

## EXCELLENT METALLURGICAL RESULTS FROM JABAL SHAYBAN

### Highlights:

- **Initial metallurgical testwork conducted on samples from Shayban Gold Project.**
- **Bottle Roll tests indicate a gold recovery of 92.8% using course grained RC chips.**
- **Recovery boosted to 95.8% after grinding to 75  $\mu$  – normal sizing for a CIL circuit.**
- **Results are extremely encouraging in terms of gold recovery for either a heap leach or a conventional CIL circuit.**
- **Ongoing drilling continuing to provide high grade gold results.**

Citadel Resource Group Limited (ASX: CGG – “Citadel” or “the Company”) is pleased to announce the results of early stage leach testwork on the Jabal Shayban Gold project with Ammtec in Perth. The testwork, conducted on a composite from 11 RC drillholes, indicated gold recoveries of 92.8% increasing to 95.8% after grinding to 75 microns. The testwork is very encouraging in terms of gold recovery for either a heap leach or a conventional CIL circuit

The testwork involved using the as-received RC chips in an intermittent bottle roll test. The overall leach recovery of gold was 92.8%. The sample used was a composite of samples from 11 drill holes. This initial test on RC chips had an 80% passing size of 1.9mm. A second test was conducted on the same sample after laboratory grinding to give an 80% passing size of 75 microns (normal sizing for a CIL circuit). This gave an increased gold recovery of 95.8%.

The metallurgical testwork has also confirmed the high grade of the drill samples from Jabal Shayban with the average calculated head of the composite sample being 16.1g/t, the assay for this sample being 16.5g/t and the average of the original drill assays being 16.8g/t. This close correlation also supports the view that the particles of gold at Jabal Shayban are quite finely and evenly distributed.

For both initial bottle roll tests the cyanide consumption was in the range of 5.2 to 5.5 kg/t. While high it is anticipated that low energy and labour costs and the low strip ratio at Shayban will still result in low cash costs. Additional work is also underway to look at ways of reducing the cyanide consumption. The main cause of high cyanide consumption is high levels of soluble copper in the upper (oxidised) portion of the mineral deposit. It is intended that the zones of high soluble copper could be treated with a simple leach pre-treatment to remove and recover the soluble copper.

Citadel has planned some column leach testwork on diamond core samples. This work will commence early next year and will further investigate the suitability of the material from this mineral deposit for heap leaching.

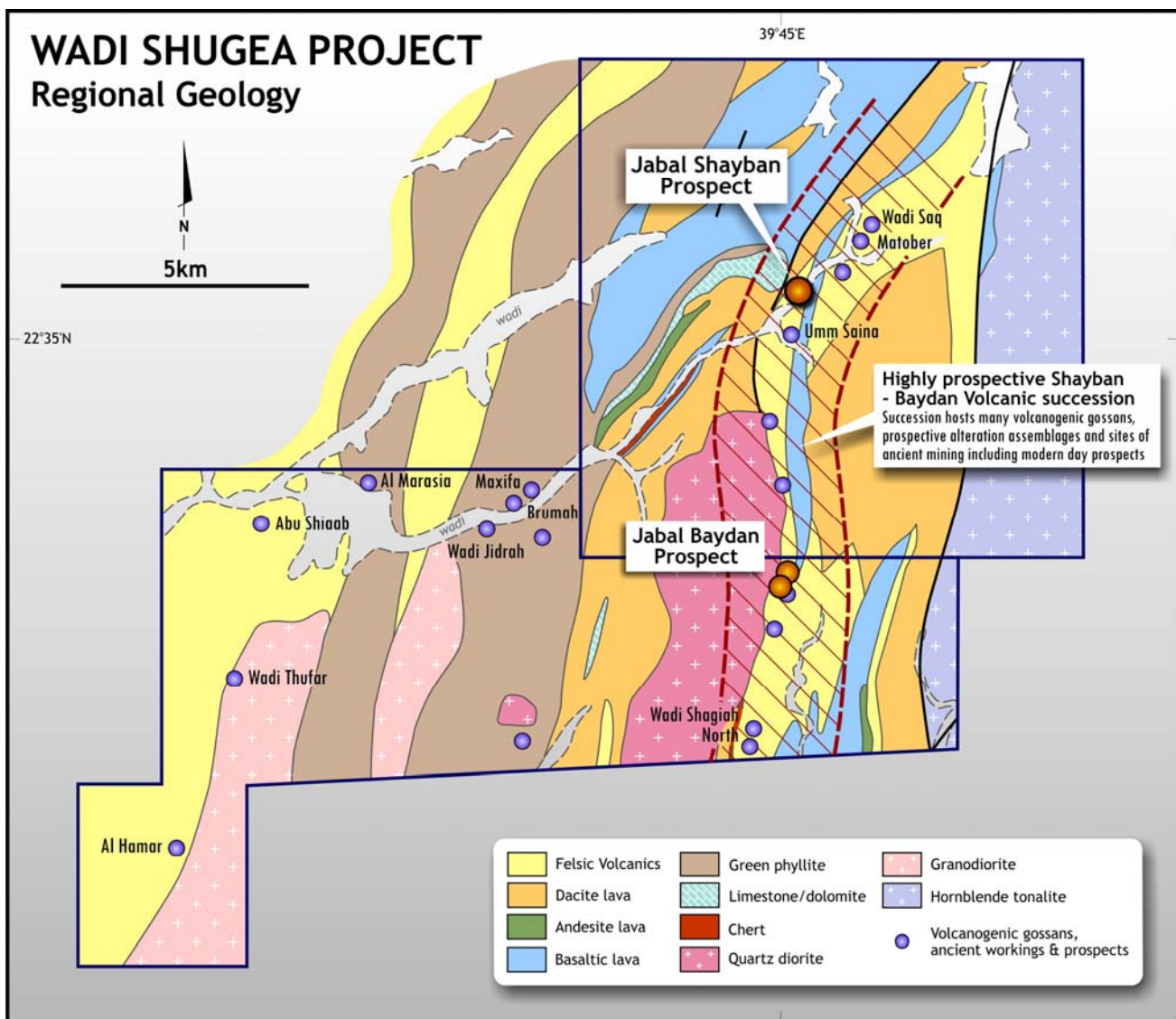
Exploration drilling at Shayban has been accelerated with the relocation of a new diamond core rig from Wadi Kamal to Shayban. The project continues to return exciting drill results. Partial 1m splits received from the next two drillholes at Shayban indicate a run of at least 10 samples returning a grade in excess of 20 g/t gold. Complete results are anticipated over the weekend.

## About the Shayban Project

The Jabal Shayban Gold Project is located approximately 150km NE of Jeddah, and is accessed off a sealed highway. Previous work at Shayban includes a Measured and Indicated Resource of **1.8 Mt at 2.76 g/t Au, 23.11 g/t Ag and 0.46% Cu** (Source Ma'aden, 1999) which remains open in all directions. Recent drilling by Citadel has returned intercepts including **31m at 6.9 g/t Au** from 15m (SH048RC), **42m at 4.6 g/t Au** from surface (SH051RC), and **76m at 2.2 g/t Au** from 18m (SH044RC).

Shayban is contained within Citadel's Wadi Shugea project which covers 203 sq km's of the highly prospective Neo-Proterozoic Ariab-Samran-Shayban volcanic belt. The Ariab-Samran-Shayban volcanic belt extends for in excess of 1000km from the Nile Valley in Sudan, north-eastwards across the Red Sea into Saudi Arabia. The belt hosts several significant gold and base metal mines, from Sudan (Hassai gold-rich VHMS deposit (+2Moz)) in the south through to the Mahd Adh Dhahab (Cradle of Gold deposit +5Moz) and Citadel's Jabal Sayid deposits to the north. The VHMS and precious-metal epithermal deposits of the Ariab-Samran-Shayban mineral belt form a world-class mineral province that Citadel believes will deliver further discoveries in the near future.

**Figure 1 – Jabal Shayban Project Regional Geology**



The Jabal Shayban deposit occurs within a wider 7km long by 2km wide zone of strong hydrothermal alteration. This zone also encompasses numerous areas of extensive ancient workings including several modern-day prospects which have previously been identified by the BRGM. The Shayban prospect area is marked by an extensive zone of alteration and gossanous outcrops.

The mineralisation at Shayban forms south plunging, westerly dipping, semi-continuous lodes that are currently open down plunge, down dip and along strike. Within the prospect area mineralisation mainly occurs within the "Shayban Shear Zone" a locally significant deformational zone that is mapped for in excess of 2.5km in the immediate area. As illustrated by Figure 2 (965mE Long Section) the lodes are boudinaged out along the Shayban

Shear Zone. In long section the lodes have an attenuated, “pinch and swell” morphology that are traceable for in excess of 600m along plunge (currently open). Within these attenuated horizons several high-grade gold, sulphide-rich “shoots” have been intersected. These variably boudinaged shoots can have strike extents of up to 150m, a dip extent of about 70m and a maximum true thickness of 30m.

Citadel’s ongoing exploration drilling program continues to demonstrate Jabal Shayban’s potential to host a significant mineral resource. Mineralisation has now been delineated over a strike length of 550m and is currently open along strike (to the north), down dip (to the west) and down plunge (to the south).

**Table 1 - Jabal Shayban Mineral Resource**

Mineralisation	Measured				Indicated			
	Tonnes	Au g/t	Ag g/t	Cu %	Tonnes	Au g/t	Ag g/t	Cu %
Oxide	266,300	2.56	31.1	0.43	156,100	3.79	30.4	0.39
Sulphide	738,900	2.78	20.5	0.52	648,500	2.58	31.1	0.42
<b>Grand Total</b>	<b>1,005,200</b>	<b>2.72</b>	<b>23.3</b>	<b>0.50</b>	<b>804,600</b>	<b>2.81</b>	<b>31.0</b>	<b>0.41</b>

**(Source Ma’aden, 1999)**

*Note 1: The information in this announcement that relates to Exploration Results and Mineral Resources is based on information compiled by Brett Butlin, Exploration Manager, who 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”. Brett Butlin is of member of the Australian Institute of Geoscientists. Brett Butlin is a full time employee of Citadel Resource Group, and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

For a more detailed Technical Summary of the Shayban and the Regional Prospects 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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Figure 2 – Jabal Shayban Schematic Long Section 965mE

