

\$29M CAPITAL RAISING CLOSURE

Citadel Resource Group is pleased to announce the closing of a capital raising for the issue of 108,000,000 fully paid ordinary shares at 27 cents for a total of \$29,160,000. Refer to Table 1 for total securities on issue.

The company mandated to manage the raising was Petra Capital whose team closed the raising within 24 hours. The capital raising was oversubscribed.

Commenting, Ines Scotland CEO said:

"The raising was subscribed to by Australian institutional investors. Some were already on our register and others have been following the progress on our gold and copper projects so they took this opportunity to enter the register.

The fact that the shares were placed with essentially no discount demonstrates the strength of the fundamentals of our projects and the experienced team we have in place to now move the projects through bankable feasibility studies."

The capital will be used for:

- Jabal Sayid (copper) Feasibility Study
- Shayban (gold) Feasibility Study
- Deposits on the mills for Jabal Sayid to mitigate long lead times
- Exploration on our Sulphide Nickel and PGE project

Table 1, Securities after the issue of 108M new shares

Securities	
Securities - issued	
Ordinary - quoted	485,122,082
Ordinary - not quoted (Directors stock in escrow)	393,500,000
<i>Ordinary - total</i>	<i>878,622,082</i>
Partly Paid shares	65,126,612
Options	51,787,019
Securities – to be issued*	
Ordinary - not quoted (Consolidated Mining Company Investments)	247,000,000
Securities total	
Total	1,242,535,713

*NB: The issue 247 million securities is subject to CGG Shareholder Approval – refer to CGG Announcement on this transaction dated 1 August 2007.

The issue falls within the Company's 15% issue capacity and does not require shareholder approval under the ASX Listing Rules.

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