

DECLINE DEWATERING COMMENCED JABAL SAYID COPPER PROJECT

Citadel Resource Group is pleased to announce the dewatering of the existing 3.9km decline at the Jabal Sayid Project (50%) has commenced. The decline is in good condition and was initially constructed in the early 1980's for exploration and bulk sample testwork. The production sized decline runs through Zones, 1, 2 and 4 and is approximately 5m x 5m.

The Jabal Sayid project contains Total Mineral Resources of 74Mt (Table 1) which remain open in most directions. This includes copper (Cu) resources of 52Mt at 1.6% Cu containing a delineated high grade zone of 31Mt at 2.3% Cu in Lode 2 and Lode 4 that is amenable to bulk underground mining and will form the basis for Stage 1 of Jabal Sayid development. The decline will provide direct access to this delineated high grade zone.

The dewatering and rehabilitation program is expected to be completed over the course of the next few months. When the rehabilitation is complete Citadel will move straight into an underground infill and exploration drilling program. The underground drilling program will involve two rigs to supplement the infill and extension drilling currently underway from surface.

Importantly this underground drilling program will test the BRGM interpretation that **Lode 4 extends to at least 750m below surface, some 200m below the base of the current resource.** The BRGM interpreted target potential of Lode 4 below 550m of ~100,000t per vertical metre at >3% Cu. This equates to an exploration **target of 15-20Mt at 2.5-3.5% Cu** between 550m and 750m. The current ~1Mt contained copper resource is only to a depth of 550m below surface and remains open at depth.

Under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (Paragraph 18) the company is required to make the following statement with regard to Exploration Targets. - the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

Decline Re-entry Team in Late 2007



Jabal Sayid Resource with 3.9Km Decline

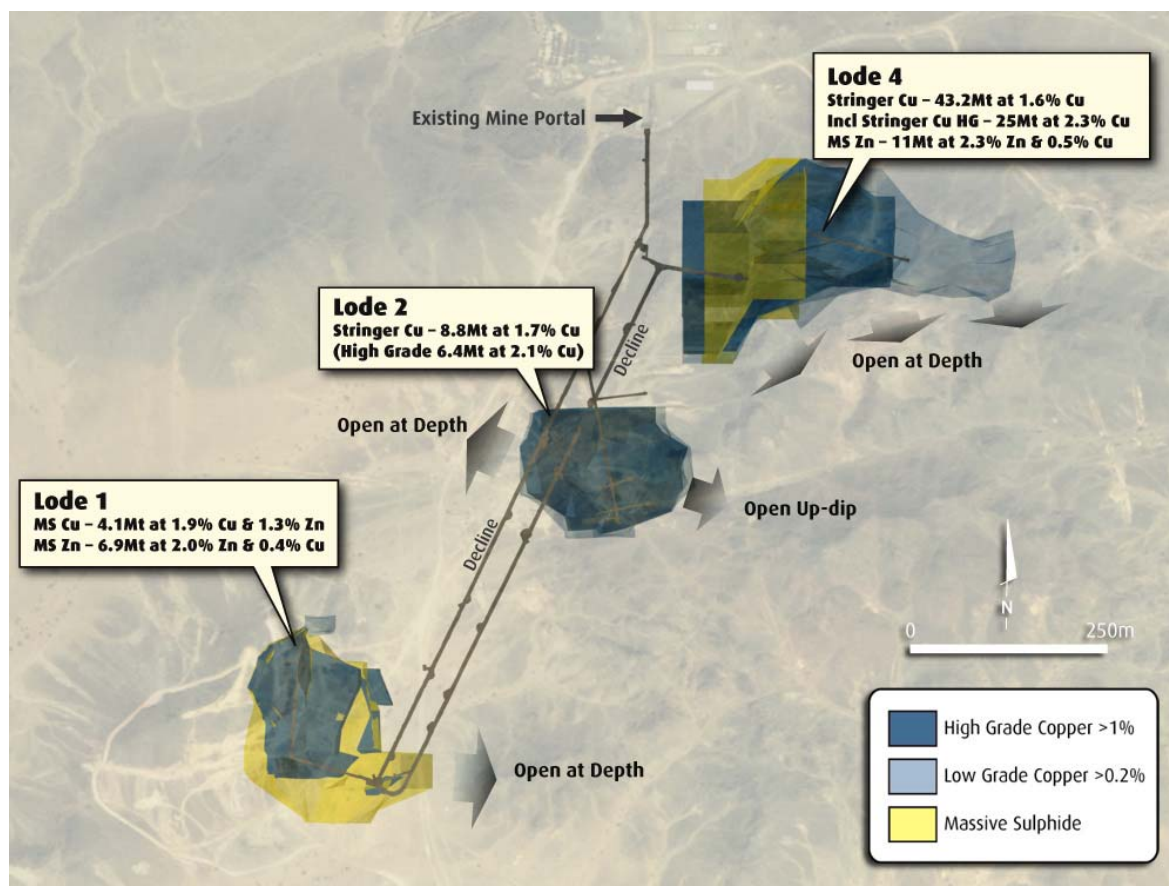


Table I: Updated Resource by Category

Resource Category	Type*	Tonnes (Mt)	Cu %	Contained		
				Cu t (000's)	Zn %	Contained Zn t (000's)
Indicated	MS	2.6	1.95	50.9	1.36	36
Indicated	MS	0.9	0.35	3.3	1.59	15
Indicated	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	MS	1.5	1.80	27.0	1.24	19
Inferred	MS	17.1	0.45	77.1	2.17	371
Inferred	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

Zn grade and tonnes estimated for Lodes 1 & 4 and included in the total resource tonnes
 * Refer to section on mineralization type and cut-off grade

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Note 1: The information in this report that relates to Exploration Results or 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 Limited. 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, Mineral Resources and Ore Reserves". Ralph consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.