

ASX Release

Jabal Sayid Project Update

11 February 2010

Citadel Resource Group is pleased to provide an update on the application by Bariq Mining for a mining licence for the Jabal Sayid copper project in Saudi Arabia.

Representatives from Citadel and CMCI, the joint venture partners in Bariq Mining, have been meeting with senior Saudi Government officials in Jeddah and Riyadh over the course of the last week. The response to the meetings has been positive at all levels and the development of the Jabal Sayid project is strongly supported by both the Government and the Saudi business community.

The Government confirmed its commitment to the Mining Investment Law, which came into effect in 2005. The Law provides the right for exploration licence holders to progress to a mining licence where they have met their obligations and have demonstrated the discovery of an exploitable mineral deposit. Some further information regarding the project schedule and Bariq's commitment to hiring, training and career development of Saudi nationals was provided to the Deputy Ministry for Mineral Resources in Jeddah and discussed in principal with officials in Riyadh. The potential expansion of the project and the added value around supporting industries was stressed as being important by the Government. The significance of using Jabal Sayid as a benchmark for how the mining industry can develop was also strongly supported.

There are currently no operating base metal mines in Saudi Arabia which means that Jabal Sayid is leading the development of the industry both in mining and processing for base metals.

While Citadel awaits the mining licence, it is continuing with early engineering to enable the commencement of construction once the mining licence is approved.

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