

30 December 2008

Correction & Clarification

The Appendix 3B released to Market - 9 December 2008 contained an error in section 8 – “Number and class of all securities quoted on ASX (*including* the securities in clause 2 if applicable)” – the new total of ordinary shares did not include the 224,236,513 issued and should have shown the total of quoted ordinary shares as 730,675,347 (not 506,438,834 as reported)

Summary of Issued Capital – Appendix 3B released to Market - 9 December 2008

<b>Securities</b>	<b>Quoted</b>	<b>Unquoted</b>	<b>Escrow</b>	<b>Total</b>
Ordinary shares	730,675,347	-	398,341,300	1,129,016,647
Partly paid shares with \$0.0375 to pay	30,713,571	-	6,254,989	36,968,560
Partly paid shares with \$0.0875 to pay	-	1,000,000	-	1,000,000
Partly paid shares with \$0.10 to pay	-	1,000,000	-	1,000,000
Options expiring 31 Dec 09 exercisable at \$0.20	-	10,287,019	-	10,287,019
Options expiring 31 Dec 10 exercisable at \$0.20	-	-	41,500,000	41,500,000
Options expiring 1 Aug 13 exercisable at \$0.35	-	10,000,000	-	10,000,000



Company Secretary  
Robert Lees

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Citadel Resource Group Limited

ABN

92 009 727 959

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |  |
|---|--|--|
| 1 | +Class of +securities issued or to be issued   | Ordinary Shares  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | (a) 224,236,513 Ordinary shares<br>(b) 2,200,000 Ordinary shares   |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | (a) Shareholder approved issue<br><br>(b) Conversion of Partly Paid to \$0.1625 shares to Fully Paid Ordinary Shares |

+ See chapter 19 for defined terms.

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<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes</p>						
<p>5 Issue price or consideration</p>	<p>(a) Shareholder approved acquisition of additional interest in Jabal Sayid &amp; other exploration tenements at a deemed consideration of \$32,685,387</p> <p>(b) \$0.0375 total call payment on each Partly Paid share for total consideration of \$82,500.00</p>						
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>(a) Issue of 224,236,513 ordinary fully paid shares</p> <p>(b) Conversion of 2,200,000 Partly paid to \$0.1625 shares to ordinary shares on payment of \$0.0375 per share</p>						
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>05 December 2008</p>						
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1568 989 1612">Number</th> <th data-bbox="989 1568 1279 1612">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1612 989 1657">730,675,347</td> <td data-bbox="989 1612 1279 1657">Ordinary</td> </tr> <tr> <td data-bbox="686 1657 989 1825">30,713,571</td> <td data-bbox="989 1657 1279 1825">Partly paid Shares – 3.75 cents to pay</td> </tr> </tbody> </table>	Number	+Class	730,675,347	Ordinary	30,713,571	Partly paid Shares – 3.75 cents to pay
Number	+Class						
730,675,347	Ordinary						
30,713,571	Partly paid Shares – 3.75 cents to pay						

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	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	398,341,300	<b>Securities Escrowed to 12 Dec 2009</b> Ordinary Shares escrowed to 12 Dec 2009
	41,500,000	Options – exercisable at \$0.20 & expiring 31 Dec 2010 – escrowed to 12 Dec 2009
	6,254,989	Partly paid Shares – 3.75 cents to pay escrowed to 12 Dec 2009
	----- 1,000,000	----- Partly paid Shares – 8.75 cents to pay
	1,000,000	Partly paid Shares – 10 cents to pay
	10,287,019	Options – exercisable at \$0.20 & expiring 31 Dec 2009
	10,000,000	Options - exercisable at \$0.35 & expiring 1 August 2013
	10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

## Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	
12 Is the issue renounceable or non-renounceable?	
13 Ratio in which the +securities will be offered	
14 +Class of +securities to which the offer relates	

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- 15 +Record date to determine entitlements
- 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?
- 17 Policy for deciding entitlements in relation to fractions
- 18 Names of countries in which the entity has +security holders who will not be sent new issue documents  
Note: Security holders must be told how their entitlements are to be dealt with.  
Cross reference: rule 7.7.
- 19 Closing date for receipt of acceptances or renunciations
- 20 Names of any underwriters
- 21 Amount of any underwriting fee or commission
- 22 Names of any brokers to the issue
- 23 Fee or commission payable to the broker to the issue
- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders
- 25 If the issue is contingent on +security holders' approval, the date of the meeting
- 26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if

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	applicable)	
29	Date rights trading will end (if applicable)	
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	
33	+Despatch date	

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a)  Securities described in Part 1

(b)  All other securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a) Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
 1 - 1,000  
 1,001 - 5,000  
 5,001 - 10,000  
 10,001 - 100,000  
 100,001 and over

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37  A copy of any trust deed for the additional +securities

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**Entities that have ticked box 34(b)**

38 Number of securities for which  
+quotation is sought

39 Class of +securities for which  
quotation is sought

40 Do the +securities rank equally in all  
respects from the date of allotment  
with an existing +class of quoted  
+securities?

If the additional securities do not  
rank equally, please state:

- the date from which they do
- the extent to which they  
participate for the next dividend,  
(in the case of a trust,  
distribution) or interest payment
- the extent to which they do not  
rank equally, other than in  
relation to the next dividend,  
distribution or interest payment

41 Reason for request for quotation  
now

Example: In the case of restricted securities, end of  
restriction period

(if issued upon conversion of  
another security, clearly identify that  
other security)

	Number	+Class
42	Number and +class of all +securities quoted on ASX ( <i>including</i> the securities in clause 38)	

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**Quotation agreement**

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.


- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C (6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  ..... Date: 9 December 2008.....  
(Company secretary)

Print name: ...Robert Lees.....

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