

CITADEL INCOME FUND FILES PRELIMINARY PROSPECTUS

TORONTO, July 15, 2013 – **Citadel Income Fund (TSX – CTF.UN)** (the “**Fund**”) announces that it has filed a preliminary short form prospectus for an offering of transferable warrants (each, a “**Warrant**”) to unitholders of the Fund (the “**Offering**”). Subject to the Fund obtaining necessary regulatory and Toronto Stock Exchange (“**TSX**”) approvals, unitholders will receive one Warrant for each unit of the Fund (each, a “**Unit**”) held on the record date, which will be determined upon the filing of the final prospectus.

Each Warrant will entitle the holder thereof to subscribe for one Unit. The subscription price and expiry date of the Warrants will be included in the final prospectus. Subject to the terms outlined in the prospectus, the exercise period of the Warrants will be subject to a call option such that if exercised by the Fund, the new expiry date of the Warrants will be 20 business days after the date of any news release of the Fund announcing its exercise of the call option.

The Fund has applied to the TSX to list the Warrants as well as the Units issuable upon the exercise of the Warrants. Once the Warrants begin trading, Warrant holders will have the opportunity to buy or sell their Warrants, which will trade independently of the existing Units.

The Warrants are not qualified for distribution in the United States of America. For further details please consult the prospectus and your investment advisor. A copy of the preliminary short form prospectus has been filed on the Fund’s SEDAR profile at www.sedar.com.

For further information please contact your financial advisor, call Artemis Investment Management’s investor relations line at (647) 477-4886 or visit our website at www.artemisfunds.ca.