FORM 51-102F3
MATERIAL CHANGE REPORT

1. *Name and Address of Reporting Issuer:*

   Citadel Gold Mines Inc.
   150 Signet Drive
   Toronto, Ontario M9L 1T9

2. *Date of Material Change:*

   November 13, 2008

3. *News Release:*

   A press release was issued on November 16, 2008 and disseminated across Canada by Canada NewsWire and filed on SEDAR.

4. *Summary of Material Change:*

   Citadel Gold Mines Inc. (the "Company") announces that it has received correspondence from Trelawney Resources Inc. ("Trelawney"), alleging that the Company is in breach of its obligations pursuant to the terms of an option agreement between the Company and Trelawney, dated as of January 26, 2007.

   The Company is in the process of reviewing the merits of this position with its legal counsel, and has been in touch with Trelawney to clarify its position with respect to these expenditures, and to discuss Citadel's future intentions with respect to the Massey Property.

5. *Full Description of Material Change:*

   A full description of the material change is set forth in the press release attached hereto.

6. *Reliance on subsection 7.1(2) or (3) of National Instrument 51-102:*

   Not applicable.

7. *Omitted Information:*

   None.

8. *Executive Officer:*

   For further information, please contact John Sadowski, President, phone: (416) 675-8379

9. *Date of Report:*

   November 17, 2008

NOT FOR RELEASE OR DISSEMINATION INTO THE UNITED STATES

TORONTO, November 16, 2008/CNW/ - CITADEL GOLD MINES INC. (CGM.H: NEX Exchange).

CITADEL GOLD MINES INC. RECEIVES NOTICE RE: MASSEY PROPERTY OPTION AGREEMENT

Citadel Gold Mines Inc. ("Citadel" or the "Company") announces that it has received correspondence from Trelawney Resources Inc. (TRR-TSXV) ("Trelawney"), alleging that Citadel is in breach of certain of its obligations pursuant to the terms of an option agreement between Trelawney and the Company dated as of January 26, 2007 (the "Trelawney Option Agreement").

The Ministry of Northern Development and Mines (the "MNDM") has disallowed $26,268 of the more than $150,000 in exploration expenditures incurred by the Company on the Massey Property, on the basis that certain of the work carried out by the Company was not carried out on the portion of the Massey Property known as the Salter claims.

Trelawney alleges that the disallowance by the MNDM of this portion of the exploration and development expenses submitted by the Company as part of its work plan on the Massey Property is determinative of whether Citadel has validly incurred the requisite amount of eligible expenditures pursuant to the terms of the Trelawney Option Agreement.

The Company is in the process of reviewing the merits of this position with its legal counsel, and has been in touch with Trelawney to clarify its position with respect to these expenditures, and to discuss Citadel's future intentions with respect to the Massey Property.

For further information contact:

John Sadowski
President
Citadel Gold Mines Inc.
Telephone: 416.675.8379
Facsimile: 416.675.8477

The NEX Exchange has neither approved nor disapproved of the information contained herein. The statements used in this press release may contain forward-looking statements, and are based on the opinions and estimates of management, or on opinions and estimates provided to, and accepted by, management. These opinions and estimates include those that relate to geological and mining factors, commodity prices, and marketing parameters used by management, and speak only as of the date of this press release. Forward-looking statements are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ, possibly significantly. Although the Company believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual events or results will be consistent with these forward-looking statements. Except as required by law, the Company does not undertake, and specifically disclaims, any obligation to update or revise any forward-looking information, whether as a result of new information, future developments or otherwise. Readers are therefore cautioned not to place undue reliance on any forward-looking statements.