

**CITADEL GOLD MINES INC.
ANNOUNCES SIGNING OF LETTER OF INTENT TO ENTER INTO AN OPTION
AGREEMENT ON SUDBURY BASE METAL PROPERTY**

TORONTO, November 2, 2006/CNW/ - CITADEL GOLD MINES INC. (CGM.H: NEX Exchange). Citadel Gold Mines Inc. announced today that it has signed a letter of intent to enter into a formal option agreement with Terex Resources Inc., (TRR-TSXV) whereby Citadel can earn up to a 75% interest in the Massey property located in Salter Township, Ontario, about 100 km west of Sudbury.

The property consists of about 2,000 acres covering three former copper-producing mines, the Massey mine, the Hermina number 1 mine, and the Hermina number 3 mine.

Citadel can earn up a maximum 75% interest in the property by issuing up to 1,150,000 common shares, by making cash payments totalling up to \$260,000 and by incurring an aggregate of \$1,200,000 in exploration and development expenditures on the property over a 5 year period.

The letter of intent also provides for the option for Terex and Citadel to associate, on a joint venture basis, for further development of the property.

Management is excited about the potential for the Massey property to host iron oxide – copper – gold (IOCG) deposits, and looks forward to partnering with Terex to maximize this site's potential.

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