ASX Release

DRILLING BENEATH MAIN LODE 4 RESOURCE AREA AT JABAL SAYID INTERSECTS HIGH GRADE COPPER MINERALISATION (111m at 2.7% Copper)

9 December 2010

Citadel Resource Group (ASX:CGG) is pleased to announce additional high grade Copper results from its recently completed drillhole BDH4061. The purpose of this hole was to test beneath the main Lode 4 resource area, where, due to a lack of drilling, the current resource model is attenuated (see figure 1). BDH4061 was also drilled in order to develop confidence and continuity between the main Lode 4 resource area and the previously reported exceptional down plunge intersections of BDH4028 (76m at 3.03% Cu and 0.43g/t Au (to EOH) *previously announced*) and BDH4060 (34m at 4.46% Cu and 0.53g/t Au *previously announced*). The larger mineralised interval from BDH4061 returned;

- **111m at 2.67% Cu, 0.23g/t Au, 8.37g/t Ag from 653m**
    - ***Including 6m at 11.28% Cu, 1.60g/t Au, 28.92g/t Ag from 700m***

BDH4061 has demonstrated that the attenuation used in Lode 4 Resource modelling (mainly due to lack of drilling) directly beneath the main zone is artificial. Together with BDH4028 and BDH4060 this latest drillhole has reinforced Citadels belief that significant potential remains to be tested at depth beneath the main Lode 4 orebody.

Citadel's CEO, Ines Scotland has made the following observation:

"*BDH4061 demonstrates the significant upside of the Jabal Sayid copper deposit with its potential yet to be fully unlocked. Development of the current project continues to advance with the timeline and costs remaining within budget. There are approximately 350 construction and mining workers onsite at Jabal Sayid now with the numbers set to grow once the main process plant construction works commence in February.*"

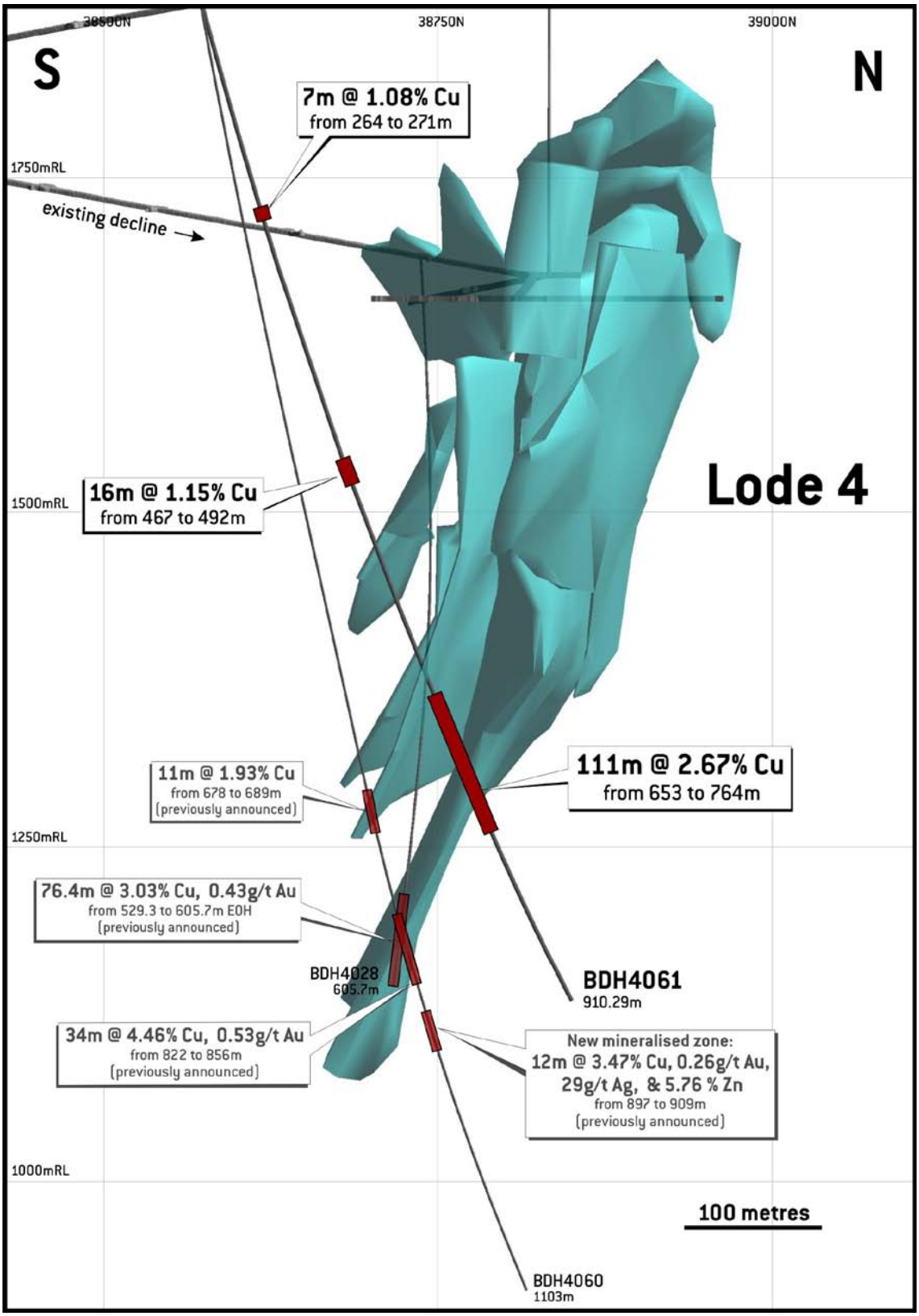

Figure 1. Lode 4 deposit looking from east towards west showing BDH4061, existing resource model and underground development.

Hole ID	Co-ordinates		RL	Azi. (PMG)	Dip	Total Depth	Significant Assay Results							Significance of Results	
							From	To	Length	Grade				Codes	
	Northing (PMG)	Easting (PMG)				(m)	(m)	(m)	(m)	Cu (%)	Au (g/t)	Ag (g/t)	Zn (%)	(see below)	Comments
BDH4061	38545	97766	1995	345.25	-75	910.29	264	271	7	1.08	0.12	5.06	0.01	NZ	
							475	492	17	1.10	0.07	9.22	0.02	NZ	
							653	**764**	**111**	**2.67**	**0.23**	**8.37**	**0.25**	UR/NZ	
						including	700	706	**6**	**11.28**	1.60	28.92	0.05		

X = Not yet drilled

~ = Hole underway

* = Assays not received

? = Data subject to verification

! = Mineralisation at Base of Hole

CI = Confirms geological interpretation

PCI = Partly confirms geological interp.

DI = Disproves geological interpretation

NZ = New mineralisation zone!

UR = Upgrades Resource

CR = Confirms Resource

DR = Downgrades Resource

*Grid is local grid PMG, based on truncated WGS84 Zone 37N. Azimuths are grid azimuths.**

Samples are half HQ and NQ diamond core, assayed at Al Amri Laboratory in Jeddah, using fire assay or acid digest, ICP finish.

Intersection lengths are calculated downhole, and are presented in this table as length weighted averages.

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The information in this document that relates to Exploration Results and Mineral Resources, is based on information compiled by Brett Butlin (General Manager - Geology), 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, defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Brett Butlin is a member of the Australian Institute of Geoscientists and a full time employee of Citadel Resource Group. He consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.