
NEWS

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61% RESOURCE BOOST ENHANCES WORLD-CLASS

POTENTIAL OF CITADEL'S SAUDI ARABIAN PROJECT

The mineral resource for Citadel Resource Group's (ASX: "CGG") Jabal Sayid copper-zinc project in Saudi Arabia has been increased by 61% to 74 million tonnes, further enhancing the world class potential of the rich deposit.

The new Jabal Sayid resource estimate – calculated within the JORC Code guidelines – includes one million tonnes of contained copper and 440,000 tonnes of contained zinc.

The latest inventory of contained metal compares with the previous estimate announced last year of 828,000 tonnes of contained copper and 87,000 tonnes of contained zinc.

Sydney-based Citadel, which has a 50% stake in the project, said today that a further updated mineral resource for the Jabal Sayid project was planned for later this year, with the resource remaining open at depth and in most directions along strike.

The new 74 million tonnes Indicated and Inferred Resource includes 52 Mt at 1.6% Cu, 0.1% Zn (Cu Stringer/Stockwork), 4 Mt at 1.9% Cu & 1.3% Zn (Cu/Zn Massive Sulphide) and 18 Mt at 2.1% Zn, 0.5% Cu (Zn/Au Massive Sulphide).

The updated resource estimate, prepared by independent third party AMC Consultants Pty Ltd (AMC) - a specialist Independent Mining and Resource Estimation consultancy – is based on Citadel drilling from late in 2006 and 2007 as well as available historical surface and underground drilling and sampling.

An estimate of the gold and silver content of the resource, which is material, has not been undertaken in this update. Additionally, there are areas that have not been included in the new Jabal Sayid Mineral Resource due to either incomplete data or the early January cut-off for the inclusion of drill data.

World-class scale

Ms Ines Scotland, Citadel's Chief Executive Officer, said today that the updated resource highlighted the potentially world-class scale of the Jabal Sayid deposit and indicated the potential for further substantial growth to the resource as the drill out proceeds.

"Importantly, it expands the resource to a level that underpins the commercial viability of the project," Ms Scotland said.

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“Jabal Sayid has again demonstrated excellent tonnage, continuity, and grade. Eight months after releasing our first Mineral Resource Statement we have upgraded the contained copper resource by 20% and the contained zinc resource by 400%,” she said.

“This is the first of many anticipated upgrades, as Jabal Sayid remains open in most directions and at depth. Globally these styles of mineralised systems (VMS) can occur with numerous lodes and so far we have identified three.

“There remains considerable scope for further substantial discoveries, beyond the targets already identified.”

Bankable Feasibility Study

Citadel is currently completing a Mining Options Study which will lead directly into the commencement of a Bankable Feasibility Study (BFS).

“To progress the Feasibility Study, our development team will primarily focus on infill and extension drilling of the current Mineral Resource during 2008. We think the high grade core of Lode 4 will underpin a world class underground mining operation by itself and we can then add production from Lode 2 and the Lode 1 and Lode 4 massive sulphides to this,” Ms Scotland said.

“The project is underpinned by the considerable existing infrastructure as well as the favourable operating environment for mining companies in Saudi Arabia,” Ms Scotland said.

“Jabal Sayid is located 500m off a sealed highway that connects to a deepwater port facility with bulk materials handling capability at Yanbu on the Red Sea. The development off the existing 3.9Km decline passes through the high grade upper section of Lode 4, as well as the high grade sections of Lodes 2 and 1. There is a 100 man camp in place that we are currently using and the closest town some 35 kms to the north /east has an operating gold mine that has produced over 6Moz.

“Concurrently with the work being undertaken to further expand the resource, we are well advanced in assembling the Feasibility Study team, with the appointment of experienced mining engineers and geologists to fast track the project into copper production.”

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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 Bariq Mining. 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.

Note 2: The information set out above relating to mineral resource estimates are based on information compiled by Mark Sweeney who is a Member of the Australian Institute of Mining and Metallurgy. Mark Sweeney 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". Mark Sweeney 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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