ASX RELEASE

Jabal Shayban – Maiden Resource

Jabal Shayban Project reports a 467,000oz gold equivalent (Au-Ag) Resource

2 June 2010

Citadel Resource Group (ASX:CGG) is pleased to announce a maiden resource of 467,000oz (Au Eq), including 402,000oz Au from its Jabal Shayban Gold Project, located in the Kingdom of Saudi Arabia.

Jabal Shayban readily lends itself to exploitation by open cut mining methods. Historical cyanide and ongoing floatation metallurgical test work has been encouraging, with both high recovery rates and concentrate grades achieved.

Citadel's Managing Director, Ines Scotland commented:

"Jabal Shayban is only an indication of what Citadel has both in precious and base metals in our portfolio. The Jabal Shayban project is connected to the Jabal Baydan project for which we reported some great drilling results in our last quarterly. As an area this is hugely prospective and will most likely be our next set of projects into operation after Jabal Sayid."

This estimate has been produced from Citadel's latest drilling campaigns combined with historic BRGM (Bureau de Recherché Geologiques et Minieres) and Ma'aden drilling programs.

Significant drilling intercepts, previously released from within the resource include:

- 39m at 37.83g/t Au from 5m (SH031RC)
- 28m at 14.17g/t Au from 14m (SH049RC)
- 41m at 22.75g/t Au from 0m (SH052RC)
- 10m at 24.04g/t Au from 41m (SH057RC)
- 32m at 15.22g/t Au from 36m (SH067RC)
- 35m at 13.48g/t Au from 9m (SH068RC)

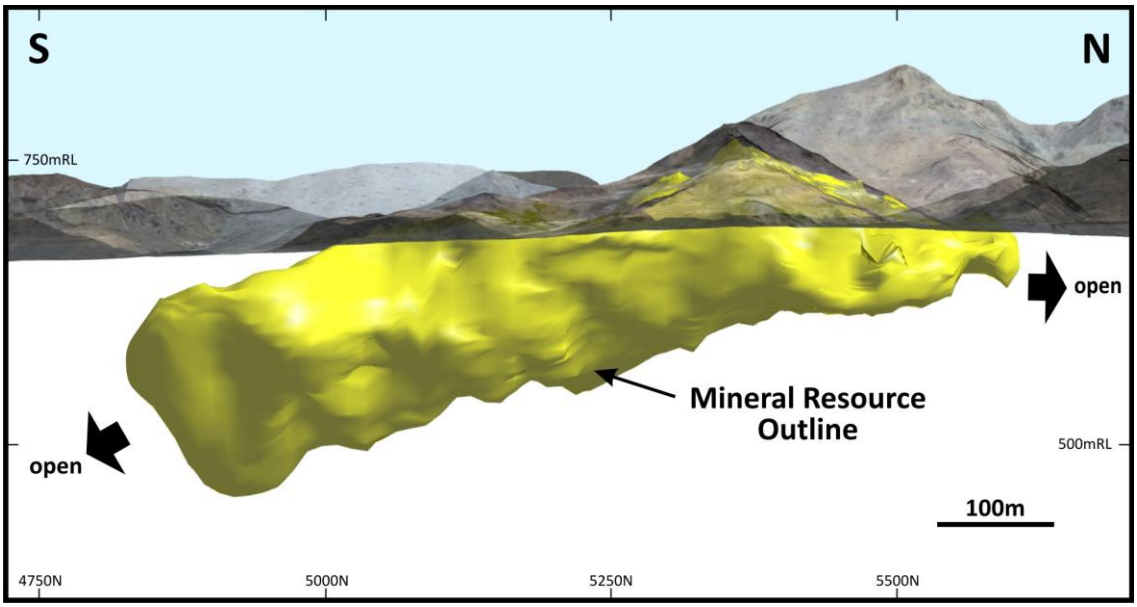

Figure 1 - Long Section of the Jabal Shayban Resource (looking west)

Exposed over a +500m length, 75m width and 120m depth extent, Jabal Shayban deposit is hosted within a sequence of weakly metamorphosed, felsic volcanic rocks. The prospect area is marked by an extensive alteration zone and gossanous outcrops. Copper, gold, silver and lesser zinc mineralisation is confined to south plunging, westerly dipping lodes, which remain open down plunge.

Two principal mineralisation styles are observed at Shayban including:

1. A predominant gold-rich volcanic-hosted massive sulphide (VHMS) associated with conformable massive to semi-massive sulphides, and lesser stringer and disseminated sulphides.

2. Disseminated auriferous pyrite hosted by light grey sericite-altered epiclastic rocks associated within the Shayban Shear Zone.

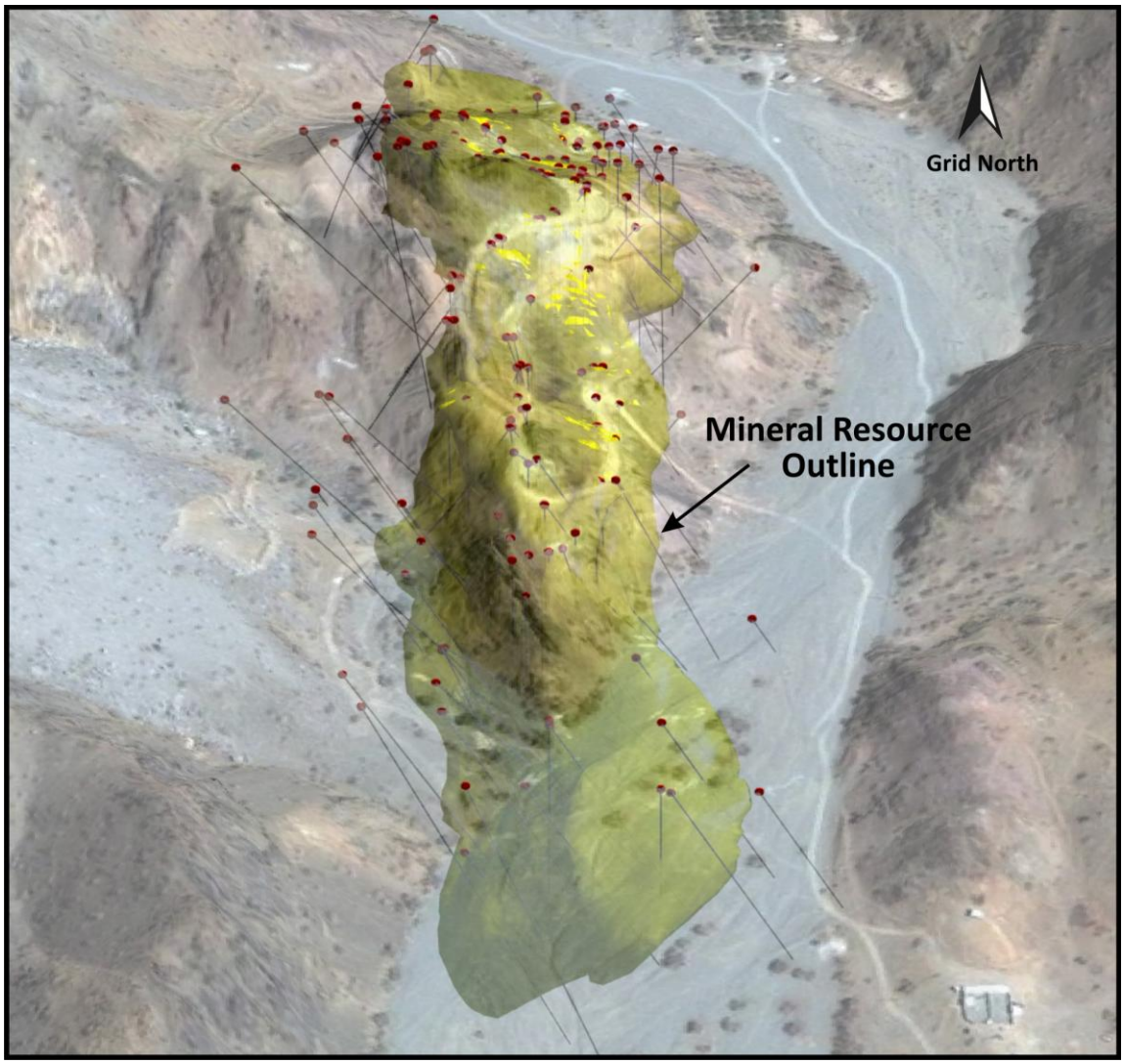

Figure 2 - Oblique view of the Shayban Resource looking grid north.

The size and tenor of this initial resource estimate at Jabal Shayban provides Citadel with encouragement to expedite its exploration programs within the greater Wadi Shugea area. This project comprises three contiguous Exploration Licences that cover 203km^2 of the highly prospective Neo-Proterozoic Samran-Shayban volcanic belt.

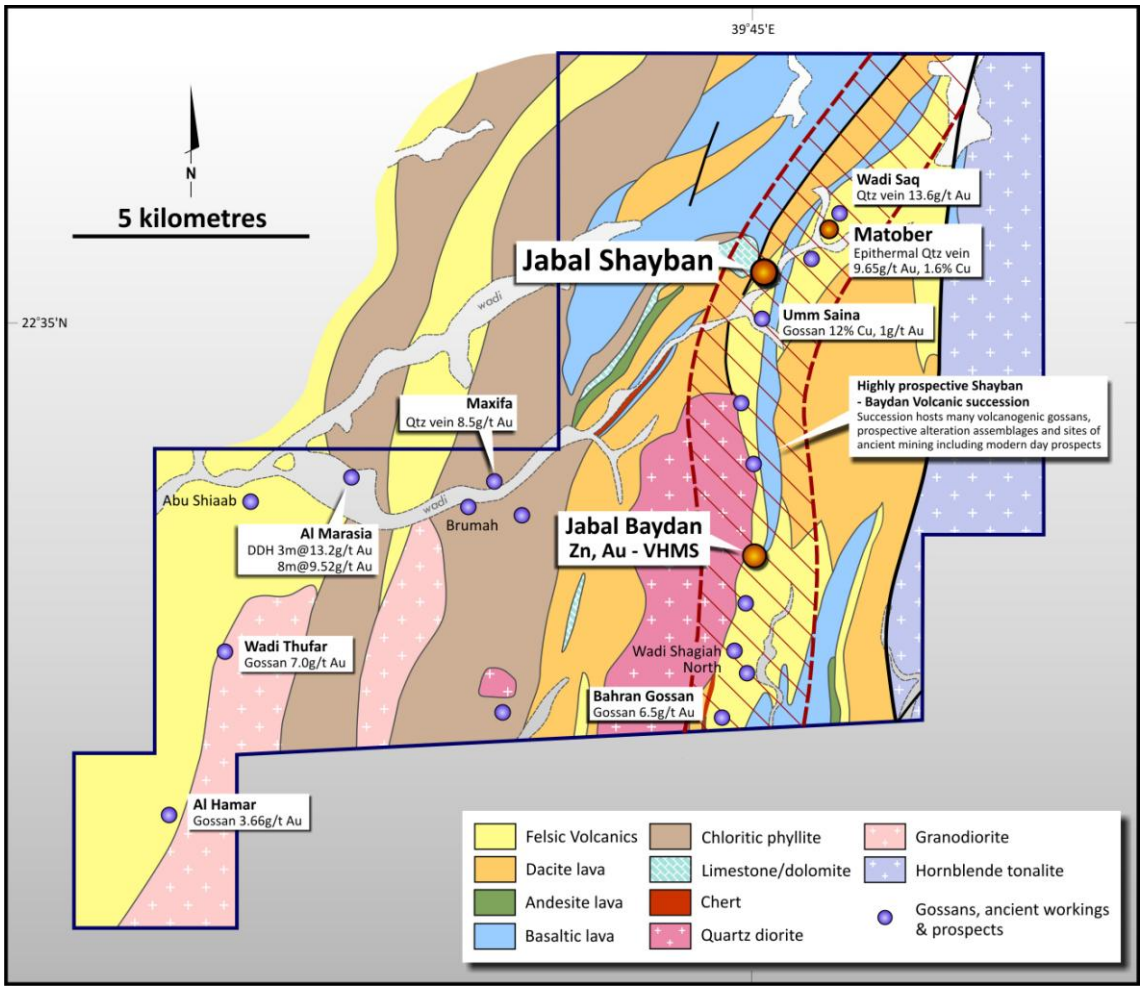

Figure 3 - Citadel's Wadi Shugea Project showing Regional Geology with prospects

Mineral Resource Evaluation

The Jabal Shayban resource model is constrained within a single northwest trending mineralised wireframe, with a shallow southerly (20 degree) plunge and moderate, westerly (45 degree) dip. For estimation purposes, the prominent northern high grade zone was selectively domained and interpolated, with its sample grades of up to 605g/t cut to a more conservative 35g/t Au.

Estimation analysis was completed using both Micromine and Isatis software packages, using inverse distance squared and ordinary kriging techniques. Resource classification has complied with the reporting requirements of the JORC (2004) Code, with tonnage-grade estimates tabulated herewith at 0.5g/t gold cut-off grade.

Resource	MTonnes	Au g/t	Ag g/t	Cu %	Zn %	Contained Au (Koz)	Contained Ag (Koz)	Combined Au Eq Oz (Au+Ag)	Contained Cu (Kt)	Contained Zn (Kt)
0.5 g/t Au Cut-off										
Indicated	5.5	1.6	18.0	0.4	0.9	277	3,168	322	22	49
Inferred	3.3	1.2	13.7	0.3	0.6	125	1,419	145	9	18
Total	**8.7**	**1.4**	**16.4**	**0.4**	**0.8**	**402**	**4,587**	**467**	**32**	**67**

1) Rounding errors may occur
2) Gold equivalency based on the formula Au Eq = Au+0.014 * Ag

Table 1 – Jabal Shayban Resource Estimate – 2010

For further information please contact:

Inés Scotland (CEO and MD) or Peter Lester (Executive Director)

Citadel Resource Group Limited
+613 8680 4601
ines.scotland@citadelrg.com.au
peter.lester@citadelrg.com.au

Competent Persons Statement

Citadel Resource Group:

The information in this document that relates to Exploration Results and Mineral Resources, is based on information compiled by Geoff Booth (Resources 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, defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Geoff Booth is a Fellow of the Australasian Institute of Mining and Metallurgy 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.

Gold Equivalence

The Gold Equivalence calculation represents total metal value for both Au and Ag assuming 100% recovery, summed and expressed in equivalent gold ounces. Metal prices used in the calculation were $850.00/oz Au and US$12.00/oz Ag.