INTER-CITIC MINERALS INC.

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Annual Information Form

For the year ended November 30, 2010

February 24, 2011

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, 2010 and 2009 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 ("**Micon**"), the Company's independent Qualified Person as that term is defined under National Instrument 43-101 ("**NI 43-101**"), as well as Mr. Gerald Bidwell, P.Geo., the Company's internal Qualified Person, with respect to the Company's mineral properties.

All information in this AIF, unless otherwise indicated, is as at November 30, 2010.

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) Bay Roberts Resources Ltd. (98% owned), a company incorporated in British Columbia

Effective December 15, 2010, Bay Roberts Resources Ltd. was dissolved by way of voluntary dissolution under the Business Corporations Act of British Columbia.

3.3 Project Agreements

The Company's business is to acquire, explore and develop mineral exploration properties. To date, the Company has entered into two earn-in agreements relating to exploration properties in China: the Zalantun Gold Project ("**Zalantun**") on October 30, 2003, and the Dachang Gold Project ("**Dachang**") on November 14, 2003. During 2007, the Company wrote-off its investment in Zalantun in the face of excessive administrative delays in organizing the project and a decision by the Company to focus its resources exclusively on Dachang, and the Company does not anticipate any further investment in this project.

3.3.1 Dachang Gold Project

The Company entered into an earn-in agreement in respect of the Dachang Gold Project with the Qinghai Geological Survey Institute ("**QGSI**") on November 14, 2003. 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. The Dachang Gold Project 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 the Dachang Gold Project, 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 Dachang 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 the Dachang Gold Project in exchange for 83% of any profits earned. Initial capital contribution on the part of Inter-Citic is defined as monetary contribution the equivalent of approximately $22,517,300 (Renminbi 150,000,000). The entire amount of this contribution has been made as at February 24, 2011. 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 $1,534,000 (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 other work, 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.

On April 20, 2010 the Company completed an $18.6 million private placement with Zijin Mining Group Co., Ltd. ("**Zijin**"), China's largest gold producer. Since acquiring an interest in Dachang, the Company has raised approximately $79 million to be used to advance the project as well as for general corporate purposes.

On July 19, 2010 the Company reported an update to its mineral resource estimate for the Dachang Gold Project, including estimated Measured and Indicated mineral resources of 17.2 million tonnes grading 3.41

g/t Au (1.88 million ounces contained gold) – a 40% increase over the previously reported estimate of 1.34 million ounces (12.4 million tonnes grading 3.37 g/t Au). In addition, total estimated Inferred mineral resource now consists of 14.6 million tonnes grading 3.23 g/t Au (1.51 million ounces contained gold). See item 5.4.9 Mineral Resources and Mineral Reserves Estimates below.

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 substantially all of its available resources to carry out exploration and development of its Dachang Gold Project, including 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 the Placer Valley Zone ("**PVZ**").

ITEM 5: Narrative Description of the Business and Risk Factors

5.1 General

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.

Readers and investors are also cautioned that the market price of the Company's shares could decline and investors could lose all or part of their investment should any of the risk factor events described herein occur, as this could have a material impact on the Company's business, financial condition and operations.

5.2 Mineral Exploration and Development

The Company's business is to acquire, explore and develop mineral exploration properties. In the medium to long term, the Company intends to continue to explore Dachang with a view to identifying gold reserves and to continue to evaluate and ultimately implement strategies for becoming a gold producer in China. The Company has therefore initiated a mine development program with the objective of bringing the DMZ and PVZ resources into production as a matter of priority.

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.

Although to date the Company has been successful in sourcing funds necessary to continue its business activities, the Company is in the development stage and is subject to the risks and challenges similar to other companies in a comparable stage of development. In the event that exploration on the property, confirmation of the Company's interest in the underlying mineral claims, the Company's ability to obtain appropriate financing to put the property into production, and profitability of future production is not successful, assets may not be realized or liabilities discharged at their carrying amounts, and these differences could be material.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.

5.3 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 part of 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.

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 bureau; (b) a production safety permit from the local administration of work safety; (c) an environmental protection permit from the local environmental protection department; (e) a state-owned land use certificate from the local land and resources department; and (f) 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.

Changes to the Chinese regulatory regime for the gold 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 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.

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.

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 mining 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 may lead 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.

5.4 The Dachang Gold Project

5.4.1 Property Description and Location

The Dachang Gold Project is located in the Province of Qinghai, situated in west-central China. The Project is approximately 160 km southeast of the city of Golmud in the south-western part of the province, and is situated between longitudes 96º 00' and 97º 30' and latitudes 35º 00' and 35º 30'.

Collectively, Dachang consists of five exploration licenses covering an area of approximately 279 km^2 (the "**Main Parcel**").

5.4.2 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Project is readily accessible by four wheel drive vehicle along paved, gravel and dirt roads along several routes from Golmud. Previously the Company travelled south from Golmud along the Qinghai – Tibet highway to the Xu Gin reservoir gravel road that was then followed easterly to the reservoir at which point a dirt road is followed south-easterly to the property (total distance of approximately 250 km). In 2007 the Company improved approximately 120 km of gravel roads that runs south from the principal paved highway that connects Golmud and Xining. This route in from the north significantly reduces travel time to the Project.

Golmud is a modern city having a population of approximately 250,000 and is the regional road, rail and air centre for western Qinghai. It is also the infrastructure centre for the construction of a railway from Golmud to Lhasa (capital of the Tibet Autonomous Region of China).

The property is located on the Qinghai-Tibetan plateau at an elevation of approximately 4,500 metres and exhibits an alpine climate and vegetation. The average annual temperature is approximately 0 degrees. Precipitation ranges from 180 mm to 440 mm, mostly as rain, and primarily from June to August. Winter lasts from October to April and is characterized by cold, wind and dust with very little snow.

The nearest power line terminates at the Xu Gin reservoir, approximately 100 km from the property.

5.4.3 History

QGSI reports that for over 200 years this 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 and heap leach 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 the southern portion of the Main Parcel.

Prior to entering into the agreement with Inter-Citic, QGSI focused its exploration efforts on an approximately 25 km^2 area, situated in the south-eastern portion of the Main Parcel, immediately adjacent to historic gold placer workings. This work commenced in 2000, and over the ensuing 3 years QGSI completed a 1:50,000 regional geochemical survey, a 1:10,000 soil-sampling program, 27,104 m^3 of trenching, excavated a number of shallow exploration shafts (1.0 m x 1.2 m) for a total depth of 113.9 m, performed limited IP and electromagnetic test surveys, drilled 3,249 m of NQ core and sampled 28 sections across what is currently referred to as the Dachang Main Zone (described below).

QGSI continued to focus on the Dachang Main Zone and other selected gold zones in the area during 2003. This work consisted of excavating 39 trenches (2,522 m), sinking 11 shallow exploration shafts (159 m) and drilling 25 diamond drill holes (2,911.6 m).

The Company and QGSI entered into an earn-in agreement in respect of Dachang on November 14, 2003 (subsequently amended). Details of this agreement can be found above, in item 3.3.1.

Since beginning work at Dachang there have been several NI 43-101-compliant technical reports prepared with respect to the project. The most recent technical report is an independent report prepared by Micon, dated August 20, 2009, which included, among other things, an updated mineral resource estimate, results of preliminary metallurgical testing and a preliminary economic analysis for Dachang. On July 19, 2010 the Company announced a further update to its NI 43-101 compliant mineral resource estimate – see section 5.5.9 Mineral Resources and Mineral Reserve Estimate below for further details. Copies of all technical reports are available from the Company's website (www.inter-citic.com) or from SEDAR at www.sedar.com.

5.4.4 Geological Setting

Regionally, Dachang is in the Sichuan-Yunnan-Qinghai-Xizang domain in 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.

Dachang sediments strike northwesterly and locally dip steeply both to the north and south. Fold structures are usually small scale and are associated with the Indosinian (Triassic) deformation. Faults trend west northwesterly and northeasterly. The west-north-westerly faults are the earliest and best developed. Exposed faults are mapped as reverse (thrust) faults. The Kulun fault zone, located 30 kilometres north of Dachang, is the largest of the west-north-westerly faults and has been traced along strike for 1,000 km.

The Gaudo-Maduo fault is one of several regional thrust faults in the area. This fault strikes northwesterly and dips 20-50º NE. It is up to 200 m wide and is characterized by a zone of calcareous rocks, and siltstones that are typically highly brecciated. Silicification, carbonatization, sericitization and hematitization are common as is locally intense quartz and carbonate stockwork veining. Arsenopyrite, pyrite and stibnite are locally present as disseminations and variably narrow massive concentrations. Gold mineralization is associated with quartz, arsenopyrite and pyrite.

The many faults zones that cross the project area host a complex sequence of sulphide-gold replacement mineralization. See 5.5.5.1 – Geological Mapping, below, for additional information concerning local geology.

5.4.5 Exploration

All exploration at Dachang since 2004 was completed on the Main Parcel under the direction of the Company. Cyr Drilling International Ltd., of Canada, performed the majority of diamond drilling until 2009. In 2007 and 2008 the Company augmented its two drill rigs with additional rigs from Chinese diamond driller contractors, including from a company related to QGSI/No. 5 Institute. In 2009 and 2010 the Company subcontracted drilling services to International Mining Oil & Gas Solutions Company Limited as well as a company related to QGSI/No. 5 Institute. Ancillary exploration work was conducted primarily by the Company's Chinese partner. In 2008 Discovery China Geophysical Consulting Ltd. ("**Discovery**"), an independent foreign-owned Chinese geophysical consulting company, undertook a test IP/resistivity survey over part of the DMZ and Placer Valley Zone.

Maps of all areas discussed herein as well as full details of exploration results and NI 43-101 compliant technical reports are available from the Company's website at www.inter-citic.com, or from SEDAR at www.sedar.com.

From September to December of 2004 the Company executed its initial exploration program at Dachang, including:

1. Soil geochemical survey over approximately 107 km^2 (23,088 conventional B-horizon soil samples collected and tested for gold, arsenic and antimony);

2. Total field magnetometer survey covering approximately 107 km^2 (23,100 readings);

3. Time domain electromagnetic ("**TEM**") Survey along selected grid lines;

4. Excavation and sampling of 7 trenches totalling 467 linear metres; and,

5. 15 NQ core diamond drill holes totalling 3,623 metres.

Based on the results of this work the Company delineated several large regional gold geochemical anomalies on the Main Parcel. For convenience in identifying the location of anomalies and exploration results, the Main Parcel was divided into several areas and named as follows:

1. "**Dachang East**" which includes the Dachang Main Zone and Placer Valley
2. "**Dachang North**"
3. "**Central Dachang**"
4. "**Western Quarter**"
5. "**North River**"
6. "**Southwest Dachang**"

The Company followed up exploration from 2004 the following year, between August and November of 2005, including:

1. 1:25,000 scale geological mapping over 200 km^2;

2. Soil geochemical survey over new areas of approximately 54 km^2 (11,220 conventional B-horizon soil samples collected and tested for gold, arsenic and antimony);

3. Excavation and sampling of 101 trenches totalling 23,710 linear metres; and

4. 22 NQ core diamond drill holes totalling 2,487 metres.

During 2006 (from May to November) the Company completed the following additional exploration work at Dachang:

1. Soil geochemical survey over new areas of approximately 53 km^2 (12,545 conventional B-horizon soil samples collected and tested for gold, arsenic and antimony);

2. Excavation and sampling of 175 trenches totalling 14,332 linear metres; and

3. 101 NQ core diamond drill holes totalling 15,304 metres.

During 2007, from May to December, the Company completed the most extensive program undertaken thus far on the property, including:

1. 27,926 metres of HQ core from 197 holes, from which 19,259 samples were extracted from an estimated 2,398 metres of intercepted mineralization.

2. A limited soil geochemical survey was completed between the DMZ, located in the East Dachang area of the property and hosting the primary N.I. 43-101 resource, and its eastern extension (the "**DMZ-X**"). Samples collected were tested for gold, arsenic and antimony

3. An extensive trenching program utilizing 3 backhoes aimed at testing new geochemical anomalies discovered from the previous year's work. Within this program a total of 17,022

metres of soil geochemical anomalies were trenched, for a total of 146 trenches and from this 6,271 samples were extracted for analysis.

During 2008, from mid-May to early December, the Company completed an even larger exploration program on the property, including:

1. 49,788 metres of HQ and PQ (includes 12 holes, 919 metres) drilling in 356 holes, from which 24,462 core samples were collected from 2,336 metres of intersected mineralization.

2. 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.

3. An excavation and sampling program of 112 trenches (approximately 9,000 linear metres) with 2962 collected samples for analysis. The trench program was undertaken as follow-up to earlier soil geochemical survey results and limited or coincident investigation of IP/resistivity targets.

During 2009, from mid-May to early December, the Company completed an exploration program with two defined objectives, including:

1. Delineation and detailed infill drilling covering the known mineralisation in the area of the Dachang Main Zone and Placer Valley deposits, plus larger PQ holes to provide metallurgical samples of these deposits, and;

2. Exploration and step out drilling on more remote geochemical and trench targets northwest of the DMZ and east of the Placer Valley resource areas.

The 2009 field program included the following work:

1. 24,908 metres of HQ and PQ drilling in 252 holes; with the dominant amount of drilling being used to refine the known resource areas in more detail.

2. Excavation and sampling of an additional 121 surface trenches totalling 14,415 linear metres. The trenching program was undertaken as follow-up of earlier soil geochemical survey results associated with prominent fault structures.

Finally, from June to November 2010, the Company was focused entirely on near surface resource expansion targeting new areas outside the DMZ – specifically, Central Dachang, Western Quarter, North River, Placer Valley and the DMZ extension areas. During 2010, a total of 25,070 metres of diamond drilling was completed in 236 holes and a further 9,660 metres of shallow trenching was completed with a total of 129 new trenches excavated.

5.4.5.1 Geological Mapping

During the 2005 exploration program, QGSI completed a 1:25,000 scale geological survey covering an area of approximately 200 km^2 over the North River, Western Quarter, Central Dachang, Dachang North, and Dachang East districts of the Main Parcel.

During the geological survey rock outcroppings were located by GPS and geological observations were noted at each outcrop. The geological observations included, but were not restricted to, dimensions of the outcrop, rock type, strike, dip, alteration if any, and nature and type of any mineralization present. Structural information such as the presence of faults (type), shears and jointing patterns were also noted. Selected representative rock samples were taken for geochemical analysis and thin section studies. The data was compiled, interpreted and presented on a single map at a scale of 1:25,000 covering the areas of the Main Parcel as noted above.

Results of geological mapping confirmed and further defined the regional 1:200,000 scale geological setting mapped by the Qinghai Geological and Mineral Bureau Region #1 Investigating Team in 1976.

Dachang is underlain by a sequence of Permian and Triassic sediments consisting of slate, calcareous shale, siltstone, and sandstone. This sequence strikes northwesterly and dips steeply to the north or south. Alluvial material in the recent riverbeds is the host for the placer gold mined on the Main Parcel.

Numerous faults have been mapped on the Main Parcel. The northwesterly trending faults are the earliest and the best developed and consist of reverse (thrust) faults and normal (shear zone) faults. The dominant thrust fault, locally termed the "**CBx Thrust Fault**", is a portion of the regional Gaudo-Maduo fault (see 5.4.4 – Geological Setting, above). This thrust trends northwesterly across the central portion of the Main Parcel and appears to be spatially related to the regional gold geochemistry. Where observed in outcrop and intersected in drilling, the CBx Thrust Fault is up to 250 m wide, exhibits a shallow dip (20 to 45 degrees N) and is characterized by calcareous rocks, tectonic breccias and post tectonic quartz-carbonate veins. Silicification, carbonatization, sericitization and hematitization are common and locally intense. Based on limited drill testing of this thrust in 2004 the CBx Thrust Fault is highly altered and contains significant secondary concentrations of arsenopyrite, pyrite and stibnite. These sulphides are locally present as disseminations and narrow massive sulphide vein sets and are most abundant in the highly altered sections of the thrust fault.

A separate set of near vertical shear zones and faults have also been mapped and appear to be the main conduits for the gold mineralization. These vertical shear zones are 3 to 15 metres in width and can typically be traced along strike for several kilometres. This major fault system is defined by a 2-3 km wide package of calcareous shales and siltstones hosting up to 12 near parallel shear zones that also appear to closely follow the gold soil geochemistry. These faults are oxidized near surface and shallow trenches typically uncover gossanous bedrock within these shear structures. These faults exhibit secondary sulphide replacement (pyrite, arsenopyrite, and stibnite) silicification and quartz carbonate veining. Gold mineralization appears to be related to specific zones of sulphide replacement within these faults. Further work will be required to determine the specific controls on gold deposition.

5.4.5.2 Total Field Magnetometer Survey

During the 2004 exploration program, a magnetometer survey was completed over North River, Western Quarter, Central Dachang, Dachang North and Southwest Dachang. The survey was carried out using a GSM-19T proton magnetometer supported by a continuous recording magnetic base station. The total magnetic field data was recorded at 20 metre intervals along all lines of the establish grids, covering a total of approximately 107 km^2. The results of the magnetic survey illustrated very little difference in the magnetic susceptibility across the various lithologies of the Dachang sedimentary sequence due to the complexity of the lithography and similarity of magnetic characteristics.

5.4.5.3 TEM Survey

TEM test profiles were completed across the Dachang East mineralization, and as expected, this system identified electromagnetic anomalies over this gold bearing sulphide zone. Following the completion of this baseline work, Western Quarter was selected for TEM testing and the six profiles completed over this target detected multiple strong TEM anomalies.

5.4.5.4 Soil Geochemical Survey

Soil geochemistry has been a valuable exploration tool at Dachang because of the near-surface nature of the mineralization. In 2004, 2005 and 2006 the Company completed a conventional "B" horizon soil-sampling program over previously identified stream sediment anomalies on the Main Parcel. Collectively, these surveys discovered numerous new gold-in-soil anomalies located in the Dachang East, Dachang North, Central Dachang, Western Quarter, North River and Southwest Dachang districts. These anomalies appear to be broadly strata-bound and can be seen to define three discrete geological "corridors" ("**Northern**",

"**Central**" and "**Southern**") comprised of a series of lenticular anomalies between 2 to 2.5 kilometres across and generally follow the 110º strike of the host sediments.

The explored portion of the Northern corridor is approximately 7 km long, includes all the North River anomalies and is open along strike in both directions; the Central corridor includes the Western Quarter, Central Dachang and Dachang North anomalies, is approximately 7 km long and appears to continue off the Main Parcel in both directions; and the Southern corridor is approximately 5 km in length, includes the Dachang East anomalies and proceeds southeast off the Main Parcel.

All gold soil anomalies are distinctly linear, follow the stratigraphy of the host sediments and show a highly variable enrichment in arsenic ("**As**") and/or antimony ("**Sb**"). Separate non-gold bearing As and Sb soil anomalies have also been detected.

For Central Dachang, Western Quarter, North River and Southwest Dachang, gold values in soils grade from 1 to in excess of 300 ppb – the upper detection limit for this survey's analysis method. Background levels for the soils in these districts are less than 5 ppb. Threshold values were between 5 and 20 ppb with anomalous values typically grading greater than 50 to 100 with some values at the upper limit of the testing method's range.

Soil samples collected from Dachang North were analyzed using a higher maximum gold detection limit because of extremely high isolated gold-in-soil results. This resulted in gold-in-soil values on this grid being detected at levels of up to 4,001 ppb. Background gold levels for the soils in this district range from 1 to 5 ppb. The survey returned a mean gold value of 17 ppb Au with a threshold of 31 ppb Au defined as highly anomalous, representing results at the 95th percentile.

In Dachang East (subject of the 2006 survey), the discovery of a number of gold soil anomalies was reported (see Company press release of March 27, 2007), and results established a strong gold-in-soil geochemical trend southeast of the DMZ, as well as a second series of parallel gold soil anomalies associated with a major regional thrust fault to the north. These anomalies tend to be linear, between 40 to 240 metres in width with strike lengths varying from 600 to 1400 metres and tend to follow the 110 degree trend of the dominant structural fabric observed throughout the property. The 2006 survey covered two separate grids at Dachang East. The first grid (B8) is approximately 16 km^2 and located southeast of the Company's Dachang Main Zone resource area. The second grid (B3) covers 6 km^2 and is approximately 4 km northeast of the DMZ. Gold values in soils from the 2006 survey areas grade from 1 to greater than 300 ppb – the upper detection limit for the larger grids analytical method. Background gold levels for the soils range from 1 to 5 ppb. The B8 survey tested 6,433 soil samples to a gold detection limit of 300 ppb. Of these, 174 samples tested greater than 100 ppb and the survey returned a mean gold value of 11 ppb with a threshold of 20 ppb defined as highly anomalous, representing results at the 90th percentile. On grid B3 the 2,201 soil samples collected returned 46 samples greater then 100ppb the upper gold detection limit for this grid's testing. Results show mean gold values of 7 ppb with a threshold of 20 ppb defined as highly anomalous given values at the 90th percentile.

5.4.5.5 Trenching

Trenching has proven to be a cost-effective method of exploration at Dachang due to the thin soil cover, typically less than one metre, and the near surface gold mineralization observed throughout the property. The Company's trenching program was able to expose the bedrock source of the gold soil anomaly and, very little, if any, gold displacement occurs between the soil anomaly and the bedrock gold zone, indicating very little gold migration from the source.

2004 Trenching Program

During the 2004 exploration program, the Company completed reconnaissance trenching at North River and Dachang North. This work was completed to investigate the large regional gold geochemical anomalies identified at North River and Dachang North. Trenches were typically sampled at intervals of one metre and delivered to the Rock & Minerals Test Application Research Laboratory of Qinghai in the

city of Xining, an independent lab, for gold analysis. A sample interval of one metre was selected, as it was the optimum interval used by QGSI in their work to define the Dachang East Resource and given the physical dimensions of known gold zones.

At North River four trenches totalling 370.9 metres were excavated at various locations on the regional anomaly. All of the trenches exposed portions of the Dachang sedimentary sequence. Two of the trenches, NR-TC-2 and NR-TC-4, are located on the southern flank of the NR-2 Anomaly and returned 11.8 g/t Au over 3 metres and 4.62 g/t Au over 6 metres, respectively. Subsequent sampling of NR-TC-2 returned 1.03 g/t Au over 26 metres. Trenches NR-TC-1 and NR-TC-2 are located on other parts of the regional anomaly and returned no significant gold values.

At Dachang North four trenches totalling 95.8 metres were excavated on the regional Dachang North gold anomaly. All of the trenches exposed altered carbonate rocks. Trench ND-TC-1 returned 1.30 g/t Au over 9.3 metres, trench ND-TC-2 returned 1.21 g/t Au over 8 metres and ND-TC-3 returned 0.53 g/t Au over 5 metres.

2005 Trenching Program

During the 2005 exploration program the Company made extensive use of trenching to evaluate the gold-in-soil anomalies identified during the 2004 soil geochemical survey. A total of 101 trenches (23,710 metres) were typically established at 100 and 200 metre intervals on the North River anomalies, and at 200 and 400 metre intervals on the Western Quarter, Central Dachang anomalies. Limited trenching was carried out at Dachang North and no testing was done at Southwest Dachang. As in 2004, samples were typically taken at one-metre intervals along prospective section of the various trenches. Geochemically anomalous gold values of >250ppb Au were encountered over numerous intervals in almost all of the trenches.

2006 Trenching Program

Five new areas of gold mineralization were discovered through trenching during the 2006 exploration season at Dachang. Three of the new areas of discovery (Placer Valley Zone, DMZ-X and the Little Ruby Zone) are near the Dachang Main Zone resource area in Dachang East. All three of these zones are open along strike and together have an aggregate surface zone length of approximately 1.3 kilometres. Most of the newly discovered zones near the Dachang Main Zone have been trenched at 40 metre intervals along strike.

Trenching of the Placer Valley Zone revealed a mineralized zone approximately 720 metres in length and is open in both directions. Reported trench assay values from the Placer Valley Zone include T-2101 with 8.0 metres of 10.28 g/t Au, T-3503 with 6.0 metres of 10.57 g/t Au, T-3703 with 7.5 metres of 10.59 g/t Au, T-3704 with 8.0 metres of 10.24 g/t Au, and T-4301 with 17.0 metres of 4.28 g/t Au.

The DMZ-X continues along strike off the eastern end of the Dachang Main Zone and trenching has delineated 360 metres of surface mineralization in length. Reported trench assay values at DMZ-X include T-2502 with 3.0 metres of 7.29 g/t Au, T-2702 with 17.0 metres of 2.40 g/t Au, and T-2904 with multiple zones including 2.0 metres of 13.34 g/t Au and 5.5 metres of 7.35 g/t Au.

The Little Ruby Zone ("**RZ**") is approximately 2000 meters to the north of DMZ-X. Trenching of the Little Ruby Zone has revealed a mineralized zone approximately 200 meters in length and is open to the east. Reported trench assay values at the Little Ruby Zone include T-2903 with 22.0 meters of 5.11 g/t Au, T-3101 with 4.3 meters of 6.80 g/t Au, and T-3302 with 16.6 meters of 3.18 g/t Au.

Reported trench assay values at CD-9 Anomaly include trench 537501A2 with 4.0 metres of 6.02 g/t Au, trench 652501A2 with 12.5 metres of 7.91 g/t Au, and trench 657501A2 with 8.0 metres of 6.54 g/t Au. The DN-5 Anomaly was defined by five trenches with continuously mineralized lengths of up to 9.5 metres and grades between 0.56 and 3.82 g/t Au.

2007 Trenching Program

During the 2007 exploration season extensive trenching was conducted in and around zones highlighted by the soil geochemical results from the previous season's work. Included in these areas were the Placer Valley Zone which had yielded promising results in 2006, a new anomaly approximately 6 km east of the Main Zone referred to as the South East anomaly ("**SEA**"), and other areas to the east of the Main zone and peripheral to previously outlined anomalous areas. Trenches were established generally at 100 metre intervals with smaller intervals of 25-50 metres used where better definition of a zone was needed, especially in the PVZ and the SEA.

Mechanical excavators were used to establish the 146 trenches, totalling 17 km and excavation of 38,298 m^3 of overburden. As with previous years' work, sampling was carried out for the most part at 1 metre intervals along prospective sections of the various trenches. Geochemically anomalous gold values of >50ppb were encountered regularly over significant intervals in almost all of the trenches.

In the Placer Valley Zone, 67 trenches totalling 7,322 linear metres were excavated along the zone already defined by previous trenching in the area. Trenches were also established around the periphery of the PVZ based on gold soil anomalies. While gold mineralization was intersected core recovery proved to be problematic.

In South East Anomaly, 35 trenches were established totalling 5,982 linear metres. The targets of these trenches were long linear anomalies indicated by the soil geochemical data collected in this area. A number of mineralized fault zones were discovered in the trenches however no drilling has been done to date.

At Central Dachang, 13 trenches were established totalling 1,087 linear metres

At Dachang East, 31 trenches were established totalling 2,631 metres. A well defined near surface mineralized zone was indicated by the high gold values from the trenches. This mineralization has been named the Dachang Main Zone Extension (DMZ-X).

2008 Trenching Program

During the 2008 field season trenching was conducted north of the DMZ, north of the DMZ-X, between the DMZ and the PVZ and southeast of Placer Valley. Trenching was also conducted further northeast on the strike extension of the Gaudo-Maduo Fault ("**GMD**") system. Trenches were generally 100-200 metres apart with infill trenches at 25-50 metres spacing. The purpose of trenching continued to be the exploration of known gold in soil anomalies, to try to extend individual gossan zones or to resolve geological or geophysical targets.

Two mechanical excavators were used to establish 112 trenches, totalling 9 km and removing some 20,250 m3 of overburden. 70 of the trenches returned significant gold values of various grades and variable widths (minimum value > or = 0.5 g/t Au).

2009 Trenching Program

A total of 14,415 linear metres of exploration trenching were completed in 121 trenches during the 2009 field season. This work focused on two broad target areas as the company began to expand its exploration efforts outside the main area of discovery in the DMZ.

1. The majority of this work (approximately 11,500 linear metres) was completed in 97 trenches on the south-eastern extension of the Placer Valley resource area. This target covers an area approximately 4 km long and 2 km wide and shows multiple southeast trending gold in soil geochemical anomalies which seem to reflect the surface traces of flat lying fault structures which host mineralization similar to the main DMZ.

2. In more regional work, approximately a further 3,000 linear metres of trenching was completed in 24 trenches, testing grassroots exploration targets several kilometres north and west of the DMZ. Two primary targets in this area received initial testing - the potential western extension of the DMZ fault system in the area of CJV-861, and a second area of weak gold soil geochemistry along the projection of the Gaudo-Maduo Fault further north. Locally this structure is described as the Carbonate Thrust because on the Dachang property this fault typically hosts a highly deformed sequence of carbonate rocks and other finely bedded sediments.

2010 Trenching Program

In 2010, a further 9,660 metres of shallow trenching was completed in 129 new trenches. This work represents a continuation from the previous year to expand exploration efforts outside the DMZ and investigate known soil anomalies. This trenching has indicated that mineralization may be continuous across the 861 and XP zones. Also, with respect to the Acadia and NR1 zones, the trenching has added definition to the pattern of mineralization which will allow for expansion of the resource estimate and provide areas for future drilling.

The table below lists trench results with gold intervals which exceed 10 g/m:

861 Zone

Trench No.	From (metres)	To (metres)	Width (metres)	Assay (g/t Au)
A2TC1502	72.0	84.0	12.0	4.19
A2TC1507	22.0	32.0	10.0	1.47
A2TC1509	29.0	37.0	8.0	1.57
A2TC1511	99.0	109.01	10.0	5.91
A2TC1516	55.0	60.0	5.0	2.80
A2TC1524	116.0	118.0	2.0	5.06

Acadia Zone

Trench No.	From (metres)	To (metres)	Width (metres)	Assay (g/t Au)
A2TC0301	165.0	173.0	8.0	2.60
A2TC0402	69.0	81.0	12.0	1.02
A2TC1303	20.5	41.0	20.5	2.39
A2TC1305	13.5	27.5	14.0	1.61
A2TC1307	28.0	35.0	7.0	7.24
A2TC2501	28.0	44.0	16.0	8.18
A2TC4103	16.0	24.0	8.0	1.92
A2TC4105	11.5	32.5	21.0	1.52
A2TC6001A	2.0	12.0	10.0	6.20
A2TC6007	7.0	28.5	21.5	2.85
A2TC6007	9.0	13.5	4.5	2.87
A2TC6007	23.0	36.0	13.0	2.59
A2TC6009	17.0	33.5	16.5	1.18
A2TC6011	1.0	15.5	14.5	2.56
A2TC6011	31.5	36.0	4.5	2.69
A2TC6111	65.0	73.0	8.0	1.44
A2TC600302	25.0	34.0	9.0	1.23

DMZ-N

Trench No.	From (metres)	To (metres)	Width (metres)	Assay (g/t Au)
TC1436	55.0	62.0	7.0	5.66
TC1438	69.0	77.0	8.0	1.52

NR-1

Trench No.	From (metres)	To (metres)	Width (metres)	Assay (g/t Au)
A1TC1601	5.0	8.0	3.0	4.28
A1TC1602	5.0	12.0	7.0	2.84
A1TC16201	18.0	23.0	5.0	3.69

XP Zone

Trench No.	From (metres)	To (metres)	Width (metres)	Assay (g/t Au)
A2TC1711	1.5	14.0	12.5	3.26
A2TC1721	22.5	26.0	3.5	5.64
A2TC1723	9.0	19.5	10.5	4.04
A2TC1729	10.0	18.0	8.0	2.26
A2TC1735	7.5	10.5	3.0	4.66

5.4.5.6 Diamond Drilling

The Company has drilled a total of 1,179 diamond drill holes (total of 149,106 metres) on the Dachang Main Parcel during the 2004 to 2010 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 July 2010, the Company published an update to its mineral resource based on the work completed up to and including 2009.

In 2010, drilling was focused entirely on near surface resource expansion outside the DMZ. Results of this drilling were published by the Company in press releases between July of 2010 and January of 2011.

Drill core was typically sampled at 1 metre intervals; however, depending on geology the samples may have been taken over sample lengths of less than 1.0 metre in areas of increased interest or from in 1.5 to 2.0 metre intervals from weakly mineralized core.

2004 Drill Program

15 NQ diamond drill holes (3,623 metres) were completed during the 2004 exploration program. Holes CJV-1, 2 and 4 (totalling 460.5 metres), tested a northwesterly trending structure parallel to and in the northwest corner of the Western Quarter and parallel and approximately 2 km south of the CBx Thrust Fault. Holes CJV-3, 5, 6, 7, 8, 9, 13 and 14 (totalling 2,390.7 metres), were collared to test the CBx Thrust

Fault at selected locations along strike. The remaining four holes CJV-10, 11, 12 and 15 were drilled to test the gold mineralization exposed in NR-TC-2 and 4.

The 2004 diamond-drilling program led to the definition of two major structural zones on the Main Parcel. The location of the geophysically inferred CBx Thrust Fault was determined along strike for approximately 2 km and where exposed in outcrop and intersected in drilling, the CBx Thrust Fault is up to 100 metres wide, exhibits a shallow dip (20-45 degrees N +/-) and is characterized by calcareous clastic rocks, siltstones, tectonic breccias and quartz-carbonate stockworks. Silicification, carbonatization, sericitization and hematitization are common and locally intense. Arsenopyrite, pyrite and stibnite are locally present as sulphide disseminations (2-5% total sulphide) and narrow, more massive veinlets.
The results of holes CJV-10, 11, 12 and 15 were very encouraging. Hole CJV-15 (200.3 metres), intersected 6.4 g/t Au over 8.5 m, approximately 110 metres vertically below the gold mineralization exposed in trench NR-TC-2. Holes CJV-10, 11 and 12 were drilled 600 metres along strike to the northwest and hole CJV-11 intersected 3.55 g/t Au over 4.5 m. Holes CJV-10 and CJV-11 did not reach this zone and did not encounter any significant gold mineralization.

The above represents intersected widths. The Company was unable to determine the true width of the mineralized zones due to limited drilling to date. The mineralized fault structures, however, were assumed to be near vertical.

2005 Drill Program

During the 2005 drilling program the Company completed 22 NQ diamond drill holes (total of 2,487 metres). Drilling was carried out on North River and Central Dachang. Drilling at North River tested gold mineralization exposed in trenching at NR-1 and on the gold zone intersected during the 2004 program in hole CJV-15 at NR-2.

On anomaly NR-1, four widely spaces holes (CJV-25 to CJV-28), totalling 774.2 metres were drilled on two separate fault structures. Limited drill testing of the NR-1 anomaly returned a "best result" of 1.1 g/t Au over 9.0 metres, defining the core of the fault zone.

At NR-2, twelve holes (CJV-16 through CJV-24, and CJV-29 through CJV-31 and totalling 1546.7 metres) were drilled on the dominant fault structure in the NR-2 anomaly – the "**NR-2 Fault Zone**". This drilling was follow-up work on gold mineralization intersected in drill hole CJV-15, which was drilled during the 2004 program and intersected 6.4 g/t Au over 8.5 metres.

The drilling on NR-2 has defined the NR-2 Fault Zone gold bearing zone and the North River Inferred Mineral Resource of 1.28 million tonnes grading 5.58 g/t Au (238,000 oz of Au contained), as detailed in the Company's press release of December 12, 2005. The NR-2 Fault Zone is open along strike and to depth.

Core recovery in the drill holes was consistently well in excess of 90%.

2006 Drill Program

The 2006 drill program of the Company consisted of 101 NQ diamond drill holes (total of 15,304 m). Drilling was carried out primarily on Dachang East. Dachang East hosts a mineralized area with an exposed strike length of over 2 km that is open in both directions. This area was previously exposed in work conducted by Inter-Citic's partner, the Qinghai Geological Survey Institute. Mineralization is contained within a variably 25 to 100 m-wide fault structure (the "**Dachang Fault Zone**" or "**DFZ**"). The DFZ is a complex structure that is steeply dipping at 75 to 90 degrees.

A total of 96 drill holes on the DMZ reported gold mineralization. Initial 40-m spaced trenches defined a well-mineralized fault zone along a continuous 2.5 km strike length. The gold mineralization detected in all holes has been related to sulphides (1%-5% pyrite and arsenopyrite). This gold bearing sulphide deposit was then systematically drill tested by 3-to-5 diamond drill hole fences at 120 metre spaced sections along

its entire 2.5 km strike length. In addition the Company drilled several closer spaced sections (40 metres) to further establish mineralization continuity. This work defined a 60 to 70 degree south dipping series of sulphide replacement zones with aggregate widths of between 7 to 23 metres across the known strike length of the DMZ, which still remains open to depth and along strike. Given the continuous nature of the surface mineralization along a 2.5 km strike length, the Company elected to test only the potentially open-pittable portion of the DMZ, so holes drilled to date have not yet tested the structure below a vertical depth of 200 metres. The majority of holes drilled on the Dachang Main Zone have been relatively shallow (typically less than 150 metres in depth), and are showing continuity of width

Drill core recovery averaged in excess of 90%, with relatively poorer core recovery in steeply angled holes. The Company believes that poor core recovery evident in steeply dipping holes may be a factor in returning lower gold assay values in some holes.

2007 Drill Program

The 2007 drill program of the Company consisted of 197 diamond drill holes (total of 27,926 metres). During the 2007 season, four sections of the property were drilled tested - the DMZ with infill and fence drilling, the DMZ-X, east of the known main zone mineralization, on the PVZ to the south of the main zone, and a limited amount of diamond drilling was undertaken on the Little Ruby Zone to the north of the main zone.

The infill DMZ drilling extended the known mineralization and provided better control to join zones and geology. The new exploration confirmed the continuity of the mineralization, fault zones and structural control of the ore zone. Additional mineralization associated with splay faults, and vertical shears was also discovered.

The DMZ-X mineralization was discovered 1-1.5 kilometres east of known mineralization. Gold occurs in low angle thrust faults in highly sheared fine grained sediments proximal to thicker sandstone units.

The PVZ drilling was follow-up to well mineralized trench assays. Mineralization in core was associated with blocky broken fault zones in low angle sheared sediments near surface. Core recovery within the zone was poor.

The RZ drilling did not return significant thickness of mineralization therefore further drilling was not considered warranted.

Mineralization is defined as: Au >or= to 0.50 Au g/t, with interval waste up to 2 metres thick.

2008 Drill Program

The 2008 drill program consisted of 356 diamond drill holes for a total of approximately 49,788 metres. Of the 317 exploration drill holes reported from 2008, a total of 299 holes (94.3%) reported significant gold mineralization, most of which returned multiple mineralized zones between surface and 190 metres of vertical depth. The remaining 39 holes include several holes abandoned or lost, geotechnical holes and 12 large diameter PQ holes cored to provide sample for metallurgical testing.

Drilling in 2008 was conducted in two principal areas on or adjacent to the DMZ, as follows:

1. The total 3.5km long zone fault structure comprised of the DMZ, the DMZ's western extensions and the eastern extension of the DMZ known as the DMZ-X.

2. The PVZ, a 1 kilometre long south dipping mineralized fault structure defined by trenching and strong soil geochemical anomalies 1 km south of the DMZ.

In addition, the Company planned to do some "grassroots" exploration drilling on geochemical and geophysical targets adjacent to the DMZ and the PVZ.

Drilling on the DMZ was focused on the western half of the fault structure and on the very eastern end of the fault (the DMZ-X).

Western Infill Drilling

On the western portion of the DMZ drilling was primarily focused on more closely spaced drill fences designed to confirm the grade and continuity of the disseminated sulphide deposit. A total of 173 holes were drilled on the DMZ in 2008, representing 24,647 metres. This infill drilling confirmed the deposit's continuity. The mineralized zones returned similar widths and grades to the 2007 drill program and the structural interpretation of the controls and geometry on the gold bearing sulphide deposit were confirmed. Between lines 8100-13100, 1km of DMZ was tested on sections 20-40 metres apart, from lines 13200-16000, 560 metres of strike was drilled on sections 60-160 metres apart, and between lines 5900-3900, 400 metres of strike extent was tested on sections 40 metres apart. DMZ mineralization remains open at depth and within the central portion of its extension, a 1.2 kilometre section of the fault that is as yet poorly tested. To the east the mineralization is still open but overburden cover has increased to 35 metres so exploration is becoming more difficult and to the west, the DMZ is still open but unlike the eastern extension mineralization on the western limit of the DMZ appears to be narrow and generally less significant.

Drill testing on the eastern end of the DMZ focused on infill drill testing of the DMZ-X, a five hundred metre long extension of the fault discovered late in 2007. A total of 95 holes were drilled on the DMZ-X in 2008, representing 14,916 metres. In 2008 infill drilling on sections 35 metres apart was under taken on 500 metres of strike length of the DMZ-X between sections 1067E through 3565E. On the eastern most drill sections overburden is much thicker and the mineralization is deeper and may be offset by late faulting but the mineralized system is still open on strike.

Drilling was also undertaken on the Placer Valley Zone, on anomalous soil and trench results which often had coincident IP chargeability anomalies. Drilling on the PVZ consisted of 51 holes, totalling 6,573 metres. Many narrow mineralized intercepts were encountered over 1 to 4 metre intervals that returned grades of 0.5 g/t to 5.45 g/t contained gold. Some wider intercepts in the PVZ were noteworthy and open to further testing: CJV-631 returned 16 metres of 2.59 g/t Au, CJV-487 returned 6.5 metres of 5.03 g/t Au , CJV-560 returned 3 metres of 3.91g/t Au, CJV-543 returned 3.4 metres of 10.98 g/t Au and CJV-584 returned 12.2 metres of 3.15 g/t Au. PVZ drilling confirmed a series of parallel flat lying mineralized zones dipping south from well mineralized surface trenches at 15 to 25 degrees. The mineralization intersected is in all aspects similar to that found in the DMZ. Individual mineralized fault zones can be traced for strike lengths of 500 to 800 metres and down dip for at least 150 metres. Though typically 1 to 3 metres in width these shears can attain widths of 12 to 16 metres and further testing is warranted.

Limited drilling was undertaken on IP targets both north of the DMZ-X and east of Placer Valley on various geochemical and trench anomalies. A total of 741 metres of exploration drilling were completed in 7 holes. Narrow low grade mineralized zones were typically intercepted but hole CJV 547 returned 9 metres that assayed 1.44 g/t gold from a previously untested gold geochemical anomaly

A significant amount of definition drilling was completed on the DMZ in 2008. With this new information, from the closer spaced drill sections and infill drill holes on 2007 drill sections, the continuity of the DMZ mineralization became much better defined.

2009 Drill Program

The 2009 drill program consisted of 252 diamond drill holes totalling 24,908 metres. Of this total 22,428 metres were collared on infill and step-out exploration targets and the remaining 2,480 metres were used to begin geotechnical studies in advance of project permitting. The exploration drilling focused on three broad target areas, as follows

1. A total of 18,542 metres of core was completed in 198 drills holes in areas of known inferred resource in the DMZ and Placer Valley prospects. These holes were completed to upgrade known inferred resources to a measured and indicated category in advance of feasibility studies.

2. A further 2,318 metres were completed in 26 holes testing trench and soil geochemical targets on the southeastern extensions of Placer Valley. This work was designed to begin resource definition and expansion southeast of Placer Valley beyond the limits of any current resource definition.

3. Late in 2009 an additional 1,568 metres of exploration drilling were collared in 14 holes targeting grass roots targets northwest of the DMZ on two separate exploration targets. This program tested the potential western extension of the main DMZ fault west of a regional cross fault structure and also began evaluation of a gold geochemical anomaly associated with a regional fault structure, the "**Carbonate Thrust**".

4. Finally, 2,480 metres of drilling was completed in 14 geotechnical holes to collect information to begin feasibility studies and also provide sample for additional metallurgical testing.

With the results of the 2009 drill program, the Company reported an update to its mineral resource estimate in July 2010. See item 5.4.9 Mineral Resources and Mineral Reserve Estimates below.

2010 Drill Program

The 2010 drill program involved exploration and step-out drilling primarily on 4 main areas: XP, NR1, Acadia and the DMZ extension areas. A total of 236 holes were drilled for a total of 25,070 metres. Full details and results of the 2010 drill program have been reported in a series of press releases and these are available on the Company's website. The table below lists the most significant drill results for the 2010 program:

Acadia Zone

Hole No.	From (metres)	To (metres)	Length (metres)	Assay (g/t Au)
CJV-924	106.00	116.00	10.00	5.62
CJV-931	8.00	17.00	9.00	4.02
CJV-932	11.00	14.00	3.00	2.89
CJV-967	83.20	89.80	6.60	4.88
CJV-1056	29.00	37.00	8.00	2.64
CJV-1058A	24.20	36.50	12.30	3.01
CJV-1064	25.60	28.60	3.00	3.58
CJV-1064	32.60	64.90	32.30	1.93
CJV-1091	14.80	18.80	4.00	2.29
CJV-1098	7.00	11.90	4.90	4.18
CJV-1142	33.00	47.00	14.00	2.15

XP Zone

Hole No.	From (metres)	To (metres)	Length (metres)	Assay (g/t Au)
CJV-991	43.35	51.65	8.30	1.84
CJV-1002	36.40	43.50	7.10	3.95
CJV-1002A	33.60	36.60	3.00	2.61
CJV-1057	31.80	35.80	4.00	6.42
CJV-1094	28.90	34.40	5.50	8.03
CJV-1102	61.30	63.30	2.00	6.67

NR-1

Hole No.	From (metres)	To (metres)	Length (metres)	Assay (g/t Au)
CJV-990	51.95	53.45	1.50	3.47
CJV-990	62.00	77.00	15.00	1.51
CJV-1030	71.70	74.00	2.30	2.85

861 Zone

Hole No.	From (metres)	To (metres)	Length (metres)	Assay (g/t Au)
CJV-929	39.80	42.80	3.00	2.88
CJV-930	63.00	70.00	7.00	1.48

DMZ-X

Hole No.	From (metres)	To (metres)	Length (metres)	Assay (g/t Au)
CJV-936	79.00	81.00	2.00	2.89
CJV-943	89.70	93.70	4.00	3.50
CJV-959	155.65	160.15	4.50	2.86
CJV-968	174.00	179.45	5.45	1.63
CJV-973	62.30	70.30	8.00	2.45
CJV-981	170.67	172.80	2.13	2.61
CJV-992	74.67	87.67	13.00	4.89
CJV-995	174.00	179.00	5.00	3.21
CJV-996	114.47	116.47	2.00	10.70
CJV-996	178.67	182.67	4.00	1.84
CJV-1004	15.17	18.17	3.00	3.66
CJV-1004	24.67	25.67	1.00	5.39
CJV-1036	156.00	163.00	7.00	2.44
CJV-1054	71.80	77.00	5.20	2.89
CJV-1054	82.00	85.10	3.10	2.89
CJV-1055	156.50	158.50	2.00	4.28
CJV-1069	68.10	77.10	9.00	2.21
CJV-1118	169.15	171.15	2.00	3.08

5.4.5.7 Induced Polarization ("IP") Survey

Between mid-July and the end of September 2008 a test survey of Induced Polarization (IP) and apparent resistivity was completed on the Project. A survey grid was established with lines 200 metres apart and stations at 25 metres intervals. The lines were run at 198 degrees true and approximated the Chinese grid system. The grid straddles the Dachang Main Zone (DMZ), the Placer Valley Zone, the Dachang Main Zone-Extension (DMZ-X) and the Little Ruby Zone.

Discovery China Geophysical Consulting Ltd. provided experienced transmitter and receiver operators while QGSI provided field personnel for the remainder of the crew. Discovery conducted the survey with a GDD 3.6Kw transmitter and first with an Elrec 6 Irius receiver and later with a GDD 16 Channel receiver. The survey used a pole-dipole method and electrode spacing was varied from 25-50 metres and depth spacing varied from 1-6 to 1-11 "n" spacings to get the best response to the known mineralization.

A survey comprising 24.6 km of 50 metre dipole surveying and 32.6 km of 25 metre dipole survey were completed. Results of this work were encouraging and both the chargeability and resistivity results

collected from this survey appear to detect the DMZ and what appear to be adjacent parallel fault structures.

The resistivity survey also shows the north trending cultural anomaly of the historic placer workings and the flat lying till sheet on the eastern area of the grid. The method works well, but to date only limited trenching and a few drill holes have been completed on these anomalies. Key results from IP target testing include a drill intercept 9 metres of 1.44 g/t on line 1400E just north of the DMZ, on IP L1600W, on the eastern edge of the PVZ, and 6.5 metres of 5.03 g/t on line 1600W on the eastern extension of the PVZ.

5.4.5.8 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 floatation 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%.

Currently, work is continuing on a series of additional test work programs in both South Africa and Australia to confirm and refine the metallurgical performance of the proposed flow sheet for Dachang.

5.4.6 Mineralization

The Chinese government reports that 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 Au, S, As, Sb and low concentrations of Ag, Cu, Pb, and Zn.

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: free gold-sulphide-alteration cataclastic rock type, and free gold-pyrite vein type.

The Company has not done any polished section work to confirm the work done by the Chinese government, although visual observation of mineralization exposed by trenching and observed in drill core supports the Chinese conclusions. 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.

5.4.7 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 and then by Mr. Gerald Bidwell from 2009 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 Main Parcel 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. See section 5.5.5.4, above, for additional information with respect to sampling and analysis of soils.

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.

5.4.8 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.

5.4.9 Mineral Resources and Mineral Reserve Estimates

On August 20, 2009 the Company published an NI 43-101 compliant Technical Report prepared by Micon.

On July 19, 2010 the Company announced an update to its mineral resource estimate at Dachang as follows:

Dachang Mineral Resources at July 1, 2010

Category		Million Tonnes	Grade (g/t Au)	Million Ounces Gold
	Measured (DMZ & Placer Valley)	5.0	3.55	0.57
	Indicated (DMZ)	12.2	3.34	1.31
Total Measured & Indicated		**17.2**	**3.41**	**1.88**
	Inferred (DMZ & Placer Valley)	9.8	2.97	0.93
	Inferred (NR-2)	1.3	5.81	0.24
	Inferred (Exploration)	3.5	3.06	0.35
Total Inferred		**14.6**	**3.23**	**1.51**

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

This estimate was based on all drill holes at Dachang drilled up to the end of 2009. The total amount of drilling used in the mineral resource estimate of DMZ and Placer Valley is 114,121 metres in 868 drill holes. The total amount of drilling carried out in exploration areas is 12,030 metres in 96 drill holes. The cut-off grade used for 3-D mineralized wireframes was 0.5 g/t Au for DMZ and Placer Valley. The cut-off grade used for exploration areas was 0.6 g/t and linear metal accumulation of 2.4 gm/t. A bulk density of 2.7 t/m^3 was used to convert volume to tonnage based on 103 samples. The top cut based on a probability plot is 40 g/t Au. The primary search ellipse used was 70 m x 35 m x 3.5 m. The minimum and maximum number of samples used for interpolation was 6 and 16 using at least 2 drill holes. The parent block size used was 10 m x 5 m x 5 m. The interpolation method used was Ordinary Kriging. Uniform conditioning was used to derive grade and tonnage above each cut-off using a selective mining unit of 2.5 m x 2.5 m x 2.5 m.

Resources were categorized based on the following criteria:

- Measured Resource: Measured Mineral Resources were defined as those portions of the mineralized blocks where the average distance of all the samples used is less than 70m with a minimum distance of 20m 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 Resource: Indicated Mineral Resources were defined as those portions of the mineralized blocks where the average distance of all the samples used is less than 90m with a minimum distance of 50m from the block centre. In addition, the blocks were estimated using a minimum of 2 drill holes with a minimum of 6 and maximum of 16 samples.

- Inferred Resource: Inferred Mineral Resources were defined as those portions of mineralized areas that are based on widely-spaced drilling. The confidence on geological continuity has been interpreted but there is not enough drilling to confirm confidence on grade.

The resource estimate for the NR-2 Anomaly was not further tested in 2009 and remains unchanged as described in the Company's press release of December 12, 2005.

Maps and associated materials are available on the Company's website at www.inter-citic.com.

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

This updated mineral resource estimate was prepared for the Company under the supervision of Stanley C. Bartlett, P.Geo., of Micon International Co Limited, an independent Qualified Person as that term is defined under National Instrument 43-101. The estimate complies with the CIM mineral resource definitions referenced in National Instrument 43-101.

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.

5.4.10 Preliminary Economic Assessment

On July 6, 2009, the Company announced results of a positive Preliminary Economic Assessment ("2009 PEA") for Dachang. The 2009 PEA was prepared based upon a mineral resource prepared and reported in 2009 and uses the results derived from a programme of preliminary process testwork, conceptual mining schedules and cost forecasts prepared at that time. The 2009 PEA was prepared by qualified, experienced, independent engineering consulting groups, working under the direction of Mr. Patrick Gorman, M.Sc., C.Eng., Eur.Ing., MIMMM.

The preferred case reported in the 2009 PEA comprises an open pit mine delivering 2 million tonnes per year of ore to a fully integrated flotation, Biox ® and CIL circuit which produces Doré. Highlights of the preferred case reported in the 2009 PEA include:

- At a gold price of US$750/troy ounce the Dachang project is estimated to generate an after tax IRR in excess of 40% and an after tax project NPV at a 5% discount rate in excess of US$198 million.
- At a gold price of US$800/troy ounce, the after tax IRR increases to 47% and NPV exceeds US$241 million.
- Total gold production of approximately 1.5 million ounces is forecast to be generated during a mine life of approximately 9 years.
- Estimated mine site cash operating costs average US$404/oz and project capital cost is forecast to be US$104 million.

The economic model in the 2009 PEA was based upon conceptually scheduling an estimated 17.8 million tonnes of mineral resources at an average grade of 3 grams gold/tonne. This was derived from pit

optimizations generated from using a resource model prepared for the DMZ only. It did not include resources contained in areas such as Placer Valley.

Since that time, a new mineral resource estimate has been prepared as at July 1, 2010. In general, this resource estimate reported a significant increase in both quality of the resource and in overall tonnage, and could form the basis for a revision to the 2009 PEA.

The Company cautions that the results of the 2009 PEA are preliminary in nature and includes mineral resources that are not mineral reserves and do not demonstrate economic viability as defined by NI 43-101. The 2009 PEA includes inferred mineral resources that are considered to be too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary assessment will be realized. There is no certainty that the preliminary assessment will be realized as presented since certain engineering parameters related to construction, operating, environment, geotechnical and other technical and cost factors will require further systematic assessment and validation during the pre-feasibility study phase. The results of the 2009 PEA are considered to have an accuracy of +/- 30%.

5.4.11 Ongoing Exploration and Development

The Company intends to follow-up on gold discoveries to date at Dachang in 2011. It is anticipated that mechanical trenching will continue to "in-fill" areas of known mineralization, as well as to test previously untested geochemical anomalies. In 2011, the Company also intends to continue to diamond drill test known zones of mineralization with a view to further advancing Dachang to feasibility, and to continue to test areas of newly discovered mineralization away from the Main Zone and Dachang East, based on results of trenching soil geochemistry and IP anomalies. The Company has discretion with respect to exploration activity, which is primarily determined based on prior results and availability of adequate funding.

The Company has entered into a program of work, based in a new office established in Beijing in September 2010, to move the Dachang Project from exploration to development. This program of permitting and environmental review will take approximately 2 years, and will result in a significant increase in feasibility and other technical and environmental studies in China, and further project economic and technical evaluation. The program is being led by a dedicated Project Manager, working with local Chinese engineering staff employed by the Company as well as Class 1 Engineering Institutes in China and other consultants elsewhere in the world. This work is intended to move the Dachang Main Zone and Placer Valley Zone towards full operating permits and subsequent construction of a mine and mill complex, in the shortest possible period.

5.5 The Zalantun Gold Project

The Zalantun Gold Project is not considered material to the Company.

5.6 Specialized Skill and Knowledge

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 programs 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 material 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.

5.7 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. Historically, gold prices are often subject to wide swings in price and can be cyclical in nature, and demand for gold is based on many factors, including demand for jewellery, many industrial uses for gold, as well as demand from governments and financial institutions that hold gold reserves for hedge and other purposes. Any decrease in gold prices could have an adverse effect on the Company's business, operations and financial results.

5.8 Environmental Protection

The Dachang Gold 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 operations, 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.

5.9 Resale of Shares

The continued operation of the Company will be dependent upon its ability to generate operating revenues and to procure additional financing. 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 for 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 shares 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 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, and the effect of these and other risk factors as discussed above cannot be predicted.

5.10 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.

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 105,788,839 were issued and outstanding as at November 30, 2010 and 105,898,839 were issued and outstanding as at February 24, 2011. 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 7,795,000 stock options, each of which is convertible to one common share of the Company at a weighted average price per stock option of $0.98, for a weighted-average period per stock option of 3.21 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 3,333,000 share purchase warrants, each of which is convertible to one common share of the Company at a weighted average price per share purchase warrant of $1.45, for a weighted-average period per share purchase warrant of 0.67 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 2010 fiscal year (all prices in Canadian dollars):

Month	High	Low	Volume
December 2009	$1.04	$0.79	8,003,000
January 2010	$1.23	$0.79	4,196,200
February 2010	$1.07	$0.77	2,549,500
March 2010	$1.11	$0.95	2,153,000
April 2010	$1.47	$0.99	5,525,600
May 2010	$1.89	$1.28	7,964,800
June 2010	$1.75	$1.45	3,318,500
July 2010	$1.45	$1.12	2,376,900
August 2010	$1.43	$1.19	1,321,400
September 2010	$1.88	$1.32	2,799,900
October 2010	$1.85	$1.55	2,502,000
November 2010	$1.99	$1.64	3,206,300

8.2 Prior Sales

During the 2010 fiscal year, the Company issued 3,650,000 stock options with a weighted average strike price of $1.07 and a weighted average life of 5 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, 2010, 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] Toronto, Ontario	October 2006	Director	Managing Director, Catalyst Strategies Inc., of Toronto	54,000
Michael Doggett British Columbia, Canada	February 2008	Director	Mineral Economics Consultant Director of the Mineral Exploration Program, Queen's University	30,000
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
Lan Fusheng 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
Peter Joynt [1] Ontario, Canada	May, 2008	Director	Owner of Balsam Capital Inc., a consulting company	25,000
James J. Moore Ontario, Canada	May 1997	Director, President and CEO	President, CEO and Director of Inter-Citic Minerals Inc., of Toronto	200,111
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	Principal, Swallow Services Limited, a mining project and managerial services company.	229,500
Zhang Hongyi 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 requires 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, 2010 and 2009 are as follows:

	2010	2009
Audit	$95,825	$81,925
Tax	1,955	11,466
All other fees	10,000	-
Total	$107,780	$93,141

[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, with the exception of Mr. Lan, was so elected at the preceding Annual General Meeting of Shareholders until the next Annual General Meeting of Shareholders. Mr. Lan's appointment to the Board of Directors was made pursuant to the terms of the Zijin investment.

(b) As at the date of this AIF, the directors and officers of the Company beneficially owned, directly or indirectly, as a group, 879,011 common shares of the Company representing approximately 0.83% 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, 5,770,000 stock options (representing approximately 74.02% of issued stock options) of the Company with a weighted average strike price of $0.95 and a weighted average remaining life of 3.2 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)
- Patrick. W. Gorman, M.Sc., C.Eng., Eur.Ing., MIMMM, Puma Resources Limited
- Stanley C. Bartlett, M.Sc., P.Geo., Micon International Limited
- Dibya Kanti Mukhopadhyay, M.Sc., MAusIMM, Micon International Limited
- Jonathan Steedman, M.Sc., MAusIMM, Micon International Limited
- Gary A. Patrick, B.Sc., MAusIMM, Metallurg Pty. Ltd.
- Kenneth L. Myers, M.Sc., P.E., The Mines Group, Inc.

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, 2010.

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.
Ag:	chemical symbol for silver.
alunitization:	the introduction, alteration to or replacement by alunite, a basic potassium aluminium sulphate mineral.
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.
Bi:	Chemical symbol for bismuth.
CBx Thrust Fault:	carbonate breccia thrust fault that transects the Main Parcel.
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.
carbonitization:	the introduction, alteration to or replacement by carbonate minerals.
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.
Cu:	chemical symbol for copper.
dip:	the angle at which a bed, stratum or vein is inclined from the horizontal.
epidotization:	the introduction, alteration to or replacement by epidote, a basic silicate mineral of aluminium, calcium and iron.
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.
fault gouge:	soft, uncemented pulverized clayey or claylike material, commonly a mixture of minerals in finely divide form found along some faults or between the walls of a fault, and filling or partly filling a fault zone; a slippery mud that coats the fault surface or cements the fault breccia.

fault breccia: a tectonic breccia composed of angular fragments resulting from the crushing, shattering, or shearing of rocks during movement on a fault, from friction between the walls of the fault, or from distributive ruptures associated with a major fault.

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.

granite: a coarse grained igneous rock.

GPS: global position system.

heavy minerals: the accessory minerals of a sedimentary rock of high specific gravity.

hematitization: the introduction or replacement by hematite, one of the most common ores of iron, Fe_2O_3.

HQ diamond drill wire-line coring bit and tube size which produces core 63.5mm in diameter.

igneous rock (s): rock formed by the solidification of molten material that originated within the earth.

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.

intrusive rocks: An igneous rock while molten, penetrated into or between other rocks, but solidifying before reaching the surface. **("intrusive(s)")**

Jurassic: the second period of the Mesozoic era, thought to have covered the span of time between 190 and 135 million years ago.

kaolinization: the introduction, alteration to or replacement by kaolin, a common clay mineral.

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.
NQ:	diamond drill wire-line coring bit and tube size which produces drill core 47.6mm in diameter.
NR-2 Fault Zone:	fault zone related to the North River 2 geochemical anomaly.
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.
ppb:	parts per billion.
ppm:	parts per million.
porphyry:	a term given to describe the texture of an igneous rock, exhibiting coarse mineral crystal in a finer grained ground mass; the resulting texture is referred to as porphyritic.
PQ	diamond drill wire-line coring bit and tube size which produces core 85mm in diameter.
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.
pyritization:	introduction or replacement by, pyrite.
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.
sericitization:	the introduction or replacement by sericite muscovite, a white platy mineral.
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 coarse 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.
volcanic rock (s):	Any rock of volcanic origin; volcanic igneous rocks are those erupted as molten masses, forming lava flows, dikes in the crater walls, volcanic plugs etc.
W:	chemical symbol for tungsten.
Zn:	chemical symbol for zinc.