

## CITADEL INCOME FUND FILES FINAL PROSPECTUS FOR WARRANT OFFERING

TORONTO, August 19, 2013 – **Citadel Income Fund (TSX – CTF.UN)** (the “**Fund**”) announces that it has filed a final short form prospectus for an offering of transferable warrants (each, a “**Warrant**”) to unitholders of the Fund (the “**Offering**”). The Warrants are being provided exclusively to unitholders of record of the Fund on August 29, 2013 (the “**Record Date**”), who will receive one Warrant for each unit of the Fund (each, a “**Unit**”) then held.

Each Warrant will entitle the holder thereof to subscribe for one Unit at an exercise price of \$3.67. Subject to the terms outlined in the prospectus, the Warrants will be subject to a call option such that the Warrants will expire at 5:00 p.m. (Toronto time) on the earlier of (i) October 17, 2013 and (ii) the date which is 20 business days after the date of any news release of the Fund announcing its exercise of the call option.

Warrants issued pursuant to the Offering will not be eligible to receive distributions. However, subject to applicable record dates, Units received upon exercise of the Warrants will be eligible to receive distributions from the Fund.

The Warrants have been conditionally approved for listing on the TSX under the symbol “CTF.WT”. The Units (CTF.UN) issuable upon exercise of the Warrants will be freely tradable. 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 Fund will pay an exercise fee of \$0.07 per Warrant within 30 days of exercise, payable to the CDS Participant whose client has properly exercised the Warrant.

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](http://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](http://www.artemisfunds.ca).