

ASX Release

Not for Distribution or Release in the United States

Successful Completion of Institutional Entitlement Offer

23 June 2010

Citadel Resource Group Limited (ASX:CGG) (**Citadel** or the **Company**) is pleased to announce that it has successfully completed the institutional component (**Institutional Entitlement Offer**) of its accelerated non-renounceable entitlement offer (**Entitlement Offer**). This represents the first stage of Citadel's equity raising, announced on 21 June 2010.

The Institutional Entitlement Offer raised gross proceeds of \$250.8 million at \$0.29 per new share, receiving strong support from existing institutional shareholders and a number of new institutional investors who Citadel is pleased to welcome onto the register. The Institutional Entitlement Offer closed over-subscribed.

Citadel's Chief Executive Officer, Inés Scotland said "The success of the institutional component of the Entitlement Offer demonstrates strong support for the Company and the Jabal Sayid copper and gold project. Jabal Sayid is a high grade and low capital cost project in a country that has a great fiscal regime and infrastructure and is also supportive of the emerging mining industry."

Citadel shares will recommence trading with effect from market open today.

Approximately 865 million shares which were taken up under the Institutional Entitlement Offer are expected to be issued on 30 June 2010 and commence trading on ASX on the same day. The new shares will rank equally with existing shares. The maximum number of new shares to be issued under the Entitlement Offer is approximately 1,097 million assuming new shares available under the Retail Entitlement Offer are fully subscribed.

Retail Entitlement Offer

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) will open at 9.00am (AEST) on 29 June 2010 and is expected to close at 5.00pm (AEST) on 19 July 2010.

Eligible retail shareholders will be able to subscribe for 3 new shares for every 4 Citadel shares held at the record date of 7.00pm (AEST) on 24 June 2010, at the same price as the Institutional Entitlement Offer (\$0.29 per new share).

The Retail Entitlement Offer booklet (**Retail Offer Booklet**) will be sent to eligible retail shareholders on 29 June 2010 and will be made available on Citadel's website (www.citadelrg.com.au) and on ASX. Eligible retail shareholders wishing to acquire new shares under the Retail Entitlement Offer will need

to complete, or otherwise apply in accordance with, the personalised Entitlement and Acceptance Form that will accompany the Retail Offer Booklet.

Eligible retail shareholders can choose to take up their entitlements in whole, in part, or not at all. Eligible retail shareholders who take up their entitlement in full may also apply for new shares in excess of their entitlement (**Additional New Shares**). However, there is no guarantee that any Additional New Shares will be available. Additional New Shares will only be available to be allocated to eligible retail shareholders where there are sufficient new shares from eligible retail shareholders who do not take up their full entitlement and new shares that would have been offered to ineligible retail shareholders if they had been entitled to participate in the Retail Entitlement Offer, subject to any allocation policy and scale-back that Citadel may apply.

Eligible retail shareholders who have any queries or who do not receive a Retail Offer Booklet by 2 July 2010 are encouraged to contact the Citadel shareholder information line on 1300 737 760 from within Australia or +61 2 9290 9600 from outside Australia between 8.15am and 5.30pm (AEST), Monday to Friday, prior to the close of the Retail Entitlement Offer.

Petra Capital Pty Ltd and Morgan Stanley Australia Securities Limited are joint lead managers for the Entitlement Offer. Citadel is being advised in relation to the Entitlement Offer by Gryphon Partners Advisory Pty Ltd (financial advisor).

For further information please contact:

Citadel Resource Group Limited

Inés Scotland
Chief Executive Officer
+613 8680 4601
ines.scotland@citadelrg.com.au

Peter Lester
Executive Director
+613 8680 4601
peter.lester@citadelrg.com.au

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer of securities for sale in the United States or any other jurisdiction. Any securities described in this announcement may not be offered or sold in the United States absent registration under the US Securities Act of 1933 or an exemption from registration.