INTER-CITIC MINERALS INC.

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Annual Information Form

For the year ended November 30, 2011

February 25, 2012

CAUTION REGARDING FORWARD LOOKING STATEMENTS

This Annual Information Form ("**AIF**") contains or incorporates by reference "**forward looking information**" which means disclosure regarding possible events, conditions, acquisitions, or results of operations that is based on assumptions about future conditions and courses of action based upon management's good faith expectations and beliefs concerning future developments and their potential effect on the Company. These may include statements with respect to the future financial and operating performance of Inter-Citic Minerals Inc. ("**Inter-Citic**" or the "**Company**"), its current and proposed subsidiaries, its current mineral projects, the estimation of mineral resources, working capital requirements, capital and exploration expenditures, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations, environmental risks, title disputes or claims and limitations of insurance coverage. In some cases forward looking statements can be identified by the use of such words as "**plans**", "**proposes**", "**expects**", "**is expected**", "**budget**", "**scheduled**", "**estimates**", "**forecasts**", "**intends**", "**anticipates**", "**believes**" or variations of such words and phrases. Forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the performance or achievements expressed or implied by the forward looking statements. There can be no assurance that future developments will be in accordance with such expectations or that the effect of future developments on the Company will be those anticipated by management. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of exploration activities; future mineral prices; accidents, labour disputes and other risks of the mining industry; political instability; insurrection or war; arbitrary changes in law; delays in obtaining governmental approvals or financing or in the completion of the company's exploration programs. As a result, actual actions, events or results may differ materially from those described in forward looking statements. Forward looking statements are made as of the date of this AIF and the Company disclaims any obligation to update any forward looking statements, whether as a result of new information, future events or otherwise. There can be no assurance that forward looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward looking statements.

CAUTIONARY NOTE TO UNITED STATES READERS – DIFFERENCES REGARDING MINING TERMS IN THE UNITED STATES AND CANADA

While the terms "**mineral resource**," "**measured mineral resource**," "**indicated mineral resource**," and "**inferred mineral resource**" are recognized and required by Canadian regulations, they are not defined terms under standards in the United States. As such, information contained in this report concerning descriptions of mineralization and resources under Canadian standards may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements of the United States Securities and Exchange Commission. "**Indicated mineral resource**" and "**inferred mineral resource**" have a great amount of uncertainty as to their existence and a great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an "**indicated mineral resource**" or "**inferred mineral resource**" will ever be upgraded to a higher category. Readers are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves.

This document may also contain information about adjacent properties on which we have no right to explore or mine. Readers are cautioned that mineral deposits on adjacent properties are not indicative of mineral deposits on our properties.

ITEM 1: Preliminary Notes

Incorporated by reference into this AIF are the audited financial statements of Inter-Citic for the years ended November 30, 2011 and 2010 together with the auditors' report thereon and related Management's Discussion and Analysis. These documents are available from the Company's website (www.inter-citic.com) or from SEDAR at www.sedar.com.

All financial information in this AIF is prepared in accordance with Canadian generally accepted accounting principles.

All dollar amounts referred to in this AIF are in Canadian dollars unless otherwise indicated. The Company's accounts are maintained in Canadian dollars, however since the Company's primary business activities occur in the People's Republic of China ("**China**"), transactions are often conducted in United States, Chinese and Canadian currencies. Canadian dollar amounts in this AIF have been calculated based on exchange rates as follows: Monetary assets and liabilities are translated at the exchange rates in effect at the balance sheet dates; non-monetary assets and liabilities are translated at rates prevailing at the respective transaction dates. Expenses are translated at average rates prevailing during the year, except for depreciation and amortization related to assets, which are translated at historical exchange rates. Translation gains and losses are reflected in the consolidated statements of operations, comprehensive loss and deficit.

Disclosure of a technical nature in this AIF has been reviewed by Mr. B. Terrence Hennessey, P.Geo., of Micon International Limited, the Company's independent Qualified Person as that term is defined under National Instrument 43-101 ("**NI 43-101**"), as well as Mr. Michael Leahey, the Company's internal Qualified Person in respect of geological aspects of the Company's mineral property and Mr. Malcolm J.A. Swallow, P.Eng., the Company's Vice President, Development and internal Qualified Person in respect of engineering matters.

All information in this AIF, unless otherwise indicated, is as at November 30, 2011.

ITEM 2: Table of Contents

ITEM 3: Corporate Structure

3.1 Name, Address and Incorporation

Inter-Citic Minerals Inc. was incorporated under the Company Act (British Columbia) on February 12, 1985 under the name Bentall Hotels B.C. Ltd. As the Company's business evolved over the years, the name of the Company was changed to better reflect the nature of the Company's business at the time. As a result, the name of the Company was changed to Penn-Lube Holdings Incorporated on May 14, 1986, and then to Goldways Resources Inc. on May 6, 1987, and then to Inter-Citic Envirotec Inc. on October 1, 1993, and then to Inter-Citic Mineral Technologies Inc. on September 28, 1999 and lastly to Inter-Citic Minerals Inc. on December 18, 2003.

On July 7, 2004, the Company filed Articles of Continuance with Industry Canada. The Director appointed under the Canada Business Corporations Act issued a Certificate of Continuance continuing the Company under the Canada Business Corporations Act on July 7, 2004.

The Company's Registered and Records Office is located at Suite 5800, 40 King Street West, P.O. Box 1011, Toronto, Ontario M5H 3S1.

The Company's Corporate Head Office and principal place of business is located at Suite 501, 60 Columbia Way, Markham, Ontario, L3R 0C9.

3.2 Inter-Corporate Relationships

The Company's subsidiaries are as follows:

1) Inter-Citic Holdings Ltd. (100% owned), a company incorporated in the Cayman Islands
2) Techmat Inc. (100% owned), a company incorporated in the Republic of Mauritius.

3.3 Co-Operative Joint Venture in China

The Company entered into an earn-in agreement in respect of the Dachang Gold Project ("**Dachang**") with the Qinghai Geological Survey Institute ("**QGSI**") on November 14, 2003. The original agreement has been amended several times to allow for increases to Inter-Citic's funding of the project as required, with the last amendment dated November 1, 2011. Among these amendments, on November 24, 2009, the Chinese party to the agreement was changed to the No. 5 Geology and Mineral Exploration Institute (the "**No. 5 Institute**"), a company that shares the same parent company as that of QGSI. Dachang is located in the Province of Qinghai ("**Qinghai**"), China.

The business of the project is conducted through a Chinese co-operative joint venture company, the "Qinghai Geological Survey Institute International Joint Venture Company", whose purpose is to conduct exploration, development and mining of Dachang, in accordance with the Law of the People's Republic of China on Sino-Foreign Co-operative Joint Venture Enterprises and associated policies, rules and regulations, whereby the relationship between the partners are established by way of an agreement, which sets out respective capital contributions ("**Registered Capital**"), terms for division of profits, issues of management and control, and other material terms of the relationship. Such agreements must be approved by relevant government authorities, and a business license must be obtained in order to operate within the scope permitted.

The project received approval from the Chinese Commission for Foreign Trade and Economic Co-operation ("**COFTEC**") on December 25, 2003 and was issued a business license from the State Administration of Industry and Commerce ("**SAIC**") the next day, December 26, 2003.

Pre-existing exploration licenses, as well as new exploration licenses for other areas, were formally transferred and/or granted on November 25, 2004 and have been extended as a matter of course as and when required ever since.

Under the terms of the agreement and related amendments the Company has agreed to fund 100% of the costs associated with exploration and development of Dachang in exchange for 83% of any profits earned. To date, capital contribution on the part of Inter-Citic is defined as monetary contribution the equivalent of approximately $28,975,000 (Renminbi 190,000,000). The entire amount of this contribution has been made as at February 25, 2012. The Chinese partner contributed its initial capital to the project by transferring existing exploration licenses originally held by QGSI.

In addition, the Company is required to complete a pre-feasibility study within one year of the completion of all exploration work at Dachang, and pay to the No. 5 Institute the equivalent of approximately $1,618,000 (Renminbi 10,000,000) upon the grant of all necessary permits, including related mining licenses, required to bring the project into production. The No. 5 Institute has agreed to provide the Company with an option to increase its interest in the project from 83% to 90% in exchange for payment equal to the pro rata value of the increased interest in the project based on the valuation of any potential mining project contained in the pre-feasibility study. Inter-Citic also has a right of first refusal on any mineral exploration project for which the No. 5 Institute seeks foreign investment.

Under the terms of the agreement for Dachang, certain matters require unanimous approval of the partners, including transfer of all or a portion of either partner's interest in the project, changes to Registered Capital and/or profit distribution, or matters relating to financing, dissolution, liquidation or extension of the term of the project.

ITEM 4: General Development of the Business

4.1 Three-Year History

Since 2004, the Company has completed exploration and/or development related programs at Dachang, including geophysical, geochemical, trenching, diamond drilling and permitting related activities, and intends to continue to explore and develop this property.

The scope and scale of the work at Dachang has generally increased each year as the Company accumulates more data and experience with the project. During 2008, the Company had a significantly expanded drill program as it focused on making significant progress with respect to the definition of the Dachang Main Zone ("**DMZ**"). In 2009, the Company's exploration program was designed to further test the continuity of the mineralization as well as upgrade any remaining inferred resources to measured and indicated. In 2010, the Company was focused entirely on near surface resource expansion outside of the DMZ and established a new office in Beijing to advance the project from exploration to development.

In 2011, the Company was actively engaged in the development phase for a mining and metallurgical complex for the DMZ and Placer Valley Zone ("**PVZ**") resources (to consist of a mine, concentrator and metallurgical facility to produce gold in doré). Throughout the year the Company engaged key consultants to complete the studies necessary to permit the DMZ and PVZ including a Chinese-Standard Feasibility Study ("**CFS**"), a Mineral Resources Development and Utilization Program ("**MRDUP**") and the associated Project Application Report ("**PAR**"). The production of a CFS, MRDUP and PAR are the first stages in the permitting process for a mine and mill development in China. In addition, condemnation drilling (also known as Sterilization drilling) was completed in and around the DMZ and the proposed construction areas, such as buildings, waste dumps and tailing facilities, to ensure no valuable minerals lie below or adjacent to these proposed structures.

2011 also saw the Company continue exploration in areas outside of the DMZ and PVZ with extensive trenching performed followed by selective diamond drilling. This work was performed with the hopes of discovering and outlining a second open pit gold deposit which would be accretive to both overall resource estimates at Dachang and the project economics. Results from the 2011 exploration season will continue to be released as they become available.

Since entering into the agreement with QGSI, the Company has raised approximately $100 million to be used to advance the project as well as for general corporate purposes. These funds were primarily raised

from private placements and through the exercise of share purchase warrants and stock options. In 2011, the Company completed a $21 million private placement consisting of common shares and share purchase warrants. In 2010 the Company completed an $18.6 million private placement with Zijin Mining Group Co., Ltd. ("**Zijin**"), China's largest gold producer.

On June 30, 2011 the Company announced the filing of a NI 43-101 compliant technical report that includes the results of the 2010 exploration program as well as an update to the mineral resource estimate for Dachang, as follows:

- Estimated Measured and Indicated mineral resources of 17.2 million tonnes grading 3.41 g/t Au (1.88 million ounces contained gold).

- Estimated Inferred mineral resources is now 21.27 million tonnes grading 2.83 g/t Au (1.93 million ounces contained gold) – an increase of approximately 409,000 oz over the previously reported mineral resource estimate released on July 19, 2010.

To date, the Company has not established any proven or probable mineral reserves or engaged in any production on the property, and these estimates of mineral resources are not affected by any known environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant issues.

Over the next year the Company will continue to focus on the permitting initiatives related to the development of a mine and mill facility and associated gold refining and production facility based around the resources established at the DMZ and PVZ. Based on final results from the 2011 field work, exploration efforts will continue on a measured basis in surrounding areas outside of the DMZ and PVZ resource in the hopes of discovering and outlining a second potential open pit gold deposit.

In addition, the Company and its board of directors together with its financial advisors will continue with an ongoing review of the Company's strategy, capital structure and future financing alternatives, including evaluating on the appropriateness of listing the Company's shares on the Hong Kong Stock Exchange.

ITEM 5: Narrative Description of the Business and Risk Factors

5.1 General

The Company's business is to acquire, explore and develop mineral exploration properties. In the short to medium term the Company intends to develop a mining and milling operation at Dachang and has therefore initiated a mine development program with the objective of bringing the DMZ and PVZ resources into production. The Company recently completed a Geological Resources Report ("**GRR**") for the resources and anticipates the completion of a CFS and an "Environmental and Social Impact Assessment Report", as required under Chinese regulations, in 2012. In addition, the Company continues to explore other prospective areas of the property with a view to resource expansion. This past exploration season was focused on new targets and prospective trench results, and to test the deep potential of the Dachang fault structures.

5.2 Risk Factors

Risks Associated with Exploration and Development

To date the Company has not established any proven or probable mineral reserves or engaged in any production on any of its properties, and there is no guarantee that this will occur in the future. The Company has no history of earnings, nor has it previously engaged in the mining and production of gold. Mineral resource exploration and development is extremely risky and speculative by nature, as there is no guarantee that mineral deposits will be found, and even if they are, that they can be mined economically. The mining industry is also subject to market pressures from unpredictable commodity and metal prices, which may have a significant impact on the economic viability of a known deposit. A significant commitment of time and money is required for high cost exploration activity, such as diamond-core

drilling, in order to establish mineral resources, develop a feasibility study and then to implement construction of a mine and commence production. At any time during this process there are numerous factors that alone or in combination may impede or interfere with intended plans, and the impact of these variables cannot be predicted or determined with certainty. Such factors include, but are not limited to, market (including currency) fluctuations, location of the Company's projects, political stability, government regulations, environmental protection, the nature of the deposit, competition, and availability of ongoing financial and personnel resources, both in sufficient quantity and within required timeframes. Many of these risk factors are discussed in other areas of this section, below, but all can be related directly to the nature of the business of the Company.

In addition, the Company's exploration activities and specifically the nature and location of those activities have associated with them certain operating risks that cannot be predicted but may be significant. Although the Company maintains health and safety standards onsite (including emergency evacuation protocols) to mitigate the risk of injury to individuals working on its exploration projects, there is no guarantee that a serious injury will not occur, nor can the impact of such an event be measured. The Company maintains property, third party liability and personal injury insurance, including an emergency medical evacuation program for certain employees, and the Company performs ongoing review of its health and safety practices, however there may be risks for which insurance may not be sufficient or for which coverage may not be extended.

The Company has relied on the results of prior exploration work and the review of that work by independent and internal qualified persons (as that term is defined in NI 43-101) and others in the assessment of its resource properties. A significant portion of the Company's mineral resource estimate for the Dachang project is based the results of this prior work, and although the results have been independently tested by way of due diligence and test sampling, there is no guarantee that material differences do not exist.

Uncertainty Relating to Mineral Resources

On June 30, 2011, the Company updated its mineral resource estimate for Dachang. Details of the updated mineral resource estimate are included in the section **5.3.10 Mineral Resources and Mineral Reserve Estimates** above. To date, the Company has not established any mineral reserves or engaged in any production activities. These mineral resources have not been sufficiently drilled to demonstrate economic viability. Additional drilling will be required to upgrade inferred mineral resources to an indicated or measured resource. There can be no certainty that further drilling will enable inferred mineral resource to be upgraded. Although these mineral resource estimates are not currently affected by any known environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant issues, this could change in the future. The future economic viability of these mineral resources may be adversely affected by their location, as the Dachang project is situated at an elevation of approximately 4,500 meters above sea level, in a high-cold mountainous area exhibiting desert alpine climate and vegetation with limited infrastructure. The nearest major city centre is approximately 160 km away, with the nearest primary road and power lines approximately 120 km from the property. Although the Company believes that the mineral resources have reasonable prospects for economic extraction, there is no guarantee that this will in fact be the case and confidence in the estimate is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability.

Risks Associated with Operations in China

The Company's current business focus and, as a result, essentially all of the Company's physical assets are located in China, including the Company's interests in Dachang.

As in any jurisdiction, the Company is subject to social, political and economic developments and trends that are beyond its control. The Company's business is in China and the Company is therefore subject to a variety of laws and regulations at state, provincial and municipal or local levels that include laws and regulations concerning the form and manner in which foreign companies may invest and operate in China. Although China has generally introduced reforms to develop a more market-based economy, there is no

guarantee that this trend will continue. The government of China, at all levels, continues to exert significant influence on market activities through laws, regulations and policies which are often ambiguously drafted and subject to divergent interpretation.

As the Company's properties are located in China, a brief statement on the laws of China as they relate to mining is appropriate. However, as laws continually evolve and suffer from inconsistent application and interpretation, this is only a general statement and is not to be taken as a legal opinion or as an exhaustive summary of the relevant laws. The mining industry in China is regulated through the Mineral Resources Law of China (adopted in 1986 and amended in 1996) and associated policies, rules and regulations at State, provincial and local levels. Under Chinese law, mineral resources are owned by the state and in the past the bulk of activity in the minerals sector has been conducted by state owned or otherwise affiliated or related entities. The Ministry of Land and Resources in China is generally responsible for the administration of exploration and mining claims although there has been some dispute, particularly with respect to gold, as to which agency of the government has ultimate regulatory authority over gold exploitation projects. This leads to uncertainty as to whether all necessary approvals have or could be obtained. Exploration claims (other than those for oil and gas) are issued for a maximum term of three years and are renewable provided minimum expenditure thresholds have been met. Holders of exploration rights have a "privileged" priority to subsequent mining rights, and such rights to mine may be issued based on the nature of the subject deposit provided that the holder meets the conditions and requirements specified at law. However there is no guarantee that exploration and mining rights will be or continue to be granted or renewed, or that any conditions imposed as part of the issuance of these rights can be satisfied, or that the perceived quality of these legal rights will be sufficient to enable the Company to attract the funding required to implement business plans based on these rights. There cannot be any assurance that the competent authorities will not use their discretion to deny or delay the renewal or issuance of existing or desired permits or rights due to factors outside the Company's control. Therefore there can be no assurance that the Company will be able to successfully renew its exploration rights as such expire or obtain mining rights.

A stated objective of the Company is to ultimately become a gold producer in China. Under Chinese laws and regulations, before a gold producer can commence production, it must obtain mining rights and, among other things: (a) an approval of the project evaluation application from the local development and reform commission; (b) a production safety permit from the local administration of work safety; (c) an environmental protection permit from the local environmental protection department; (d) a state-owned land use certificate from the local land and resources department; and (e) certificates of approval for storage and use of explosives. In addition, employees responsible for handling explosives must obtain a certificate of safekeeping of explosive equipment from the local public security bureau. Mining rights also have specific timeframes attached to them within which mining must occur. Specifically, for gold mining, foreign companies may also be required to receive approval from, among others, the Chinese National Development and Reform Commission, a department of the Chinese central government, or the State Council, which government bodies have a role in developing national economic strategies, annual and long term economic plans, and to report on the national economy and social development. There is no guarantee that the conditions necessary for the Company to meet its stated objectives will be satisfied.

The value of the Company's project is ultimately tied to the Company's ability to realize on the sale of its gold production. Since late 2002, with the establishment of the Shanghai Gold Exchange and relaxation of restrictive rules governing the sale of gold, mining companies in China are able to sell gold production at prices indicated by the Shanghai Gold Exchange which to some extent reflects market value. Foreign gold mining companies are generally able to repatriate profits in foreign currencies assuming that they are in compliance with Chinese law and have conducted all of the formalities necessary for such repatriation. Repatriation of capital contributions may not be undertaken without specific approvals. However, the nature of and impact on the interests of the Company of possible further changes or reforms to these rules and policies in the future cannot be predicted. China's control over its currency and hence the Company's ability to advance funds to China (for capital investment or operations) is subject to changes in the valuation of the Renminbi as well as rules and regulations of the State Administration of Foreign Exchange limiting the inflow of foreign currency convertible to Renminbi. Fluctuations in the value of the Renminbi

and on the ability of the Company to fund its operations in China may have an adverse effect on the operations and operating costs of the Company.

Changes to the Chinese regulatory regime for the gold exploration and mining industry may have an adverse impact on the Company's results of operations and its ability to reach its stated objectives. The Chinese local, provincial and central authorities exercise a substantial degree of control over the Chinese gold industry. The Company's operations are subject to a range of Chinese laws, regulations, policies, standards and requirements in relation to, among other things, mine exploration, development, production, taxation, labour standards, occupational health and safety, waste treatment and environmental protection and operation management. Any changes to these laws, regulations, policies, standards and requirements or to the interpretation or enforcement thereof may increase the Company's operating costs and thus adversely affect its results of operations. There is no assurance that the Company will be able to comply with any new Chinese laws, regulations, policies, standards and requirements applicable to the gold exploration and mining industry or any changes in existing laws, regulations, policies, standards and requirements economically or at all. Further, any such new Chinese laws, regulations, policies, standards and requirements or any such change in existing laws, regulations, policies, standards and requirements may also constrain the Company's future expansion plans, adversely affect its profitability and limit its ability to meet its stated objective.

Parties engaged in exploration and/or mining operations may be required to compensate persons suffering loss or damage by reason of such activities, and may have civil or criminal fines or penalties imposed for violations of applicable law. Changes to current laws governing the operations and activities of companies involved in mineral exploration and development or more stringent enforcement of existing laws could have a material adverse effect on the Company, could cause increases to capital expenditures or production costs or could cause abandonment of or delays in development of mining assets.

The Company may suffer disadvantages when competing against companies from countries that are not subject to Canadian and US laws, including the US Foreign Corrupt Practices Act and the Canadian Corruption of Foreign Public Officials Act. Risk of loss due to disease and other potential endemic health issues is also of concern in China and could impact on the performance of the Company.

It is quite common for foreign companies to form joint ventures with state owned mining enterprises which hold mining licences and to have mining licences transferred to the joint venture, all subject to approval. The Company's project in China is organized as a "Co-operative Joint Venture" company, with a state owned company, in accordance with the Law of the People's Republic of China on Sino-Foreign Co-operative Joint Venture Enterprises and associated policies, rules and regulations. While this connection to government related entities can benefit the Company, there is often inequality with respect to the influence of the parties with the Chinese government in the event of a dispute. Like other state-sector entities, the actions and priorities of the Company's joint venture partners may be dictated by government policies, many of which may not be apparent to the Company, instead of purely commercial considerations. The Chinese government exerts a substantial degree of subjective control over the application and enforcement of laws and the Chinese judiciary may not act independently. Such inequality in influence and a tendency towards protection of local enterprises in the application of law can prove detrimental in the event of a business dispute arising between joint venture parties.

The Company has investigated title to all of its properties and believes that such title is in good standing. However, given the lack of a comprehensive registration system in China, the properties may be subject to prior unregistered agreements or transfers and undetected defects may affect title. The Company cannot give any assurance that title to its properties will not be challenged. In addition, under Chinese legislation, exploration licenses are granted for an initial period of three years and are extendible thereafter for subsequent two year periods. The legislation also requires a minimum expenditure on exploration by companies holding these licenses prior to extension. Although the Company has always exceeded these minimum requirements by significant amounts, the Company cannot give any assurance that title to its properties will not be challenged.

The Chinese government continues to exert a great deal of control and influence on Chinese society and economic development through laws, policies and regulations. The impact of changes to these laws, policies and regulations on the Company's operations in China, including their impact on the Company's ability to operate in China in the event of changes to foreign investment rules (including with respect to repatriation of profits), possible restrictions on the production and sale of gold or other mining products, the maintenance of business, exploration and/or mining licenses, environmental laws, taxation, or on other matters having an impact on the Company's business and operations, cannot be accurately predicted.

Environmental hazards may occur in connection with the Company's operations as a result of human negligence, force majeure or otherwise. The occurrence of any environmental hazards may delay exploration, increase exploration costs, cause personal injuries or property damage, result in liability to the Company and its directors and/or damage our reputation. Such incidents may also result in a breach of the conditions of the Company's permits or other consents, approvals or authorizations, which may result in fines or penalties or even possible revocation of the Company's exploration permits. In the future, the Company may experience increased costs of production arising from compliance with environmental laws and regulations. Moreover, the development of the Chinese economy and the improvements in the living standards of the population has led to a heightened awareness of environmental protection. As a result, it is possible that more stringent environmental laws, regulations and policies may be implemented in the future, or the existing environmental laws, regulations and policies may be more strictly enforced. The Company may not always be able to comply with existing or future laws, regulations or policies in relation to environmental protection and rehabilitation economically or at all. Should the Company fail to comply with any such existing or future laws, regulations or policies, it may be subject to penalties and liabilities under Chinese laws, and regulations, including but not limited to warnings, fines and suspension of operations. There is no assurance that future changes in environmental regulation, or other areas of regulation, if any, will not adversely affect the Company's operations and results.

In addition, the Chinese government continues to strengthen the enforcement of safety regulations in relation to the mining industry. There can be no assurance that more stringent laws, regulations or policies regarding production safety will not be implemented or that the existing laws, regulations and policies will not be more stringently enforced. The Company may not be able to comply with all existing or future laws, regulations and policies in relation to production safety economically or at all. Should the Company fail to comply with any production safety laws or regulations, it could be required to rectify the production safety problems within a limited period. Failure to rectify any problem could lead to suspension of operations. Should the Company fail to comply with any relevant laws, regulations or policies or should any accident occur as a result of the mishandling of dangerous articles, its business, reputation, financial condition and results of operations may be adversely affected, and it may be subject to penalties, civil liabilities or criminal liabilities.

Commodity Prices

The price of Inter-Citic's common shares, the Company's financial results and exploration, development and mining activities may in the future be significantly adversely affected by declines in the price of gold. Gold and other mineral prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of gold by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the U.S. dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major gold producing countries throughout the world. The price of gold has fluctuated widely in recent years, and future serious price declines could cause continued development of Dachang to be impracticable. In addition, any future production from Dachang would be dependent on gold prices that are adequate to make the project economic.

In addition to adversely affecting the Company's resource estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be

economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Source of Financing

The Company has no source of operating cash flow to fund its exploration and development projects. Any further significant work would likely require additional equity or debt financing. The Company has limited financial resources and there is no assurance that additional funding will be available to allow the Company to fulfill its obligations on existing or future exploration projects. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration, and the possible partial or total loss of the Company's interests in China.

Moreover, global financial conditions have been subject to increased volatility and numerous financial institutions have recently either gone into bankruptcy or have had to be rescued by governmental authorities. Such events may impact the ability of the Company to obtain equity or debt financing in the future or on terms favourable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the value and the price of the Company's common shares could also be adversely affected.

Dependence on Key Personnel

As an exploration company the Company relies heavily on the availability of individuals and organizations with the necessary skill and knowledge required to execute exploration programs of the scale and scope appropriate to its exploration properties. This includes the availability of individuals and organizations that are capable of efficiently and effectively executing exploration activities such as drilling, compiling and interpreting data, and planning subsequent follow-up work.

The Company's Vice-President, Exploration has more than 20 years of experience as an exploration geologist. The Company's Vice-President, Development has more than 35 years of operations and project management experience in the mining industry. The Company has a qualified and experienced geologist on its Board of Directors, and the Company has an established relationship with a North American based drilling company that has carried out the Company's drilling program at Dachang. The Company has relationships with a number of other organizations that have also provided services essential to its exploration activities.

The Company has a high degree of reliance on its management team, and failure to retain the services of key personnel could have a materially negative impact on the Company.

While the competition for these services has increased significantly over the past several years (see discussion below), the Company has been successful in securing services necessary to carry out its business plan to date. However, the availability of these services in the future and the relative cost of securing them cannot be predicted.

Environmental Risk

The Dachang project is located in the proximity of the Sanjiangyuan Nature Reserve, established primarily to protect the sources of three major rivers in Asia (the Yangtze, Yellow and Lancang rivers). To date, the project has received all relevant government support and approvals, and the Company is committed to preserve and protect the environment within which it operates, and has a policy of adopting and applying the highest standards for environmental protection in its activities, in addition to being active in the betterment of the lives of local people. However the impact of possible future liabilities or impediments to development associated with or as a result of environmental matters cannot be measured or predicted, and there is no assurance that present or future environmental regulations will not adversely affect the operations of the Company.

Exchange Rate Fluctuations

Exchange rate fluctuations may affect the costs that the Company incurs in its operations. The appreciation of non-U.S. dollar currencies against the U.S. dollar can increase the cost of gold and/or other commodity production in U.S. dollar terms. Certain of the Company's expenditures are paid in Renminbi. Accordingly, a strengthened Renminbi relative to the Canadian dollar would negatively impact the Company.

Competition

Recent increases in the price of gold have resulted in increased activity in the gold exploration and mining industry. Combined with the economic development and opening of China and general scarcity of mineral deposits throughout the world, interest of foreign exploration and mining companies in China has increased significantly. As a result, the Company faces continued competition for financing dollars, personnel and other resources from this competition, the impact of which cannot be predicted.

Dividends

The Company has not, since the date of its incorporation, declared or paid any dividends on its common shares and does not currently intend to pay dividends. Earnings, if any, will be retained to finance further growth and development of the business of the Company.

Resale of Shares

The continued operation of the Company will be dependent upon its ability to procure additional financing and generate operating revenues. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Company is unable to generate such revenues or obtain such additional financing, any investment in the Company may be lost. In addition, sales or availability for sale of substantial amounts of the shares of the Company could adversely affect the prevailing market prices for those shares. In such event, the probability of resale of shares purchased would be diminished. Moreover, a decline in the market prices or demand of the shares of the Company could impair the ability of the Company to raise additional capital through the sale of shares.

Exploration and development of mineral properties, and as a result investing in the securities of the Company, involves a high degree of inherent risk. The marketability of the natural resources that may be discovered will be affected by numerous factors beyond the control of the Company. The return, if any, on the investment in shares of a resource company is subject to market conditions that are beyond the control of the Company. Some of the factors affecting resource exploration and development generally include the proximity and capacity of resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure and land use, importing and exporting minerals and environmental protection. The effect of these factors cannot be accurately predicted and any or all of these risk factors facing exploration and development companies generally, and the Company in particular, could result in a material adverse impact on the Company's business, operations and financial condition.

Conflicts of Interest

Certain directors of the Company may also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors to be in a position of conflict. Any decision made by any of such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in applicable corporate law.

Canadian Corporate Governance Requirements and Securities Laws

The Company complies with the corporate governance and securities laws of Canada, which may differ from those of the United States and elsewhere.

5.3 The Dachang Gold Project

Unless otherwise stated, the information, tables and figures that follow relating to Dachang are derived from, and in some instances are extracts from, the technical report entitled "A Technical Report on an Updated Mineral Resource Estimate for the Dachang Gold Project, Qinghai Province, People's Republic of China", dated June 28, 2011 (the "**Technical Report**"), prepared by Stanley C. Barlett, P.Geo., and Dibya Kanti Mukhopadhyay, M.Sc., MAusIMM (CP) of Micon International Co Limited ("**Micon**"), independent Qualified Persons as that term is defined under NI 43-101.

Portions of the following information are based on assumptions, qualifications and procedures which are not fully described herein. Reference should be made to the full text of the Technical Report available on the Company's website (www.inter-citic.com) or from SEDAR at www.sedar.com.

5.3.1 Property Description and Location

The Dachang gold project is located in Qinghai Province of China, in the western portion of the country. The lode gold mineralization there was discovered by QGSI after following up on reports of significant scale unauthorized local placer gold mining in the nearby river beds. As of February 25, 2012, the Dachang project consists of four contiguous exploration licenses, for an aggregate total area of approximately 279 km^2 (see table below).

Dachang Exploration Licenses

License Number	Expiry Date	Area (km^2)
T01120081102018359	25-Nov-2012	106.34
T01120091102036829	25-Nov-2013	82.64
T01120091102036825	25-Nov-2013	28.90
T01120091102036833	25-Nov-2013	60.91

5.3.2 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Dachang property is readily accessible by truck and four-wheel drive vehicle from the regional infrastructure city of Golmud (also known as Ge'ermu). Paved, gravel and dirt roads are followed from Golmud to Dachang, a distance of approximately 300 km.

Situated on the Qinghai-Tibetan plateau at an elevation of 4,300 to 4,600 m above sea level, Dachang exhibits an alpine climate and vegetation. The average annual temperature is approximately 0º C, with monthly averages between -15º and 13º C. Annual precipitation ranges from 180 mm to 440 mm, mostly as rain, and primarily occurs from June to August. Winter lasts from October to April and is characterized by cold, wind and dust with little snow.

5.3.3 History

QGSI reports that for over 200 years the Dachang region has been a traditional area for local placer miners to recover gold. The first regional geological maps were completed in 1966. Over the next three decades various governmental agencies completed regional stream sediment and soil geochemical surveys, trenching and diamond drilling. According to QGSI a limited open pit test mining operation was carried out during 1999, however, the results of this work are not known. All of the historic exploration activity in the region focused on the initial discovery area in what is currently referred to as the DMZ in the Dachang East area of the property.

Inter-Citic and QGSI entered into a co-operative joint venture agreement for Dachang on November 14, 2003. Details of this agreement can be found above in Section 3.3.

5.3.4 Geological Setting

The Dachang project is located in the Sichuan-Yunnan-Qinghai-Xizang Domain of the Songpan-Ganze continental margin mobile belt, a part of the South China Plate. This block is underlain by Mesozoic back-arc sediments on a Palaeozoic to Precambrian basement and has been intruded by various Cretaceous intermediate to acid intrusions.

Regionally, faults trend west-northwesterly and northeasterly. The west-northwesterly faults are the earliest and best developed. The exposed faults are mapped as reverse (thrust) faults.

At Dachang, a sequence of Permian and Triassic sediments consisting of slate, calcareous shale, siltstone and sandstone strikes northwesterly and locally dips steeply both to the north and south. Alluvial material in the recent river beds is the host for the placer gold mined on and downstream from the Dachang property. Several thrust faults have been mapped at Dachang, including the Gaude Maduo Fault.

Exploration at Dachang indicates that the mineralized zones of interest are structurally-controlled, low-temperature, low-sulphide associated gold deposits hosted within faults and tectonic breccias within the sediments. Although some similarities exist, these deposits do not appear to be part of the Carlin-type class. The results and observations made to date suggest a shear-hosted deposit model.

5.3.5 Past Exploration

Inter-Citic has been actively exploring at Dachang since the spring of 2004 including geological mapping and geophysics. However, the primary methods employed are B-horizon soil geochemical surveys, followed by trenching and diamond drilling.

From 2004 to 2010, the Company has completed the following:

1. 1:25,000 scale Geological Mapping over 200 km^2;

2. Soil Geochemical Surveys over areas of approximately 229 km^2 (more than 60,000 conventional B-horizon soil samples collected and tested for gold, arsenic and antimony);

3. 24.6 km of 50 metre pole-dipole IP and resistivity surveying and 32.6 km of 25 metre pole-dipole IP and resistivity surveying;

4. Excavation and sampling of 791 trenches totalling more than 89,000 linear metres; and

5. 1,179 diamond drill holes totalling more than 149,000 metres.

Soil geochemistry followed by trenching has proven to be a valuable exploration tool at Dachang due to the shallow soil development, typically less than 2 m, and the at- or near-surface gold mineralization. Soil surveys are used to locate backhoe-dug trenches. Trenching exposed the bedrock source of the gold-in-soil

anomaly over the Dachang East mineral resource and has been equally successful in exposing bedrock gold zones associated with soil anomalies in other districts on the property. A consistent spatial relationship has been observed between the soil anomalies, trench values and underlying altered and mineralized fault zones. In every case trenching was able to expose the source of the soil geochemical anomaly. The trench information has been used to plan drill holes with great success.

From 2007 to 2009, a detailed in-fill drill program on the DMZ was undertaken by the Company with the aim of defining and confirming continuity of grade and mineralization. The results of this program culminated in the NI 43-101 compliant mineral resource update announced by the Company on July 19, 2010.

In 2010, the Company was focused entirely on near surface resource expansion targeting new areas of the 279 km^2 property known to contain gold mineralization. A total of 25,070 metres of diamond drilling was completed in 236 holes and a further 9,800 metres of shallow trenching was completed with a total of 130 new trenches excavated. This work exposed near surface mineralization in typical Dachang-style fault structures in three of the four new areas while work on the DMZ extension continue to intersect narrow bands of flat-lying sulphide mineralization on the direct eastern extension of the DMZ deposit under a thicker layer of overburden cover.

5.3.6 Drilling

The Company has drilled a total of 1,362 diamond drill holes (total of 174,109 metres) on the Dachang project during the 2004 to 2011 exploration programs.

Drilling completed in 2004 was designed to determine the location of major geologically inferred structures in the northwest corner of the Main Parcel and to test the encouraging trench assays at NR-TC-2 and NR-TC-4 previously discussed. The 2005 drilling program was designed to probe encouraging gold mineralization exposed by trenching. During 2006, the Company focused drilling in Dachang East, on the DMZ. During 2007 the company focused on better defining the eastern and western edges of the DMZ as outlined in the Company's subsequently updated resource estimate. Included in this was infill drilling along the western part of the DMZ and testing an extension to the eastern side of the DMZ. The primary focus of the 2008 drill program at Dachang was to reduce drill spacing on the DMZ to improve confidence in the mineral resource estimate. Drilling in 2009 was almost entirely designed to complete infill drilling of the DMZ, with some additional limited exploration drilling on new targets at the end of the season.

In 2010, drilling was focused entirely on near surface resource expansion outside the DMZ with the results included in the updated resource estimate contained in the Technical Report.

5.3.7 Mineralization

Historical reports by QGSI, from analyses of heavy mineral concentrates and examination of polished thin sections, indicated that the main metallic minerals are free gold, pyrite, arsenopyrite, stibnite, chalcopyrite, galena and sphalerite. Oxide minerals include limonite, malachite, and antimony oxides. Gangue minerals consist of quartz, feldspar, calcite, clay and sericite. Chemical analyses show this area is characterized by high concentration of gold, sulphur, arsenic and antimony and low concentrations of silver, copper, lead, and zinc.

Mineral textures are described as granular, metamorphic, cataclastic and mortar textures. Structures are described as dissemination and breccias.

On the basis of macroscopic and microscopic studies, paragenesis, type of occurrence and metallogenic character, the mineralization at Dachang is divided into two types: gold-sulphide-alteration cataclastic rock type, and gold-pyrite vein type.

Visual observation by Inter-Citic staff of mineralization exposed by trenching and observed in drill core supports the above observations. Additionally, in 2004, the Company completed limited thin section work

on selected samples taken from drill holes CJV-6, 7 and 9 to confirm the lithology at Dachang. This work confirmed that the host rocks at Dachang are sedimentary rocks composed of mainly argillite and carbonate rock (micrite) and that the rocks are locally silicified and carbonatized with local evidence of chloritization and sericitization. Disseminated pyrite, arsenopyrite and stibnite are present.

5.3.8 Sampling and Analysis

Exploration at Dachang was conducted with the assistance of numerous professionals from QGSI, working in co-operation with Inter-Citic's technical team on site and supervised by Garth Pierce, Vice-President of Exploration. Mr. David. G. Wahl acted as the Company's internal qualified person for the project under the requirements of NI 43-101 until approximately July of 2006. He was succeeded by Mr. Charles Hartley in 2007, by Mr. Michael W. Leahey between 2007 and 2008, by Mr. Gerald Bidwell from 2009 to 2011 and, finally, by the return of Mr. Michael W. Leahey in 2011 to the present time. Since 2006, Mr. B. Terrence Hennessey, of Micon, has acted as the Company's independent qualified person for the project.

The sampling program at Dachang included collection of soil samples at designated intervals of established grids, the collection of channel samples of geologically significant intervals exposed by trenching and split core samples over geologically significant intervals intersected during drilling.

In all cases, the sample interval and methodology are consistent with industry standards.

The Company believes that because of its sampling approach any potential impact on the accuracy or reliability of results is minimal, that samples collected are representative of the rock at each site, and that there are no known factors that may have resulted in bias.

Soil Samples

Conventional B-horizon soil samples are taken from the property and tested for gold, arsenic and antimony as part of the geochemical survey done by the Company at Dachang. When collecting soil samples for testing, the Company establishes an exploration grid over the target area and soil geochemical samples are collected from hand-dug pits every 20 metres on grid lines established at 200 metres intervals across the target grid,, except in Southwest Dachang, where samples were taken every 20 metres on grid lines established at 400 metre intervals (representing approximately 24 km^2 out of 161 km^2 tested there). This sample density is consistent with the sample density used at Dachang East for base level comparison and is adequate to locate the typical Dachang gold zones.

Soil samples were air dried on site and delivered to an independent arm's length Chinese government laboratory in Xi'an, Shaanxi, China, the Research Center of Xi'an Institute of Geology and Mineral Resources, or to the Qinghai Institute of Rock & Mineral Testing and Application, located in Xining, Qinghai (also independent). All of the samples collected at Dachang are stored in a restricted secure storage area. Samples are shipped by truck to Golmud and delivered to Inter-Citic's courier agent in Golmud for shipment to the various laboratories for analysis. Inter-Citic's courier agents are present at all transhipment points between Golmud and the laboratories. All the laboratories used by Inter-Citic for soil sample analysis are certified by the Chinese government.

Gold content in the soil was determined by analyzing 10 g samples of minus 200-mesh, adding 10 ml 1:1 aqua regia, absorbing with active carbon, reducing to ashes, dissolving in another 5 ml 1:1 aqua regia with gold detection by spectrophotometer.

Trench Samples

Trench chip-channel samples were taken at geologically established intervals consistent with the width of each mineralized area exposed in the trench. The sample interval was typically one metre. The individual samples collected over the designated intervals are representative of the material for the respective intervals. The sample interval and collection methodology are consistent with industry standards.

Each of the trenches listed above was excavated on lines spaced variably at a minimum of 40 metres to a maximum of 400 metre intervals. All trenches sampled were excavated by backhoe and most uncovered broken bedrock at depths of 1.5 to 2.5 metres, which was typically altered and highly deformed sediments. All trenches are mapped in detail and channel samples are taken at one metre intervals across all mineralized zones. The gold bearing zones intersected coincided with areas of secondary sulphide enrichment in these Triassic sediments.

Samples were collected using 1.0 to 1.5 metre chip samples, each weighing approximately 3 to 5 kg. Qualified Chinese geologists and technicians under the direct field supervision of Mr. Garth Pierce, Inter-Citic's Vice President of Exploration, carry out the trench sampling.

Each sample is secured and transported to the Qinghai Institute of Rock and Mineral Testing and Application, located in Xining, Qinghai, PRC, or to the Research Center of Xi'an Institute of Geology and Mineral Resources located in Xi'an, Shaanxi Province, PRC, both independent arm's length Chinese government laboratories. At each respective laboratory, each sample is dried, crushed and a portion ground to minus 200 mesh. The gold content of each sample was determined by analyzing a 20 gram sample of the minus 200 mesh material through an aqua regia acid digestion and then analyzed for gold using atomic absorption. Accuracy of the results is tested through the systematic inclusion of standards and replicate samples.

Drill Core Samples

Drill core samples were taken at geologically significant intervals, typically over one metre. Core recovery was in excess of 90%. The designated sample intervals were cut with a diamond saw by qualified technicians. One half of the cut core was selected for assay with the remaining half being placed back into the core box. Care was taken to ensure that neither half of the core represents a bias with respect to the nature and mineral content of the sample. Known certified standards and blanks were routinely inserted into drill core samples to check the precision and accuracy of the sampling laboratory. The sample interval and methodology are consistent with industry standards. Drill core samples were shipped to SGS Geochemical Laboratories ("**SGS**") located in Kunming and Tianjin, China for sample preparation and 50g fire assay with AA finish. SGS is the world's leading inspection, verification, testing and certification company. Analytical work is performed in accordance with recognized standards such as ASTM, ISO, JIS, and other accepted industry standards. Accuracy of the results is tested through the systematic inclusion of certified reference standards, blanks and duplicate samples.

5.3.9 Security of Samples

All of the samples collected at Dachang are stored in a restricted secure storage area. Samples are shipped by truck to Golmud and delivered to Inter-Citic's courier agent in Golmud for shipment to the various laboratories for analysis. Inter-Citic's courier agents are present at all transhipment points between Golmud and the laboratories. All the laboratories used by Inter-Citic for drill core analysis are ISO approved and subject to the security protocols of that designation. Exploration at Dachang was conducted with the assistance of the numerous professionals from QGSI, working in co-operation with Inter-Citic's technical team on site and supervised by Mr. Garth Pierce, Vice-President of Exploration.

5.3.10 Mineral Resources and Mineral Reserve Estimates

On June 30, 2011 the Company announced an update to its mineral resource estimate at Dachang and the filing of the Technical Report prepared by Micon. The full text of the Technical Report is available from the Company's website www.inter-citic.com or at www.sedar.com.

Note that mineral reserves and resources are estimated in accordance with NI 43-101, as required by Canadian Securities regulatory authorities. For United States reporting purposes, Industry Guide 7 under the Securities Exchange Act of 1934, as interpreted by the Staff of the United States Securities and Exchange Commission ("**SEC**"), applies different standards to classify mineralization as a reserve.

Readers are advised that the terms "**mineral resource**," "**measured mineral resource**," "**indicated mineral resource**" and "**inferred mineral resource**" are not defined terms under standards in the United States and normally are not permitted to be used in reports and registration statements filed with the SEC. As such, information contained in this report concerning descriptions of mineralization and resources required under Canadian standards may not be comparable to similar information made public by US companies in SEC filings. Readers are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into reserves.

Dachang Mineral Resources at June 28, 2011

Location	Resource Category	Million Tonnes	Grade (g/t Au)	Million Ounces Gold
Dachang Main Zone & Placer Valley Zone	Measured	5.00	3.55	0.57
	Indicated	12.20	3.34	1.31
Total Measured & Indicated		**17.20**	**3.41**	**1.88**
Dachang Main Zone & Placer Valley Zone	Inferred	9.70	2.97	0.93
NR-2 Anomaly	Inferred	1.30	5.81	0.24
Exploration Areas	Inferred	10.27	2.31	0.76
Total Inferred		**21.27**	**2.83**	**1.93**

(Cut off grade for the above table is 0.6 g/t Au)

Micon calculated the break-even cut-off grade for Dachang mineralization to be 0.6 g/t gold based on a gold price of US$750 per ounce.

Measured Mineral Resources were defined as those portions of the mineralized blocks where the average distance of all the samples used is less than 70 m, with a minimum distance of 20 m from the block centre. In addition, the blocks were estimated using a minimum of 2 drill holes, with a minimum of 6 and a maximum of 16 samples.

Indicated Mineral Resources were defined as those portions of the mineralized blocks where the average distance of all the samples used is less than 90 m, with a minimum distance of 50 m from the block centre. In addition, the blocks were estimated using a minimum of 2 drill holes, with a minimum of 6 and a maximum of 16 samples.

Inferred Mineral Resources were defined as those portions of mineralized area that are based on wide spaced drilling. The confidence on geological continuity has been interpreted, but there is not enough drilling to confirm the confidence on grade.

Updated Mineral Resource Estimate Overview

The mineral resources for the DMZ and the PVZ were determined by Micon using computerized block modelling methods. These resources supersede those reported for the zones in 2009. The mineral resources reported for the NR-2 zone at the North River area are unchanged from those determined by David G. Wahl, P.Eng., P.Geo., in 2005 (reported in a press release on December 12, 2005), and were reviewed in 2008 by B. Terrence Hennessey, P.Geo., who took responsibility for them. The NR-2 resources were

estimated using polygonal method and are classified as inferred resources. In 2009 Inter-Citic staff estimated a small amount of additional new mineral resources in certain exploration areas drilled in 2008. These were also determined using sectional polygonal methods and were reported in the 2009 technical report and were updated in 2010. In 2010, Inter-Citic conducted a 25,070 m drill program and a 9,800 m trenching program focused on expanding the resources outside of the DMZ and PVZ. The new exploration area resources are entirely in the inferred category based on the level of information.

Main Zone and Placer Valley Resource

Micon carried out a resource estimate for the DMZ and PVZ using geology and assay information from 880 drill holes and 430 surface trenches. Primary assay data were composited for gold and were analyzed to determine the basic statistical and geostatistical parameters. This information has been used in several modelling algorithms, which have been compared and checked for validity. A total of 116 specific gravity measurements were collected. The final resource has been categorized into indicated and inferred categories in accordance with the JORC and CIM guidelines.

Based on analysis of grade distribution, individual assays were capped at a maximum of 40 g/t Au. The capped assays were composited to a standard length of 1m. Three-dimensional wireframe solids were prepared for 22 mineralized zones, 14 in the DMZ and 8 in the PVZ, using a cut-off grade of 0.5 g/t Au. A block model was created with blocks measuring (X) 10 m by (Y) 5 m by (Z) 5 m.

Grades were interpolated into individual blocks by ordinary kriging, using separate search ellipsoid dimensions for each vein group based on variography. The average of the specific gravity measurements made by Inter-Citic was 2.7, and a bulk density of 2.7 t/m3 was used to convert volumes to tonnages. The block model was validated by visual inspection, and by three analytical techniques. All validation methods demonstrated that the ordinary kriging estimation had not introduced any bias or over-estimation into the block model.

Both the CIM and JORC definitions require that reported mineral resources must have reasonable prospects for eventual economic extraction. In Micon's opinion, the appropriate cut-off grade for reporting mineral resources for the DMZ and PVZ is 0.6 g/t Au.

Exploration Areas

Since 2008, Inter-Citic has completed many drill holes outside the areas of the DMZ, DMZ-X and PVZ which were included in the geostatistical resource. This drilling, along with results from nearby trenching and inferences made from soil geochemistry, has allowed Inter-Citic to estimate preliminary mineral resources for several target zones in exploration areas. Those zones include Placer Valley East, Ruby Zone, 861 Zone, XP Zone, Acadia Zone and NR1.

The exploration area mineral resources were estimated using the sectional polygonal method, as have all previous initial inferred resources at Dachang. The anastomosing brittle faults hosting the mineralization are difficult to interpret, geologically domain and block model until a significant amount of drilling has been completed.

The updated exploration area mineral resources presented were based on interpretation of continuous mineralization as determined from drill and trench logs and assays, interpreted on section and were sometimes influenced by plan interpretation of soil sample results. Full zone width composites were calculated for each drill hole and trench using a 0.5 g/t Au cut-off and a minimum required value of 2.0 gram-metres (g-m), with individual composites carrying up to 2.0 m (drilled width) of internal waste. Exceptions to these rules occur, when necessary, to allow for consistent geological interpretation and to avoid a misleading interpretation regarding the deposit grade.

The mineral resources determined for the exploration areas are set out in the table below:

Exploration Area Inferred Mineral Resources as at June 28, 2011

Zone	Million Tonnes	Grade (g/t Au)
Acadia	2.55	1.81
861/XP	1.70	2.78
North River 1	1.44	2.10
DMZ - Extension	2.54	2.02
DMZ - North	0.33	2.76
PVZ - Extension	1.40	3.15
Ruby Zone	0.31	2.85
Total	**10.27**	**2.31**

The updated mineral resource estimate for the DMZ and PVZ was prepared for the Company under the supervision of Stanley C. Bartlett, P.Geo., and Dibya Kanti Mukhopadhyay, M.Sc., MAusIMM (CP) of Micon International Co Limited, independent "Qualified Persons" as that term is defined under NI 43-101. The inferred polygonal resource estimates for the other exploration areas were reviewed by B. Terrence Hennessey, P.Geo., an independent Qualified Person, who took responsibility for them. The estimates comply with the CIM mineral resource definitions referenced in NI 43-101.

To date, the Company has not established any mineral reserves or engaged in any production activities, and these estimates of mineral resources are not affected by any known environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant issues.

5.4 Development

The Company is well into the permitting activities for mine and mill development for the DMZ and PVZ resources at Dachang, including:

- A GRR on the DMZ and PVZ prepared to Chinese formal standards has now been completed for filing with Chinese regulators.

- China Nerin Engineering Co., Ltd. ("**NERIN**"), one of China's largest engineering companies and an internationally accredited "Level 1 Design Institute", was engaged in 2011 to complete a CFS. NERIN brings an abundance of experience working with international mining companies on the completion of such studies to Chinese standards. All fieldwork necessary for the completion of this study was completed by the conclusion of the current field season.

- In support of the CFS and associated permitting process, the Company engaged a number of other consultants and contractors to carry out a variety of site specific studies, including geotechnical, structural, seismic and pit slope stability studies, among others.

- The Company engaged the Chinese Research Academy of Environmental Sciences ("**CRAES**") in May 2011 for an Environmental and Social Impact Assessment ("**ESIA**") to be completed in

2012. CRAES was established in 1978, is one of China's largest government sponsored environmental institutes and is a Chinese Class 1 national non-profit research institute for environmental protection.

- Upon completion of the CFS, Nerin will also assist with the completion of a MRDUP and the associated PAR for the project. The production of the CFS, ESIA, MRDUP and PAR are the primary stages in the permitting process for a mine and mill development in China.

- As part of preparation for development Inter-Citic completed condemnation drilling in and around the DMZ and associated construction areas. Condemnation drilling tests areas around and below areas of proposed construction, such as buildings, roads, power lines, pipelines, waste piles or tailings disposal areas, to ensure that no valuable minerals lie below or adjacent to these structures. The Company's press releases of November 29th and December 5th provide more details on the condemnation drilling performed.

The Company's development program is being led by Inter-Citic's Vice-President, Development and the Company's local Chinese partner working with local Chinese engineering staff employed by the Company and other consultants elsewhere in the world.

The Company's 2009 Preliminary Economic Assessment ("**2009 PEA**") forms the current basis for the development plan described above, with a base case annual production level of approximately 180,000 to 200,000 ounces of gold in doré being considered throughout these studies. The Company intends to prepare an updated NI 43-101 compliant Preliminary Economic Assessment of Dachang and expects to publish this report in 2012. The company is also working with its independent financial advisors on a comprehensive financial plan for the construction and development of Dachang.

5.5 Preliminary Metallurgical Testing

On March 2, 2009, the Company announced results of first stage metallurgical testing for Dachang. Results demonstrated relatively high concentrate gold grades with excellent float recovery of 96% using conventional flotation methods. The rougher concentrate graded 30 g/t and is considered high enough to be marketable. Further test work showed that the rougher concentrate could be upgraded to 57.7 g/t gold through regrind and cleaning stages, resulting in an overall recovery of 94% of the gold into a final cleaner concentrate with a mass of only 6.2% w/w. The Company is encouraged with these results since they confirm that it is possible to produce a marketable high-grade, low mass concentrate from the mineralization at Dachang.

On May 7, 2009, the Company reported results of bio-leach testing on bulk flotation concentrate. The Company believes that the results of this testing provide the Company with an economically viable process flow sheet for mineralization at Dachang by bio-leaching and conventional CIL. Gold CIL recovery of 89% was achieved on bio-leached flotation concentrate and overall gold recovery to doré are predicted at 85%.

On March 2, 2011, the Company reported results from multiple metallurgical test work programs carried out over the latter half of 2010 at independent laboratories and testing facilities in China, Australia and South Africa. As described in the press release, the testing produced an increase in the predicted recovery of gold to doré for typical Dachang mineralization to 87.8% from 85% as previously reported in the 2009 PEA. The aim of these programs was to confirm the earlier test work reported on by the Company on March 2 and May 7 of 2009, and to provide increased certainty as to metallurgical performance of the proposed treatment route for the production of gold to doré from the Dachang project. In addition, the comprehensive test work program confirmed that the effective grind for the Dachang project can be increased from a P80 of 85 microns to a P80 of 106 microns representing a significant saving in grinding costs and a potential increase in throughput for the project, for the same installed grinding power. This work was supervised by Gary A. Patrick, B.Sc., MAusIMM, who is the principal of Metallurg Pty. Ltd. and a Qualified Person under NI 43-101. Further information is provided in Company's press release of March 2, 2011 which can be found on the Company's website at www.inter-citic.com.

5.6 Exploration in 2011

The Company's focus for the 2011 exploration program was towards further resource growth on new areas of the Dachang property. A summary of the 2011 exploration work is provided below:

District	Zone	Work Performed in 2011			
		Drilling		Trenching	
		No. of Holes	Metres	No. of Trenches	Metres
Western Quarter	Acadia	39	4,157	33	1,965
	Acadia Gap	16	1,642	17	1,275
	WQ1	-	-	12	1,180
	WQ2	2	308	22	1,655
DMZ	DMZ	6	3,258	-	-
	DMZ Gap	7	1,323	-	-
Placer Valley	PVZ	14	3,396	4	239
SE Anomaly	SE Anomaly	43	4,949	132	9,060
Central Dachang	861	56	5,970	85	4,588
SW Dachang	SW	-	-	12	873
Total		**183**	**25,003**	**317**	**20,835**

In 2011, with the DMZ and PVZ resources firmly in the development stage, trenching followed by selective drilling continued outside of these resource areas.

Trenching has proven to be a valuable exploration tool at Dachang due to the shallow soil development, typically less than 2 m, and the at- or near-surface gold mineralization. Trenching exposed the bedrock source of the gold soil anomaly over the Dachang East mineral resource and has been equally successful in exposing bedrock gold zones associated with gold-in-soil anomalies in other districts on the property. A consistent spatial relationship has been observed between the gold-in-soil anomalies, trench values and underlying altered and mineralized fault zones. In every case, trenching was able to expose the source of the soil geochemical anomaly. Very little if any gold displacement occurs between the soil anomaly and the bedrock gold zone, indicating very little gold migration from the source.

Drill and trench results for 2011 were released with the following highlights reported:

- On December 5, 2011 the Company reported its first drill results of the 2011 season including results from condemnation drilling. Results included 4.70 metres at 25.9 g/t Au in the southeast corner of the property ("**South East Anomaly**" or "**SEA**") including 1.0 metre at 107.0 g/t Au. Multiple intercepts were also noted in the Acadia zone including an interval of 4.2 metres with an average grade of 3.70 g/t Au and another interval of 4.3 metres with an average grade of 2.63 g/t Au.

- Infill drilling was initiated on earlier discoveries made in 2009 and 2010, on the Acadia and XP/861 zones in an effort to increase confidence in the potential of these discoveries and, with a view to demonstrating further economic potential at Dachang, north of the DMZ through growth of the mineral resource estimates in these areas. All drill holes in these new areas were shallow and were drilled with the objective of discovering gold mineralization which may reside within natural open-pit depths.

- On December 12, 2011 the Company reported drill results from the 861 Zone of the property, which is a large fault structure approximately 8 km northwest of the DMZ resource and parallel to it in Central Dachang. Multiple intercepts were reported including 17.0 metres at 4.47 g/t Au. With ongoing exploration Inter-Citic now believes that the 861 Zone and the XP Zone to the east

are part of a single, well mineralized fault structure which can now be defined along a strike length of at least 2.8 km.

- On January 10, 2012 the Company reported its third set of drill results from the 2011 season. Step out drilling off the southern extent of the current PVZ resource area has intersected strong new mineralization structures including drill hole CJV-1206 which reported multiple intercepts including an interval of 9.70 metres with an average grade of 10.92 g/t Au. Although drilling in this area is at an early stage, results to date suggest a new zone of mineralization exists south of the known PVZ resource. Additional results for Acadia, SEA and 861/XP zones were also reported.

- On February 6, 2012 the Company reported additional drill results for Acadia, PVZ and SEA. Two separate lenses of mineralization have been defined on the Acadia fault system: (i) the western lens has been defined over a 400 m strike length and has now been cut off, and (ii) the eastern lens now has a strike length of at least 950 m defined by 40 m drill fences and remains open to the east. Drilling on the SEA for the first time in 2011 has consistently intersected near surface gold mineralization, with many of the drill holes returning multiple gold intercepts.

- On February 14, 2012 the Company reported its final set of drill results all from the 861 Zone of the property which is related to the same structure hosting the XP Zone. The eastern and western extensions of the fault structure remain open and additional drilling will be required in the central portion of this fault to fully test its potential. It is the Company's belief that the 861/XP Zone could be the basis for a potential second shallow open pit at Dachang in addition to the already defined Dachang Main Zone resource area.

5.7 Exploration and Development Outlook

Over the next year the Company will continue to focus on the permitting initiatives related to the development of a mine and mill facility and associated gold refining and production facility based around the resources established at the DMZ and PVZ. Based on final results from the 2011 field work, exploration efforts will continue on a measured basis in surrounding areas outside of the DMZ and PVZ resource in the hopes of discovering and outlining a second potential open pit gold deposit.

ITEM 6: Dividends

The Company has not paid any dividends since incorporation. It has no plans to pay dividends for the foreseeable future, although there are no restrictions that would prevent the Company from paying dividends.

ITEM 7: Description of Capital Structure

The authorized capital of the Company consists of an unlimited number of common shares without par value, of which 117,573,645 were issued and outstanding as at November 30, 2011 and as at February 25, 2012. Each common share is entitled to one vote at meetings of shareholders, and carries with it equal rights with respect to dividends and residual interests upon dissolution of the Company. There are no additional rights associated with the common shares of the Company.

The Company has one stock-based compensation plan as at the date of this report, a common share-purchase option plan for directors, officers, employees and consultants of the Company (the "**Plan**"). Options under the Plan are typically granted in such numbers as to reflect the level of responsibility of the particular optionee and his or her contribution to the business and activities of the Company, typically vest immediately and have a five-year term. Except in specified circumstances, options are not assignable and terminate upon the optionee ceasing to be employed by or associated with the Company. As at the date of this AIF there are 8,762,826 stock options outstanding, each of which is convertible to one common share

of the Company at a weighted average price per stock option of $1.15, for a weighted-average period per stock option of 2.68 years. Exercise prices range from $0.50 to $1.95.

The Company has issued share purchase warrants in connection with its financing activities. As at the date of this AIF, there are 5,968,420 share purchase warrants outstanding, each of which is convertible to one common share of the Company at a weighted average price per share purchase warrant of $2.05, for a weighted-average period per share purchase warrant of 1.35 years.

ITEM 8: Market for Securities of the Company

On August 3, 2006, the Company's common shares were listed on the Toronto Stock Exchange under the trading symbol "**ICI**" (prior to August 3, 2006, the Company's common shares were listed on the TSX Venture Exchange under the same trading symbol).

8.1 Trading Price and Volume

The following is a summary of trading activity for the 2011 fiscal year (all prices in Canadian dollars):

Month	High	Low	Volume
December 2010	$2.37	$1.65	5,658,800
January 2011	$2.37	$1.85	3,843,000
February 2011	$2.15	$1.84	2,810,300
March 2011	$1.96	$1.56	2,779,400
April 2011	$1.85	$1.49	2,555,200
May 2011	$1.73	$1.25	2,769,300
June 2011	$1.61	$1.26	1,815,400
July 2011	$1.68	$1.36	2,038,200
August 2011	$1.50	$1.22	1,469,000
September 2011	$1.37	$0.74	2,761,500
October 2011	$1.22	$0.72	2,487,000
November 2011	$1.20	$0.93	1,092,600

8.2 Prior Sales

On March 9, 2011 the Company issued 1,615,000 stock options with a weighted average strike price of $1.88 and a weighted average life of 5 years.

In connection with the $21 million private placement completed in the third quarter, the Company issued 5,968,420 share purchase warrants with a weighted average strike price of $2.05 and a weighted average life of 2 years.

Additional details with respect to the Company's share purchase warrants, stock options, and private placement financings can be found in the Company's Financial Statements for the year ended November 30, 2011, available from the Company's website (www.inter-citic.com) or from SEDAR at www.sedar.com.

ITEM 9: Escrowed Securities

As of the date of this report none of the Company's securities were held in escrow.

ITEM 10: Directors and Officers, Corporate Governance and Board Committees

Name and Jurisdiction of Residence	Director/Officer Since	Position(s) with the Company	Principal Occupation During Past Five Years	Approximate Number of Common Shares Beneficially Owned Directly or Indirectly or Over Which Control or Direction is Exercised as at the Date Hereof
Donald W. Brown [1][2][3] Ontario, Canada	October 2006	Director	Managing Director, Catalyst Strategies Inc., of Toronto	50,000
Michael Doggett British Columbia, Canada	February 2008	Director	Mineral Economics Consultant President, HanOcci Mining Advisors Inc.	80,000
Mark R. Frederick [2] [3] Ontario, Canada	March 2000	Director and Chairman of the Board of Directors	Barrister & Solicitor, Miller Thomson LLP, of Toronto	Nil
Adrian Pedro K.H. Ho [2] Hong Kong, China	May 2004	Director	Investment Banker, Kuentai Investors Limited, of Hong Kong	Nil
Carlos K. H. Ho [1] [3] [4] Hong Kong, China	December 2002	Director	Investment Banker, Kuentai Investors Limited, of Hong Kong	Nil
Peter Joynt [1] Ontario, Canada	May, 2008	Director	Owner of Balsam Capital Inc., a consulting company	25,000
Lan Fusheng Xiamen City, Fujian, China	November 2010	Director	Vice-chairman, Zijin Mining Group Co. Ltd, of China	Nil
Stephen Lautens Ontario, Canada	November 2006	Secretary	Vice-president, Corporate Communications of Inter-Citic Minerals Inc., of Toronto	81,300
James J. Moore Ontario, Canada	May 1997	Director, President and CEO	President, CEO and Director of Inter-Citic Minerals Inc., of Toronto	287,485
Lou Pasubio, C.A. Ontario, Canada	December 2000	CFO	Vice-president, Finance and CFO of Inter-Citic Minerals Inc., of Toronto	259,100
Malcolm Swallow British Columbia, Canada	May, 2008	Director and Vice-President Development	Principal, Swallow Services Limited, a mining project and managerial services company.	229,500
Zhang Hongyi Hong Kong, China	May, 2008	Director	Director, Henderson (China) Investment Co. Ltd. Executive Vice President, China Development Institute (Shenzhen)	Nil

[1] Members of the **Audit Committee**.

The Audit Committee is comprised of three independent directors. Each director is financially literate. Please see above as well as the Company's website at www.inter-citic.com for particulars on the experience and education of the members of the Audit Committee that is relevant to the performance of his responsibilities as an audit committee member.

The Audit Committee is responsible for overseeing financial reporting, internal controls and public disclosure documents, as well as recommending the appointment of our external auditors, reviewing the annual audit plan and auditor compensation, approving non-audit services provided by the external auditor, reviewing hiring policies regarding auditors and evaluating our risk management procedures/systems. The Audit Committee has adopted an Audit Committee Charter that reflects these and other responsibilities, including policies that require its pre-approval of audit, audit-related, tax and non-audit services to be provided by the Company's auditors. The Charter for the Audit Committee, incorporated by reference in this AIF, was adopted by the Company on March 16, 2005 and is available on the Company`s website at www.inter-citic.com.

The aggregate fees billed for professional services rendered by our auditors, PricewaterhouseCoopers LLP, to us for the years ended November 30, 2011 and 2010 are as follows:

	2011	2010
Audit	$81,825	$95,825
Tax	75,357	1,955
All other fees	22,164	10,000
Total	$179,346	$107,780

[2] Members of **Governance and Nominating Committee**

The Company's Governance and Nominating Committee is comprised of three Directors, two of which are independent. The Terms of Reference for the Governance and Nominating Committee was adopted by the Company on November 1, 2006 and is available from the Company's website at www.inter-citic.com.

[3] Members of **Compensation Committee**

The Company's Compensation Committee is comprised of three Directors, two of which are independent. The Compensation Committee develops reviews and monitors director and executive compensation and policies. The Committee is responsible for annually reviewing the compensation of directors and officers, and making its recommendations to the Board. The Terms of Reference for the Compensation Committee, incorporated by reference in this AIF, was adopted by the Company on November 1, 2006 and is available from the Company's website at www.inter-citic.com.

[4] Director of the following subsidiaries of the Company: Inter-Citic Holdings Ltd.

Additional notes:

(a) Each of the directors listed above is now a director of the Company and was so elected at the preceding Annual General Meeting of Shareholders until the next Annual General Meeting of Shareholders.

(b) As at the date of this AIF, the directors and officers of the Company beneficially owned, directly or indirectly, as a group, 1,012,385 common shares of the Company representing approximately 0.86% of issued and outstanding common shares of the Company.

(c) As at the date of this AIF, the directors and officers of the Company beneficially owned, directly or indirectly, as a group, 6,842,826 stock options (representing approximately 78.09% of issued stock options) of the Company with a weighted average strike price of $1.14 and a weighted average remaining life of 2.64 years.

(d) None of the directors or officers of the Company have been or are subject to a cease trade order, insolvency proceedings or securities penalties or was with an issuer subject to a cease trade order, insolvency proceedings or securities penalties.

ITEM 11: Promoters

Not Applicable.

ITEM 12: Legal proceedings

To the Company's knowledge, there are no current or contemplated legal proceedings to which the Company is a party or of which any of its properties is the subject.

ITEM 13: Interests of Management and Others in Material Transactions

No director or executive officer of the Company, any person that is the direct or indirect beneficial owner of, or who exercises control or direction over more than 10% of the Company's common shares, or any associate or affiliate of them, has any material beneficial interest, in any transaction since the commencement of the Company's third preceding financial year or in any proposed transaction, which has or will materially affect the Company.

ITEM 14: Transfer Agents and Registrars

The Transfer Agent and Registrar of the Company is Computershare Trust Company of Canada, 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

ITEM 15: Material Contracts

The Company has not entered into any material contracts other than in the normal course of business during the most recently completed financial year, or before January 1, 2002 and which are still in full force and effect, with the exception of the Company's agreement for Dachang, as discussed in detail herein.

ITEM 16: Interests of Experts

The Company's auditor is PricewaterhouseCoopers, LLP.

Technical experts that have contributed to the most recent independent NI 43-101 compliant technical report for Dachang are:

- B. Terrence Hennessey, P.Geo., Micon International Limited (also the Company's independent qualified person for its mineral projects)
- Stanley C. Bartlett, M.Sc., P.Geo., Micon International Co Limited
- Dibya Kanti Mukhopadhyay, M.Sc., MAusIMM (CP), Micon International Co Limited

As of the date of this report, none of the above or any directors, officers, employees and partners thereof, received or has received a direct or indirect interest in the property of the Company or beneficially own, directly or indirectly, more than 1% of the securities of the Company and its associates and affiliates, nor is it expected that any director, officer, partner or employee these organizations will be elected, appointed or employed as a director, officer or employee of the Company or any of associates or affiliates.

ITEM 17: Additional Information

Additional information related to the Company is available from SEDAR at www.sedar.com or from the Company's website at www.inter-citic.com.

Additional information with respect to directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities, and interests of insiders in material transactions, if applicable, is contained in the Company's information circular for its most recent annual meeting of shareholders that involved the election of directors. Additional financial information is also provided in the Company's comparative financial statements and Management's Discussion and Analysis for its most recently completed financial year, the year ended November 30, 2011.

The Company will provide to any person or Company copies of this AIF and other information including comparative annual financial statements, quarterly reports, information circulars, or any other document otherwise referred to herein. Copies of these documents may be obtained upon request from the Corporate Secretary of the Company at 60 Columbia Way, Suite 501, Markham, Ontario, Canada, L3R 0C9.

ITEM 18: Glossary of Technical Terms

Au:	chemical symbol for gold.
anomaly (ies):	a departure from the expected or normal; a geological feature, in the subsurface, distinguished by geological, geophysical or geochemical means, which is different from the general surrounding and is often of potential economic value.
arsenopyrite:	a tin-white sulphide of iron, FeAsS.
B-horizon soil samples:	natural occurring soil has a distinct soil profile designated by layers as A, B, C and D, each distinguishable from adjacent layers by characteristic physical properties such as structure, color or texture, or by chemical composition, including content of organic matter or degree of acidity or alkalinity. B horizon is typically used for soil geochemical sampling because it has maximum accumulation of silicate clay minerals, or of iron and organic matter; maximum development of blocky or prismatic structures.
calcareous:	a sedimentary rock containing an appreciable amount of calcium carbonate, such as limestone.
cataclastic:	a rock, such as a tectonic breccia, containing angular fragment that have been produced by the crushing and fracturing of pre-existing rocks as a result of mechanical forces in the crust.
chalcopyrite:	a sulphide mineral of copper and iron, $CuFeS_2$.
continental margin mobile belt:	a long relatively narrow crustal region of tectonic activity, measured in scores of miles, which at Dachang was active during the collision of the India plate with the China plate, which is believed to have occurred 45 million years ago. The Himalayan Mountains were formed as a result of this collision between 25 and 10 million years ago.
Cretaceous:	the final period of the Mesozoic era, thought to have covered the span of time between 135 and 65 million years ago.
dip:	the angle at which a bed, stratum or vein is inclined from the horizontal.
fault:	a feature or a zone of fractures along which there has been displacement of the sides relative to one another parallel to the fracture.
g (gram):	unit of mass in metric system equal to 0.032 troy ounces.
g-m (gram-metre):	the product (grams x metre) is used to weight gold assay and respective interval for contour format presentation.
g/t:	(gram per tonne) unit of mass per tonne of material.
galena:	a lead sulphide mineral, PbS.
gossan:	a ferruginous deposit filling the upper parts of mineral veins or forming a superficial cover on masses of pyrite.
GPS:	global position system.
heavy minerals:	the accessory minerals of a sedimentary rock of high specific gravity.
inferred mineral resource (s):	an inferred mineral resource is that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonable assumed, but not verified, geological and grade continuity. The estimate is based on limited information

and sampling gathered through appropriate techniques for locations such as outcrops, trenches, pits, working and drill holes.

km, km^2: kilometre, square kilometre.

limonite: hydrous ferric oxide mineral, $FeO(OH)\text{-}nH_2O$.

lode gold deposits: a mineral deposit consisting of a zone of veins, veinlets, disseminations or planar breccias; a mineral deposit in consolidate rock as opposed to placer deposits.

m, m^3: metre, cubic metre

malachite: a green, basic cupric carbonate mineral, $[Cu_2(OH)_2CO_3]$.

Mesozoic: an era of geologic time, from the end of the Paleozoic to the beginning of the Cenozoic, or from about 225 to about 65 million years ago.

mineral resource (s): mineral resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories, An inferred mineral resource has a lower level of confidence than that applied to and indicated mineral resource. An indicated mineral resource has a higher level of confidence than an inferred mineral resource but has a lower level of confidence than the measured mineral resource. A mineral resource is a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospect for economic extraction. The location, quantity, grade, geological characteristic and continuity of a mineral resource are known, estimated or interpreted form specific geological evidence and knowledge.

NI 43-101: National Instrument 43-101 Standard of Disclosure for Mineral Properties

normal fault: a fault in which the hanging wall appears to have moved downward relative to the footwall. The angle of the fault is usually 45-90 degrees.

oz (troy ounce): unit of mass in the imperial system equal to 31.103 grams.

Palaeozoic: an era of geologic time, from the end of the Precambrian to the beginning of the Mesozoic, or from about 570 to about 225 million year ago.

Permian: the last period of the Paleozoic era, thought to have covered the span of time between 280 and 225 million years ago.

placer gold: a surficial gold deposit formed by mechanical concentration to gold particles from weathered debris.

Precambrian: equivalent to about 90% of geologic time and has been divided according to several different systems, all of which use the presence or absence of evidence of life as a criterion (i.e. older than 570 million years).

pyrite: "fools gold" iron disulphide, FeS_2.

reverse fault: a fault that dips toward the block that has been relatively raised.

sandstone: a cemented sedimentary rock composed predominantly of sand grains sedimentary rock (s): rocks formed by the accumulation of sediment in water or from air. The sediment may consist of rock fragments or particles of various sizes.

shale: a laminated sedimentary rock, in which the constituent particles are predominantly of clay.

silicification: the introduction or replacement by silica, generally resulting in the formation of fine-grained quartz, which may fill pores and replace existing minerals.

siltstone: rock type intermediate in character between shale and sandstone.

stibnite: lead-grey mineral of antimony, Sb_2S_3.

strike: the course or bearing of the outcrop of an inclined bed or structure on a level surface.

thrust fault: a fault with a dip of 45 degrees or less over much of its extent, on which the hanging wall appears to have moved upward relative to the footwall.

tonne (metric tonne): unit of mass and weight that equals 1,000kgs, which is equivalent to 2,200 pounds.

Triassic: the first period of the Mesozoic era, though to have covered the span of time between 225 and 190 million years ago.