

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

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, 24/10/2005.

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 | Retail Entitlement Offer – 38,715,303
Exercise of Options – 147,263 |
| 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) | Ordinary Shares - fully paid, ranking equally with all other fully paid ordinary shares.

Issue of 38,715,303 fully paid ordinary shares following closure of Retail Entitlement Offer

Issue of 147,263 fully paid ordinary shares upon exercise of 147,263 options at \$0.2404 each |

+ 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"> • 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 	<p>Yes. Ordinary Shares - fully paid, ranking equally with all other fully paid ordinary shares.</p>				
<p>5 Issue price or consideration</p>	<p>\$0.29 per share for shares issued under the Retail Entitlement Offer</p> <p>\$0.2404 payment on 147,263 options for a total consideration of \$35,402.03</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The proceeds from the Retail Entitlement Offer will provide funds which will be applied towards the equity component of the funding required to develop the Jabal Sayid project prior to debt drawdown and Citadel's corporate costs and activities and exploration.</p> <p>The issue of fully paid ordinary shares upon exercise of options.</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>22 July 2010 – The allotment of 147,263 shares upon exercise of options.</p> <p>27 July 2010 - The allotment of 38,715,303 shares for the Retail Entitlement Offer.</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="695 1581 995 1615">Number</th> <th data-bbox="995 1581 1289 1615">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="695 1615 995 1827">2,367,091,408</td> <td data-bbox="995 1615 1289 1827">Fully paid ordinary shares.</td> </tr> </tbody> </table>	Number	+Class	2,367,091,408	Fully paid ordinary shares.
Number	+Class				
2,367,091,408	Fully paid ordinary shares.				

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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)	41,500,000.	(unlisted) options exercisable at \$0.1968 and expiring 31 December 2010.
	10,000,000.	(unlisted) options exercisable at \$0.3468 and expiring 1 August 2013.
	1,000,000.	(unlisted) options exercisable at \$0.2968 and expiring 27 November 2014.
	6,940,310.	(unlisted) options exercisable at \$0.2404 and expiring 11 June 2014 (Option Plan).
	1,189,259.	(unlisted) performance rights expiring 11 June 2013 (Performance Rights Plan).
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?	Shareholder approval was not required for the Entitlement Offer.
12 Is the issue renounceable or non-renounceable?	Non-renounceable.
13 Ratio in which the +securities will be offered	3:4.
14 +Class of +securities to which the offer relates	Ordinary Shares.
15 +Record date to determine entitlements	7:00pm (AEST) on 24 June 2010.
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No.

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17	Policy for deciding entitlements in relation to fractions	Where fractions arose in the calculation of entitlements, they were rounded up to the nearest whole number of new ordinary shares.
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.	All countries other than: (1) Australia; (2) New Zealand; and (3) such other jurisdictions into which it was decided to make offers.
19	Closing date for receipt of acceptances or renunciations	Institutional Entitlement Offer - 22 June 2010. Retail Entitlement Offer - 19 July 2010.
20	Names of any underwriters	The Joint Lead Managers to the Entitlement Offer (who did not underwrite the Entitlement Offer): Morgan Stanley Securities Limited (ACN 078 652 276). Petra Capital Pty Ltd (ACN 110 952 782).
21	Amount of any underwriting fee or commission	3% of the Institutional and Retail Entitlement Offer (determined by multiplying the offer price by the aggregate number of shares - including ineligible shares). 1% incentive fee (for performance and outcome).
22	Names of any brokers to the issue	N/A.
23	Fee or commission payable to the broker to the issue	N/A.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	N/A.
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	N/A.
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	No prospectus or product disclosure statement is being prepared. A Retail Entitlement Offer Booklet and Entitlement and Acceptance Form were sent to Eligible Retail Shareholders on 29 June 2010.

+ See chapter 19 for defined terms.

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	21 June 2010.
28	Date rights trading will begin (if applicable)	N/A.
29	Date rights trading will end (if applicable)	N/A.
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A.
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A.
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A.
33	+Despatch date	For the Institutional Entitlement Offer - 30 June 2010. For the Retail Entitlement Offer - 27 July 2010.

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 [**Note: Only Ordinary Shares**]

(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

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

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
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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 (including the securities in clause 38)		

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.
 - 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

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+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.



Sue-Ann Higgins
Company Secretary
27 July 2010

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