sayid provides another target. We will be re-logging and re-sampling some of the old core, including our own recent drillcore with a view to seeing if we can identify further occurrences of this style of mineralization.***

**Table 1 - Assay Summary**

| Drill Hole No | From m | To m   | Intercept m | Au Ppm | Ag ppm | Cu % | Zn %  | Description      |
|---------------|--------|--------|-------------|--------|--------|------|-------|------------------|
| BDH4006       | 274.0  | 361.0* | 87.0        | 0.16   | 9.4    | 1.50 | 0.17  | Stockwork        |
| incl          | 326.0  | 358.0  | 32.0        | 0.29   | 10.8   | 2.51 | 0.06  | Incl.            |
| BDH4007       | 95.0   | 108.0  | 13.0        | 4.88   | 19.0   | 0.01 | 0.26  | HW alteration    |
| incl          | 99.0   | 104.0  | 5.0         | 10.85  | 42.0   | 0.01 | 0.48  | Incl.            |
|               | 136.0  | 156.0  | 20.0        | 0.60   | 65.3   | 0.24 | 8.13  | Massive Sulphide |
| incl          | 140.0  | 147.0  | 7.0         | 0.65   | 94.4   | 0.34 | 14.36 | Incl.            |
| and           | 220.0  | 420.0* | 200.0       | 0.31   | 10.0   | 2.51 | 0.21  | Stockwork        |
| incl          | 252.0  | 257.0  | 5.0         | 1.08   | 51.4   | 6.86 | 0.92  | Incl.            |
| &             | 284.0  | 344.0  | 60.0        | 0.29   | 13.0   | 3.35 | 0.22  | Incl.            |

\* End of hole

**Table 2 Hole Collar Locations**

| Drill Hole_ID | East (m)   | North (m)  | RL (m) | Depth (m) | Azimuth | Angle |
|---------------|------------|------------|--------|-----------|---------|-------|
| BDH4006       | 697716.93  | 638853.86  | 981.6  | 361.00    | 88      | -70   |
| BDH4007       | 697755.058 | 638899.977 | 976.9  | 419.45    | 100     | -65   |

**Table 3: Summary of Resource Estimate (previously announced)**

| Resource Category | Cut Off Grade Cu % | Type       | Tonnes (Mt) | Cu %        | Contained Cu t (000's) | Zn %        | Contained Zn t (000's) |
|-------------------|--------------------|------------|-------------|-------------|------------------------|-------------|------------------------|
| Indicated         | 0.0                | MS         | 2.6         | 1.95        | 50.9                   | 1.36        | 36                     |
| Indicated         | 0.0                | MS         | 0.9         | 0.35        | 3.3                    | 1.59        | 15                     |
| Indicated         | 0.2                | Stringer   | 18.6        | 1.90        | 353.1                  | 0.09        | 16                     |
|                   |                    | <i>All</i> | <i>22.2</i> | <i>1.84</i> | <i>407.3</i>           | <i>0.30</i> | <i>67</i>              |
| Inferred          | 0.0                | MS         | 1.5         | 1.80        | 27.0                   | 1.24        | 19                     |
| Inferred          | 0.0                | MS         | 17.1        | 0.45        | 77.1                   | 2.17        | 371                    |
| Inferred          | 0.2                | Stringer   | 33.5        | 1.44        | 483.4                  | 0.09        | 32                     |
|                   |                    | <i>All</i> | <i>52.1</i> | <i>1.13</i> | <i>587.6</i>           | <i>0.81</i> | <i>421</i>             |
| TOTAL             |                    | MS         | 22.2        | 0.71        | 156.3                  | 1.98        | 440-                   |
| TOTAL             |                    | Stringer   | 52.1        | 1.61        | 836.6                  | 0.09        | 48                     |

For a more detailed Technical Summary of the Jabal Sayid Project please refer to the link on the home page of our website: [www.citadelrg.com.au](http://www.citadelrg.com.au).

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*Note 1: The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Ralph Stagg, who is a Member of the Institution of Materials, Mining and Metallurgy, a Chartered Engineer and a Fellow of the Australasian Institute of Mining and Metallurgy, and is the technical director of Citadel Resource Group. Ralph has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results and Mineral Resources..". Ralph 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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