

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 19, 2008

3. News Release:

A press release was issued on November 19, 2008 and disseminated across Canada by Canada NewsWire and filed on SEDAR.

4. Summary of Material Change:

Citadel Gold Mines Inc. announces that its board of directors has approved sending a notice of termination to Trelawney Resources Inc. terminating the Company's obligations under the option agreement between the Company and Trelawney with respect to the Massey property, located near Elliott Lake, Ontario, about 100 km west of Sudbury.

The Company has previously disclosed that airborne survey results on the Massey property provided no indication of any large shallow or deep conductive body on the property. Accordingly, the Company has determined not to proceed to further develop the Massey property, and has sent notice of its termination of the option to Trelawney pursuant to the terms of the option agreement.

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, telephone: (416) 675-8379

9. Date of Report:

November 20, 2008

**CITADEL GOLD MINES INC. ANNOUNCES ITS INTENTION TO TERMINATE
OPTION ON SUDBURY BASE METAL PROPERTY**

TORONTO, November 19, 2008/CNW/ - CITADEL GOLD MINES INC. (CGM.H: NEX Exchange).

Citadel Gold Mines Inc. (the "Company") announces that its board of directors has approved sending a notice of termination to Trelawney Resources Inc. (TRR-TSXV) ("Trelawney") terminating the Company's obligations under the option agreement between the Company and Trelawney with respect to the Massey property, located near Elliott Lake, Ontario, about 100 km west of Sudbury.

The Company has previously disclosed that airborne survey results on the Massey property provided no indication of any large shallow or deep conductive body on the property. Accordingly, the Company has determined not to proceed to further develop the Massey property, and has sent notice of its termination of the option to Trelawney pursuant to the terms of the option agreement.

The Company continues to explore other opportunities.

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.